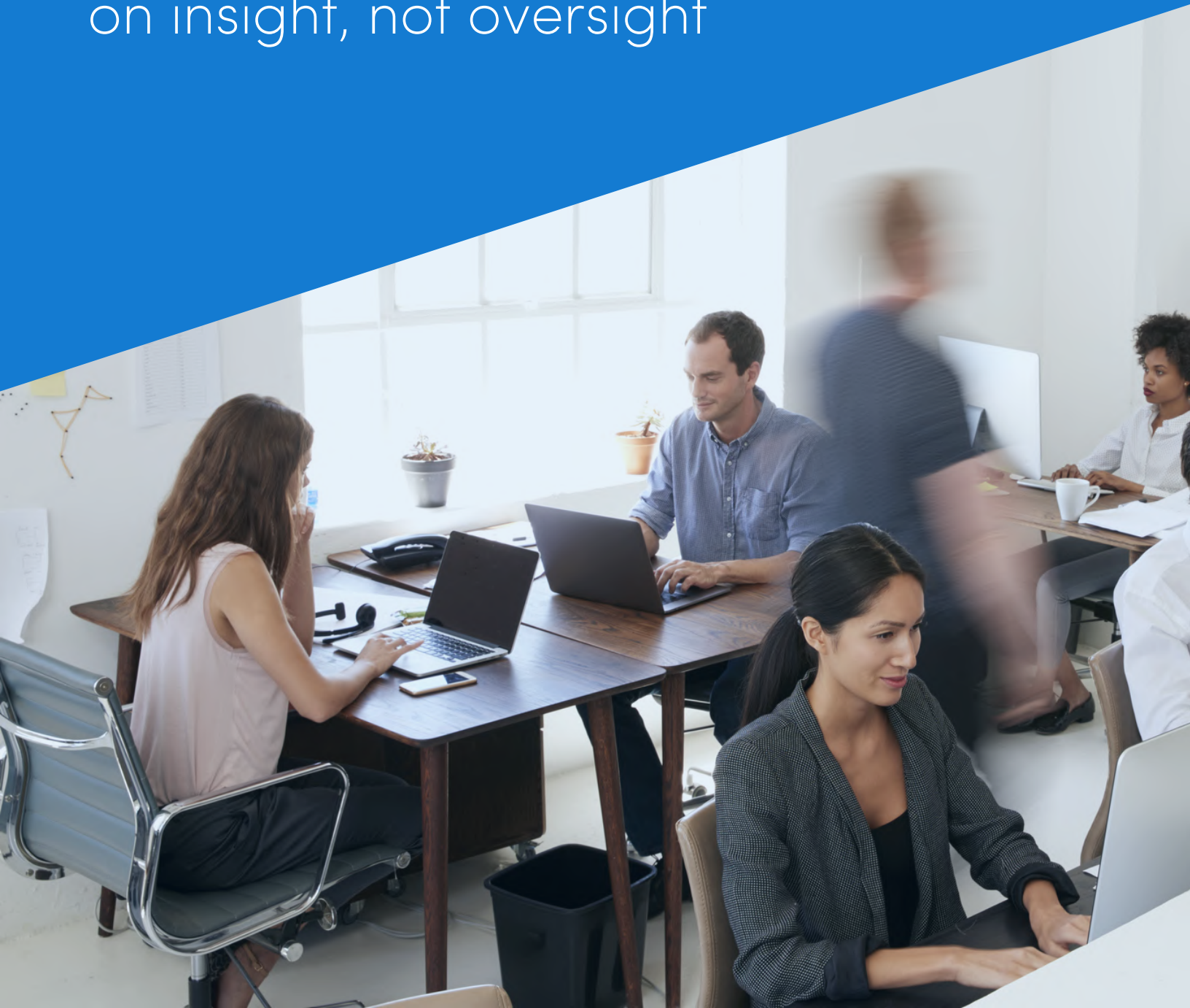




# Beginner's Guide to Employee Monitoring:

How to develop a program based  
on insight, not oversight



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## What is Employee Monitoring?

Understanding what your employees are doing at work – whether in-office or remote – is critical to improving productivity and reducing operational compliance risk across your organization.

Employee monitoring has evolved from a strategy managers used to answer, “Are my employees working?” to one that uncovers “How are my employees working?”. Business leaders now leverage key user behavior analytics and insights to replicate successful work patterns and processes, and optimize those that are not, within an organization.

With a collaborative approach, businesses can implement an employee monitoring program that provides insightful data. Employee monitoring technology isn't a tool to spy on employees or infringe on their privacy. Instead, the insights serve as a means to promote win-win situations for employers and employees alike.

While employee monitoring is a broad, umbrella term used to describe all ways employee activity can be tracked, employee monitoring software tools typically audit employee activity on company-owned devices such as laptop and desktop computers.

## How does employee monitoring software work?

Typically, a reporting agent is downloaded and installed on a company-owned device, user activity data, including application access and internet browsing activities, begin to flow into employee monitoring software dashboards and reports. From there, the data can easily be analyzed to identify opportunities for improving productivity and operational compliance across an entire organization.

## Who is ActivTrak?

ActivTrak is a workforce productivity and analytics software company that helps teams understand how people work, whether in-office or remote. Our cloud-based user activity monitoring platform collects and analyzes data and provides insights to help organizations be more productive and compliant.

With more than 7,500 customers and over 100,000 users of its free version, ActivTrak's award-winning solution can be configured in minutes to identify operational bottlenecks, flag operational compliance risks, and provide valuable insights that help employees and employers improve productivity outcomes.

# Employee Monitoring Myths: Debunked

## **Myth:** Employee Monitoring

is illegal

**Reality:** In the majority of instances, workplace monitoring is legal. And in most U.S. states, permission isn't needed by the employee if they're using company-owned devices. However, to get the intended value out of employee monitoring software, employers should be transparent about its implementation and usage. Explaining how it works, why it's needed, and how it will benefit everyone will address any privacy concerns in advance and will usually have an immediate impact on productivity.

## **Myth:** Only suspicious

employees should be monitored

**Reality:** Not only can this open the doors to legal implications, but monitoring only some employees robs you of the opportunity to analyze the productivity and operational compliance risks across your entire organization.

## **Myth:** Employee monitoring should just be used for remote employees

**Reality:** Similar to the myth above, monitoring activity of only some employees deprives you of the opportunity to see the full picture of how your organization works. Whether you can physically see an employee or not, it is impossible to understand true productivity levels and audit for operational compliance risk using eyesight alone.

## **Myth:** Monitoring employees

invades their privacy

**Reality:** Employee monitoring shouldn't be used to spy on employees or impinge on their privacy. When implemented in a transparent and fair manner, these tools and the data insights they provide help both employers and employees work more efficiently and effectively.

## **Myth:** Only management benefits

from employee monitoring

**Reality:** Employees benefit from employee monitoring software in many ways. For example, the tools enable and support the expansion of remote and flexible work opportunities. Additionally, the data derived from these tools can facilitate fair promotions and raises, among other benefits.

## Business Trends Driving Employee Monitoring

### Remote Work

The trendline of remote work has been growing exponentially, especially with the onset of the COVID-19 pandemic. The types of flexible work arrangements have diversified and now include telecommuting, hot desks, flex-time and the gig economy powered by domestic and offshore freelancers and consultants. Surges in the remote workforce are driven by many factors including access to larger talent pools, improved employee engagement and retention, pressure to meet global business demands, cost savings for employers and, as was the case in 2020, ensuring safety during a pandemic. And, industry leaders estimate that the rapid shift to remote work in the wake of COVID-19 has accelerated the adoption of remote work by nearly 10 years. In fact, 74% of companies plan to implement remote work permanently, according to an April 2020 survey by Gartner.<sup>1</sup>



### Digital Transformation & Tech Acceleration

The acceleration of technology changes in the workplace has employees constantly on the lookout for the latest apps that can help them work faster and smarter. This is a huge boost for employers, however it poses a cost management challenge. According to a recent study by IDC<sup>2</sup>, global spending on technologies and associated services that enable digital transformation will hit nearly \$2 Trillion by 2022, with some of the top global companies allocating 10% of revenue to these efforts. In order to protect that investment, employers need the means to track and measure technology usage trends.

<sup>1</sup> <https://www.gartner.com/en/newsroom/press-releases/2020-04-03-gartner-cfo-surey-reveals-74-percent-of-organizations-to-shift-some-employees-to-remote-work-permanently2>

<sup>2</sup> <https://www.zdnet.com/article/digital-transformation-spending-to-approach-2-trillion-by-2022/>

## Lean Operations

Due to increased global competition and economic uncertainty, almost all organizations are looking for ways to reduce business waste by identifying and cutting unnecessary costs. This includes streamlining inefficient processes, maximizing human resources, and eliminating non utilized or underutilized software licenses. As app and software-as-a-service (SaaS) tools grow within a company so, too, do their costs. Without visibility into software usage, organizations often pay for underutilized subscriptions and license fees. The cost of unused software? \$34 billion per year in the United States and UK<sup>3</sup>, or about \$11,000-\$15,000 per employee per year<sup>4</sup>.



wasted annually by companies  
in the US and UK in unused  
and duplicate SaaS subscriptions



of data breaches involve  
malicious insiders



the cost of non-compliance  
with data privacy regulations  
is 2x the cost of compliance

## Regulatory and Legal Environments

Regulations to protect customer and employee data continue to grow stronger. To satisfy auditors, companies must institute better visibility, regular audits and control over who can access sensitive data. It is estimated that 90% of all data breaches are caused by human error, with a staggering 34% involving malicious insiders<sup>5</sup>. The cost of malicious insider attacks in 2019? \$1.6M annually per organization.<sup>6</sup>

Likewise, data privacy laws designed to protect consumers are advancing at a rapid pace. In addition to the European Union's sweeping 2018 law, GDPR (General Data Protection Regulation), other countries, regions and states have passed their own legislation to provide consumers with more visibility and control over the use of their personal data. In January of 2020, for example, California passed CCPA (California Consumer Protection Act) that is widely regarded by privacy experts as a test for future federal data privacy laws in the United States. These laws put further pressure on businesses to protect access and use of their databases in order to prevent costly litigation and damage to their company's reputation. The cost of non-compliance with data privacy regulations? \$14.82M annually/organization, often 2x the cost of compliance<sup>7</sup>.

<sup>3</sup> <https://www.1e.com/resources/report/software-usage-waste-report-2016/>

<sup>4</sup> <https://www.cioinsight.com/it-strategy/messaging-collaboration/slideshows/ineffective-communications-waste-millions-a-year.html>

<sup>5</sup> <https://enterprise.verizon.com/resources/reports/dbir/>

<sup>6</sup> <https://www.techradar.com/news/90-percent-of-data-breaches-are-caused-by-human-error>

<sup>7</sup> <https://www.globalscape.com/resources/infographics/data-compliance-costs>

# Key Benefits of Using Employee Monitoring Software

## 1. Improve Employee Productivity

User activity data gathered through employee monitoring software makes it possible to take tangible steps to both measure and improve employee productivity over time. Managers and employees can identify patterns such as unproductive work tools or applications used and inefficient methods of accomplishing certain tasks. They can also use the data to identify strengths and weaknesses in teams in order to appropriately delegate tasks to match the strengths of team members. In instances of struggling employees, supervisors can use the behavioral data to identify areas where they can provide clear coaching and guidance in a timely fashion as well as find the right workload balance for each team member.



## 2. Reduce Operational Compliance Risk

Most employees want what's best for the company, but still put their organization at risk through simple mistakes. When implemented with operational compliance in mind (think conditional alarms and policy definition), an employee monitoring solution can help protect organizations from unintentional data loss due to user negligence and/or risky operational behavior. Monitoring can provide administrators and managers with visibility and alerts when users knowingly or unknowingly violate internal policies such as uploading data to an unauthorized website, copying sensitive files to a USB device, and/or using unauthorized applications. Effective solutions will monitor based on compliance rules and take action when a policy is breached; such as blocking or terminating certain websites or applications and/or serving up a reminder notification to employees to redirect the behavior.

In some environments, the data collected by employee monitoring solutions can help stop insider threats in two important ways. First, by being transparent about your use of employee monitoring technology, the likelihood of malicious behavior is already deterred. Second, employee monitoring puts powerful tools into the hands of administrators and managers so they can quickly identify insider threats, investigate incidents, and build out forensic evidence. An employee monitoring solution can be instrumental in collecting data and images to show exactly what happened and when, all of which are critical when conducting a forensic investigation.

As noted on the previous page, not only can employee monitoring solutions help reduce the risk of data breaches and insider threats, but they can also ensure employees are complying with internal data protection and operational policies. Employee monitoring tools can substantiate the effectiveness of access controls that prevent unauthorized access to sensitive data.

### 3. Optimize Business Processes and Costs

Information collected from employee monitoring can also help business leaders identify inefficient uses of resources or broken processes. Examples include measuring activities to determine benchmark times to complete specific routine tasks or evaluating the effectiveness of new operating procedures and how they impact productivity. Similarly, activity analyzed across an entire team can pinpoint workflow bottlenecks and opportunities for streamlining operations or optimizing automation and tooling.

Insights from employee monitoring technology can also help you optimize your tech stack. Easily identify the most used and most effective applications across your workforce, while similarly spotting underutilized and redundant software. Organizations can use the data insights from employee monitoring software to effectively manage, and in many cases reduce, licensing costs.

### 4. Boost Employee Engagement & Retention

Engaged employees tend to be more productive, more creative, and more likely to develop the kind of positive relationships with coworkers that keeps teams working well together.

**Unfortunately, only a little more than one in three US workers today can be classified as engaged. The remaining 66% of employees are either not engaged, or worse, “actively disengaged”.**<sup>8</sup>

Employee monitoring gives management clear visibility into common symptoms of disengagement like increased usage of unproductive apps such as entertainment or social media or shrinking productive time. These tools even make it possible to assign risk levels to applications and websites and calculate engagement scores based on usage to help managers identify less engaged employees and incentivize them to get back on track. On the flip side, transparent performance tracking with the right use of leaderboards and gamification can encourage friendly competition. These techniques can boost morale and motivation by making everyone part of the process.

<sup>8</sup> <https://news.gallup.com/poll/241649/employee-engagement-rise>

# How To Leverage Data Collected from Employee Monitoring Solutions

Employee monitoring tools collect and analyze user activity data and workforce insights, also known as workforce analytics. Workforce analytics has its traditional roots in measuring employee data for workforce planning, talent management, performance, and engagement, typically used by HR teams. Today, workforce analytics extend much further to provide all departments with key user behavior insights that answer business-critical questions such as:

## Productivity

- What does workforce productivity and engagement look like, and how can we improve it?
- What are employees' most productive hours?
- Are employees spending appropriate time on productive activities?
- Are employees consistently engaged over time and/or distracted frequently?
- Are employees more productive working remotely vs. in an office?
- Which employees are at risk of burnout?

## Activity & Application Usage

- Are employees working on activities aligned with their roles?
- Are employees allocating the right percentage of time in each activity?
- What software licenses and tools do we REALLY need?

## Collaboration & Knowledge

### Management

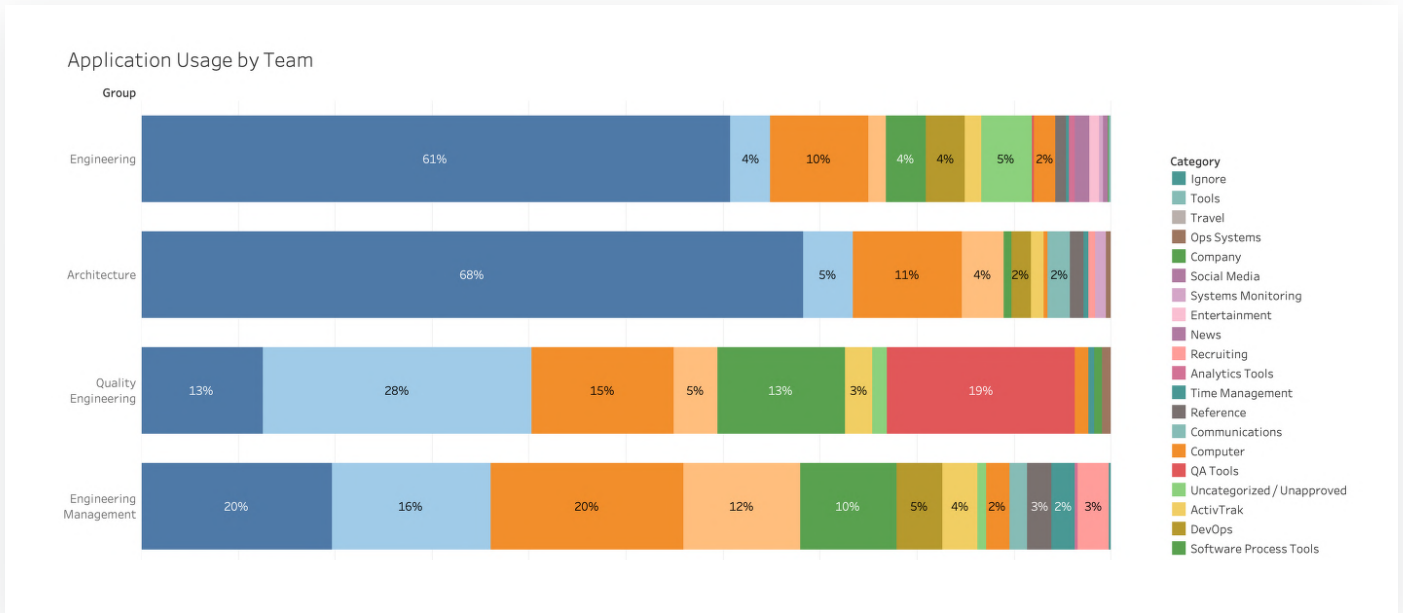
- Do employees have the right tools for their roles?
- Do employees spend too much time searching for information?
- Do employees post and/or access an internal knowledge base?
- Are employees spending too much time in meetings?
- Are employees using collaboration software regularly?

## Operational Compliance

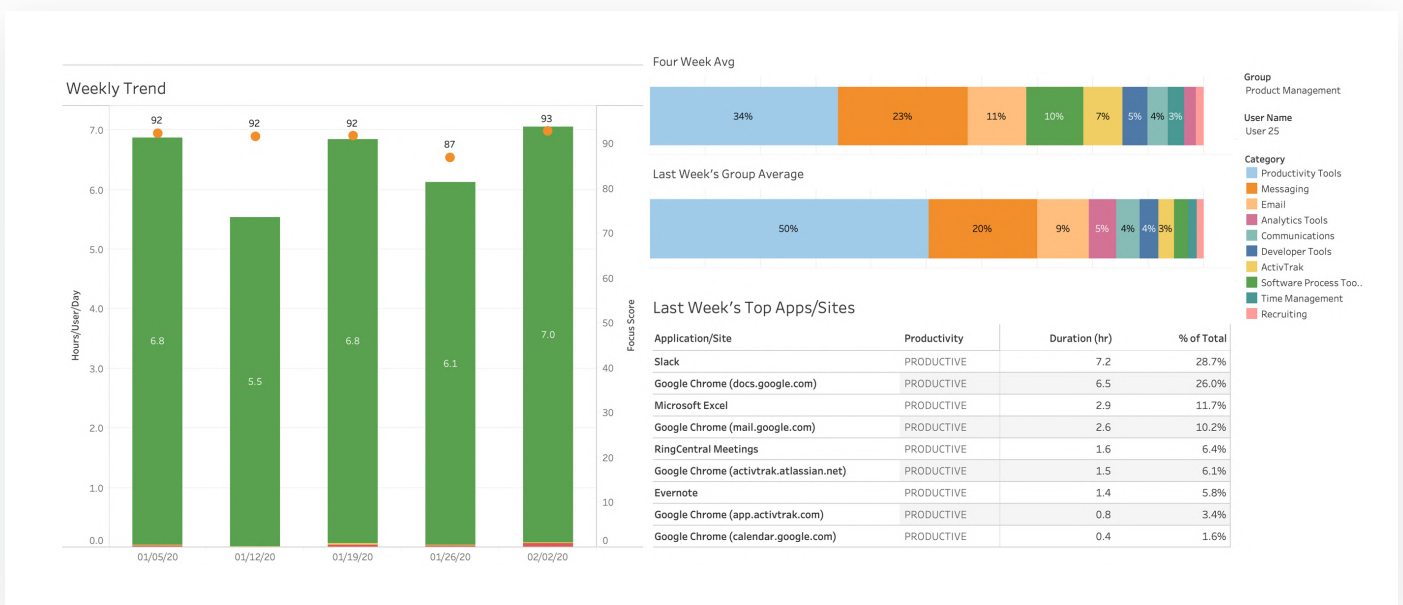
- Are employees sharing company and/or customer data externally?
- Are employees accessing sensitive data and risking compliance with PII, PCI, and HIPAA?
- Are employees using unauthorized apps?
- Where do we have inefficient workflows or processes?

## What do Workforce Analytics Look Like?

Workforce analytics provide insights based on your actual workforce data. These insights can help pave a roadmap for the organization to address key opportunities and challenges that will ultimately achieve better outcomes for employers and employees. Here are a few examples of workforce analytics reports using [ActivTrak's ActivConnect](#).

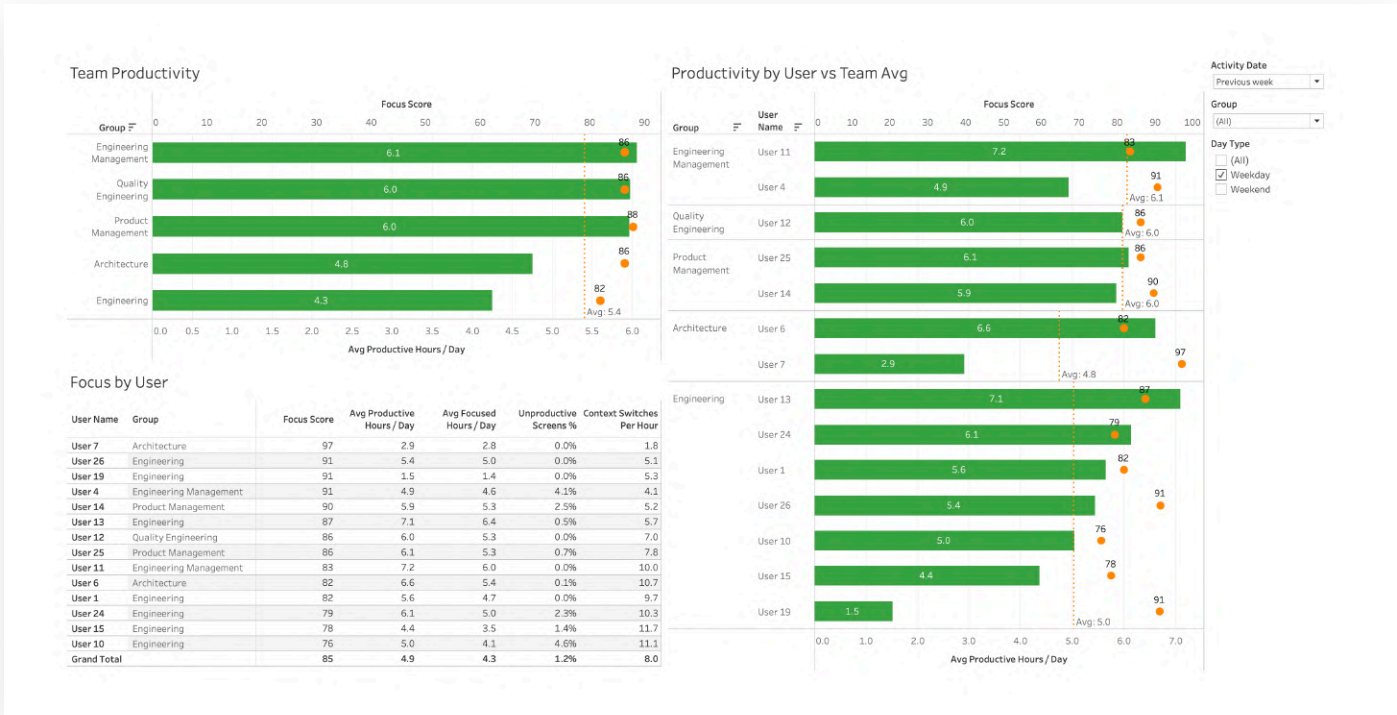


View and analyze activities across different applications usage as a % of total time spent by teams or groups.



View a personal weekly summary by individual to compare trends across time horizons and activities.

Use the insights as evaluation opportunities for improvement.



Establish Focus Scores which determine benchmarks of team productivity. Learn where time is spent, uncover gaps in focus areas and view comparisons by individual and groups.



Learn productivity trends across teams or specific roles including productive hours per day, most productive times of day and week. Compare productivity patterns by week and by office locations vs. remote employees.

## The Do's and Don'ts of Employee Monitoring



### **Be transparent about monitoring.**

Whether it be documented in your employee handbook or other policy, or just having a casual conversation with your teams, most experts recommend being upfront about your employee monitoring program including what data you collect and how you intend to use it.

Trust and transparency are essential to building productive teams!



### **Let employees access their own data.**

Not only does this promote trust, but by analyzing their own data, employees are empowered to self-manage and make adjustments and improvements without outside intervention.



### **Use employee monitoring data as part of your performance review process.**

This data can drive well-deserved recognition and facilitate conversations about key areas of improvement. It can also help facilitate healthy conversations between managers and employees around work habits, balance and schedules.



### **Leverage automated alerts.**

Let employee monitoring software do the heavy lifting. Set the parameters of what would be considered suspicious or non-compliant behavior, such as transferring files or visiting a pornography website, and you will be automatically alerted in real-time of these activities so you can take immediate, corrective action.



### **Tailor your analysis for your needs.**

Don't be afraid to take your collected workforce data and combine it with other data sources for more personalized reporting via a BI visualization tool such as Power BI or Tableau. Integrating and correlating user activity data with other data sources such as Salesforce, ZenDesk, Jira, etc. provides even deeper analysis to further improve business operations. Your business may have unique goals and processes, so be sure to analyze the data accordingly.

### **Micromanage or spy on employees.**

Employee monitoring software is meant to provide insights to improve your business. It should not be used to spy on employees or incite invasive or harassing behaviors. Organizations should prioritize and protect employee privacy while using employee monitoring solutions.

### **Use a one-size-fits-all model for understanding productivity.**

Roles vary and so, too, do the ways each team member performs their work. What defines a successful, productive salesperson is much different than what defines a successful, productive engineer. Avoid comparing apples to oranges and instead baseline and analyze metrics for similar roles to get accurate business insights.

### **Make assumptions about data.**

If you are concerned about any data you see, it is advised to speak with an employee to clear up any possible misunderstandings before coming to conclusions or taking corrective actions.

### **Use keylogging.**

Keylogging, or keystroke logging, is a process that records the keys a user is typing on the keyboard in order. Loggers collect and store passwords, bank account information, private messages, credit card numbers, PIN numbers, and usernames. The potential for misuse far outweigh any perceived benefits. For this reason, ActivTrak does not offer Keylogging in their employee monitoring solution.

### **Install on non-company owned devices.**

This is typically not advised. Even with employee permission, you may face unique challenges by collecting and analyzing data from a personal device.

## Conclusion

Due to the rise in remote work, increasing global business demands, and rapidly changing regulatory and legal requirements, employee monitoring solutions have become a critical component to business continuity and success. Having clear visibility into how employees and teams get work done - whether in-office or remote - is key to improving productivity, boosting operational efficiency, and reducing data compliance risks. However, in order to promote trust and transparency, while respecting employee privacy, employee monitoring programs must prioritize insights versus oversight.

By being transparent with employees about using employee monitoring solutions and following the other best practices outlined in this guide, employee monitoring programs can facilitate more sustainable and productive workplaces that benefit both employers and employees.



## Checklist: Getting Started for FREE with ActivTrak



### Read the Beginner's Guide to Employee Monitoring

Congratulations! You've already completed the first step.



### Develop your goals and KPIs

As with any new program, it's critical to understand what your goals are before getting started. Just as important is outlining what success looks like. How will you measure your progress towards these goals?



### Plan on transparency

How will you communicate the rollout of an employee monitoring program to your team members? While some organizations are discreet about deploying an employee monitoring program, ActivTrak strongly recommends being upfront about it. Not only does this help build trust between management and employees, but often when employees are aware of the software, they are more likely to avoid risky behaviors in the first place.



### Revise your policies

Document your implementation and usage of employee monitoring software. Not only is this a best practice, but it protects organizations from unwanted legal consequences.



### Sign up for a Free ActivTrak account

With ActivTrak, you can monitor up to 3 users for free. To monitor additional users and unlock advanced features, you can always upgrade to our paid version. [Click here to get started for free.](#)



### Install the agent

On every device you wish you to monitor, simply hit the blue "Download Agent" button within the ActivTrak app. You can also remotely install agents on devices. To learn more about agent installation, [click here.](#)



### Customize your account

After the agent is installed, you can customize your instance to best meet your needs. This includes naming devices and users, creating groups, assigning productivity labels and categories to websites, setting custom monitoring schedules, and enabling alerts. To get detailed instructions on setting up customizations, [click here.](#)



### Review dashboards & reports

The ActivTrak dashboard displays key summaries of the extensive and more detailed reports available in other areas of the app. If you just want a quick snapshot of your organization, the dashboard is the place to go. For a deeper analysis, run out-of-the-box or custom reports on your data. You can even query and integrate your user activity data with BI tools such as Microsoft Power BI or Tableau by using ActivTrak [ActivConnect tool.](#)

# More than 8,000 customers and 250,000 users worldwide trust ActivTrak



## Senad H.



CEO, IT Services (Capterra)

"It's very easy to start using [the] software 5 minutes after installation. Reports and analysis potential are huge and alarming options [are] above my expectations. We got the information about employees' productivity that helped us optimize work for everyone to feel and work better."

## Administrator



in Management Consulting (G2)

"I like the dashboard that shows a summary of productive vs. nonproductive hours based on how apps and sites are defined. It is easily customizable to fit the needs of the business."

## Administrator



in Defense & Space (G2)

"ActivTrak has a simple to use interface and has automatically updating agents. Its dashboard provides a very helpful view into the usage statistics."

## Brendan



Business Owner (G2)

"With ActivTrak, we had the perfect balance of being able to track our employee's actions throughout the day, without digging into their personal lives, as we can have ActivTrak disable itself outside of office hours. Ultimately we liked the fact that we could hold our employees accountable without invading their privacy."

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CREATE ACCOUNT



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