BLOGS

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Workplace Monitoring and Performance: A Mixed Bag?

Technology increasingly creates opportunities to monitor employee performance and workplace behavior. Monitoring is generally considered to be a tool that is likely to increase employee productivity and performance. Interestingly, though, the New York Times recently highlighted a Harvard Business School paper on the topic describing what it calls the Transparency Paradox.

Researchers conducted an experiment at a large factory in China, surrounding four of its 32 assembly lines with curtains to give a measure of privacy to the four lines. After five months, researchers found that the workers on the four lines with greater privacy were 10-15% more productive than the lines without curtains. The paper analyzed these findings, concluding:

> *[C]reating zones of privacy around line workers activities did not result in slacking off or cutting corners. Instead, the zones of privacy improved transparency within the line and, with it, improved productive deviance, experimentation, and focus on productive work. . . . The establishment of a zone of privacy around the line allowed improvement rights to be owned by those on the inside, encouraged more transparency within the visibility boundaries, and ultimately enabled an increase in organizational performance.*

(Here at pp. 43-44.)

The Harvard paper did not entirely dismiss the potential benefits of employee monitoring, noting, for example, that the productivity findings were measured by the company's IT systems. The paper did, however, praise the value of visual privacy as an underutilized performance lever.

Whatever your company's approach on employee monitoring, the Harvard paper illustrates that workplace monitoring can present opportunities, downsides, and risks. When looking at the upsides of technology, using technology can, in some instances, promote better behavior and more productivity. In addition, it can allow employers to monitor and measure performance more objectively, and objective performance measures can decrease legal risks of discrimination and other types of claims.

At the same time, monitoring employees creates potential downsides and risks. The Harvard paper suggests that at least some employees may perform better when they have some measure of privacy. In addition, performance measures that are not appropriately tied to an organizations legitimate business needs can increase legal risks. For examples, these measures might have a disparate impact on certain legally protected groups, giving rise to the risk of discrimination claims. Similarly, monitoring employees without advance notice or in ways that unnecessarily intrude into employees personal lives can create a risk of privacy and other potential legal claims. Like with so many issues, employers utilizing technology to monitor employee performance should be thoughtful and pursue a careful, balanced approach. Monitoring and performance measures should be fair and accurate, driven by business needs, and should be implemented after reasonable notice to employees. These measures should also be done in way that avoids unnecessary intrusions into employees personal lives and unwittingly inhibiting the very performance an employer is trying to enhance.