Monitoring Employees Makes Them More Likely to Break Rules

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In April 2020, global demand for employee monitoring software more than doubled. Online searches for "how to monitor employees working from home" increased by 1,705%, and sales for systems that track workers' activity via desktop monitoring, keystroke tracking, video surveillance, GPS location tracking, and other digital tools went through the roof. Some of these systems purport to use employee data to improve wellbeing — for example, Microsoft is developing a system that would use smart watches to collect data on employees' blood pressure and heart rate, producing personalized "anxiety scores" to inform wellness recommendations. But the vast majority of employee monitoring tools are focused on tracking performance, increasing productivity, and deterring rule-breaking.

For example, a social-media marketing company in Florida installed software on employees' work computers that takes screenshots of their desktop every 10 minutes and records how much time they spend on different activities. The company then uses this data to determine productivity levels and identify rule-breakers. Similarly, Amazon tracks smartphone data for its delivery drivers to monitor their efficiency and identify unsafe driving practices.

Given their prevalence, one might expect that these sorts of systems would be effective in reducing harmful workplace behavior. And indeed, studies have shown that in some contexts, monitoring can deter certain specific behaviors, such as theft by restaurant workers. However, our recent research suggests that in many cases, monitoring employees can seriously backfire.

When Monitoring Backfires

In our first study, we surveyed more than 100 employees across the U.S., some of whom were subject to monitoring at work and some of whom were not. We found that monitored employees were substantially more likely to take unapproved breaks, disregard instructions, damage workplace property, steal office equipment, and purposefully work at a slow pace, among other rule-breaking behaviors. Of course, this survey only determined correlation — so to prove causation, we ran a second, experimental study. We asked another 200 U.S.-based employees to complete a series of tasks, and told half of them that they would be working under electronic surveillance. We then gave them an opportunity to cheat, and found that those who were told they were being monitored were actually more likely to cheat than those who didn't think they were being monitored.

What drove this effect? In general, people are motivated to do the right thing by a combination of external factors (such as the threat of punishment or promise of reward) and their internal moral compass. Prior studies in support of employee monitoring generally focus on the former: situations in which targeted monitoring informs an immediate external response to a specific form of misconduct, such as retail workers who know they will be fired if they're caught stealing on camera. But in many workplace contexts, employers cannot rely on carrots and sticks alone. In these cases, employers must also depend on employees' internal sense of morality — and our studies showed that monitoring employees causes them to subconsciously feel that they are less responsible for their own conduct, thus making them more likely to act immorally.

Specifically, when we surveyed the participants in our studies, we found that those who were monitored were more likely to report that the authority figure overseeing their surveillance was responsible for their behavior, while the employees who weren't monitored were more likely to take responsibility for their actions. This reduction in agency in turn made the monitored employees more likely to act contrary to their own moral standards, ultimately leading them to engage in behavior that they would otherwise consider immoral.

To Boost Agency, Treat Employees Justly

Clearly, monitoring can have some major negative side effects. But is it possible to gain the benefits of monitoring employees without pushing them to abandon their morals? Being monitored is likely to always have at least some negative impact on people's sense of agency and moral responsibility, but our studies did identify one mechanism that can reduce this effect: When employees feel that they are being treated fairly, they are less likely to suffer a drop in agency and are thus less likely to lose their sense of moral responsibility in response to monitoring. In our experiment, we increased perceptions of employer fairness both by varying how respectfully the administrator interacted with the participants, and whether they received the cash reward they had been promised, and we found that monitored participants were less likely to cheat if they felt they were treated justly.

So what does this mean for employers? There are countless ways leaders can enhance perceptions of justice (and thus preserve employees' sense of agency). As a starting point, rather than unilaterally implementing a monitoring system, leaders should find ways to give employees visibility and input into when surveillance is appropriate and when it should be off-limits — and then stick to those boundaries. For example, financial services instant messaging platform Symphony enables managers to monitor employee conversations only to the extent necessary for record-keeping and legal compliance, with strict guidelines in place preventing any surveillance without a strong justification. Leaders should also find ways to give employees access to their own data, as well as aggregated, anonymized data collected from relevant teams. That data should in turn be used in ways that benefit employees (for example, to inform wellness initiatives or professional development opportunities). And of course, leaders should do their best to communicate openly and transparently with employees about what data will be collected and how it will be used — in fact, one survey found that even just explaining the scope and purpose of monitoring can boost employees' acceptance of the practice by about 70%.

When used right, monitoring employees can prevent accidents, boost performance, and improve overall wellbeing. But our research demonstrates that it can also reduce employees' sense of agency and personal responsibility, potentially increasing the prevalence of the very behaviors that these systems are meant to deter. To mitigate this risk, leaders must ensure that they treat employees fairly, foster accountability, and frame monitoring as a tool for empowering — not punishing — employees.