Employee time Tracking

On 14th May 2019, the European Court of Justice passed a landmark ruling to end decades of undocumented wage theft and unlawful working practice across Europe.

Aiming to protect employees
— "the weaker party in the employment relationship" — it made it compulsory for EU companies to record all employee working hours openly and objectively.

In doing so, it placed a means of employee empowerment in the unlikeliest of places...

Time Tracking

Aside from being a requisite new mechanism to protect EU worker rights, time tracking is the go-to tool for managing productivity, profitability and operational efficiency.

As modern workforces become more distributed, it's helping businesses manage team performance and visualize all collaboration.

For the purists, it's a no-brainer for simply getting paid.

▶ But how could employee time tracking benefit you?

▶ What insights can you expect to gain from it?

▶ How do you avoid upsetting colleagues and harming your culture?

▶ Which time tracking solution is best for your set-up?

This handbook is a direct response to those concerns and questions — it lays out how to implement employee time tracking the right way.

Contents

All examples in this handbook derive from automatic time tracking methods, since they produce the most accurate and insight-rich employee data.

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Why Time Tracking?

> ❝
>
> **Time is what we want most, but what we use worst.**
>
> William Penn

In the world of work, time is our universal currency

No matter how we value effort and output, we all create and compete within in the same 24-hour period. No work exists outside of time.

We plan what we want to do each week. We enter agreements to deliver work by a given date. We analyze performance in quarterly and annual reviews. We have our own mortal timelines for achieving all our ambitions.

The purpose of time tracking is just to understand how we use that time in order to get more quality from it — to help develop our thinking, actions and outlook.

It isn't about spying on people or setting an unrealistic pace for production, and it shouldn't make you feel bad. It's simply about getting more from the single resource we all share.

What Can Managers Do With It?

Why do you want to track employee time?

To get the most out of time tracking, you first need to know what you want to use it for. For many EU companies, at least, that might be quite straightforward — employee time tracking is now a legal requirement.

But time tracking has a lot more to offer than purely recording employee hours. From improving project profitability to protecting against burnout, here's a brief look at what you can do with time tracking — including the specific metrics and insights it can reveal.

Increase profitability

Make all business activity — billable and internal — accountable to help understand what's holding your profitability back.

✓   Represent all work

✓   Hidden billable hours

✓   Internal costs

✓   Billable % of work

✓   Project profitability

✓   Employee utilization

I no longer have to be anxious about trying to remember what I did this or that day. Automatic tracking gives insights on where my time actually goes, so my business can be more profitable.

Tim, design

Manage intelligently

Allocate resources effectively and protect your team against burnout, drilling down into each individual team member's capacity, workload and activity.
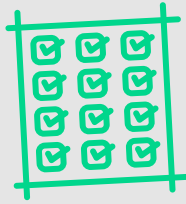
✓ Availability

✓ Employee hours

✓ Overtime (see all hours)

✓ Workload

✓ Work against capacity

✓ Activity

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It helps me identify where we are effective, and where we need to improve our workflows. I work better and have a better understanding of my employees' time, without making them feeling controlled.

Piotr, PR

Deliver successful projects

By understanding all the work that goes into each project, you can improve future estimates, set prices which cover your costs and identify your most profitable work. Real-time budget tracking then keeps everything accountable.

✓ Budget spend

✓ Map all tasks

✓ Average task length

✓ Latest activity

✓ Reports

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Time tracking helps me understand the hours I put into each project phase, so I can write better proposals.

Melody, design

Work effectively

Get a panopticon view of exactly how your business spends its time. Identify workflow inefficiencies, time wasting tasks and bloated processes to help achieve frictionless collaboration.

✓ Task completion rate

✓ Time drains

✓ Distractions

✓ Plan vs actual

✓ Unconscious behaviors

✓ Total business effort

✓ Automate timesheets

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I used to feel guilty for not getting everything on my to-do list done. Now I see that I didn't have realistic time goals. This is going to completely revolutionize the way I focus my days.

Meagan, financial planning

timelyapp.com

What Can Employees Do With It?

Can time tracking benefit employees?

Time tracking isn't just a tool for managers. Far from being a means to contain and control, it can actually enable employees; helping them master productivity, collaborate more thoughtfully and become more self-aware.

Leveraging these benefits is crucial for getting your people to actually buy into time tracking. You need to clearly communicate the value time tracking offers them from the outset. To that end, here are just a few ways time tracking can support your team.

Self-management

In our new era of "employee experience", employee autonomy counts for a lot. Time tracking empowers employees to manage their own professional space, helping them to:

✓ Plan against their weekly capacity

✓ Highlight low-value tasks and scope creep

✓ Time box their working week

✓ Capture work outside their remit

✓ Document workload fluctuations

✓ Show who's available to help out

✓ Share updates on progress

timelyapp.com

Two people on my team used time data to show that their day-to-day work strayed significantly from their title and job description. We've used that data to put them both in more appropriate roles and they're now much happier.

Vicky, health tech

timelyapp.com

Self-knowledge

Understanding how you work is essential to mastering your productive performance. Employees can access a ton of insights on unconscious behaviors and work patterns, including:

✓ Low-value tasks and time drains

✓ Interruptions — like apps, meetings and email

✓ How long different tasks tend to take

✓ How much deep work they perform

✓ Where they multitask

✓ How they get distracted

✓ Where and when they procrastinate

timelyapp.com

We are trying to identify and eliminate inefficient tasks in our company, so we track our daily tasks and tag the ones we see as unnecessary. It's also helped me to focus on one task at a time, instead of switching constantly, which has made me more effective.

Richard, web development

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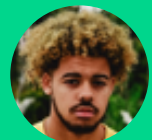
Recognition

Visibility is essential to sustaining individual engagement and team collaboration. Time tracking helps bridge the information gap between employees and managers by documenting:

✓   Everything each employee contributes

✓   Progress on different project tasks

✓   Invisible work – like communication and admin

✓   All employee overtime

✓   Who is overloaded or struggling

timelyapp.com

We work in a small office setting, but many of us work remotely. Automatic time tracking helps us keep track of what we're each working on and how it relates to our clients.

Garin, marketing

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How Do You Do It?

What are the main differences between time tracking software?

There are essentially two main approaches to employee time tracking: **manual** and **automatic**.

Manual tracking

The manual method is used by the majority of employee time tracking software. Its application varies in sophistication, from basic spreadsheet templates to cloud-based timer software. The main manual tools can be classified as follows:

Is manual time tracking accurate?

It can leave businesses vulnerable to expensive inaccuracies and guesstimations.

Hours calculators

These are used for marking attendance.
They essentially provide a "from-to" computing interface for people to total their working hours.
You type in when you started work and when you finished, including any breaks you had, and the tool calculates your totals.

Examples:

Miracle Salad

Calculator Soup

Calculate Hours

Time Card Calculator

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Online time clocks

The classic "clock in, clock out" time card approach, but digitized. You click to record when you start and stop work. Many offer GPS location tagging and are available on mobile devices for itinerant workforces. These are also mainly limited to tracking attendance only.

Examples:

All Hours

Deputy

On The Clock

TSheets

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Online timesheet apps

The most recognizable names in time tracking software fall under this category. They apply the same timer principle to individual tasks, requiring employees to start and stop timers for all the things they work on in a day.

Examples:

→ Toggl

→ Harvest

→ Clockify

→ Click Time

→ Timecamp

→ Desk Time

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Limitations of manual tracking

— Requires robotic discipline to be accurate

— Time logs are often reconstructed from memory

— Creates a daily administrative burden

— Managing timers interrupts employee focus

— Unnatural and often impractical way of working

— Often resented by employees

Automatic tracking

The automatic method is still young, but represents the most advanced and accurate way to track employee time. Automatic time tracking software essentially solves the inaccuracies and interruptions of traditional manual methods, and removes the entire time tracking burden by:
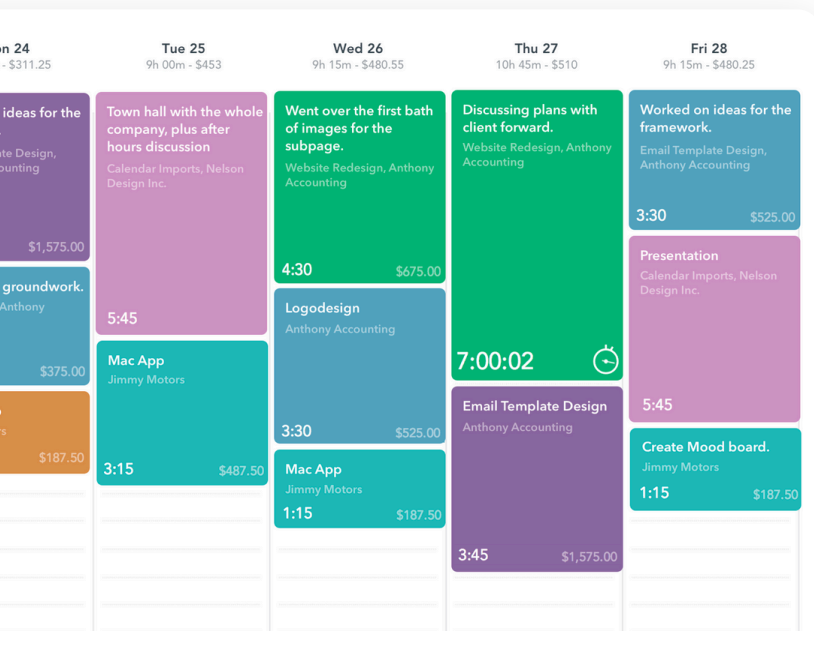
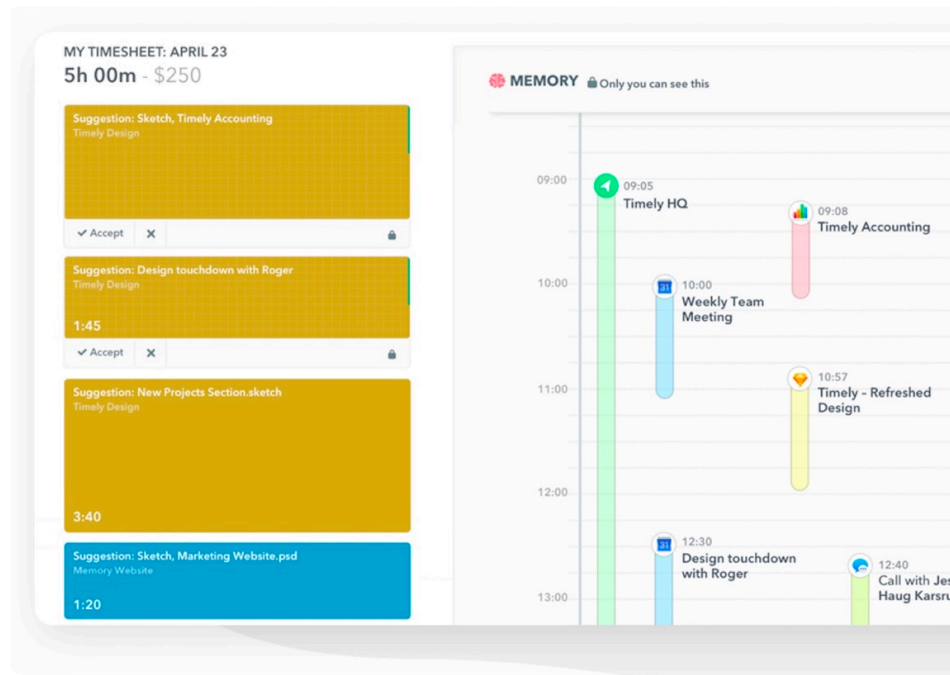What makes automatic time tracking different?

Automation offers full time tracking compliance by tracking 100% of business time.

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Tracking activity automatically

All the time employees spend on different work apps, meetings, emails, calls, websites and locations throughout the day is recorded to a private timeline as they work. No timers necessary.

Creating time sheets for you

Artificial intelligence assigns an employee's tracked activity to the right project, and drafts an accurate time sheet for them. They just need to approve them to make them public.

Rescue Time

Timely

The benefits of automation

✓   Produces flawlessly accurate time records

✓   Captures hidden billable hours

✓   Removes the need to manage timers

✓   Relieves employees of low-value admin

✓   Creates more space for meaningful work

✓   Offers rich behavioral insight

Imagine an app that can watch you work and summarise all of the apps you used and activities you performed.

Bill, software development agency
Founder & CTO

Is It Ethical?

Will time tracking harm your culture?

The thought of being tracked can immediately make employees feel uneasy. "Tracking" is latent with distrust, spying and micromanagement. But time tracking in itself isn't inherently "good" or "bad", "sound" or "unethical"; the way you approach it will ultimately determine its nature.
To introduce time tracking that elevates and enables your team, you need to satisfy the following:

Employee privacy

Any system that gathers information on employees should protect their privacy and dignity. When researching tools, ensure all tracked user data remains private to them — no manager should be able to nose through it. Users should be able to choose what to share, ensuring only information that is pertinent and relevant to businesses goes public.

Data access

Ethical employee time tracking is built around a two-way power dynamic — where employees can access all the data their managers can see about them. Regardless of what method you use, your employees should be able to access and get a record of their data.

Use of data

Time tracking will completely destroy your culture if you use it for dubious or malicious ends — and employees will only buy into it in the first place if it clearly supports their interests. Be clear on exactly why you want to track employee time data and what you will actually do with it.

Employee consent

It seems obvious, but once you've laid out how and why you are using time tracking, your employees actually have to consent to tracking and sharing their data with you.

Avoid tools that:

▶ Take candid pictures of user screens

◀ Track user mouse movements

▶ Track user keyboard activity

◀ Geofence user location

Choose tools that:

▶ Keep tracked data private to each user

◀ Let users share only what is relevant

▶ Let users download and access all data stored on them

◀ Let users edit their public time entries

Which Time Tracking Tool Is Best?

Other than deciding on manual or automatic software, there are a few things to consider before investing in a time tracking tool. Evaluate tools with company values and utilization in mind — not just your budget. Ultimately, if people don't trust the tool or find it too difficult to use, your efforts are null.

Consider which of these properties matter most and grade your shortlist against them.

Usability

Understand how you actually interact with the tool — consider the UI experience and effort involved, as well as things like cross-device access. It should work harmoniously with your existing set-up and display data in a way that is easy to use. Ultimately, you want to spend as little time managing it as possible.

▶ How does it display tracked information?

◀ Does it use manual timers?

▶ How easy is it for employees to log their time?

◀ What apps does it integrate with?

▶ What format can you export data to?

◀ What in-built reporting does it offer?

▶ How much time will employees spend using it each day?

Features

The most sophisticated tracking tools offer a rich feature set to help you analyze insights from your employee data. But you don't want to be paying for a ton of features you don't need. Equally, if certain features are missing from a tool, it's unlikely to be a good long-term investment. Keep purpose front-of-mind when reviewing features.

▶ What features does the tool offer?

◀ What features do you definitely need?

▶ What features are just nice-to-haves?

◀ Which might you need at a later date?

▶ Are features priced in bundles or individually?

◀ Is the price of features proportional to the value you will get from them?

▶ **Is there a roadmap showing future feature builds?**

Price

Cost will likely be your main consideration, although it can't be viewed in isolation. Sadly, quality usually costs more. Tracking tools tend to be priced per seat or user, so you need to work out the total cost for everyone who needs to access the tool. Pricing should match your size and feature requirements, and be able to scale with you.

▶ **What is the total monthly price for everyone who needs to use the tool?**

◀ **Are discounts available for larger companies or annual subscription?**

▶ **Do pricing plans reflect your current feature requirements?**

◀ **Are there options to tailor what's included in your plan in case your requirements change?**

Trust

Employee time tracking only works when people actually trust it — and introducing a tool with a power imbalance can seriously harm your culture. Sadly, a lot of tools are built on a model of mistrust, using invasive methods to gather data without employee knowledge. Seriously consider whether a tool polices or enables its users.

▶ **What data is kept private to individual users?**

◀ **What data is public to managers and colleagues?**

▶ **Is that data securely stored?**

◀ **Does it use underhanded methods to gather data — like screenshots?**

▼ **How does it protect employee consent to share data?**

▼ **Do people feel comfortable using it?**

▼ **Do people see it as a tool designed for them?**

Quality

Although harder to measure, tool quality counts for a lot.
A small subscription cost means very little if your tracking tool
is riddled with bugs or is painfully slow to respond.
Technical reliability, tracking accuracy, design and user ratings
all inform your overall picture of a tool.

▶ **Is the tool buggy?**

▼ **How frequent are new software releases?**

▶ **Do those releases include bug fixes, not just new features?**

▼ **How quickly does Support respond to user concerns and issues?**

▶ **How intuitive is the tool's design?**

▼ **How accurate is the data collected by the tool?**

▶ **How do people rate the tool overall?**

Onboarding

All new software requires some effort to get going. You need
to adjust to a new interface, grasp the basic features and set
your own ways of doing things. But that learning curve
should still be extremely gentle and require very little
resource. Ultimately, people should be able to get up-and-
running quickly and easily.

▶ **Is the design simple and intuitive?**

▶ **Is it easy to navigate your way around?**

▶ **How comprehensive is in-app onboarding?**

▶ **What training materials and support does the tool provide?**

▶ **Are there any demo videos, walkthrough guides or customer case studies?**

▶ **If you have a problem, will you be able to solve it quickly?**

How Do You Get People to Adopt It?

Employee buy-in is essential to make time tracking work long-term. Poor time tracking compliance costs businesses thousands in lost billable hours, and incomplete data can result in misleading conclusions. But how do you actually convince people to do it — let alone do it accurately and consistently?

It essentially all rests on effective communication. A lack of open, honest information quickly breeds distrust, while a clear understanding of motives and benefits makes people much more secure and receptive to new ideas. You need to leverage transparency, empathy and trust throughout your communication.

Transparency

To ensure time tracking isn't interpreted as something sinister, you need to clearly communicate why you're introducing it. Lay out exactly what time tracking will mean for employees and how they will benefit from it (this infographic can help). Time tracking should support their interests – not just your company's.

Trust

People become hostile towards time tracking when they feel their privacy is compromised by it; especially when it isn't clear how any information collected about them will be used or interpreted. Demonstrate how your tool tracks and stores employee data — laying out what is public and what stays private (your tool's website should explain this). Then clarify how you will use that data, so everyone understands how that aligns with its purpose.

Empathy

When people feel you actually care about their wellbeing and interests, they'll be much more likely to accept a new technology. Open the process as much as is practically possible, securing employee input throughout and stressing that nothing is concrete. Invite employees to trial tools, create spaces for feedback and keep discussions going post-implementation. Crucially, respond to every concern.

Choose a tracking tool people
feel comfortable using and
actually trust.

Best Practice Checklist

If you only read one page in this guide, it should be this one. We've distilled everything we've learned on how how to successfully implement employee time tracking into this practical eight-step checklist.

1 State your purpose
Lay out why you want to track employee time

2 Set boundaries
Clarify what data you can see and how you will use it

3 Communicate the benefits
Explain how it is a tool for everyone — not just managers

4 Choose an employee-first tool
Champion employee privacy and ease-of-use

5 Trial it thoroughly
Consider involving employees in a pilot team trial

6 Create a space for feedback
Ensure concerns are heard and acted upon

7 Get employee consent
People need to agree to share their data

8 Review it after one month
Evaluate whether tracking is serving its purpose
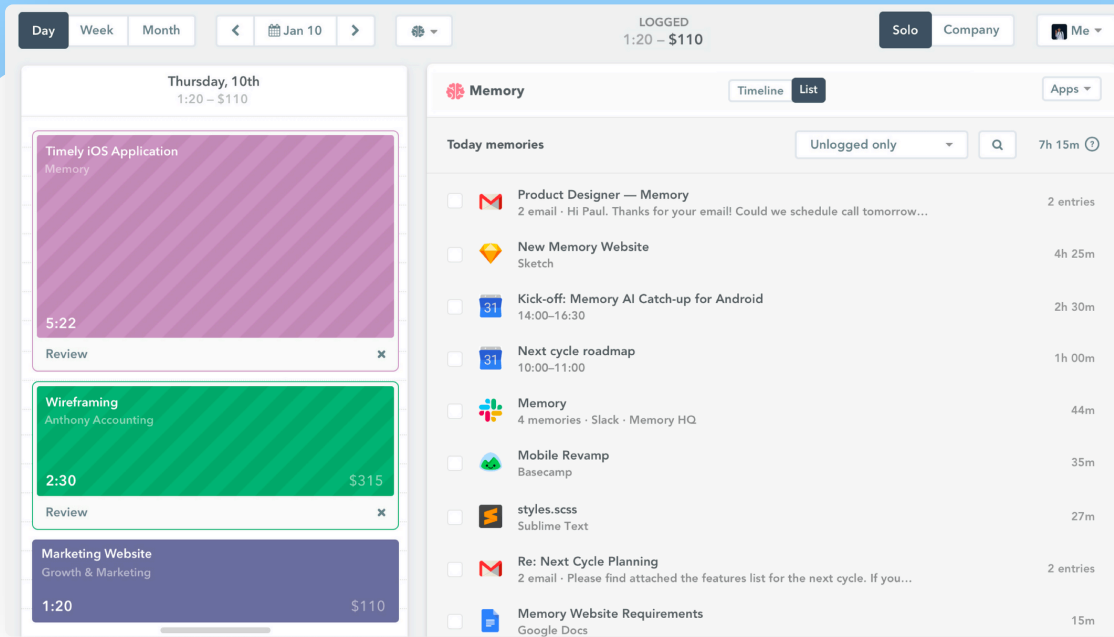
Timely is the world's first fully automatic time tracking tool, meticulously designed by vikings from Oslo, Norway.

It solves the inaccuracies and inefficiencies of manual methods, by tracking everything you work on and using AI to create accurate time sheets for you.

Used by more than **5,000 paying businesses across 160 countries**, Timely has fast become the choice time tracking tool for those seeking accuracy with minimal effort.

Experience the difference
Try Timely free for 14 days

Timely by Memory

Honestly, I've only run across a few apps that are jaw dropping "I need this now" in my lifetime. Timely has made that extremely short list of favorites. I'm able to spend less time running my business and more time doing what I was hired to do.

Erik, design

Timely fits our way of thinking perfectly; we hire people for their skills, not to track time. Timely's automated approach has taken the time tracking burden from our employees and freed them for more important work.

Christopher, consultancy Director of Organization

Timely is so easy to use for tracking time on multiple projects. You can see what was worked on and for how long, and assign a price to projects to track what it's costing you.

Jennifer, marketing agency CEO

We tried several different time tracking products and Timely is one that not only leadership, but staff could get behind. We want to make tracking a consistent part of our day and not something that bogs us down — this tool helps us make that happen.

Joshua, advertising agency Partner

Unlock your 25th hour