



R E C O U R S E S

POSITION STATEMENT

Promoting Timekeeping Compliance

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INTRODUCTION

If there was ever an ideal New Year's resolution, it would probably be timekeeping compliance. But rather than starting with the thinking behind all this, we'll save that for last and instead dive right into some suggestions on how to get better participation. If you're an employee (vs. a principal) reading this, you might want to feather your own bonus bed by taking the lead here and rallying the troops. That sort of sucking up never goes unnoticed. (Though you may never again be asked to join your peers at lunch.)

Before giving you specific suggestions, though, let me note that these are presented in reverse order. That's because none of them have any teeth unless the last one (getting fired) is a legitimate possibility. That sounds harsh, I know, but there it is. The goal isn't to fire employees—the goal is to make money in an environment that doesn't kill creativity. There are many steps that lead up to that harshest of options, but it *is* there at the end of the steps.

Here's what we've found to be effective in timekeeping compliance.

ESCALATING WAR ON DEADBEAT TIMEKEEPERS

- 8) Start with an assumption that you'll fire them if they don't do it. It really would come to that very rarely, but you have to be willing to do it (eventually) or the previous steps don't work. Building on that, you work backwards to come up with a plan. So just before this step...
- 7) Dock them a day's pay by asking them not to come in to work one day. Just before that...
- 6) Provide a written notice of discipline to put in their personnel file. Just before that...
- 5) Public humiliation in the town square, like a posted list in a prominent place stating who didn't complete their time sheet the night before. Just before that...
- 4) Peer pressure from missed goal. E.g., "if everyone does their timesheets, every day, by 6p, we all get pizza on Friday." So if one person screws it up, the others will be all over them. Just before that...
- 3) Throw the problem back to employees. "Timekeeping is very important. That much we know for sure, but what we don't know is how to get 100% compliance, so you as employees meet and let us know what you think will work. That'll be better than any plan we come up with and impose. We'd rather you work it out."
- 2) Apply the policy consistently, which means the principal, too. Yep, unless there's compliance at the top, you'll never get anywhere with it. Just before that...
- 1) Communicate your expectations clearly. For example, what is the policy, and why is this important? More on that later.

So those are the steps I'd use. Start by asking yourself if you'd be willing to take the most severe step. If you would, start at the least severe and just work the list. For whatever plan you come up with, make

sure it is consistent in application, it is collaborative as you seek solutions, and that you stage your responses, from friendly grandparent to ruthless czar.

And now that we have that out of the way, here's more about the thinking behind it.

BEST PRACTICES IN COMPLIANCE

There are endless details in a good timekeeping policy, but here are some of the basics.

First, people should be able to track it any way they want (paper, the software application of their choice, etc.), but they should enter it into the enterprise system daily, before they leave for the day.

Second, entry options should include a browser interface that can be used for remote entry of time if someone is not in the office.

Third, billable goals for each employee should be expressed as percentages of their worked hours, not a fixed number of hours each day, or people just end up working longer to meet the goal, which isn't a good idea. For example, account service people should be billing 80-85% of their time.

Fourth, billable time should be defined like this: "if the activity I'm doing on behalf of a client would stop if the client went away, it is billable."

Fifth, what's entered should reflect what's really happened, without fudging it up or down to make someone happy. The purpose of a good timekeeping system is not to fix *this* job, but to fix the *next* job. It's designed to improve your estimating *next* time, and that won't happen unless the records are accurate *this* time.

Sixth, change the culture, first, and only then consider whether your software is supporting the environment described above. If the culture is appropriate, software solutions are very useful in supporting it. Otherwise they are just extra work. Remember that service businesses like yours made money before software was even a word in our vocabulary.

FINALLY

But really, why should you track time in the first place? Many of the firms that track time hardly make any money, so there's obviously no direct connection there. And some of the most profitable firms I've seen don't track time, or at least don't take it seriously.

Here's the thing, though—until you're making a lot of money by submitting ridiculously high estimates with big round numbers, you've got to start with the basics so that your estimating gets better. And while money is the currency of respect in a business setting, timekeeping is the currency of making money until your positioning takes over and obviates the need for it.