



ClockShark

BUDDY PUNCHING: WHAT IS IT AND HOW DOES IT AFFECT BUSINESS?

Learn how time theft is affecting your company and how to avoid it

INTRODUCTION

According to the American Payroll Association, nearly 75 percent of small businesses in the United States feel the impact of buddy punching. For construction and field service industries, you often have workers out in the field or at different jobsites where they're not being monitored.

This increases the potential for buddy punching and, thus, the costs associated with it.

WHAT DOES BUDDY PUNCHING MEAN?

Buddy punching is a form of time theft that occurs when an employee clocks in or out for another employee, causing them to receive more hours than they actually worked.

It could be to avoid getting into trouble with an employer for being late to arrive or early to leave, to receive pay for hours they did not actually work, or to get paid despite taking longer breaks than they're supposed to.

Whether for a few minutes or hours, these buddy punches add up over time and can cost you a lot of money.

IS BUDDY PUNCHING ILLEGAL?

According to [Fit Small Business](#), employee time theft is not technically a crime, although it is a form of fraud, which can be criminal and civil. However, unless your employee(s) have stolen a significant amount of time and pay from your company, most of the time it's not worth the litigation to recover your losses and you would have to provide clear evidence that they falsified their timesheets.

HOW BUDDY PUNCHING CAN IMPACT BUSINESSES AND EMPLOYEES

In a 2017 [study](#), 16% of employees surveyed said that they had clocked in for a colleague. Apply those extra 15 minutes that are buddy-punched to all 78 million hourly employees working in the United States, and you wind up with more than \$373 million in unworked annual pay.

For small businesses, in particular, buddy punching can significantly impact your bottom line. For part-time hourly workers making the [federal minimum wage](#) of \$7.25, buddy punching can add up to \$30,000 annually.

If you have buddy punching happening, it will involve at least two employees which, if caught practicing buddy punching, means you have to penalize both. This can lead to labor shortages in an already labor-burdened industry like construction or field services.

If you have a supervisor or someone with tenure asking a coworker to clock them in, it creates a sense of dread and possibly resentment for your other employees, creating a hostile and uncomfortable work environment.

HOW DO I STOP BUDDY PUNCHING?

The first thing to do is create an employee absenteeism policy that outlines authorized and unauthorized leaves, tardiness, clocking in/out early, and no-shows. Your absenteeism policy should include a clear explanation of your expectations, penalties for time tracking issues, and rewards or recognition for present employees.



TIME-TRACKING SOFTWARE

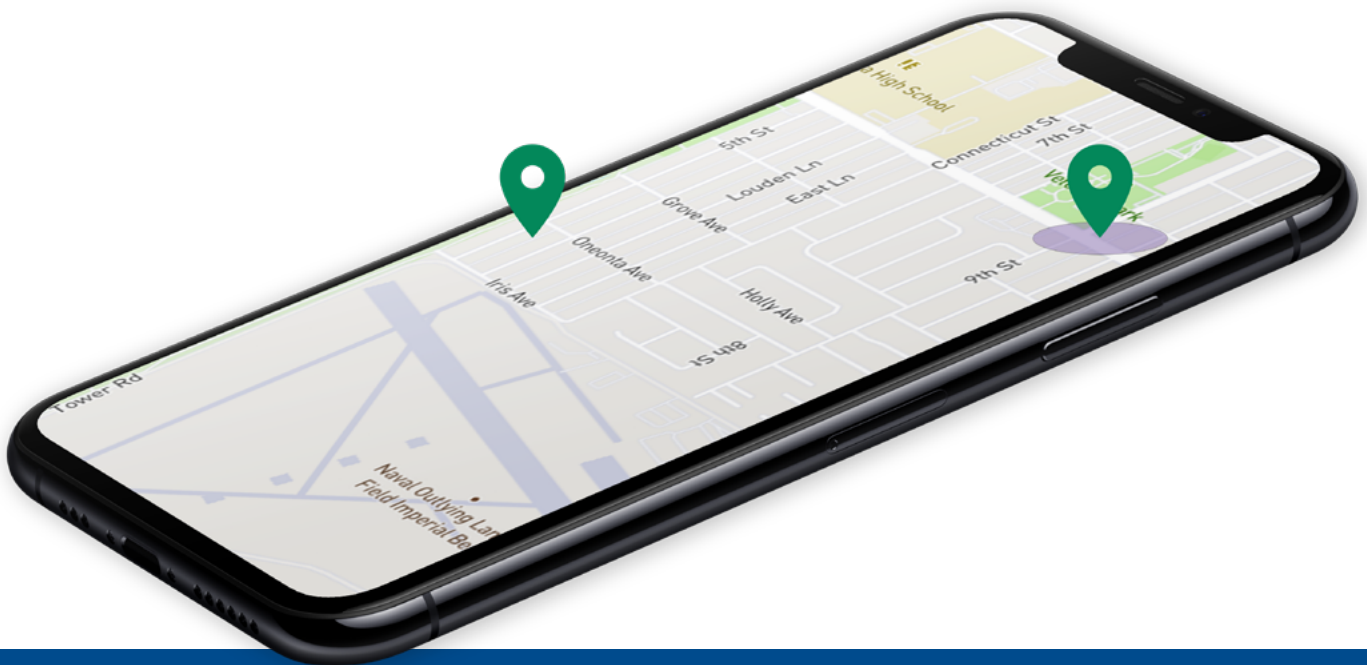
Paper timesheets and outdated punch cards make buddy punching particularly easy, but a robust time-tracking solution that's easy to use, provides you with the visibility you need to ensure time theft is not happening in your company. There are multiple ways this is accomplished, through technology.

Geofencing

[Geofencing](#) is an unseen virtual boundary line that defines a specific area that you determine. With geofencing, employees are reminded to clock in when they enter the designated areas, and to clock out when they leave. This is particularly helpful when you have multiple jobsites.

✓ Out Of Bounds

Clocked in or out from outside of a GPSFence™ geofence





CLOCKSHARK IS TRUSTED BY MORE THAN 7,000 FIELD SERVICE AND CONSTRUCTION TEAMS WORLDWIDE

GPS tracking

[GPS tracking](#) is another tool to provide you with transparency with your employees' times.

Each time your employees clock in or out, a GPS stamp is attached to their timesheet so you know where they were when the event happened.

You can also pull up a map to see a breadcrumb trail of where your employees were throughout the day.

Biometrics

A [Kiosk time clock](#) provides you with the option of using biometrics so, when someone clocks in from a designated device, a snapshot is taken of their face to verify it's the right person.

If someone tries to clock in or out for them, their clock-in/out will be flagged with unusual activity for you to review on their timesheet. This tool makes buddy punching impossible.

Timesheet Approvals

Most managers and/or admins know the schedules and jobs their employees are doing. When you track time using time-tracking software, you can pull up those schedules - as well as timesheets - to review the times they were clocked in.

Rather than sifting through dirty, stained, torn, damaged, missing, or illegible paper timesheets or notepads, approving timesheets is much faster and more accurate through technology.

Buddy Punching Policy

You should be very clear with your employees that time theft - including buddy punching - is simply not allowed and is considered payroll fraud with serious consequences. You can choose to do a disciplinary write-up for first-time offenses, or opt for termination if they're caught buddy punching.

On the other hand, you may have an employee that's consistently late to work but are still a valuable member of the team. In such cases, they may benefit from a [Performance Improvement Plan](#) (PIP) which helps them feel valued as an employee while also helping them work towards being more punctual and reliable.

Save Time and Money with ClockShark

Try ClockShark Free

TIME TRACKING SOFTWARE ELIMINATES BUDDY PUNCHING

Time tracking software apps like ClockShark will help eliminate buddy punching and time theft. Using cloud-based employee time clock software closes the loopholes needed to buddy punch.

By ditching outdated punch-in methods, you make sure workers show up on time, increase productivity, improve performance, and create transparency.