

The New York Times

How Surveillance Changes Behavior: A Restaurant Workers Case Study

By Steve Lohr

SUMMARY – The modern world is full of surveillance. Speed cameras, street cameras and Internet monitoring systems are only some of the ways our behavior is monitored — but can such techniques reduce the rate of theft in the service industry?

According to a new report, "[Cleaning House: The Impact of Information Technology Monitoring on Employee Theft and Productivity](#)" (.pdf), the work of Lamar Pierce, Daniel Snow, and Andrew McAfee, details how significant an impact surveillance can have on our daily lives.

The research team measured how rates of theft altered at 392 restaurants in U.S. 39 states after the installation of NCR Restaurant Guard was followed by:

- Increased total sales of more than \$2,900 per location, per week on average – which represents a 7% increase
- Increased average weekly drink revenue (which has particularly high profit margins) of more than \$900 per location, representing an increase of more than 10%
- An estimated 35% average increase in operating margin

Results suggested that these gains did not fade over time; instead they remained steady for at least several months after NCR Restaurant Guard was adopted. The research also suggested that these gains were usually achieved without much staff turnover, and that managers used NCR Restaurant Guard information to reward trustworthy employees with more hours.

Steve Lohr of the New York Times wrote an article on the research, and commented:

The impact, the researchers say, came not from firing workers engaged in theft, but mostly from their changed behavior. Knowing they were being monitored, the servers not only pulled back on any unethical practices, but also channeled their efforts into, say, prompting customers to have that dessert or a second beer, raising revenue for the restaurant and tips for themselves.

In human resources, much emphasis is placed on employee selection: if you pick the right people, they will do the right thing. Instead, this research suggests that the surveillance effect on employee behavior is striking.

Not surprisingly, NCR is delighted by the results. "It validates the customer data we've seen," said Jeff Hindman, a vice president at NCR. "But this is done by outside experts with the academic standards and statistical rigor they bring to the analysis."

To view the entire New York Times article by Steve Lohr regarding the report, visit bits.blogs.nytimes.com.

For more information, visit www.mymoneyfees.com or email mary@mymoneyfees.com

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