

Organizational Waste: A mercantix Briefing

Introducing Organizational Waste

Organizational Waste shouldn't need an introduction; it's everywhere. In fact, it's so prevalent in our enterprises that we've either come to expect it, or we've become oblivious through exposure. Whatever the case, this creeping monster is stealing our time, energy and effectiveness at work. The first step to doing something about it is to understand what it is and how pervasive it can be.

Anyone familiar with the Lean manufacturing or Lean management movements will recognize the following:

$$\text{Enterprise Capacity} = \text{Work} + \text{Waste}$$

Your enterprise's capacity to get things done, is constrained by the amount of waste that exists in your operations. If you want to increase your capacity, without increasing the number of people you employ, then decreasing your level of waste is one of the first places you should look.

The Big Five

There are almost an infinite number of ways waste can manifest itself in your operations. We'll focus on the top 5 types of waste we can find volumes of credible evidence for:

1. Unproductive/Unnecessary Meetings
2. Ambiguous Priorities
3. Distractions & Information Overload
4. Disorganization
5. Management Deficiencies

1. Unproductive and/or Unnecessary Meetings

There is almost no push-back from people at most organizations when unproductive or unnecessary meetings are mentioned; but everyone knows they represent a huge time suck. We just don't generally bother to calculate how bad it is.

Unnecessary meetings cost U.S. businesses approximately \$37 billion each year.

U.S. Bureau of Labor Statistics, 2005

50 percent of all meetings were considered time wasted by employees.

Microsoft Personal Productivity Survey, 2005

Meetings dominate the way in which we do business today. In fact, approximately 11 million meetings occur in the U.S. each and every day.¹ Although many of us complain about meetings, we can all expect to spend our careers deeply immersed in them. Most professionals attend a total of 61.8 meetings per month² and research indicates that over 50 percent of this meeting time is wasted.³ Assuming each of these meetings is one hour long, professionals lose 31 hours per month in unproductive meetings, or approximately four work days. Considering these statistics, it's no surprise that meetings have such a bad reputation. (EffectiveMeetings.com)

45% of senior executives felt that employees would be more productive if meetings were banned once a week.

Office Team, "Let's Not Meet," 5/7/2009

The #1 time-waster at the office is "too many meetings, up from No 3 in 2008." according to 47% of the surveyed.

Salary.com, 2012

2. Ambiguous or Unclear Priorities

Despite being the very basis for team and personal performance and productivity, the amount of time people spend working without a clear understanding of the current priorities and purpose of their work is staggering:

63 percent of employees don't understand what their organization is trying to achieve and why.

Harris Interactive Poll, 2004 conducted for FranklinCovey

38 percent of employee time is unproductive due to unclear objectives and poor team communication.

Microsoft Personal Productivity Survey, 2005

3. Distractions & Information Overload

Intel, a company with 86,300 employees, sees information overload as a serious problem. "At Intel we estimated the impact of information overload on each knowledge worker at up to eight hours a week," said Nathan Zeldes, a principal engineer focusing on computing productivity issues at Intel and founding chairman of the Information Overload Research Group, an industry consortium. "We continuously look at applying new work behaviors that can help reduce its impact."

The cost of interruptions to the U.S. economy is estimated at \$588 billion a year.

Jonathan B. Spira, "The Cost of Not Paying Attention," Basex Research, 2005

A study last fall by Basex, a New York research firm, found that office distractions ate up 2.1 hours a day for the average worker. Another study found that employees devoted an average of 11 minutes to a project before being distracted. Researchers Gloria Mark and Victor Gonzalez of the University of California, Irvine, found that once interrupted, it takes workers 25 minutes to return to the original task, if they return at all. People switch activities, such as making a call, speaking with someone in their cubicle or working on a document, every three minutes on average, Mark said.

Betty Lin-Fisher (for Knight Ridder Newspapers), Houston Chronicle, 2/27/2006)

Tweeting costs the country \$112 billion per year. Time management experts increasingly see Twitter as the silent productivity killer. Retweeting costs us an additional \$65.6 billion.

"Moving Targets," by Joe Queenan, Wall Street Journal, 1/26/2013

Open screens on desktops, files on the desk, and coworkers all distracted workers so that only 55% of work was resumed immediately. Productivity in the business sector has been increasing by only 3% since 2000.

Herman Miller Inc., "The Siren Song of Multitasking," 2007

71% of white-collar workers feel stressed about the amount of information they must process and act on while doing business; 60% feel overwhelmed.

Institute of the Future, Menlo Park, CA

A recent study from the Institute of Psychiatry at the University of London suggests that your IQ falls 10 points when you're fielding constant emails, text messages, and calls, the same loss you'd experience if you missed an entire night's sleep and more than double the 4-point loss you'd have after smoking marijuana. On average men fared worse than women because, researchers say, men have more difficulty multitasking.

YogaJournal, p. 22, 12/2005

4. Disorganization

In surveying 1000 middle managers of large companies in the U.S. and U.K., 59% miss important information almost every day because it exists within the company but they cannot find it.

Accenture, Wall Street Journal, 5/14/2007

43% of Americans categorize themselves as disorganized, and 21% have missed vital work deadlines. Nearly half say disorganization causes them to work late at least 2 or times each week.

Jane Von Bergen, "So many reasons to neaten up...", Boston Globe 3/12/2006

Esselte survey, David Lewis

5. Management Deficiencies

Management deficiencies just means management is not doing what they need to do to help their people perform. And it is a widespread and pernicious issue.

For 10 years researchers studied the behavior of busy managers in nearly a dozen large companies. Their findings on managerial behavior showed that fully 90% of managers squander their time in all sorts of ineffective activities. In other words, a mere 10% of managers spend their time in a committed, purposeful, and reflective manner.

Dr. Helke Bruch and Dr. Sumantra Ghoshal,
Harvard Business Review, 2/2002

--One-third of employees maintain chronic stress. Women report higher levels of work stress than men.

--54% feel they are paid too little for what they contribute.

--61% said they do not have enough opportunity for advancement (2/3 of women and 30% of men).

--50% do not feel valued at work.

American Psychological Association survey, released 3/5/2013

How does your boss rate?

--Fewer than half have confidence in their managers.

--44% believe managers are sincerely interested in employees' well-being

--30% are bothered by too much pressure at work.

--47% said their company makes it possible to maintain a healthy work-life balance.

Towers Watson, 7/2012

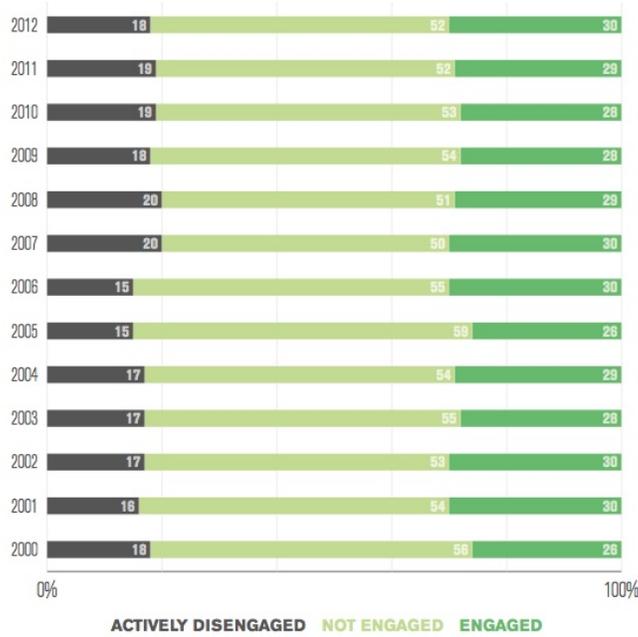
The Net of All This Waste?

The traditional management practices being widely used are not keeping up with the needs of our markets, opportunities and people. And this is contributing to the state of our workplaces.

"Gallup research... shows that these managers from hell are creating active disengagement costing the U.S. an estimated **\$450 billion to \$550 billion annually**," writes Gallup chairman and CEO Jim Clifton in the report's introduction. "If your company reflects the average in the U.S., just imagine what poor management and disengagement are costing your bottom line."

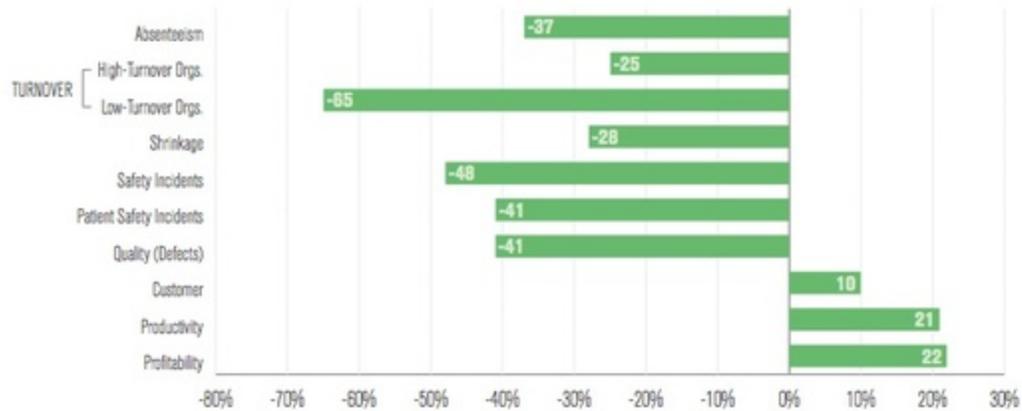
"[State of the American Workplace](#)" report, Gallup International

EMPLOYEE ENGAGEMENT AMONG THE U.S. WORKING POPULATION



ENGAGEMENT'S EFFECT ON KEY PERFORMANCE INDICATORS

Median outcomes between top- and bottom-quartile teams



Employee engagement is good for our people, our customers and our business results. It's

simple, it just isn't easy.

More Resources

<http://www.inc.com/news/articles/201103/workers-spend-half-day-being-unproductive.html>

<http://www.keyorganization.com/time-management-statistics.php>

<http://www.effectivemeetings.com/meetingbasics/meetstate.asp>

<http://emailstatcenter.com/Usage.html>

<http://news.bbc.co.uk/1/hi/uk/4471607.stm>

http://research.microsoft.com/en-us/um/people/horvitz/chi_2007_iqbal_horvitz.pdf

Footnotes

1. A network MCI Conferencing White Paper. Meetings in America: A study of trends, costs and attitudes toward business travel, teleconferencing, and their impact on productivity (Greenwich, CT: INFOCOMM, 1998), 3.
2. Ibid.
3. Robert B. Nelson and Peter Economy, Better Business Meetings (Burr Ridge, IL: Irwin Inc, 1995), 5.
4. A network MCI Conferencing White Paper, Meetings in America: A study of trends, costs and attitudes toward business travel, teleconferencing, and their impact on productivity (Greenwich, CT: INFOCOMM, 1998), 10.
5. Ibid., 8.
6. Eric Matson, "The Seven Sins of Deadly Meetings," in Fast Company, par. 11-13 [online magazine] (1996 [cited 14 April 1999]); available from World Wide Web at <http://www.fastcompany.com/online/02/meetings.html>
7. Pen Computing Group, 1998
8. Sam Greengard, "Videoconferencing: Making the Right Connections," in Beyond Computing, par. 21 [online magazine] (1997 [cited 14 April 1999]); available from World Wide Web at <http://www.beyondcomputingmag.com/archive/1997/11%2D97/connect.html>
9. Ibid., par. 15.
10. George David Kieffer, The Strategy of Meetings (New York, NY: Simon & Schuster, 1988), 13.

Summary details from Harris Interactive Poll conducted on behalf of FranklinCovey called the Execution Quotient Questionnaire. Included 23,000 U.S. individuals from a variety of industries.

More Complete Data from Appendix 6 in "The 8th Habit" by Stephen R. Covey - Table 14

Execution Issue	% who agree
ORGANIZATIONAL LINE OF SIGHT: Are all workers focused on organizational goals?	22%
TEAM GOALS QUALITY: Do work teams have clear, measurable goals?	9%
TEAM PLANNING: Do work teams plan together how to achieve their goals?	16%
TEAM COMMUNICATION: Do work teams have mutual understanding and creative dialogue?	17%
TEAM TRUST: Do work teams function in a safe "win-win" work environment?	15%
TEAM EMPOWERMENT: Do teams have adequate resources and freedom to do the job?	15%
TEAM ACCOUNTABILITY: Do team members hold each other accountable for their commitments?	10%
TEAM MEASURES - QUALITY: Are success measures tracked accurately and openly?	10%
INDIVIDUAL WORK GOALS: Do people have clear, measurable, deadline-driven work goals?	10%
INDIVIDUAL ENGAGEMENT: Are workers motivated? Do they feel valued?	22%
INDIVIDUAL PLANNING: Do people systematically schedule their priorities?	8%
INDIVIDUAL INITIATIVE: Do people take individual initiative and responsibility for results?	13%
ORGANIZATIONAL DIRECTION: Are organizational strategy and goals precisely understood by everyone?	23%
ORGANIZATIONAL COLLABORATION: Do teams work smoothly across function?	13%
ORGANIZATIONAL TRUSTWORTHINESS: Does the organization honor its own values and commitments?	20%
ORGANIZATIONAL PERFORMANCE IMPROVEMENT: Is there a consistent, systematic approach?	13%
INDIVIDUAL COMMITMENT: Are people committed to the organization's direction?	39%
ORGANIZATIONAL SUPPORT: Does upper management actively support the goals of work teams?	45%
TEAM FOCUS: Is my work group totally and diligently focused on its top goals?	14%
INDIVIDUAL TIME ALLOCATION: How much time do our people actually spend on key goals?	60%