

The Productivity Paradox

How technology and waste affect the allocation of time



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What a shame that no one can get anything done. Despite a multitude of innovative management techniques, a massive investment in computing technology and a logarithmic increase in communication speed, employees are not really any more productive than they were a decade ago.

They certainly think they're busier. Canadians reported somewhat elevated levels of severe time-stress in 1998 compared with 1992, based on Statistic Canada's General Social Survey. About 21% of all women aged 15 and over perceived themselves as time-stressed, up from 16% six years earlier. The proportion of men reporting time-stress increased from 12% in 1992 to 16% in 1998.

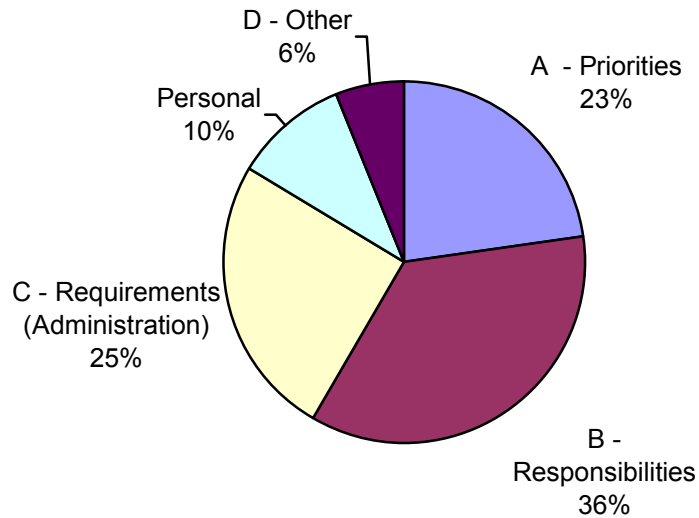
For those who've taken on a second job or a new child, an increased time crunch is not surprising. But when it comes to employment, the surprising fact is that work hours are not outrageously long. The average work week among all office employees, based on Pace Productivity research is 45.4 hours, including lunch and breaks. Within this, the subset of clerical employees work 43.1 hours and managers put in 47.8 hours. That's about an hour more per day than the prototypical 9 to 5 schedule. Call it overtime, but it's not overwhelming. (To be fair, senior executives, entrepreneurs, lawyers and other professionals typically work longer than the middle managers and clerks in our database. Independent consultants, for instance, work about 59 hours per week, based on a separate Pace Productivity study.)

So why are employees stressed about work? Why do they feel so unproductive? Perhaps many of them consider it a badge of honour to complain about their long hours. If you're popular, then you're busy, and if you're busy, then you must be successful. So you better get popular and look busy. Consider the columnist in McLean's magazine who recently purchased a cellular phone. She then began imploring all her acquaintances to call her, no matter how inconvenient. She wanted to feel wanted.

THE ALLOCATION OF TIME

To understand personal productivity, time is a useful diagnostic tool. If organizations can understand where all the time goes, they could manage it better. Focussing on middle managers, the pie chart below shows how “A” priorities account for 23% of the time, or about 12 hours per week. These “A” activities relate to long term results; personal time planning, long term department planning, research, training oneself or others, managing staff, directing and coaching, etc.

A Middle Manager's Typical Week



“B” responsibilities are the everyday aspects of the job that usually require immediate responses. Depending on the type of job they might include responding to customer queries, dealing with staff issues, processing orders, collecting accounts payable, managing products, communicating with stakeholders, supervising production, organizing distribution, etc. For managers, these account for 36% of the time or 17 hours per week. For clerical workers, more time would be spent on the “B’s” and less on the “A’s”.

Next are the C activities, the requirements. They are activities usually initiated by others, but not central to the main thrust of the job – hence the term “requirements”. Another name for them is administrative activities. Across most organizations, the average is 20%. The results for managers are troubling; they spend fully one-quarter of their time on these. Managers are overwhelmed with handling internal phone calls, providing assistance to other staff, attending department meetings, filling out general paperwork, handling expenses, filing, reading mail, reviewing internal circulars, etc.

It's important to include personal time in the pie chart because for many people it's very short – perhaps too short. The average for managers is 10%, about an hour per day.

Finally the “D” activities, also known as “dump, delete or delegate”, are miscellaneous activities that don't show up anywhere else. They could be “wasted” time, discussed later, or simply odd interruptions or time demands such as fixing the computer or participating in the company charity drive.

Time management will always be a core issue for employees. Essentially, time management is the ability to get more results through focused attention on activities that are important to long-term success while preventing inhibitors that might otherwise be outside of one's control. That means moving more time counter-clockwise around the pie chart.

TRENDS, FADS AND TECHNOLOGY

Over the last 20 years, numerous management initiatives have come and gone; quality circles, service excellence, just in time production, cycle time reduction, management by walking around, the learning organization, six sigma, and so on. They all try to improve organizational effectiveness and customer value. But they come and go because they are variations on core management theories that stand the test of time. Management is essentially getting results through others.

While the management fads are ephemeral, there is one particularly pervasive trend over the last two decades that continues to have an impact on work life; technology changes. In fact computer upgrades are to recent years what planned obsolescence was to a generation ago. Manufacturers back then were accused of planning for your refrigerator to conk out after five years so you'd need to buy a new one. Today, laptop manufacturers do the same. Except that their equipment is obsolete as soon as the batteries drain down for the first time.

There always seems to be a smaller, faster, more portable, version of something with more features that allow you to do more than ever before. Lazy copywriters encourage users to “Save time and money”, overlooking the fact that obtaining their new technologies always costs money and takes time to figure out. But that's a minor concern. The major proponents of technology – the vendors of new software, hardware, communication devices and the Internet – promise a bright, rosy future of increased productivity.

To be sure, technology has had an impact on two key areas; computational power and communication speed. Computational power means that graphic designers can now set type, design layouts and manipulate images much faster than ever before. It means that data for Shuttle launches can be processed at light speed, that high precision optics manufacturing can be conducted to pinpoint accuracy and that payroll checks can accommodate complex union pay scales and that on-line booksellers know just what their customers like to read.

In addition, technology to speed up communication allows employees to be in touch rapidly and in areas thought unimaginable (the cottage, the car, the restaurant – though who would ever have thought this sort of intrusion would confer bragging rights) and with a speed not thought possible. So now the new graphics for the company brochure can be sent to the printer almost instantly. The Internet brings computational and communication benefits together in one globe-spanning application with literally millions of subset applications – all those web sites.

Unfortunately, neither computational power nor communication speed directly enhances employee productivity, as defined by time spent on high priority tasks. They do just about the same as what they did a decade ago, except now when they type a document their fonts are prettier. This is a highly unconventional conclusion, but it's born out by the research. Those "A" priorities are at the same level as they were in 1990. Managers may be able to add columns of numbers faster. But they aren't coaching their employees any better. Architects aren't coming up with buildings that are aesthetically more interesting. Copywriters aren't developing more catchy copy. And customer service reps aren't any better at upselling products on the phone. No one is really saving time. They're just re-directing it.

Some of the technology vendors even admit to this productivity paradox. In a recent newspaper advertisement, a computer manufacturer positions its new laptops thus:

Your next upgrade should generate excitement for you, not the helpdesk. Get back to business faster. Ever notice how productivity falls right after an upgrade? And your stress level rises? It doesn't have to with the new...

FACTORS INHIBITING PRODUCTIVITY

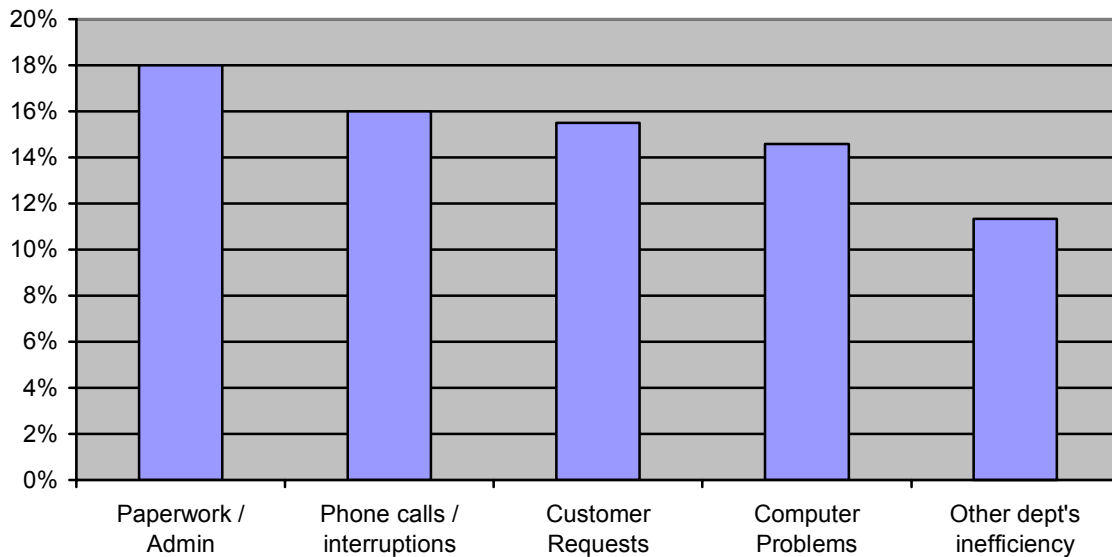
Psychologist Abraham Maslow proposed a needs hierarchy that starts with the basics – food and shelter. When these are no longer an issue, people move up the scale and concern themselves with social needs or the need for achievement. Similarly, if managers' basic productivity issues are out of the way, they should begin to move up the priority scale (or around the pie chart, to use another metaphor) to deal with more complex issues. If technology is making their jobs easier, one would expect managers to be concerned about larger issues; fostering complex relationships with other teams, developing staff, researching new products, retaining employees, or designing customer service programs. This however is entirely not the case. They first have to figure out how to forward a phone call to the guy down the hall.

This is perhaps a facetious example, but our research bears it out. Along with its time studies, Pace Productivity's research over the last 13 years includes a simple time survey with four short questions. To date, more than 1,500 employees from financial services, government, manufacturing, distribution and sales have responded to these questions. One of them is "What things outside of your control get in the way of your productivity?" Despite all the

advances in technology and management theory, the number one issue that continues to hinder employees is “paperwork and administrative tasks”. Employees are keen to do their jobs, but there always seems to be some report to complete, a staff meeting to attend, an expense to approve or a minor request to help with.

The second most popular productivity inhibitor is telephone interruptions. (See chart below) Although the incursion of e-mail is becoming more of an issue, the telephone is still a universally used communication medium – one that conveys even more urgency than e-mail. It’s ringing, and that means someone is waiting for a response – right now. The irony is that while employees use voice mail to shield interruptive and unwanted calls, they offset this by adding yet more ways for people to reach them – e-mail, cell phones, pagers and instant messaging. The return of carrier pigeons may not be far off.

Survey Question : "What things, outside of your control, get in the way of your productivity?"



Customer requests, including complaints, service demands and queries are the third biggest inhibitor to productivity. In the world of business, everyone has a customer who needs help. Another irony is that employees believe they could do their jobs better if it weren't for those pesky requests. Notwithstanding web sites, call centers, information bulletins and instruction manuals, no amount of technology can entirely stave off the urgent call from the confused customer who never got around to reading the instruction manual.

Technology accounts for the fourth most popular productivity inhibitor. There is so much of it around that something is bound to go wrong sooner or later – a virus infects the system, an upgrade fails to load, a communication link refuses to connect or a bug causes havoc. Whether technology increases productivity is arguable. Whether it increases maintenance time is certain.

Next on the list of productivity inhibitors is dealing with other departments. Everyone believes his or her own area is operating as best it can, but that everyone else could do a lot better. It's natural for people to believe this. It's also untrue.

DIFFERENCES VERSUS EXPECTATIONS

Another way to gauge productivity shortfalls is to examine actual time expenditures versus ideal expectations. Employees are asked about their expectations through a unique “time tokens” allocation questionnaire. Pace Productivity research indicates that they would prefer to spend more time on their higher priority activities and less time on administrative tasks and customer service.

The table below shows how far off employees’ expectations are from their reality. The actual times per week in the first column are for a sample of activities tracked by various employees in our client time studies. (Not everyone tracked all of these) The second column indicates differences versus ideal expectations. Clearly, as the first table shows, there is a perceived surplus of time spend on customer service and administrative tasks, typically “B” responsibilities and “C” requirements discussed earlier.

<i>ACTIVITY</i>	<i>ACTUAL WEEKLY HOURS</i>	<i>HOURS ABOVE IDEAL</i>
Customer interaction – phone, person	4.9	+2.9
General administration and paperwork	4.6	+2.8
General non-specific inquiry calls	2.4	+2.4
Travel	4.2	+2.1
Collections	3.4	+1.8
Handling mail and filing	2.2	+1.4
Reviewing and clearing e-mail	2.7	+1.2
Walk-in inquiries from customers	2.5	+1.1
Special projects	2.2	+1.0
Incoming non-customer calls	1.9	+1.0
Attending internal meetings	2.3	+0.9

In this following table, the “A” priorities come up short. Time spent on such activities as selling, people management and planning are lower than ideal expectations. The measurement of time shows how employees actual results are out of line with their ideal profiles.

<i>ACTIVITY</i>	<i>ACTUAL WEEKLY HOURS</i>	<i>HOURS BELOW IDEAL</i>
Selling investment / credit products	1.7	-2.6
Sales coaching	1.5	-1.9
Coaching staff	2.2	-1.7
Annual reviews with customers	0.6	-1.6
Marketing to customers	3.9	-1.5
Customer retention	1.0	-1.4
Prospecting to new customers	2.3	-1.1
Sales calls to current customers	2.7	-1.1
Scheduling / distribution of work	0.3	-1.0
Reward and recognition activities	1.0	-0.9
Training staff	0.9	-0.8

So “A” priorities aren’t getting the time they deserve. Is it because too much time is being spent on the “C’s” and “D’s”? Is this wasted time? One often hears complaints about wasted time, though there are not really any good definitions. Our view is that employees genuinely want to contribute to the organization, that they care about their work and want to make a genuinely conscientious contribution. But now and then, in just about any organization, someone is bound to proclaim that an activity, a report, a meeting or a project is “a complete waste of time.” It’s a fairly damning observation for what usually is a fairly petty inconvenience. The expression slips off the tongue with rare forethought, yet much blame. And curiously, no one ever dares to take ownership. That person in the other department wastes your time, but of course you would never waste someone else’s time, let alone your own. It’s easy to accuse others, but everyone toils in perfection, never attributing wastefulness to their own actions.

WASTED TIME – WHAT DOES IT MEAN?

So what exactly is wasted time? Perhaps the best way to think about waste is to consider what it is not. Waste is time not well spent. When people are spending their time well in a corporate setting, they’re doing what their job descriptions say they should. They’re managing, or selling, or designing, or processing or teaching. That’s what they get paid for, what they excel at, and it’s how others see them. They spend time on their high priority activities. As outlined earlier, they also spend time on their B responsibilities and their C requirements. All of these make up the prototypical pie chart and all of them are “productive time”.

But time that is non-productive isn't always wasted time. For instance if an employee gets up to stretch his or her cramped legs, or gazes out the window to reflect aimlessly, it would be unfair to classify this as wasted time. There's a necessity for this time. People need to relax, recharge or reset, to borrow a term from computer usage. Computers often get jammed up with too many programs running. When that happens, the best thing may be a reboot. The same goes for hardworking employees. They need the occasional break.

So companies should expect that there's a need for some time that might be less than totally productive. Scheduled breaks and lunch provide some relief, but may not be enough. Now and then, people just might need to goof off a bit.

But that's just one type of non-productive time. Time not spent on the things that should get done falls into three major categories; personal issues, work habits and corporate impediments. Following is an overview of these.

PERSONAL ISSUES

Occasionally employees take time from their employers. This is what most people consider wasted time. It includes some of the following activities:

- Personal calls – Employees call their family to deal with daycare, or what groceries need to be bought. Or they'll settle banking issues, set up golf games, arrange dates, or call friends just to catch up on the latest gossip. These may not be necessary to the organization, but they're necessary to the individual. When a medical issue intervenes, there's simply no option; it's a personal call, but it has to be dealt with.
- Long lunches or breaks – Our research indicates the average employee takes 4.4 hours per week for lunch and breaks. That works out to just 53 minutes per day, so there isn't much waste in this area.
- Water cooler chats – Water coolers are no longer ubiquitous, but the expression fits. Employees gather around or visit colleagues' offices to discuss the previous night's sports scores or TV highlights. Hot items in the news require a forum for discussion and the office is the place most of these conversations occur.
- Entertainment – Is it boredom or addiction that incites employees to play solitaire, minesweeper and other computer games? Often the embarrassment for the guilty party isn't as acute as the embarrassment suffered by those who catch them; "Is that what you spend your time doing?" Walk through an office and notice people goofing off from afar. It's an awkward feeling. There is also time spent reading and sending jokes or other non-work material via e-mail. Even ignoring them with the delete key takes time.
- Unnecessary research – Many employees read the paper purely for personal interest or aimlessly surf the Internet. In a survey of Internet use, making travel arrangements and shopping ranked as two of the highest non-work items done at work.
- Outside interests – Volunteer work or outside business activities done at one's job are a form of time theft.

WORK HABITS

There are people who inadvertently waste time because of their work habits. They would never admit to wasting time. In fact, they probably aren't even aware of their productivity shortfalls. Some of their practices include:

- **Bad planning.** Without taking time to plan, employees find themselves muddled in a mess. Typically, those who have tracked time planning spend 1.7 hours per week on it. Those who spend less tend to be less successful, based on correlation analyses.
- **Slow moving activity** – Employees are sluggish when they're suffering from sleep deprivation, hangovers, bad moods or illness. Others simply have a slow pace. Watch grocery checkout lines. The fastest moving lines are not always a function of the amount of goods that fill up shopping carts; they're more likely related to the speed of the checkout clerk.
- **Procrastination** – Spending effort on minor administrative tasks is productive, but not as much as time that should be directed towards major projects that keep getting put off. The big stuff is complex and it's hard to know where to begin; the little stuff is easy to get done right now.
- **Distractions** – Personal problems get in the way. So the employee has trouble staying organized and focused.
- **Poor problem solving** – The employee takes extra time because he or she hasn't learned effective techniques for doing their work.
- **Poor systems knowledge** – Perhaps an employee hasn't learned what could be automated, or duplicates someone else's work or doesn't know procedures very well
- **Clutter** – The employee is lost in a stack of stuff. He or she can't find files, information or project material. Efficiency isn't just about neatness, though that helps, but access to information. Put differently, there's nothing wrong with having a desk filled with an accumulation of stuff as long as the employee can find things quickly.
- **Administrative tasks** – These are burdens imposed by others that could be deleted or delegated.
- **E-mail copies and virus warnings.** So many do-gooders think they've performed a valuable service by broadcasting e-mails about supposed viruses, potential scams, etc. It simply isn't their job.

CORPORATE IMPEDIMENTS

As efficient as employees might be, they can end up wasting time because of factors not directly attributable to their own actions on the job:

- Equipment issues – Computers go down and software doesn't work. Equipment isn't unavailable or is inappropriate for the job.
- Changing directions – Management changes strategies and priorities, adding work everywhere.
- Unclear mandate or job description – People do jobs that aren't well defined, or that shouldn't be done.
- Poorly run meetings
- Major changes – The company is involved in a sale, purchase, move or disaster recovery.
- Legal battles – People spend time on issues that have nothing to do with their jobs.

These corporate examples all reflect how employees are quick to blame others for their lack of productivity. It's always "them" sending unsubstantiated virus warnings. "They" always cause delays while they take their time getting to the meeting. Or the chairperson ever so slowly brings the meeting to order. Or someone else in the organization didn't do something right, so it needs to be redone. Of course, the problem isn't really "them". In fact, it's "us."

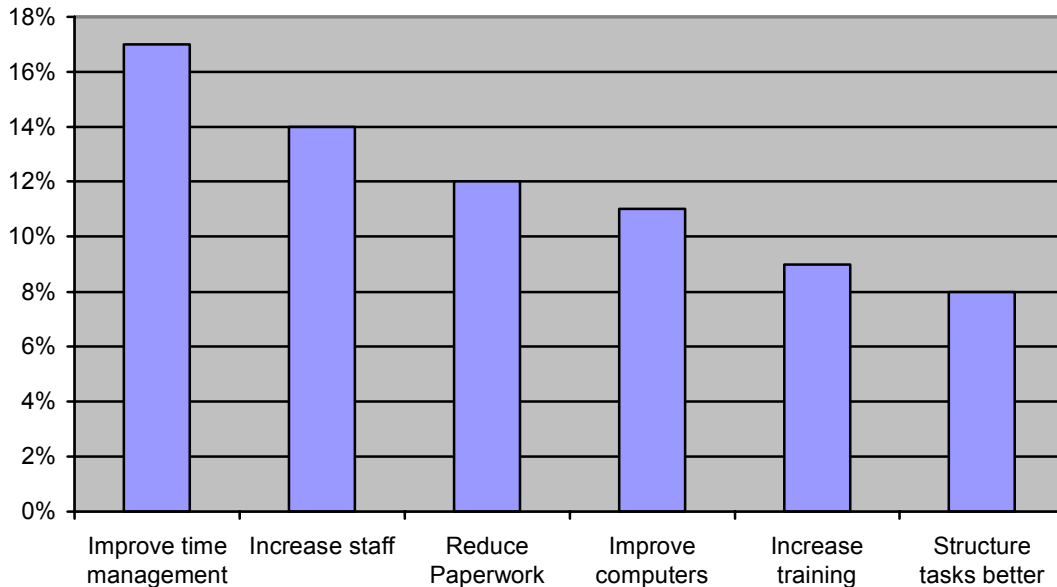
CONCLUSIONS – HOW TO REDUCE WASTED TIME

There certainly is wasted time in the work environment. But to fix it means first understanding the source of the problem. Perhaps some waste is natural. It's an expected part of the corporate environment. People will chat with their friends. They'll daydream now and then. Things will go wrong. So the world can never be a perfect place. That's what makes it interesting. Those who seek perfection are chasing an illusion. But those who can find ways to shift time around the pie chart will be more productive.

1. First accept that time will be wasted. As demonstrated above, it isn't just the employee's fault. There are many causes of wasted time. Obviously, it's easy to establish policies to prevent time theft. For instance, organizations would do well to restrict access to the World Wide Web. Internet surfing just doesn't need to be part of the typical employees' time. If it is, they should have limited access, or they could visit a central access terminal or the corporate library.

- Next, make people accountable for their results. It doesn't matter how much time is wasted getting things done; it only matters what the results are. Other methods for improving productivity are outlined in another survey question, shown in the table below.

Survey Question: "What could be done to enhance your productivity?"



- Employees want to improve their time management, a natural response to the question, but one that nonetheless highlights the need for on-going emphasis on this key core competency. This involves establishing goals, setting priorities, managing interruptions, delegating effectively, overcoming procrastination, saying no and preparing for meetings.
- Next, bring back the secretaries! There are too many senior executives plowing through e-mail, making travel reservations and signing for deliveries at what used to be the reception area. The number two response above reflects this. Employees regard having assistance as a way for them to be more productive.
- Paperwork never seems to go away, but constant attention to it should minimize its impact. Next, fix those computer systems. Or update them. Just get them working where they can make a difference in transactional processing. Increasing training means showing employees the skills they need to excel. Either that, or restructure jobs through centralization, back office support or, assistants to take away the quicksand of administrative busywork that bogs down just about all employees.

Management theorist Peter Drucker has repeatedly said that if you can't measure it, you can't manage it. Certainly the use of time can be measured, managed and made better.

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