

2017 Workplace Productivity and Communications Technology Report

March 2017

A generation ago, we were in the midst of the Industrial Age. People in businesses communicated and collaborated in face-to-face meetings or by using their desk phones. Written communications consisted of papers, letters, interoffice memos, and routing slips. And, for the most part, communications tasks were ancillary to the core business of many companies. Now, in the Information Age, electronic communication and collaboration are a core part of business processes. And while people still have meetings and phones at their disposal, they also have many more ways to communicate and collaborate with the addition of email, email attachments, mobile phones, real-time screen sharing, Internet-accessible shared databases and applications, web-based conferencing, and a variety of messaging options. Further, these myriad communication tools have been unified onto integrated collaboration platforms with access as close as the nearest Internet connection.

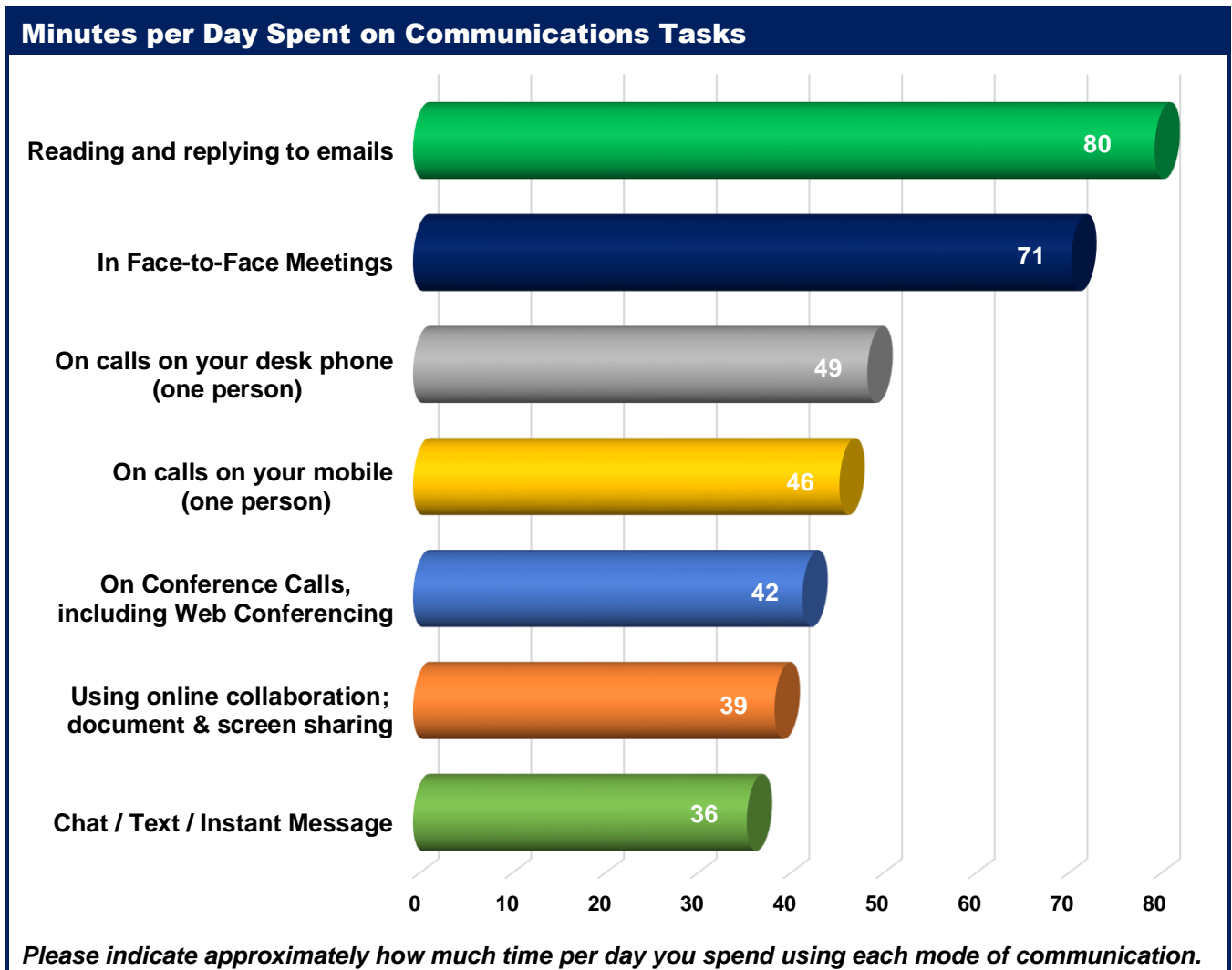
The study looks at how respondents communicate and how much time they use each communication mode including face-to-face meetings, email, telephone calls and conferences, video conferencing, Chat/Text/Instant Messages and online collaboration tools such as screen sharing. Respondents rated their personal preference for each mode, assessing how much time they spent on an average day using each method, and then specified the relative efficiency for each.

The key findings in this first-ever analytical study of how time is used are:

- Over two-thirds of the respondents' work day is spent on communications-based activities
- Almost three hours per day is spent on real-time person-to-person communications consisting of phone calls and face-to-face meetings.
- Almost an hour and a half per day is spent on email.
- Almost 15% of total work time is lost or wasted because of inefficient or ineffective communications.
- Factoring in respondents' annual salaries, companies lost nearly \$11,000 (USD) per employee per year as a direct result of inefficient or ineffective communications.
- When considering the true cost of employees, this skyrockets to a little over \$15,000 (USD) per employee per year.
- The average number of people working for the respondents' companies is about 3500.

Thus, the typical cost of inefficient communications is well over \$50,000,000 (USD) per year. While there is no communication and collaboration infrastructure that can recover all this expense, a careful examination of methods and systems can have an immense payoff in recouping tens of millions of dollars.

A Quantitative View of How Time is Spent



Respondents indicated how many minutes per day they spend using each mode of communication, totaling just over six hours per day.

Telephone calls are by far the dominant task in terms of time, with over an hour and a half per day (95 minutes) for combined desk phone and mobile phone calls. Email is second, with face-to-face meetings third. The fact that email consumes “only” an hour and twenty minutes per day will be surprising to some.

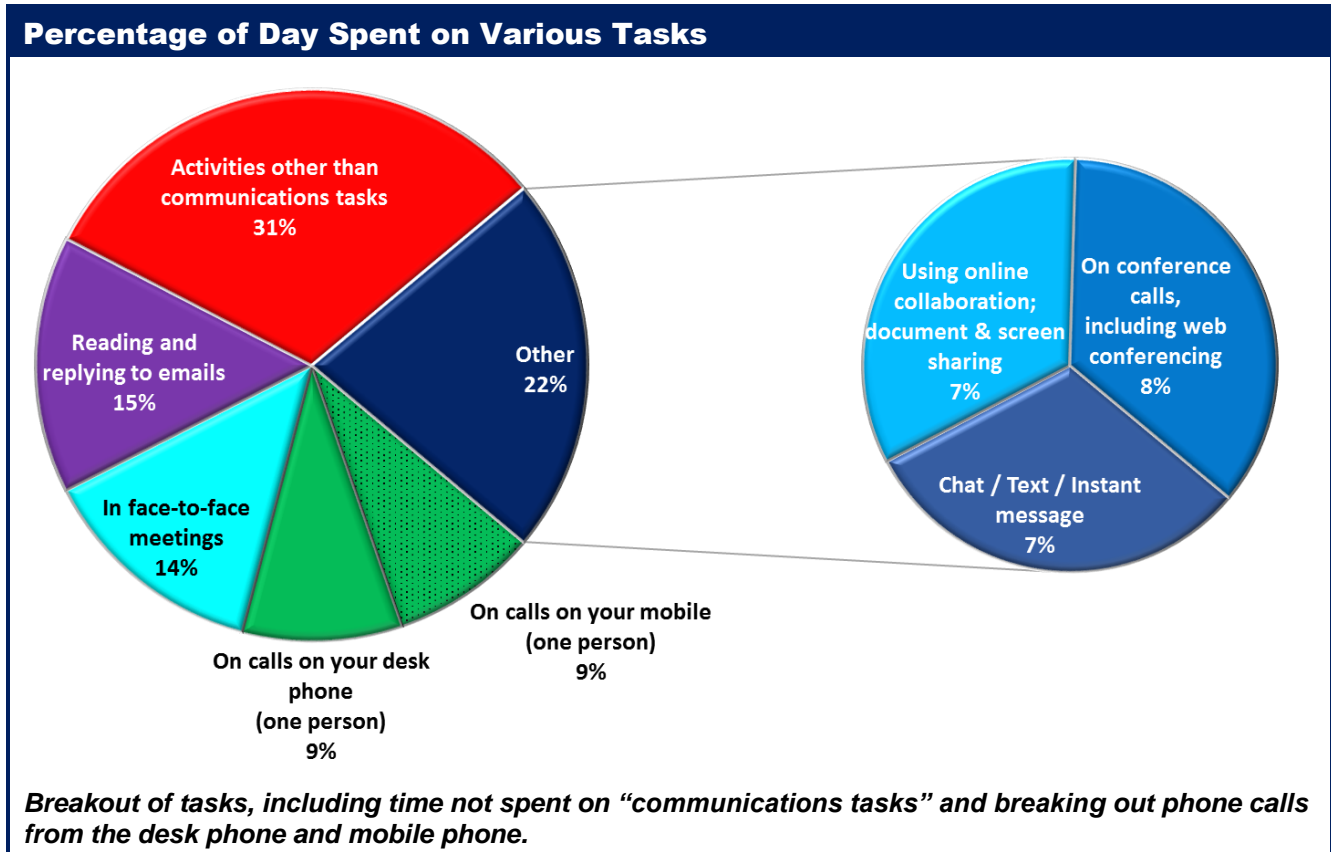
Note that the questions did not attempt to address “multitasking,” such as texting or doing email while on the phone. Rather, it was assumed that respondents would divide up the time appropriately.

The bottom line...

Phone calls clearly take up the most time during the day as an overall category, with the time split almost equally between conference calls and one-on-one calls. Even though on-line collaboration and Chat/Text/Instant Messaging did not rank highly as most frequent modes of communication, they still accounted for over an hour per day.



How the Full Day is Spent



Over two-thirds of the respondents' time (over six hours out of almost nine hours worked) was spent communicating with other people. This time devoted to communications at work clearly emphasizes the essential business need for effective communications and collaboration.

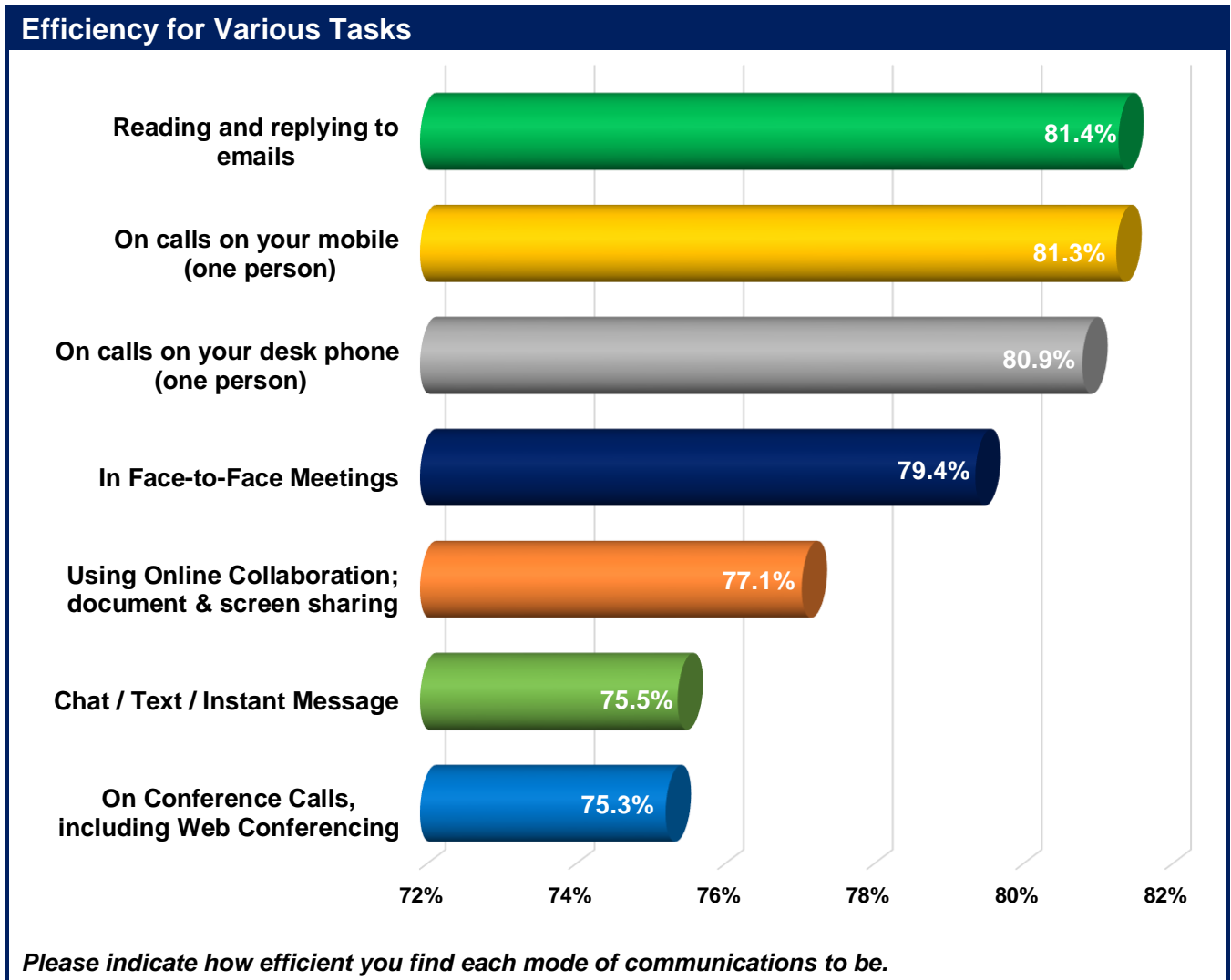
The chart above moves from a graph showing the minutes and hours worked to a comparative view indicating how large a slice of the daily pie is divided among the various tasks.

The bottom line...

Over two-thirds of the day spent by respondents involves some form of communication, with only 31% of the time spent on "other activities." Of course, the core business may involve use of one or more forms of communication as a part of the core business, so the degree to which communications is used efficiently or inefficiently as a part of the core business is not addressed.



How Efficiently Are Communications Tasks Accomplished?



Once respondents defined how much time they spent on various communications modes, the next step was to look at the efficiency for each mode. From a quantitative perspective, the respondents were asked to rate the efficiency of each of the tasks as “Totally efficient; no wasted time (100%),” “Almost totally efficient; Very little wasted time (90%),” “Fairly efficient; but some wasted time (75%),” “Not very efficient; lots of wasted time (50%),” “Inefficient; lots of wasted time (25%),” or “Total waste of time (0%).”

Overall, the ratings for each mode averaged as 79% efficient. The spread from least efficient (75%) to most efficient (at 81%) was relatively tight—with only six percentage points difference between the most and least efficient ratings.

We postulate that one of the key reasons for inefficiency is not using the optimal communications mode for the task at hand. For instance, email often is used for a “chat” with a barrage of short messages. And while email is great for documenting conversations and including a large number of participants in a conversation, the ability to copy a large group of people on a conversation can also lead to inefficiency. Further, for almost all forms of communication, the tendency to combine work-related and personal messaging leads to inefficiency.

The bottom line...

Overall, the respondents did not indicate large degrees of differences in the degree of efficiency among the various modes of communication. However, the degree of inefficiency is striking.



The Economic Impact of Communications Inefficiencies

To calculate the costs of inefficient communications, respondents were asked to provide their annual salaries along with the average hours worked each week both inside of and away from the office. Respondents worked an average of 43.96 hours each week.

The average annual salary, exclusive of benefits, etc., was \$75,888 (USD). This is only a fraction of the true cost per employee. [Industry sources](#) commonly indicate that the approximate additional cost in just tax and benefits in the US are at least 1.25 to 1.4 times the base salary.

In some cases, we find estimates of up to 2.7 times the base salary. [Extensive reporting](#) by the US Bureau of Labor Statistics shows salaries as a percentage of total cost ranging from about 76% (multiply by 1.32) to 60% (multiply by 1.67) with an average of about 70% (Multiply by 1.43). While the exact percentage will vary by country and industry, we chose a very conservative multiplier of 1.4 times the base salary.

Thus:

- Using a factor of 1.4 times salary, the real cost per employee to the company based on the respondents' reported salaries is \$106,242.63 (USD) per year.
- The respondents work 43.96 hours per week. Assuming a five-day week, this is 8.8 hours per day. They spend 6.03 hours on communications and collaboration tasks, resulting in 68.6% of their time.
- Based on the actual cost, this is \$72,929.22 (USD) per year.
- Of the communications 6.03 hours, they lose 1.26 hours due to inefficiencies, or 20.9%. Based the actual cost of this time, the time lost due to inefficiencies is \$15,185.37 (USD) per employee.
- The companies for which the respondents worked have an average of 3,460 employees. So, the cost per typical company is \$52,541,380.96 (USD).

Task	Hours spent per day	Hours lost per day
Email	1.33	.25
Conference Calls	.69	.17
Mobile Calls	.76	.14
Office Calls	.82	.16
Online Collaboration	.64	.15
Meetings Face to Face	1.18	.24
Chat / Text / IM	.61	.15
Totals / Average	6.03	1.26

The bottom line...

Based on the efficiency of each task, the number of hours worked each day, and annual salary, companies lost over \$15,000 (USD) per employee per year due to inefficient communications. For a typical company responding to the survey, this is over fifty million dollars (US) per year.



Demographics

The study results and analysis are based on responses from 906 business professionals across four sample groups that included over 250 responses from each of the United Kingdom (UK), France, Germany. The remainder of the responses came from the rest of the world, with a plurality of those remaining responses from the US. The survey audience in Germany and France received the survey in their native language, and questions about salary were asked with the national currency for the three European cohorts.

The respondent ages were 17% under age 30, 35% age 31 to 40, 25% age 41 to 50, and 23% age 51 or older. Company sizes showed 32% of respondents working for large companies with 2500 or more employees, 26% working for medium-sized companies with between 500 and 2499 employees, and 42% working for a small business with fewer than 500 employees.

Acknowledgment

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