

# Don't Fire the Clerical Staff!



BY PETER G. SASSONE

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anagers frequently spend only 25 percent of their time supervising staff and making decisions. Believe it or not, they're probably spending more time—almost 30 percent of their workweek—on clerical and non-productive tasks, such as filing, photocopying, typing and searching for information. Of course, these tasks can and should be delegated to lower paid and lesser skilled employees. Indeed, this misallocation of resources may be costing your company as much as 15 percent of your annual payroll.

How many managers can afford to waste this much money—or talent? You can start in-

creasing productivity and profits by rethinking staffing requirements, redefining job responsibilities and taking advantage of information technology. The goal is to involve employees and gain their cooperation. Without it, any organizational changes will be resisted and, ultimately, will prove to be painful and psychologically costly.

## A Productivity Gap

These findings are based on the results of a series of office-productivity studies, which we conducted over a five-year period. One of the purposes of the studies was to cost-justify office technology in 20 white-collar or "professional" departments in five major U.S. corporations. After analyzing the work performed by more

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*If your managers are spending a good portion of their time doing non-management work, it may be time to reevaluate your organization's structure.*

*You're probably not running your business in the most effective and cost-efficient way.*

than 1,000 employees, we discovered productivity insights that went far beyond the cost-justification of office computer systems. We found a very clear—and largely unrecognized—problem: a lack of intellectual specialization among white-collar workers. Quite simply, “intellectual specialization” is used to characterize how managers spend their time. For example, managers who spend much of their days doing management-level work (work that cannot be delegated to non-managers) are intellectually specialized. A senior professional, say an experienced engineer or financial analyst, who spends much of the day doing work that could be delegated to lesser skilled and lower paid employees, is intellectually non-specialized.

### Getting Started

We started each study by interviewing a sample of employees in five positions—managers, senior professionals, junior professionals, technical support workers and administrative support workers—at each company. The goal was to identify the functions for which they were responsible, the corresponding activities and tasks that they performed while doing their jobs, and the lowest position to which the various tasks could be delegated.

Using the information gathered in the interviews, we developed time logs, or diaries. All workers in each office used the diaries to record their hourly activities, which were categorized as management level, junior-professional level and so forth. Logging days were carefully staggered over the course of the month-long studies so that the data would be representative of the

department's actual work. A tally of the diaries ultimately revealed how much time on average employees spent performing each type of task.

It's important to note that the managers in our studies were not senior, executive or corporate managers. This distinction is critical because top-level executives usually have adequate secretarial support and the ability to marshal needed technical support. And, of course, their position enables them to delegate work more easily than subordinate managers can.

We found that intellectual specialization uniformly decreased as job levels increased. That is, managers spend the least time (30 percent) performing work at their level, such as handling personnel problems, coaching subordinates, assigning work, and developing goals, objectives, plans and policies. Administrative support workers spend the most time (82 percent) doing work at their level, such as sorting and distributing mail, typing letters, filing, sending faxes and so on. Senior professionals, junior professionals and technical support workers fall neatly between these extremes. This pattern is so pronounced that it might well be called the law of diminishing specialization of office work.

Managers, for their

### BRIEFCASE

**Do your managers spend only one-quarter of their time managing and as much as one-third of their time on clerical tasks such as typing and filing? If so, you're not alone. Many companies have laid off secretaries to compensate for their expensive computer systems or cut back on their support staff to get lean and mean during the recession. While this approach may make sense in the short term, it spells disaster for any organization that wants to survive over the long haul.**

part, spent *most* of their time on support work—such as typing their own reports and routine forms—and on non-productive work, like waiting to use a fax or photocopying machine, or walking to a meeting and waiting for it to start (see chart, below).

**HOW EMPLOYEES SPEND THEIR TIME**  
The amount of time that employees spend on these types of tasks:

TITLE	MGMT. WORK	SR PROF. WORK	JR. PROF. WORK	TECH. & ADMIN. SUPP. WORK	NON-PROD. WORK
MANAGERS	30%	29%	9%	17%	15%
SENIOR PROFESSIONALS	4%	42%	18%	24%	12%
JUNIOR PROFESSIONALS	2%	7%	52%	23%	16%
TECH & ADMIN SUPP. WORKERS	0%	0%	3%	84%	13%

SOURCE: Sassone and Associates

Why do most managers spend such a large portion of their time on these support-type tasks? What typically happens is that short-run budget crises and other office-related considerations tend to overshadow sensible long-range thinking. In short, the loss of productivity can be attributed to the following two myths:

● **MYTH # 1: A reduction in support staff will pay for office information systems.** Compared with traditional expenditures on office capital equipment, like typewriters, file cabinets and desks, office computer systems are very significant budget items. Many businesses purchase or upgrade their office information systems thinking that the computers will absorb and eliminate some work while increasing the efficiency with which the remaining work gets done. It makes sense, then, that fewer support workers are needed, right?

Wrong. Although computers can increase productivity in a limited set of office activities—such as typing, filing, creating and distributing forms, spreadsheet analyses and graphics—they have not yet significantly improved overall office productivity. Computers cannot, for example, make travel arrangements, answer the phones or handle customer-service problems.

In fact, computers tend to create the need for more support staffers. First, most offices end up needing someone to serve as a system trainer/troubleshooter. Second, when managers use computers correctly to leverage their time, they get more done and create more support-level work. The bottom line? If you've cut your

support staff, your managers are probably performing additional support work.

● **MYTH #2: Support work is not as vital as management's work, so the company can make do with less support staff.** As companies grow, staffing needs grow accordingly. But given permission, managers hire more managers rather than more support staff. The theory is, managers can generate more revenue *and* perform most support tasks, too. Another rationale is that managers and professionals, representing substantial investments in training, will cost more to replace when business picks up again.

The more sensible approach is to compare the costs of hiring and firing a manager with the cost of hiring and firing a support person. In most cases, hiring a support staffer allows managers to delegate support-level work and devote more time to management-level work. In essence, you get more work out of a manager for the cost of a support staffer.

## A New Approach

If you have replaced secretaries with personal computers or cut your support staff during the recession, it's time to take a fresh look at your office's productivity—and get managers managing again. Here's how you can get started:

● **Understand, measure and track the intellectual content of office work, and staff the office accordingly.** For example, the next time you think you need to hire another manager, consider whether you actually can get more mileage out of a support worker. Take the case of an Atlanta bank that had 10 branch offices. Each branch office had one manager, two to six loan officers, and one to three support staffers. The problem was, the loan officers were swamped with paperwork. Once management recognized the situation, it hired some administrative assistants, and loan officers began off-loading some of their routine paper work. This hiring strategy increased annual costs by only 5 percent, but increased the bank's volume of business by 25 percent.

Of course, you may have to change job responsibilities so that managers can delegate more support-level work. That's what one department at a financial services firm found after realizing that its managers and lenders were spending far too much time handling routine customer inquiries and problems. Although customer service was their dominant activity, no one held responsibility for it; in fact, it was viewed as an interruption of regular work. The solution: a new position of customer service specialist was created.

Over a period of time—and with the help of attrition, transfers and retirements—actual staffing can be driven toward the ideal. The bottom line is that by having managers specialize in managing, the same total amount of work can be accomplished at considerably less cost. As a rule of thumb, we found that the typical office can save about \$7,400 per employee by restructuring its staff and improving its level of intellectual specialization.

● **Focus on intellectual specialization, not task specialization.** When managers are freed from many of the tasks that can be delegated to lesser skilled workers, the variety and diversity of their jobs expand. Indeed, intellectual specialization tends to enrich management jobs because it reduces the time that managers have to spend on tasks they find least enjoyable.

Similarly, intellectual specialization in the office can enrich support positions. As managers delegate support tasks, they increase the diversity and the level of responsibility of support jobs. A case in point is the bank where professionals were spending too much time on customer-service related tasks. When that work was transferred to support workers, their job satisfaction improved markedly. They enjoyed the opportunity to have more customer contact and to solve customers' problems. At the same time, bank managers and professionals enjoyed their work more because they weren't encumbered by interruptions.

An office simply cannot achieve a high level of productivity unless its managers and professionals are devoting most of their time to work appropriate for their level. In essence, then, intellectual specialization is the key to productivity in the professional office.

● **Don't use a back-office strategy in a professional office.** When formulating an office technology strategy, it is critical to distinguish between "production" and "professional" offices. A production office is mainly clerical, where typical office functions include payroll, reservations, order entry, billing and claims processing. Typical professional office functions include sales, legal work, financial services and so on.

If your office is a "professional" office, the acquisition of technology may well increase the need for support workers. Unfortunately, the idea that technology is a substitute for labor persists in many businesses. The notion is encouraged by technology vendors who point to instances of successful "production" office automation, and suggest that computers used in a "professional" setting can be similarly cost-justified.

● **Develop an integrated office productivity strategy.** Why have we invested so much in office technology and not received an adequate return? Perhaps the primary reason is that shortsighted staffing decisions and technology purchasing decisions have been working at cross-purposes. If you buy technology to make your managers and professionals more productive, and then cut your support staff, you're netting out the technology's productivity-enhancing potential. In short, you're no better off than you were before.

The lesson is that piecemeal office strategies are dangerous. The office is a complex work system in which the staffing structure, the work structure, the job responsibilities, the professional-work enhancing technology, and the support-work enhancing technology all simultaneously affect how employees spend their time and how much work gets accomplished.

So before you make any significant staffing decisions, put your managers and support staff—and their new computers—to work in a way that will work best for your company. ■■■

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## WORKBOOK

Here's how to get your employees to accept organizational change:

✓ **Create small "impact teams."** Make these teams, composed of managers, professionals and support staffers, responsible for determining what type of work staffers should be doing based on individual knowledge, pay and skills.

✓ **Zero in on work assignments.** Have all employees log their time for a week or two. The impact team can use this information, as well as verbal input from staffers, to classify tasks and activities within appropriate work levels.

✓ **Encourage suggestions for change.** Once the team compares the mix of work with current staffing levels, they can begin to suggest a reallocation of tasks, staffing or other resources.