



# Wasted Time At Work Costing Companies Billions

By Dan Malachowski

**F**or many American workers today, time's a wastin' - literally. According to a new survey by America Online and Salary.com, the average worker admits to frittering away 2.09 hours per 8-hour workday, not including lunch and scheduled break-time. As a matter of practice, companies assume a certain amount of wasted time when determining employee pay. However, the America Online / Salary.com survey indicates that employees are wasting about twice as much time as their employers expect. Salary.com calculated that employers spend \$759 billion per year on salaries for which real work was expected, but not actually performed.

## WASTE MANAGEMENT

The biggest distraction for respondents? Personal Internet use. 44.7% of the more than 10,000 people polled cited web surfing as their #1 distraction at work. Socializing with co-workers came in second at 23.4%. Conducting personal business, "spacing out," running errands, and making personal phone calls were the other popular time-wasting activities in the workplace.

Top Time-Wasting Activities	
Surfing Internet (personal use)	44.7%
Socializing with co-workers	23.4%
Conducting personal business	6.8%
Spacing out	3.9%
Running errands off-premises	3.1%
Making personal phone calls	2.3%
Applying for other jobs	1.3%
Planning personal events	1.0%
Arriving late / Leaving early	1.0%
Other	12.5%

Employees say they're not always to blame for this wasted time, however. 33.2% of respondents cited lack of work as their biggest reason for wasting time. 23.4% said they wasted time at work because they feel as if they are underpaid (if this applies to you, click on the Salary Wizard to find out what you are worth).

## CATS VS. MICE

Are workers really expected to work 8 hours per day, non-stop? According to a Salary.com follow-up survey of Human Resource managers, companies assume that employees will waste 0.94 hours per day. They take this into account when they do their compensation planning. However, those managers privately suspect that employees waste 1.6 hours per day. In fact, employees admit to wasting 2.09 hours per day.

Top Time-Wasting Excuses	
Don't have enough work to do	33.2%
Underpaid for amount of work	23.4%
Co-workers distract me	14.7%
Not enough after-work time	12.0%
Other	16.7%

**“American workers are wasting more than twice the time Human Resource managers expect.”**

"To some bosses, that's a startling figure," says Salary.com's Senior Vice President Bill Coleman. "Others, though, will view this extra wasted time as so-called 'creative waste' - wasted time that may well have a positive impact on the company's culture, work environment, and even business results."

Year of Birth	Time Wasted Per Day
1930-1949	0.50 hrs.
1950-1959	0.68 hrs.
1960-1969	1.19 hrs.
1970-1979	1.61 hrs.
1980-1985	1.95 hrs.

Which industries account for the most wasted time?  
**HOW DOES YOUR STATE RANK?**  
 Where does the most work-time get wasted?  
 Regionally, the most time appears to be wast-

ed in the Midwest, while the least appears to be wasted in the South. The biggest time wasters reside in Missouri, Indiana, and Kentucky. Workers in South Carolina, Rhode Island, and Hawaii slack off the least.

Top 5 Time-Wasting States		
State	Time Wasted (hours/day)	Salary Dollars Wasted (per year)
Missouri	3.2 hrs.	\$28.1 billion
Indiana	2.8 hrs.	\$25.1 billion
Kentucky	2.8 hrs.	\$15.4 billion
Wisconsin	2.8 hrs.	\$23.8 billion
Nevada	2.7 hrs.	\$9.8 billion

Salary Dollars Wasted column reports (for each state shown) the total value of all salary dollars actually paid by employers, for which work was expected but not actually performed by employees. The calculation assumes that employers expect, and therefore allocate no salary dollars for, the first 0.94 hours of wasted time per employee. Calculations also assume a standard five-day workweek consisting of 8 hours per day, and a U.S. average salary of \$39,795.33 per year (Q1 2005). Census data for non-farm workers employed in each state (Q1 2005) was obtained from the Bureau of Labor Statistics of the U.S. Department of Labor.

Top 5 Time-Conserving States		
State	Time Wasted (hours/day)	Salary Dollars Wasted (per year)
South Carolina	1.3 hrs.	\$3.0 billion
Rhode Island	1.3 hrs.	\$805 million
Hawaii	1.3 hrs.	\$975 million
West Virginia	1.4 hrs.	\$1.6 billion
North Carolina	1.4 hrs.	\$8.1 billion

**COSTLY BUSINESS**

The average yearly American salary is \$39,795 per year - or \$19.13 per hour. If the average worker wastes 1.15 hours more than employers suspect, per 8-hour work day, that adds up to \$5,720 per year, per worker in wasted salary dollars. So with the American workforce 132 million (non-farm) employees strong, the total in lost salary dollars adds up to \$759 billion per year.

Adding It All Up	Per Hour	Per Day	Per Year
<i>Average hrs. American worker actually wastes</i>		2.09 hrs.	
<i>Average hrs. American workers are expected to waste by HR</i>		.94 hrs	
<i>Difference between expected and actual time wasted</i>		1.15 hrs	299 hrs.
<i>Average American worker's annual salary</i>	\$19.13	\$153.04	\$39,795
<i>Total salary dollars wasted per employee</i>			\$5,720
<i>Total number of American workers (non-farm)</i>			\$132 million
<i>Total salary cost to companies</i>			\$759 billion


*Note: Time-wasted figures are based on an 8-hour workday (2080 hrs. per year)*

If you are guilty of wasting a little time at work, and reading this far may indicate that you are, it may be comforting to know that you are not alone. Samara Jaffe, Director of Careers/AOL Find a Job Channel says that "it's nice to see that American workers aren't all work-minded 100% of the day, and that their employers are realistic about that too."

Some employees even told us other ways they waste their time at work, such as primping in the bathroom mirror and having running races up the staircase with co-workers. One respondent writes, "the hurried walk around the office is not only a great way to look like you are busy, but also a good cardio exercise." Other employees bring Game Boys or needlework to the office. And when all other time-wasting tactics fail, there is always staring blankly at your computer screen or out a window.

So take a few minutes to surf the web or socialize with co-workers. Then, get back to work!

**SURVEY METHODOLOGY**

America Online and Salary.com conducted in-depth research relating to time wasted at work among 10,044 respondents during May and June, 2005. Populations surveyed included AOL users, Salary.com Salary Wizard users and corporate human resource professionals. Respondents were asked to indicate how much time they wasted in an average workday, assuming a workweek consisting of five 8-hour days. Demographic information, including respondent geography, job category and gender was also collected in the study. Data was analyzed by Salary.com's team of Certified Compensation Professionals. 

Top 5 Time-Wasting Industries	
Job Category	Time Wasted Per Day
Insurance	2.5 hrs.
Public Sector (Non-Education)	2.4 hrs.
Research & Development	2.3 hrs.
Education	2.2 hrs.
Software & Internet	2.2 hrs.

Top 5 Time-Conserving Industries	
Job Category	Time Wasted Per Day
Shipping and Receiving	1.7 hrs.
Manufacturing	1.8 hrs.
Healthcare Related	1.8 hrs.
Finance and Banking	1.8 hrs.
Marketing and Communications	2.0 hrs.