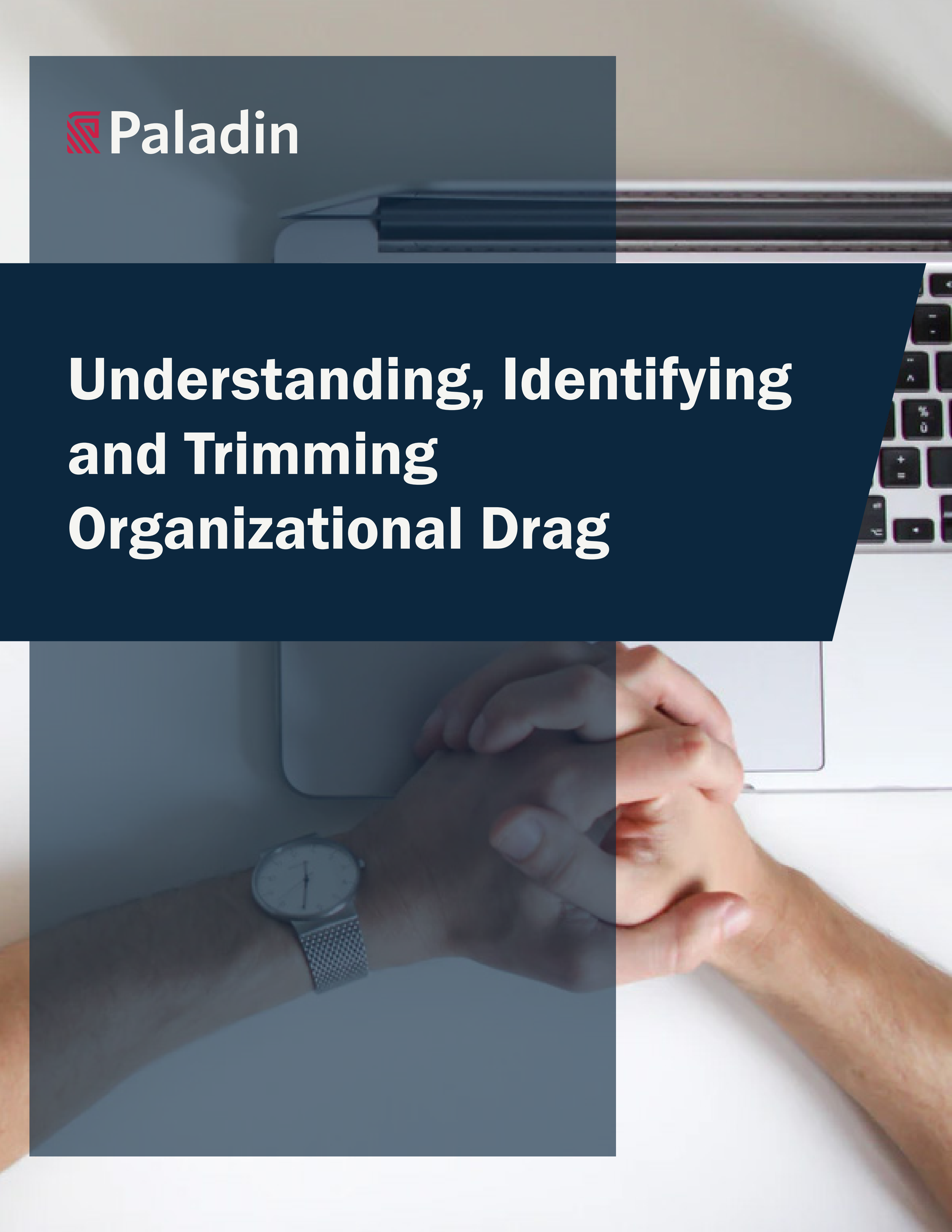

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Understanding, Identifying and Trimming Organizational Drag

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by Scott Avila

Maximizing productivity among employees is a key operational objective for any business. But sometimes the organization itself can stand in the way of employees' output. Eric Garton, a partner at Bain & Company, refers to this as 'Organizational Drag', which he defines as "all the practic-es, procedures, and structures that waste time and limit output."

Organizational Drag presents a unique challenge to companies because the factors that cause it are built into the structure of the organization itself, practically guaranteeing future productivity troughs and restraints on employee output, and are often overlooked as they are so entrenched.

While understanding Organizational Drag is obviously the first step to curbing it, actually identifying ways to cut down organizational drag can be a challenge. In an article in the Harvard Business Review, Garton lays out a roadmap for companies hoping to trim drag in their organizations via three main areas: refocusing on strategic priorities, resetting budgets, and redesigning the operating model.

The first item on Garton's checklist is to refocus on strategic priorities. As he explains, it's easy for companies to try and chase every opportunity that comes their way--regardless of whether or not the opportunity is a practical one--which can stretch their resources too thin and may not generate any substantive returns. As a result, employees who work on these projects may feel as though they're simply spinning their wheels.

For Garton, this is why refocusing on strategic priorities is so critical: it helps companies free themselves of dead weight and lets employees dedicate themselves to projects that actually benefit the organization. His second point, resetting budgets, nicely complements the notion of refocusing on strategic priorities by making sure that resources are not going toward time- and labor-wasting diversions.

As a final point, Garton discusses the need for companies to redesign their operating models, or “the way the company is organized to deliver on its strategy.” This is where companies can take aim at the institutional factors and practice that contribute to organizational drag. For example, is communication between departments in your office poor and unreliable? Is the hierarchy and leadership structure confusing? These are the kinds of things to consider as you revise your company’s operating model.

Garton does acknowledge that it can be a challenge to put these points into practice, especially when it comes time to reset budgets, but difficulty shouldn’t be a barrier to self-improvement. And after a year in which the pandemic has delivered a seismic shift in working practices and structures, and introduced new pressures on budgets and returns, there has never been a better time to make sure the business is streamlined for maximum success and output.

If companies want to get serious about curbing cycles of unproductivity and being in the best position possible for 2021, then they should devote more time to shedding Organizational Drag.

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