

Organisational Efficiency

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FOR TEAMS, MANAGERS OR LEADERS

An organisation is efficient if it is well aligned and does not waste any of its resources.

Organisational Efficiency

Companies generate value through creating and selling products from organising the utilization and combination of resources.

The organisation of the utilization and combination of resources should be efficient.

Efficiency is defined as achieving maximum desired output with the given input or as achieving the given desired output with minimum input.

A more suitable definition of efficiency in the context of organisations is to achieve the desired output without causing waste in the creation processes or of the inputs.

Better and worse alignment of company interests and forces by help of organisation.



The 10 *Mudas* (Wastes) in Organisations

Similar to the well known *Mudas* (wastes) in operations, there also exist *Mudas* in organisations which cause inefficiencies:

1. Lack of overall purpose and according performance & progress measures · missing resource selection & control
2. Unclear structure · organisational overlap & redundancies · no ownership
3. Incompatible interests · false payment, reward, and incentive mechanisms
4. Lack of collaboration · silo thinking · area egoism · power games · friction
5. Missing information · un-SMART objectives · lack of communication · lack of knowledge · re-inventing the wheel
6. Information travel · authoritative decision making & overrule · hesitations
7. Lack of leadership & delegation · over-control · unused human competence or ingenuity · unnecessary bureaucracy
8. Lack of learning · slow problem solving · low quality · little fixes · repeat errors
9. Lack of adaptation, change, innovation
10. Organisational waiting time (due to bottlenecks) · slow decision taking