

# Shrinkage Revisited: From Benchmarking Numbers to Understanding Time



**S**hrinkage has always attracted attention, across our industry. It remains one of the most frequently requested benchmarks, often driven by a simple question: how do we compare to others? But as with many measures, that question can easily lead us in the wrong direction.

Using data from our latest shrinkage survey, this article builds on our earlier benchmarking work and takes the conversation a step further. Rather than asking what the “right” shrinkage figure is, we explore what the data reveals about how

organisations use time, what they prioritise, and how well prepared they are for the complexity ahead. This is not about redefining a new industry standard. It is about resetting how we interpret shrinkage and what we expect it to tell us.

## **Moving Beyond the Average**

One of the clearest messages from the data, is how misleading averages can be. At headline level, shrinkage often appears reassuringly neat. But when we look beneath the surface, the variation is striking. Sickness alone ranges from around 4% at the low end to close to 20% at the high end, despite



an average sitting just above 8%. Training time is similarly wide spread, from just over 1% in some organisations to nearly 9% in others.

This means two organisations can report the same overall shrinkage figure while telling completely different stories. One may be investing heavily in regulatory training, onboarding and coaching. The other may simply be recording very little non-productive time at all, often because certain activities are excluded, unpaid or absorbed elsewhere. When shrinkage is reduced to a single headline number, reality is flattened. The data reinforces a lesson

from earlier benchmarking: shrinkage only becomes meaningful when we understand why the time is there. Without this context, comparisons are shallow at best and misleading at worst. The value of the new dataset is not in revealing an average, but in exposing the range and the drivers behind it. That is a far more powerful starting point for learning.

### **Shrinkage as a Reflection of Choice, Not Failure**

Shrinkage is often viewed as lost or wasted time. However, training, coaching, communication and even some absence are not failures of planning. They are the outcome of organisational choice, policies and cultural priorities. In the latest data, we see some organisations with higher-than-average training and communication time often showing relatively stable sickness patterns. By contrast, some of the lowest reported training figures sit alongside higher levels of “other” time. This may suggest reactive activity, ad-hoc work or unclassified absence rather than deliberate development.

Time taken out of training does not disappear. It often reappears elsewhere, less planned, less visible and harder to control. This is where shrinkage becomes a cultural signal. It tells us which activities are protected under pressure and which are sacrificed first. That insight is more valuable than the headline percentage itself.

### **The Problem with Fixed Shrinkage Targets**

A recurring pattern in the data is the continued use of fixed, year-round shrinkage targets. The desire for predictability is understandable. But time is not static. Demand fluctuates, new products launch, regulations change and people’s lives do not follow a smooth curve. Holiday time clusters tightly around an average of roughly 13%, but like training, communication and “other” time, holiday % fluctuate widely across organisations and throughout the year.

Despite this, many organisations apply the same shrinkage expectation in every month, for every skill group and every channel. The result is often a disconnect between planning assumptions and operational reality. Several organisations describe shrinkage targets becoming a substitute for forecasting. Instead of planning for expected absence or development, teams plan to the number they hope to achieve. On paper, capacity looks sufficient. In practice, it rarely is.

The data highlights the trade-off clearly. Fixed shrinkage targets can create certainty in spreadsheets, but instability in operations.

### **Shrinkage as an Early Warning Signal**

One of the most powerful insights from the dataset is how changes in shrinkage composition often precede wider issues. Rising sickness, growing “other” time or shrinking development allocations frequently appear in shrinkage before they show up in attrition, quality scores or customer outcomes.

Organisations may be reporting sickness levels at or above 10% while still meeting headline capacity assumptions, because learning, coaching or meeting time has been reduced to compensate.

By the time downstream measures move, the problem is already embedded. Seen this way, shrinkage is not just a planning assumption. It is an early warning system. Used well, it allows organisations to spot emerging risk, ask better questions and intervene sooner. Used poorly, it becomes a blunt constraint that hides problems until they are harder and more expensive to fix.

**Definitions Matter More Than Numbers**

Another clear theme from the data is how differently organisations define shrinkage. Breaks range from 0% to around 7%, depending largely on whether unpaid time is included. “Other” time varies from well under 1% to nearly 15%, reflecting very different approaches to projects, change activity, long-term leave and special assignments. Contractors, probation sickness, bought holidays and mandatory training all appear inconsistently across responses.

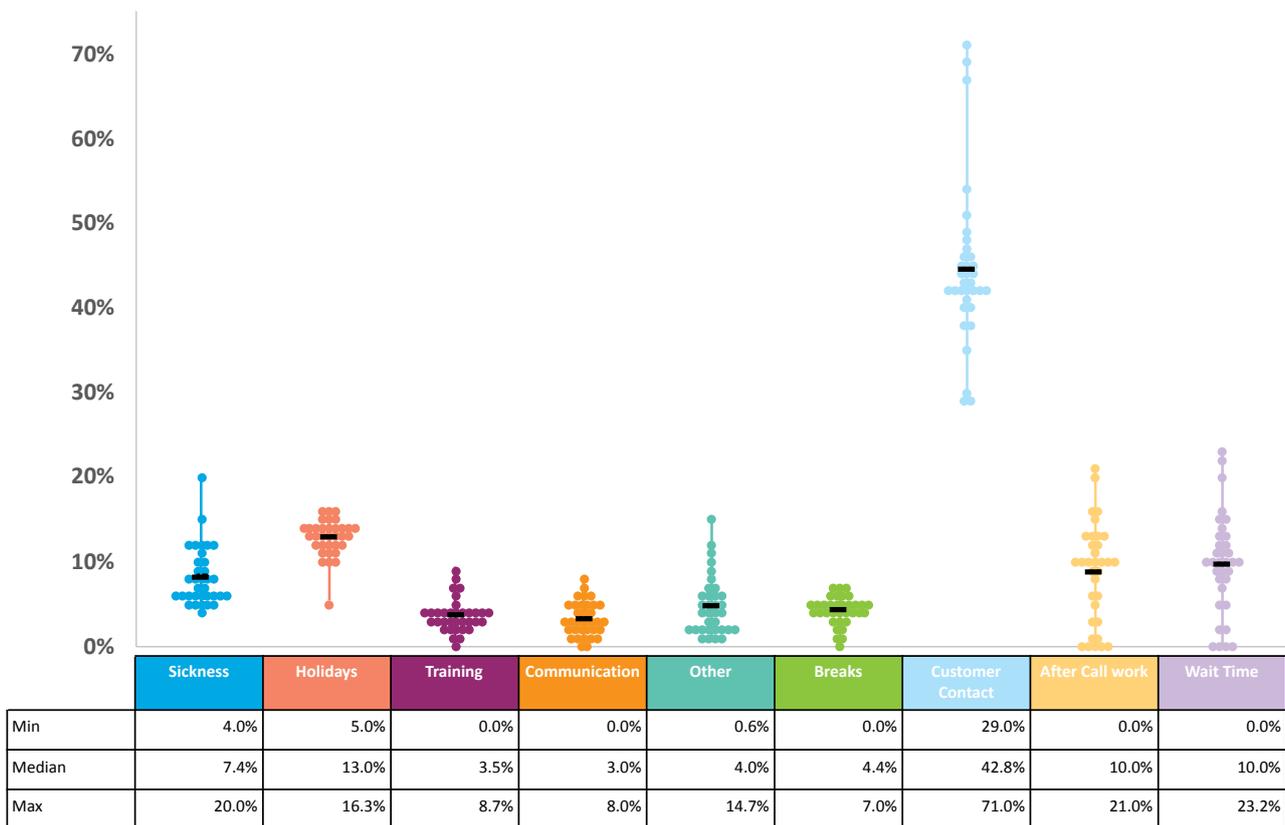
These differences are not marginal. In many cases, how shrinkage is defined has a greater impact on the numbers than sickness or training themselves. The danger is not inconsistency, it is false comparison. When numbers are benchmarked without understanding what sits inside them, we create confidence where it’s not deserved and pressure when not needed. The most mature use

of shrinkage data in the survey is not about perfect standardisation, but transparency. Organisations that clearly understand and communicate what is included are far better placed to use shrinkage for planning and decision-making. When we look at “other” time in the data, the biggest risk is treating it as one single thing. In reality, it covers several very different types of activity, and each has very different implications for planning and performance.

In some organisations, “other” includes work that is well understood but does not fit neatly into standard categories. This time is often planned and can add real value. For example, advisors may support back-office tasks during quieter periods or help with improvement work between demand peaks. Used in this way, “other” is not a problem. It is a deliberate choice that adds flexibility and helps balance supply and demand.

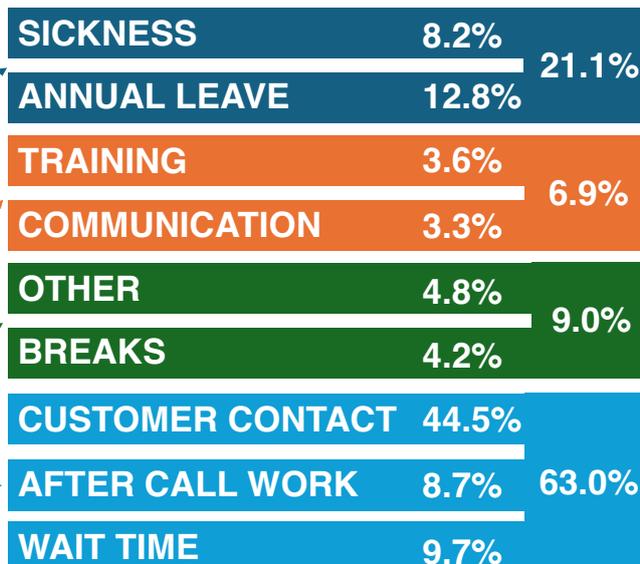
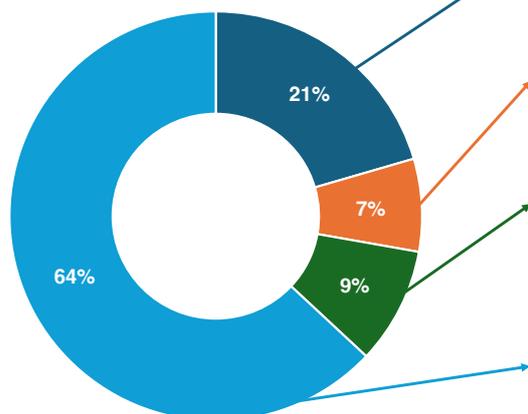
In other cases, “other” captures work that is real but poorly tracked or not fully visible to planning teams. This might include call-backs, ad-hoc project work or local requests. The issue is not that this work lacks value. The problem is that if it is not visible, it cannot be planned for. That creates risk, because time is being used without being properly understood or accounted for.

This pattern often shows up where high levels of “other” sit alongside very low recorded time for training or communication. The data suggests that important activity is still happening, but it is being



## Time Benchmarking

■ Absence ■ In Office ■ Other & Breaks ■ Customer



hidden inside a catch-all category. The result is less control. Valuable work becomes harder to plan, while low-value activity can sit alongside it without being challenged. Some level of “other” is unavoidable. It is not practical to track every minute in detail, and a small residual category will always exist. The issue is size. When “other” stays small, it is a sensible compromise. When it grows, it is a sign that something important is being missed. The goal is not to remove “other” completely, but to be clear about what sits within it and why. Organisations that do this are far better placed to plan effectively and make informed decisions.

A similar issue appears elsewhere in the data. Several organisations reported 0% wait time. At face value, this suggests an unrealistically perfect service. In reality, these figures usually reflect a planning assumption rather than what customers actually experience. In most cases, traditional telephony channels are excluded altogether. Once again, the message is not that the data is wrong, but that numbers on their own can mislead. Without understanding what is included and what is not, even the best-looking figures can create false confidence and unrealistic expectations.

### Redefining What “Good” Looks Like

Perhaps the most important opportunity is the chance to redefine what good shrinkage actually means. Good shrinkage is not low shrinkage. It is intentional shrinkage. Time that is understood, planned, aligned to strategy and adjusted as conditions change. Across the dataset, the most stable profiles are not the leanest ones. They are the ones where holiday, training and communication time are clearly allocated, and very little time falls into undefined or residual categories.

In a world of increasing complexity, organisations that protect learning, coaching and capability may appear less efficient in the short term, but they

are often far more resilient over time. Conversely, organisations that relentlessly optimise shrinkage risk becoming brittle, underprepared and permanently reactive. The data does not tell us which approach is right. It tells us that pretending there is a single right answer is no longer credible.

### From Benchmarking to Better Questions

The purpose of this updated shrinkage benchmarking is not to provide a new target or revised industry standard. It is to support better conversations. The most valuable questions raised by the data are not “how do we reduce shrinkage?” but:

- What does our shrinkage say about what we value?
- Which activities are protected under pressure, and which are not?
- Where is time being squeezed in ways that increase long-term risk?
- Are we planning for reality, or planning to a hope?

As organisations look ahead to 2026 and beyond, shrinkage sits at the intersection of planning, culture and readiness. Treated as a number to be defended, it can limit insight. Treated as a lens on how time is truly used, it becomes one of the most powerful tools we have. Resetting how we think about shrinkage is not about lowering the figure. It is about raising the quality of the thinking behind it.



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