RESEARCH REPORT

‘MUSHROOM MANAGEMENT’
Leaves Employees Heading for the Door

September 2015
EXECUTIVE SUMMARY

‘Mushroom Management’ is defined as a management style where employees fly blind to company performance and are given work without knowing its purpose. Geckoboard and Censuswide surveyed 2000 employees of businesses in the UK and US to find out more about “Mushroom Management”.

THE SCALE OF THE PROBLEM

- Only 10% of employees are aware of company progress in real-time.
- More than four out of five employees want bosses to share more information concerning the business.

THE IMPACT OF ‘MUSHROOM MANAGEMENT’

- **Employees head for the door**: A quarter of employees have, or know someone who has, left a company because they felt in the dark about the performance and direction of the organisation.
- **Mistrust**: More than 75% of employees don’t trust bosses who fail to share company data.
- **A perception of power games**: Over 25% of employees believe a lack of information stems from bosses playing power games.
- **Detective work**: Greater than half of employees resort to their own detective work to discover what’s really going on in their company.

THE SOLUTION

- Over 50% of employees say that **sharing of company information** had a significant positive impact on their contribution to overall company performance.
- More than 90% said they would **rather hear bad company news than be left in the dark**.

TAKE ACTION

- **Measure**: What gets measured gets done.
- **Share**: Make data available all the time.
- **Digest**: Make data understandable.
CONTENTS

SECTION 1
INTRODUCTION

SECTION 2
METHODOLOGY

SECTION 3
THE SCALE OF THE MUSHROOM MANAGEMENT PROBLEM
3.1: Are employees satisfied with the amount of company performance information shared?
3.2: How regularly is Key Performance Indicator (KPI) data shared?
3.3: How are businesses sharing the data?

SECTION 4
THE IMPACT OF MUSHROOM MANAGEMENT
4.1: Confidence in management is negatively impacted
4.2: Employees undertake their own detective work
4.21: Which industries are the most nosey?
4.3: Power Games
4.4: Heading for the door

SECTION 5
THE SOLUTION TO MUSHROOM MANAGEMENT
5.1: Employees say that they perform better when company information is shared
5.2: Bad news is better than no news

SECTION 6
THE GECKOBOARD VIEWPOINT
6.1: Measure - What gets measured gets done.
6.2: Share - Make data available all the time.
6.3: Digest - Make data understandable.

ABOUT GECKOBOARD
SECTION 1
INTRODUCTION

When it comes to communicating data effectively within an organisation, much stems from management. They either choose to share information on company performance and objectives in an open and transparent way. Or they hide it from employees, leaving them to make their own assumptions. The latter has become known as “mushroom management”, an approach adopted by less data-savvy bosses and managers - keeping employees in the dark on company matters.

So, here bodes the questions: Is your boss a Mushroom Manager? Are you a Mushroom Manager? Is your organisation working with data on your side or is management blocking the way? We wanted to understand more about the phenomenon of Mushroom Management. As such, we have put together this research report to understand the scale of the problem, the impact of mushroom management and also some of the solutions. We hope you enjoy it and would love to hear your thoughts and experiences on Twitter @Geckoboard using the hashtag #shroomgmnt.

SECTION 2
METHODOLOGY

Let’s get started by running you through the methodology of the research report. We partnered with Censuswide to survey 2000 employees who were over the age of 18 across a wide range of businesses. This was an even split of 1000 employees in the UK and 1000 employees in the US. The survey took place between the 12th and 19th August 2015.

SECTION 3
THE SCALE OF THE MUSHROOM MANAGEMENT PROBLEM

We wanted to start by exploring the scale of the problem with Mushroom Management. This way we could understand how significant the issue is.

3.1 ARE EMPLOYEES SATISFIED WITH THE AMOUNT OF COMPANY PERFORMANCE INFORMATION SHARED?

It’s a fair question. Before changing a policy, first a leader must assess if the change will have a
direct positive effect on their employees. So let’s first look at whether there is actually a desire from employees to see more company data.

Looking at the graph below, it’s clear that the vast majority of employees would love to see more performance data concerning their company. Over four in five employees said that they would like their bosses to share more information with them about business performance. In our eyes, that’s a pretty clear mandate for more transparent data in the workplace!

TO WHAT EXTENT DO YOU AGREE WITH THE FOLLOWING STATEMENT:
‘I would like my boss/managers to share more information about the overall performance of the organisation I work for’?

3.2 HOW REGULARLY IS KEY PERFORMANCE INDICATOR (KPI) DATA SHARED?

So employees definitely care. The next important question is: how regularly do they see company KPI data currently? After all, the clue is in the title. The “Key” in KPI data suggests this is critical business data that the whole business should be able to react to all of the time. As such, it’s rather alarming that the research shows that most commonly, employees only see company KPI data once a month, with over one in four seeing it less than every three months. This is very concerning in an age where data is meant to be more available to businesses than ever before.
The situation looks slightly better in the US with nearly 20% of employees having daily access to data compared to just 12% in the UK. Clearly the UK has a cultural difference, which means they have some catching-up to do with the US in terms of data availability. However, lots of work needs to be done on both sides of the pond if all employees are to have an always-on view of critical company data.
3.3 HOW ARE BUSINESSES SHARING THE DATA?

There is clearly an issue with how regularly data is shared. Consequently, we thought we’d look into how the data is shared, to understand if the method of sharing is the cause of low sharing regularity. Sadly, many company methods in this area seem to be a little out-dated. Nearly 50% of companies are using face-to-face meetings as a data resource. This can be useful to frame data and information for employees. However, it is not possible to do face-to-face data and information sharing all the time as it would be too resource intensive. This is equally true of PowerPoint as a means to communicate data and information.

Also, nearly half of those polled said their organisation still resorted to email distribution. There are three major issues with this. Firstly, email communication is one-to-one so it doesn’t encourage conversation about the data, which is important as that generates solutions. Secondly, it’s very time intensive to aggregate data, so data is not always-on and in front of the employees that really want to see it. Finally, email volumes are high, which means important data is diluted in amongst all the other noise in an employees inbox. Far from optimum when KPI data is so important.

Nearly 50% of businesses still use email as a data communication channel

Over 20% of employees also said that important company information is shared in spreadsheets. It is important to recognise that spreadsheets are a great way of gathering and manipulating data. However, spreadsheets also tend to contain reams of data which make it difficult for an employee to identify and interpret the most important snippets of data.

Meanwhile, only 10% of businesses have given data dashboards a go, so there’s certainly a way to go before being data-driven is the norm!
How is information about company performance usually shared with you?

If you want to learn more about how to effectively humanise the data we share for quick and accurate digestion, check out our CEO’s post about how understanding the way our brains process information helps us design better ways of communicating data.

SECTION 4
THE IMPACT OF MUSHROOM MANAGEMENT

Now that we know there is a large-scale issue with mushroom management, we thought it was important to take a look at what the impact of mushroom management was on employees. So we asked a number of questions to understand how flying blind to company performance made them feel.

4.1 CONFIDENCE IN MANAGEMENT IS NEGATIVELY IMPACTED

You could read a thousand business books and nearly all of them would concur that it’s important for a leader to instil confidence in their group of workers. Without it, it’s hard for employees to have the necessary drive and motivation to push those key projects through on time and to a high standard.
It seems that one sure-fire way of losing confidence is hiding data and information from your team, with the research showing that over three quarters of employees lose confidence in their bosses when they failed to share company performance information.

3 in 4 employees have less confidence in managers who are secretive with data

**TO WHAT EXTENT DO YOU AGREE WITH THE FOLLOWING STATEMENT:**

“When my boss/line manager fails to regularly share information about how the company is performing I am less likely to have confidence in them”?

**4.2 EMPLOYEES UNDERTAKE THEIR OWN DETECTIVE WORK**

As well as a lack of confidence, a data drought could lead to further consequences, like a culture of mistrust and suspicion. Over half of employees polled admitted that they often took it upon themselves to find out the company data most important to them, resorting to their own detective work to discover what’s really going on in their company.

‘Internal espionage’ isn’t something we’d recommend, but if employees are being starved of data that could help them perform their jobs, who can blame them?
WHICH INDUSTRIES ARE THE MOST NOSEY?

It turns out that if you work for a company in the HR industry you are most likely to do your own digging. Perhaps unsurprisingly, the IT sector makes it into the top three industries most likely to search for their own data, as presumably they have the appropriate skills to do the required digging. Those who work in Retail, Healthcare and Marketing businesses are least likely to dig for themselves, suggesting they are most satisfied with their data lot.

Here’s the breakdown of those employees who agreed that they “dig” for their own data, this time split by the industry within which their company operates:

1. HR – 74%
2. Arts – 66.7%
3. IT – 59.8%
4. Professional Services – 59.4%
5. Legal – 58.2%
6. Travel and Transport – 55.2%
7. Finance – 52.5%
8. Other – 48.3%
9. Manufacturing and Utilities – 48%
10. Education – 47.8%
11. Architecture and Engineering – 47.6%
12. Retail, Catering and Leisure – 47.1%
13. Healthcare – 42.9%
14. Sales, Media and Marketing – 35.5%
So, why do bosses hide data from their teams? When employees were asked why they thought their organisation might hide information from them, many were suspicious. Over a quarter felt that their bosses were playing their own power games with them, citing that “information was power”. Meanwhile, just under a quarter suspected that bosses didn’t want to share positive company performance data to keep a lid on staff costs. Not exactly a vote of confidence.

Another quarter of employees put data darkness down to the time it takes to share data, presumably because a system isn’t in place where data can be shared quickly and efficiently.

Why do you think your organisation hides information about the company performance from employees?
4.4 HEADING FOR THE DOOR

The question remains as to whether businesses will adopt better data-sharing practices over time. One stat which might serve as a wake up call is the impact that data sharing has on employee retention.

According to the research, one in four of us have, or know someone who has, left an organisation because they felt left in the dark about the performance and direction of a company. That is a considerable percentage of the workforce, which has been directly affected by Mushroom Management and voted with their feet. The question is how high will this percentage need to get before businesses adopt more transparent approaches to sharing company information?

Have you ever, or do you know someone else who has, left an organisation because they felt in the dark about the performance and direction of the organisation?

1 in 4 employees have, or know someone who has, left a business because they were flying blind to company direction and performance.
SECTION 5
THE SOLUTION TO MUSHROOM MANAGEMENT

Having looked at the scale and negative impact of mushroom management, we also want to consider the solution. There are a couple of questions from the survey that hint towards this.

5.1 EMPLOYEES SAY THAT THEY PERFORM BETTER WHEN COMPANY INFORMATION IS SHARED

It’s not just that there are negative impacts when company performance information isn’t shared. When company information is shared, there are positive impacts on employee performance and morale. When surveyed, over half of employees said that there was a significant positive impact on their productivity when bosses openly share information.

Over half of employees believe their productivity improves when bosses openly share information

What impact does it have when your bosses openly share information about the overall performance of your organisation with you regularly?

- It makes me more focused in my job and more productive
- It motivates me to perform better
- The atmosphere in the office/workplace is more positive
- It makes me more creative
- I feel less stressed
- It doesn’t have any impact on me
- Other

0% 15% 30% 45% 60%
5.2 BAD NEWS IS BETTER THAN NO NEWS

Some might argue that it’s better to hide information if the company picture isn’t as positive as desired. Surely it is the boss’s duty to protect team morale? Not so, according to our research, which shows the majority of employees would still very much prefer the information to be shared rather than hidden away. More than nine in ten of those polled said that they would rather hear bad company news than be left in the dark.

Over 90% of employees believe bad news is better than no news

TO WHAT EXTENT DO YOU AGREE WITH THE FOLLOWING STATEMENT:
‘Even if company performance is poor I would rather know than be left in the dark’?

SECTION 6
THE GECKOBOARD VIEWPOINT

We believe that the issues of Mushroom Management arises from two major challenges. Firstly, it may be that businesses don’t have clear visibility into company performance because their data is fragmented across different tools and departments. This means that there is no company performance data to be shared with team members. Secondly, even if data is available, it isn’t being shared. This may be due to a fear of what happens if figures aren’t going in the right direction, or because it’s time consuming to aggregate and share regularly.
How do you overcome this? Well, we believe there are three key steps every business should take to overcome the issues faced by mushroom management.

6.1 **MEASURE - WHAT GETS MEASURED GETS DONE.**

The task of measuring starts with defining what you’re going to measure. As a business you need to define the KPIs that are most important to your business’s success. This should start with what your objectives and strategy are as a business. From there define the metrics that, if achieved, will enable you to achieve your objectives based on the strategy. These KPIs should then waterfall down throughout the business with each department having their own KPIs, which in turn enable them to deliver against the overall business KPIs.

Once you have defined the KPIs, you need to select how you’re going to measure them. Businesses are drowning in data today because there is more data available than ever before. This means that the tools you require to measure your KPIs are available. However, you may need to invest in integration of data. Just remember that the productivity and motivational benefits of data availability will far outweigh the investment needed to begin measuring.

6.2 **SHARE - MAKE DATA AVAILABLE ALL THE TIME.**

Now you have the data, it’s time to make that data available by aggregating and sharing it. We obviously recommend creating a business KPI dashboard with all your top line metrics in one view. Two key elements that drive success with data sharing are that data is always-on and available to all employees. What do we mean by this?

Firstly, it’s important that data isn’t shared once a month or weekly via email. The context of your business can change a lot in the space of a week or month. Your team need to be able to monitor and react to changes all the time, so make your data always-on.

Secondly, as we’ve seen from the research, performance data needs to be available to everybody. Not just the CEO, not just managers, but everybody in your business if it’s going to have a significant impact on performance. We now know that team members across the business would rather hear bad news than no news. Also, if your whole business can see things aren’t going well, then they can react quickly to rectify issues rather than flying-blind.

Our recommendation is to display your KPI dashboard in a prominent position on a big screen in the office. This way every team member can always see the data and react accordingly. You may also find that it turns into the new office water cooler, as data-driven discussions happen around the TV screen.
6.3 DIGEST - MAKE DATA UNDERSTANDABLE.

Making data understandable is a bigger issue than it sounds. Our survey found that 20% of employees still see important business data in spreadsheets. This is far from optimum. Viewing raw data in spreadsheets makes it difficult to identify the key data points, and can lead to inefficient digestion and misinterpretation of data.

There’s also the question of visualisation. Many data visualisations aren’t optimised for quick and accurate digestion by the human brain. The science of the cognitive brain, visual cortex and the backs of our retinas tells us a lot about how to visualise data effectively for humans. Our CEO Paul Joyce does a great job of summarising this in these two articles:

Humanising the way we communicate data →
Design approach: The question of colour →

However, there are a few major mistakes made when visualising data for the human mind:

1. Trying to make visualisations beautiful, not digestible
2. Too much colour, which means the human brain can’t use the colour to process the data
3. Overusing different fonts, font sizes and movements, creating too much distraction

Ultimately, you need to strip your data visualisations back-to-basics using colours, fonts and font sizes sparingly.

ABOUT GECKOBOARD

KPI dashboards from Geckoboard transform businesses by making their most useful data available and understandable. Through Geckoboard, businesses are able to monitor performance and unite everyone in your company around the data that matters for your success.

Headquartered in London, Geckoboard has over 3,600 customers and pre-built integrations with 60+ tools including Google Analytics, Salesforce, Zendesk, Mixpanel, GitHub, Intercom and Google Sheets. Geckoboard is backed by Index Ventures, DN Capital, 500 Startups, Christoph Janz, Alexander Bruehl, Dave Morin, John Hunt and Ryan Holmes. For more information, visit www.geckoboard.com