perk

The Cost of Shadow Work

Uncovering the $1.7 trillion tax on growth

FORRESTER®

Based on Forrester Consulting research commissioned by Perk

Finding flights
Tracking team locations
Finding (the right) venues
Rebooking canceled flights
Managing missed connections
Dealing with fiddly paper receipts
Chasing travel expenses
Chasing rsvps
Chasing approvals
Chasing the chasing
Going back and forth
Decoding policy handbooks
Flagging policy breaches
Organizing airport pick-ups
Booking the offsite
Browsing dozens of booking sites
Collecting hotel invoices
Navigating outdated processes
Finding itineraries
Tracking down lost baggage
Bulk-booking rooms
Understanding hotel policies
Going through the approval chain
Uncovering hidden fees
Reimbursing canceled trains
Collecting dietary requirements

When we started out more than a decade ago, our mission was clear: take the friction out of travel for work. We believe that when you remove the small, manual, frustrating tasks, people can focus on the moments that really matter: meeting clients, building relationships, and moving businesses forward.

Over the years, as we spoke with thousands of our customers, we noticed those frustrations didn't stop at travel. They had crept into every aspect of work, from filing expense reports, to chasing approvals, reconciling invoices, and more. These invisible, low-value tasks aren't core to the job, but they quietly drain both productivity and morale. We call it 'shadow work'.

It's one thing to know it exists, but the big question for us was what's the true cost of shadow work? To find out, we commissioned Forrester Consulting to help put a number on it, revealing both its human and financial cost, and underscoring the urgency for leaders to act.

Shadow work is more than an annoyance; it's a systemic drain on company performance and employee wellbeing. It's a tax on growth, and one that too few leaders are paying attention to.

This isn't just about efficiency. It's about building organizations where people can dedicate their energy to the work that makes the biggest difference.

My hope is that this report acts as both a wake-up call and a roadmap. Shadow work is costing us more than we realize. But the good news is, we can change it.
The tools exist. The choice is ours.

Avi Meir
CEO & Co-Founder, Perk

Shadow work: The silent drag on company growth

It's the Friday afternoon when you should be finishing the board deck — but instead you're chasing missing receipts. It's the travel booking that takes two hours longer than it should, the approval request that sits in limbo for days, the endless copy-paste into spreadsheets no one will ever thank you for.

We've all felt it. The near-endless list of tasks that were never in your job description but that, somehow, steal hours from your day.

We call it ‘shadow work’ and it’s a hidden cost in every organization. It’s not what you were hired to do, and it’s not what creates value for the business. Yet it soaks up hours from the workforce every week.

To understand the true cost of shadow work, we wanted to find out not only how many hours it eats up, but also the disruption cost as people become distracted and lose focus from real work.

Time Lost

Employees report losing an average of seven hours a week to shadow work. And as the business grows, the burden gets heavier. At scale, the numbers are staggering: in a 1,000-person organization, shadow work consumes 7,000 hours of productivity every week — the equivalent of hundreds of full-time roles lost.

The overall impact of shadow work however isn’t just the tasks that take the longest, but those that repeatedly interrupt people’s flow, taking them away from real, impactful work.

So when we look at time spent vs frequency, we can see which shadow work tasks are having the biggest impact.

The shadow work tasks eating into our days

Average time spent (mins) on shadow work tasks each time they're performed.
Showing mean, in minutes

	TOTAL	FR	DE	NL	ES	UK	US
Planning, booking, and managing business travel	129	121	117	130	123	133	135
Filing expense claims	110	103	104	115	112	108	113
Managing supplier invoices for materials/services	126	118	124	132	119	125	131
Organizing team events	145	130	133	139	129	156	155
Managing workplace facilities for my own productivity	99	91	99	108	102	97	99
Managing team admin	118	107	114	122	115	113	129
Managing IT tools	103	97	99	106	106	102	106
Managing field operations and reporting	141	133	149	135	129	148	143

Productivity lost to shadow work, every week.

In a 1,000-person organization

7,000 hours

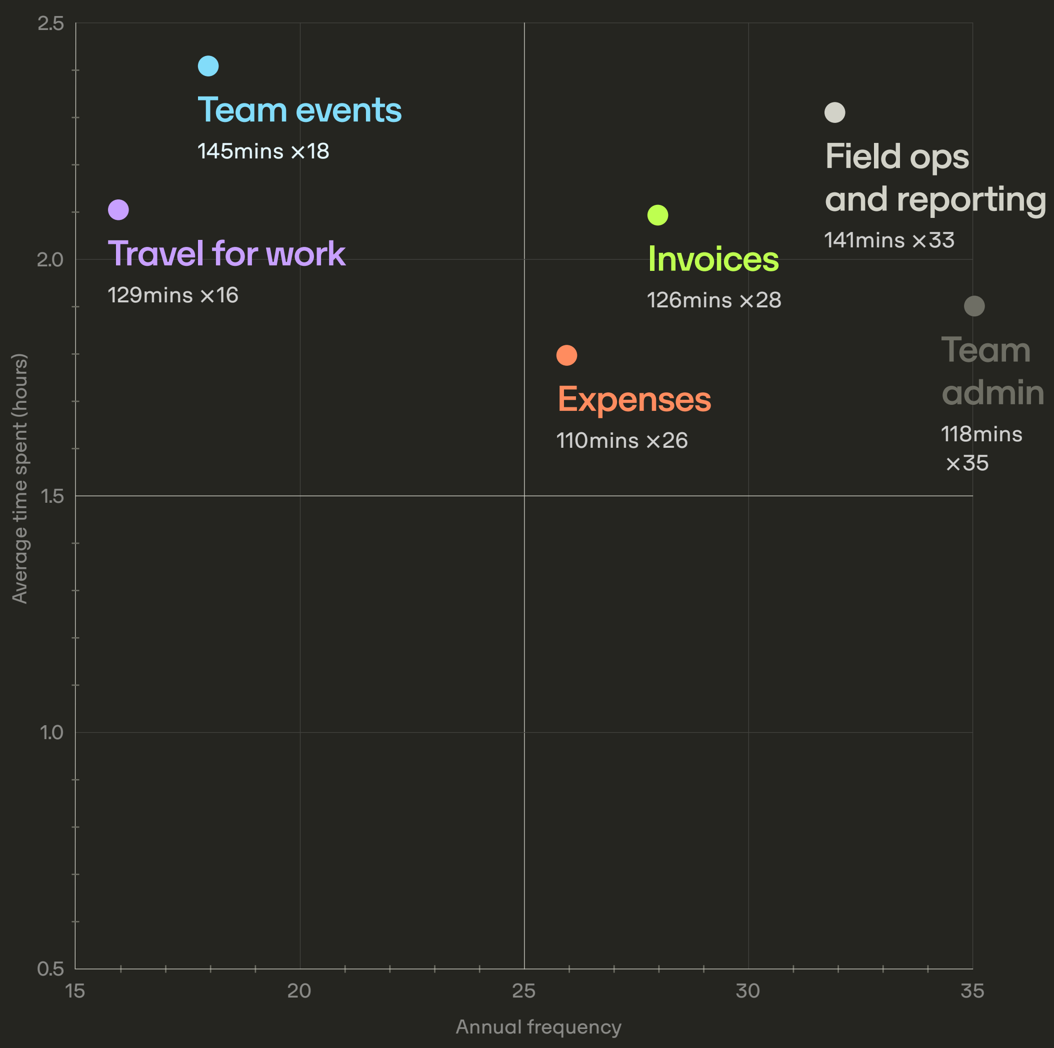
292 days

100+ roles

Breaking down shadow work

When we look at time spent on shadow work tasks vs frequency we see that tasks like filing expenses and managing invoices are both time-consuming and frequent.

Shadow work quadrant: frequency vs time spent



Distraction cost

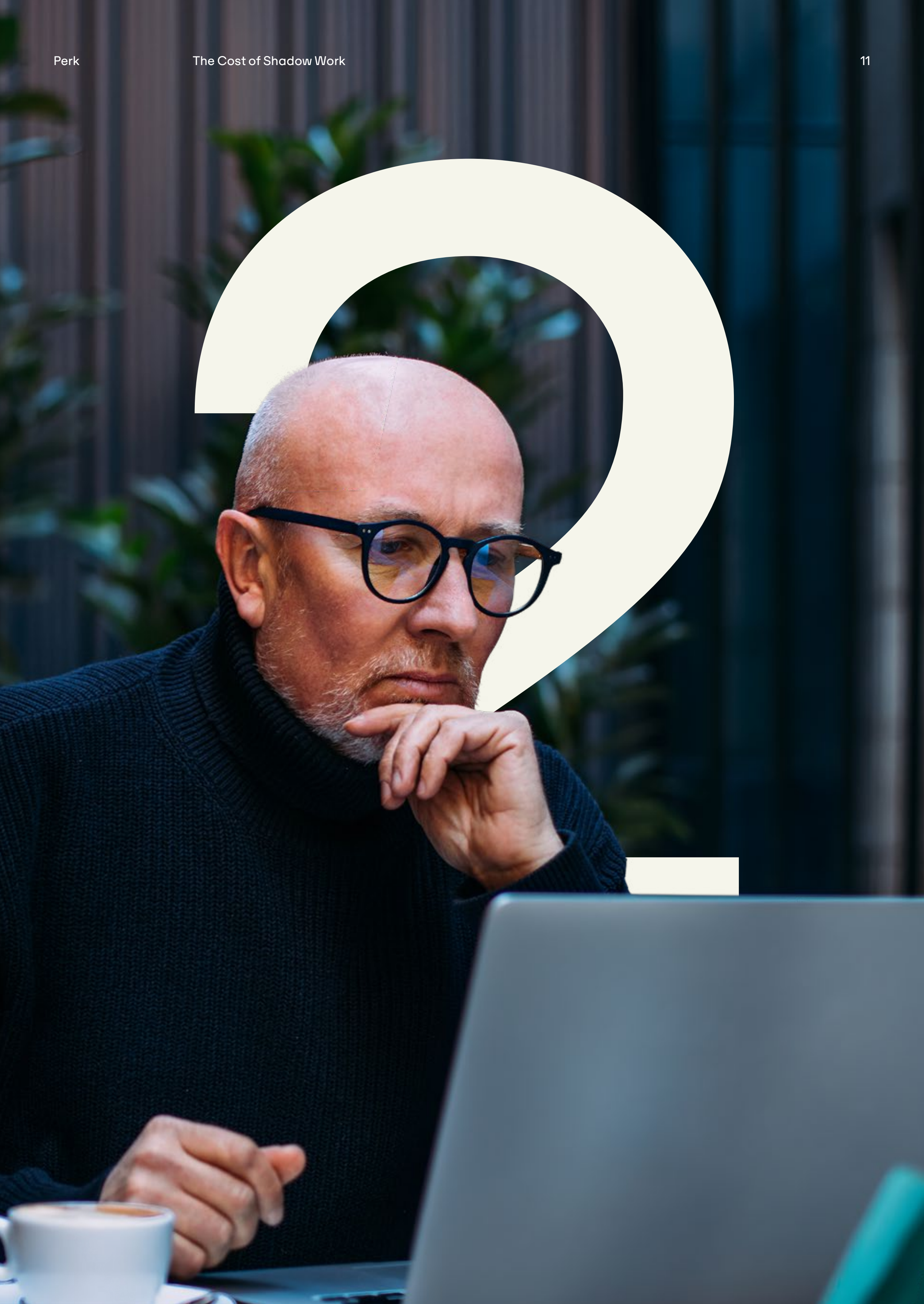
As well as the time spent on shadow work itself, there's an additional cost as people take time to refocus and get back to real work.

On average, it takes people 11 minutes to refocus on their primary work after completing one of these tasks. Take filing an expense claim — something 21% of people reported doing every week — it's not just the 110 minutes spent filing them, there's an additional 10% cost as people refocus to get back to real work.

Apply that across all shadow work that people complete in any given week and it's clear just how disruptive shadow work can be to both employees and their companies.

Key finding

On average, it takes people 11 minutes to focus on their primary work after completing one of these tasks



The cost of shadow work is real

Shadow work isn't just a nuisance — it's a massive economic drain. According to Forrester's model, shadow work is costing businesses over **$1.7 trillion every year*** across the six countries we studied alone.

It's a cost that hides in plain sight and doesn't appear in your P&L. While other cost categories like payroll, real estate, or supply chain are meticulously scrutinized by leaders, shadow work remains largely hidden, eating away at margins and morale.

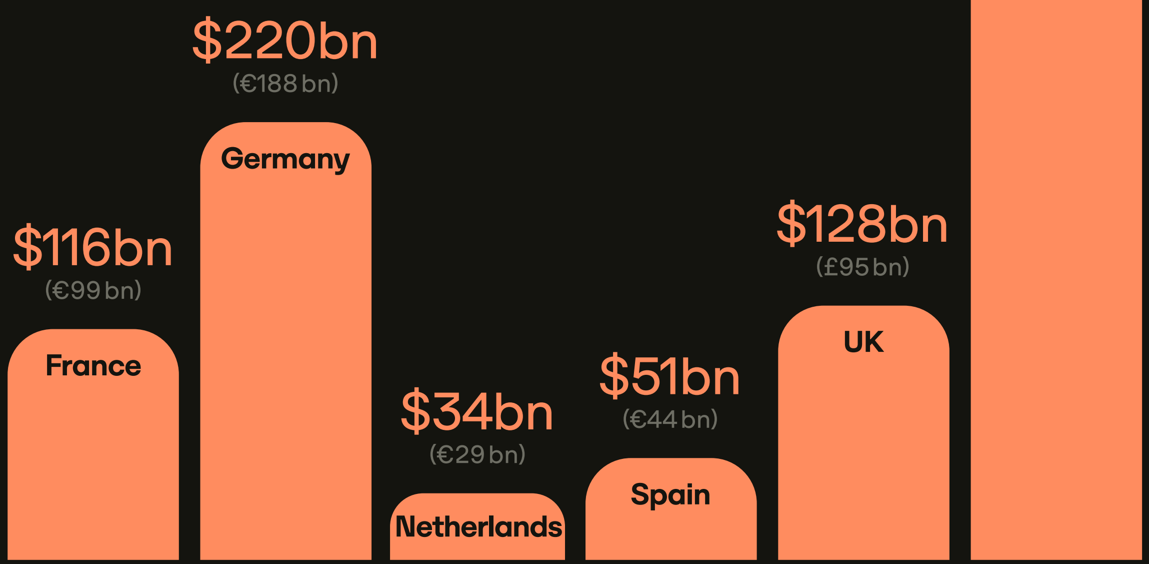
*Forrester calculated the cost of shadow work in each country, then weighted the results by workforce size and average salary — meaning larger, higher-income economies have a greater influence on the total.

$1.7 trillion

Every year.

The cost of shadow work is real, whether you measure it or not. The sooner leaders confront it, the faster they reclaim growth.

Cost of shadow work, per year.
In $USD / In local currency

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Tackling shadow work is also an HR challenge

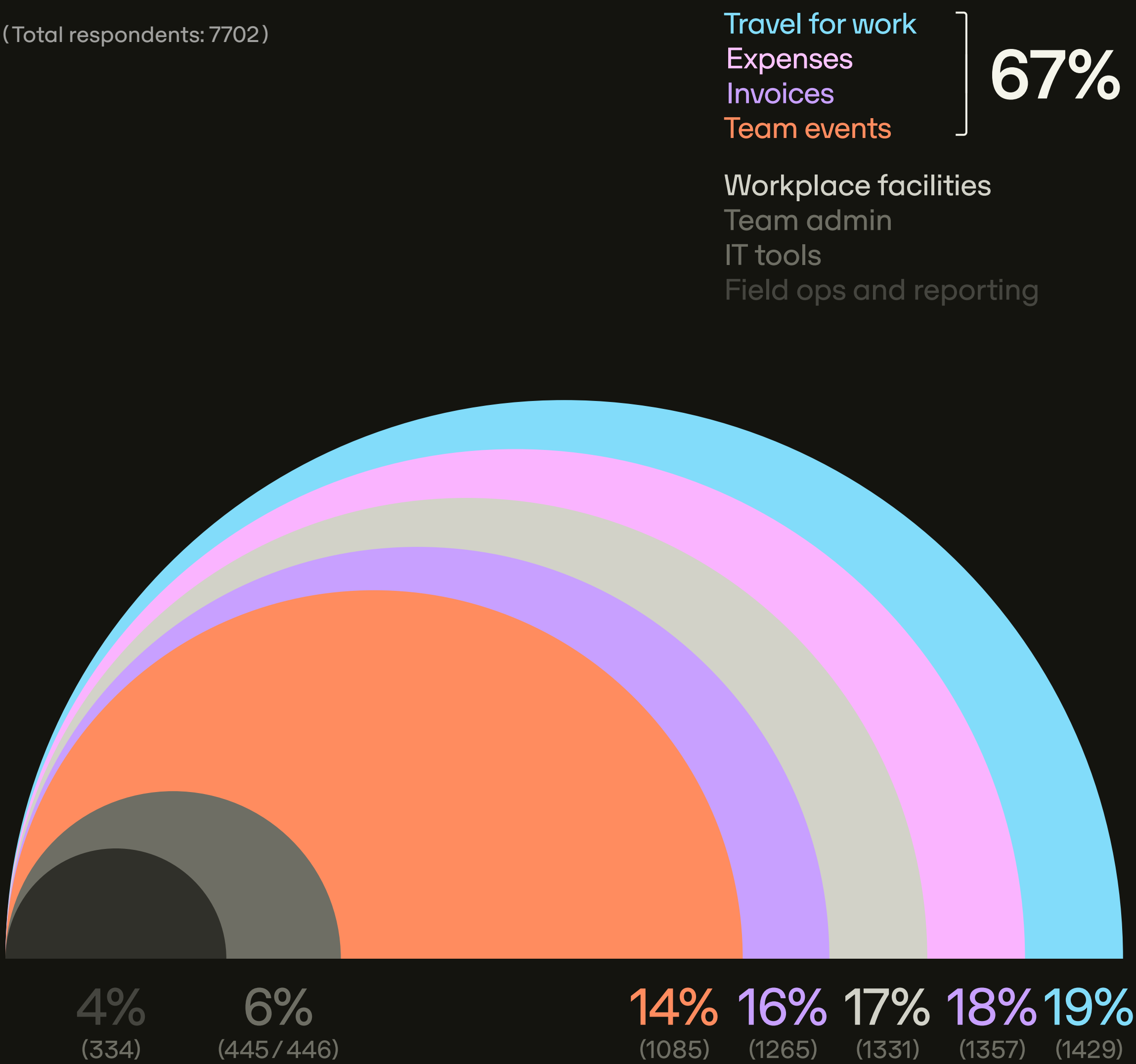
While the impact to the bottom line will make finance leaders wince, the cost of shadow work on the employee experience will be alarming for HR leaders, too.

In our study, 80% of employees said they find shadow work ‘disruptive’ or ‘catastrophic’ and 45% said shadow work was a major contributor to burn-out. And despite advances in AI and automation technologies which could help tackle the problem, 52% reported shadow work was increasing year-on-year.

When we asked which of these tasks people found most frustrating, booking travel for work, filing expenses, managing invoices, and organizing team events all ranked highly, collectively accounting for 67% of responses.

Question: Which of these tasks / element of shadow work frustrates you the most?

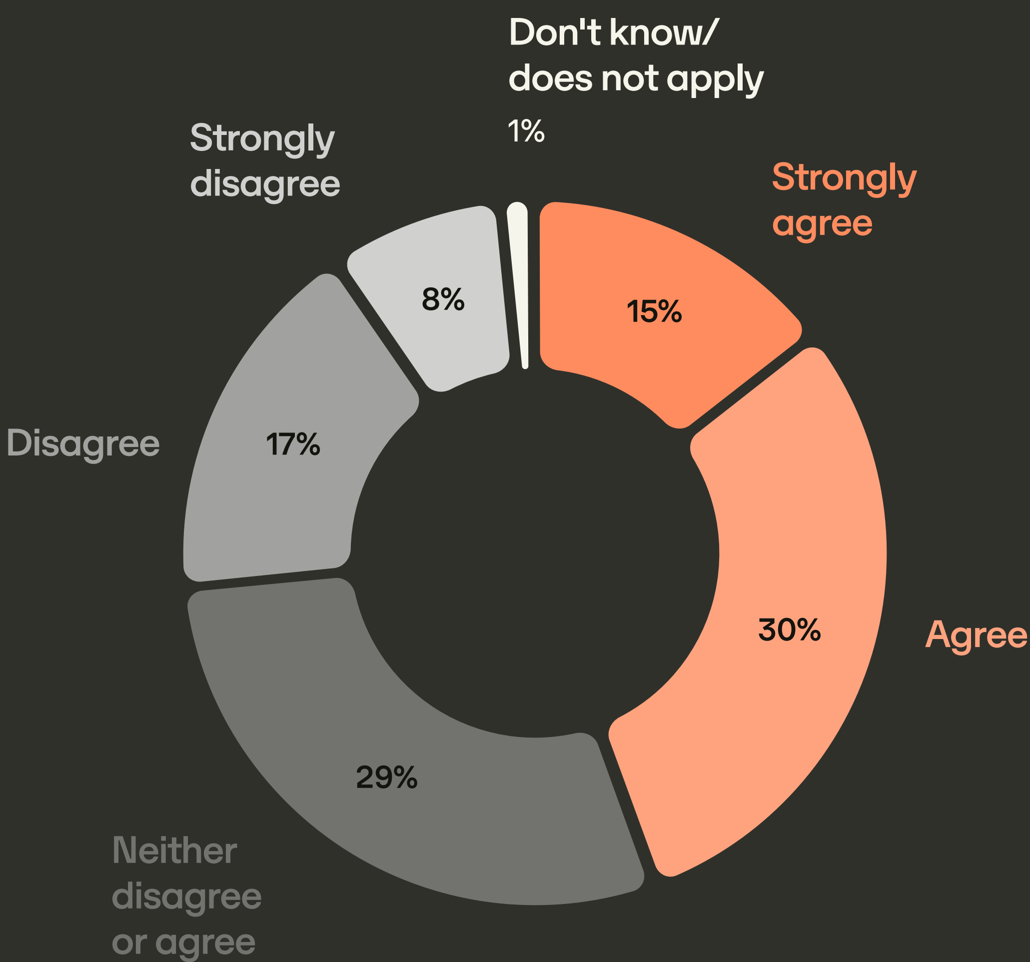
(Total respondents: 7702)



Shadow work is contributing to burnout

"I feel burnt out as a result of shadow work"

45% "strongly agree" or "agree"



Reducing shadow work can drive employee retention

The impact on people is huge — 50% of employees said that shadow work had reduced their job satisfaction, while 58% said it distracted them from meaningful work, something we know is a key driver of retention.

When we asked which factors would impact people's likelihood to stay with their current employer, 'access to AI tools to reduce manual or repetitive tasks' and 'automated systems' ranked almost as high as 'higher pay' and 'increased flexibility'.

The top motivators for employees to stay

Question: Which of the following would most motivate you to stay longer with your current employer? (Select all that apply.)

- **39%** More flexibility in where I work
- **39%** Higher pay based on the work I do
- **38%** Access to AI tools to reduce manual or repetitive tasks
- **37%** Automated systems to help focus on being more productive

70% of decision-makers say reducing shadow work would help attract and retain top talent.

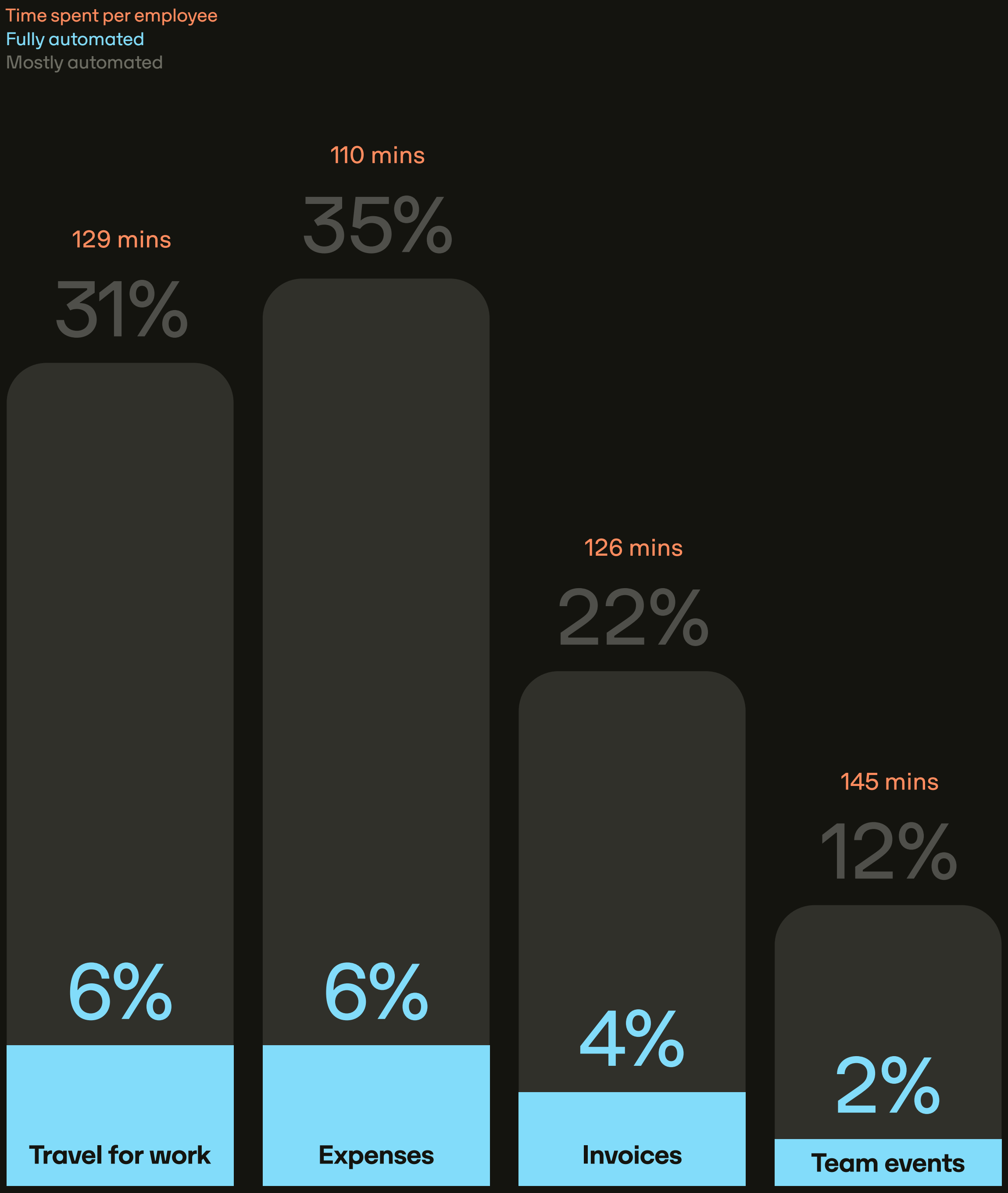
Forrester

The automation gap

Companies have spent years automating workflows. Payroll systems can now run by themselves. IT systems can now provision accounts in seconds. Customer records can now update in real time without anyone lifting a finger.

But here's the paradox: the biggest sources of shadow work — travel bookings, expense claims, supplier invoices, and team events — are still the least automated in most organizations.

This is the automation gap: a mismatch between where automation has been applied and where it would have the biggest impact on shadow work.



Leaders certainly aren't sceptical about automation — 67% have already committed to investing in it. The challenge now is to apply it to new areas of the operation where shadow work eats into the most time and causes the most frustration.

The good news? The technology to close this gap already exists. Those who deploy it where the drag is greatest are already seeing shadow work disappear — and with it, a surge in productivity, employee morale, and bottom-line impact.

Consolidate tools to simplify work

Closing the automation gap doesn't require moonshot innovation. It simply requires shifting focus. Currently, employees report using, on average, four different tools to manage shadow work in their companies and only 7% of people say their company has a well-integrated tech stack.

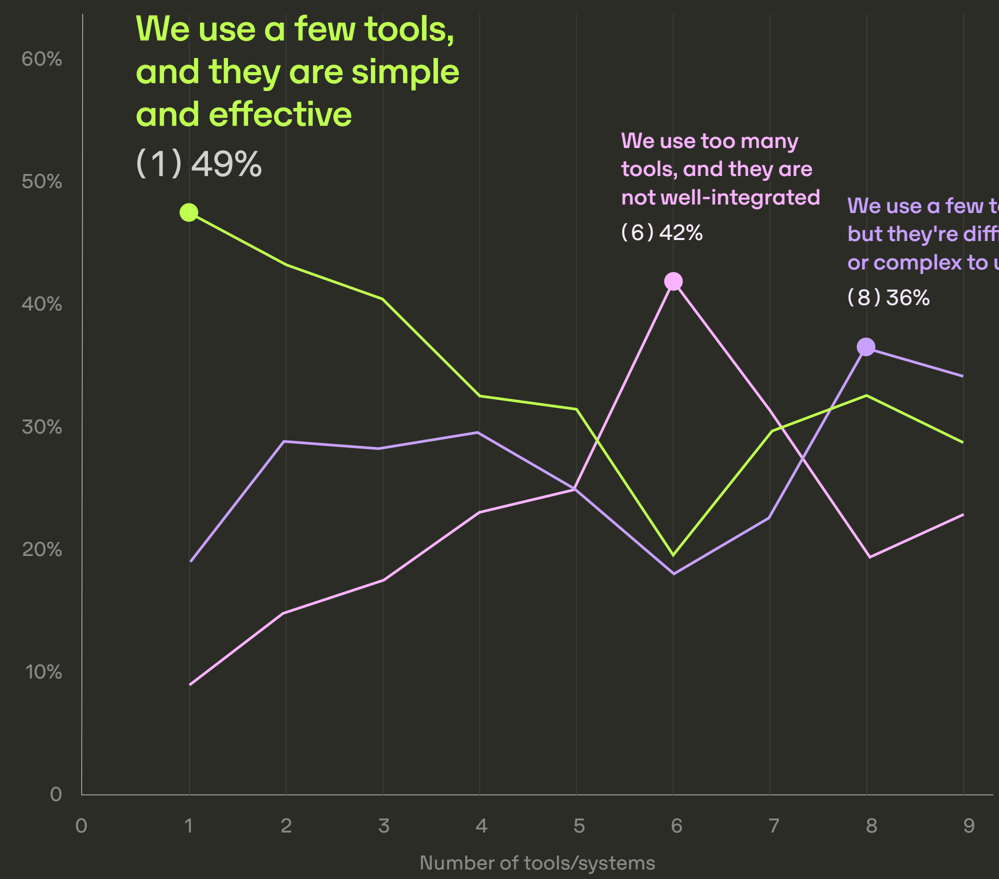
When we looked at how the tech stack impacts shadow work, we saw a direct correlation where the more tools a company uses, the more likely employees were to say they're not well integrated or they're overly-complex to manage.

When it comes to shadow work, simplification is the name of the game, so companies should look at consolidating into one or two easy-to-use tools rather than adding more to an already packed tech stack.

Companies need fewer, better, tools to manage shadow work

Question: Which of the following statements best describes the tools you use to manage shadow work?

Question: Approximately how many different tools or systems do you personally use to complete all shadow work related to your role?



Key finding: People who use fewer tools to manage shadow work are far more likely to say their company's processes are simple and effective. Those who use 6+ tools are more likely to have a negative experience of the technology.

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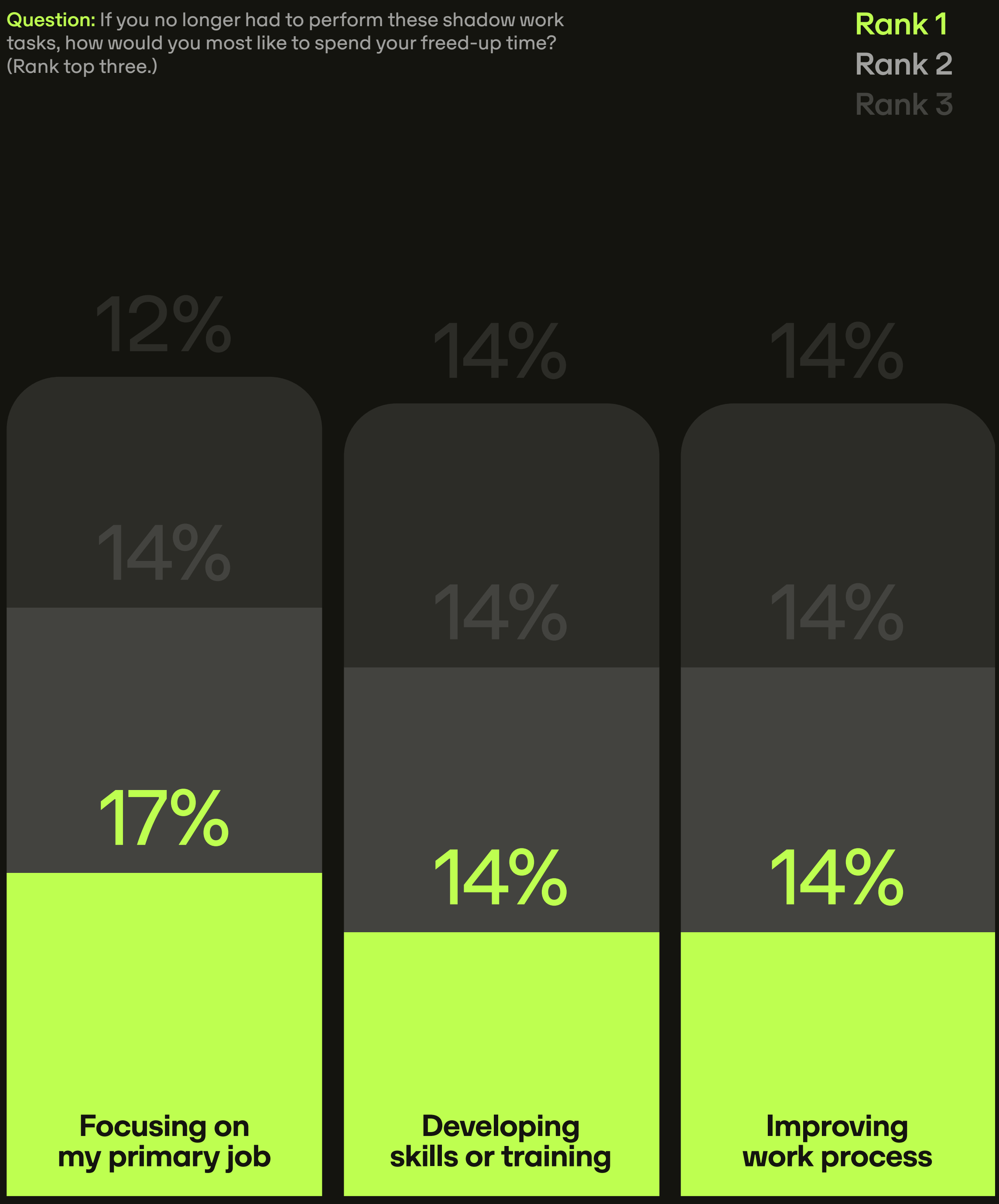
Reshaping the future of work

Like other transformation projects that are re-shaping how companies operate, reducing shadow work is more than just a cost take-out. It's a new way of working, one that can unlock focus, energy, and impact in your workforce.

How would people spend their time with less shadow work?

Question: If you no longer had to perform these shadow work tasks, how would you most like to spend your freed-up time? (Rank top three.)



When we asked decision-makers how they would re-deploy their resources if they could reduce shadow work, over two thirds said they planned to re-invest in growth and innovation.

Employees meanwhile would invest any gains from reducing shadow work in getting back to focus on their primary job, as well as focusing on process improvements, and training and development.

Re-balancing the operating model

As new technologies like AI fundamentally re-shape how we live and work, companies around the world are re-thinking their operating models.

Unsurprisingly, 91% of decision-makers expect their employees to work closely with AI tools. Only 4% believe AI will replace most admin roles and 61% say they expect humans and AI to work side-by-side, with AI handling shadow work while people focus on high-value work.

Key finding

67% of decision-makers would re-invest in growth and innovation with the gains from reducing shadow work

Organizations that actively reduce shadow work using the right technologies will unlock higher productivity, lower frustration, stronger talent retention, and better customer outcomes.

That's where teams like operations, finance, and HR are uniquely positioned to shape the future. By taking a macro-level view of shadow work, they're able to identify the primary sources of both frustration and wasted time and unblock their people from delivering the kind of impact they were hired to make.

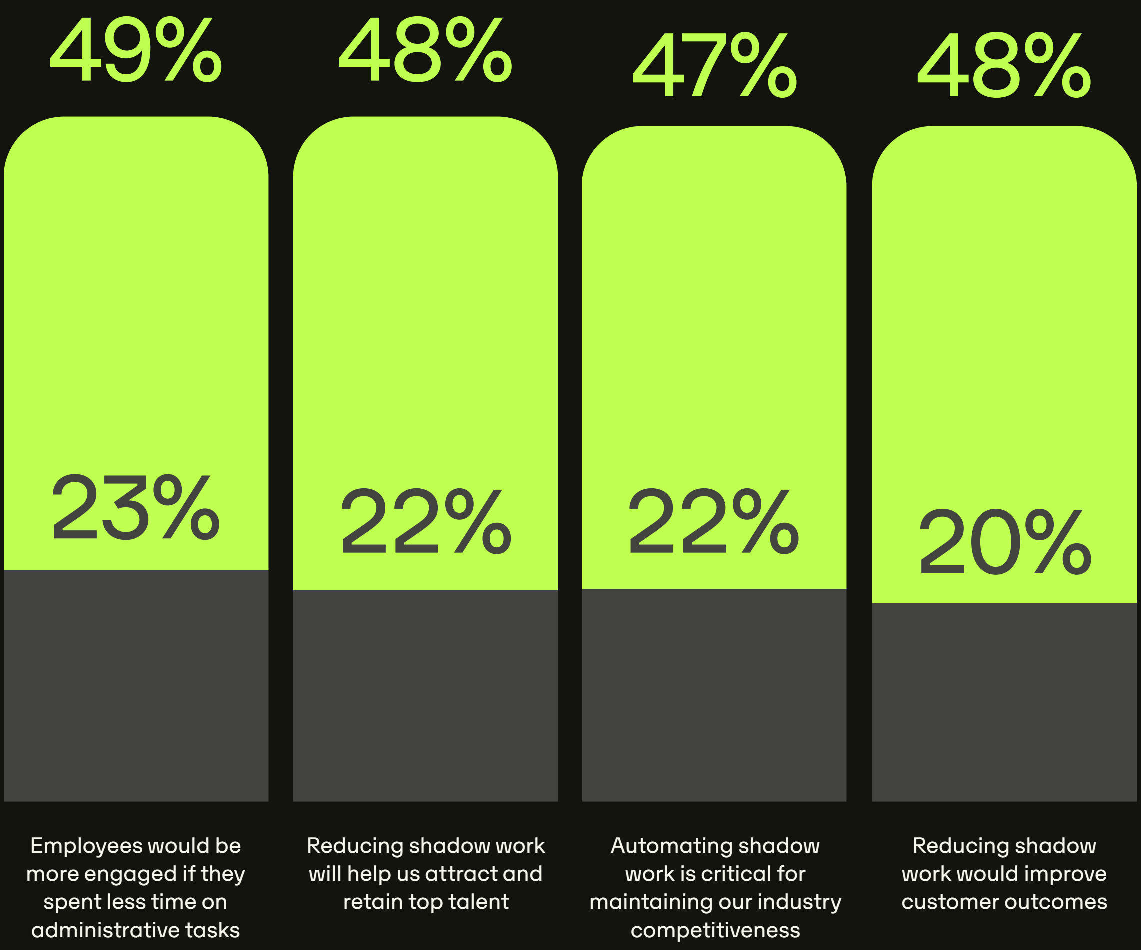
Key finding

The future of work isn't just about flexible schedules or the latest productivity app — it's about reclaiming focus, energy, and engagement so people can focus on real work

Leaders understand the benefits of reducing shadow work

Question To what extent do you agree or disagree with the following statement about noncore or administrative tasks in your organization? (Select one per row.) (Showing benefit-related statements only, and “strongly agree” and “agree” only)

% of decision-makers who agree or strongly agree



Shadow work is more than an annoyance; it's a systemic drain on company performance and employee wellbeing.

Avi Meir, Co-Founder and CEO, Perk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The roadmap from shadow work → real work

The cost of shadow work is no longer invisible. It's showing up in delayed projects, ballooning operating costs, burned-out employees, and unrealized potential. The question isn't whether shadow work is a problem — it's how you choose to tackle it.

Based on our research, here's a path forward to reduce shadow work across the company and design a new way of working that will reclaim time, talent, and innovation.

1 Own the problem

It's clear central teams like finance, IT, and HR need to play a more active role in owning the problem and taking a system-wide approach to tackling it rather than tweaking around the edges at a team or department level.

2 Close the automation gap

Use automation where it matters most — those tasks people complain about the loudest and that waste the most time.

3 Keep it simple

Investments in new technologies need to solve the problem, not inadvertently make it worse. Prioritise consolidating tools over adding more bloat to an already overly-complex tech stack.

4 Power real work

Free your people from shadow work. Give them back up to seven hours a week to focus on high-impact work that grows the business (not chasing up someone in the marketing team for their missing coffee receipt!).

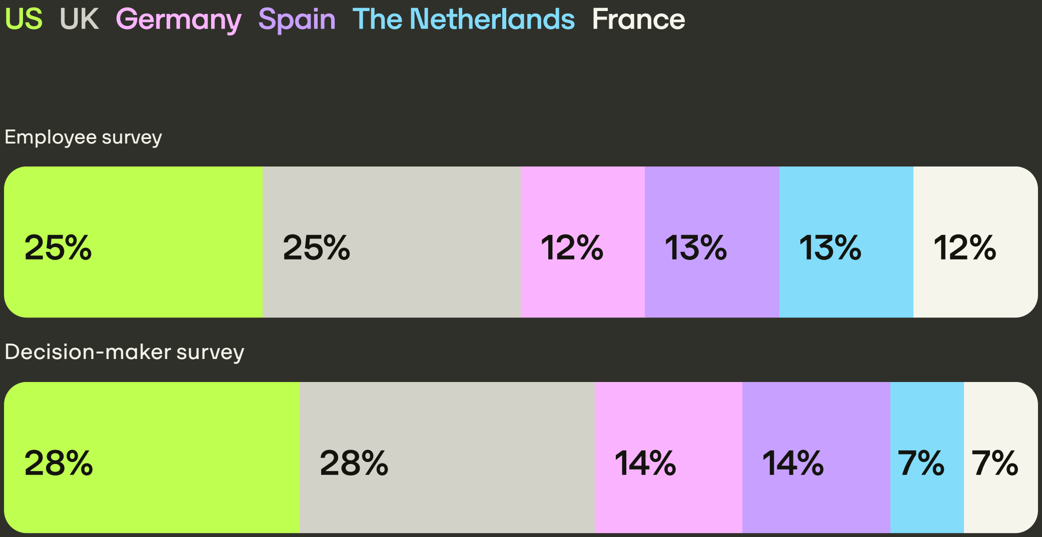
About this research

This report is based on a multi-phase research program conducted by Forrester Consulting on behalf of Perk in September 2025. The objective was to quantify the scale and cost of shadow work in modern organizations, and to understand its impact on both business leaders and employees.

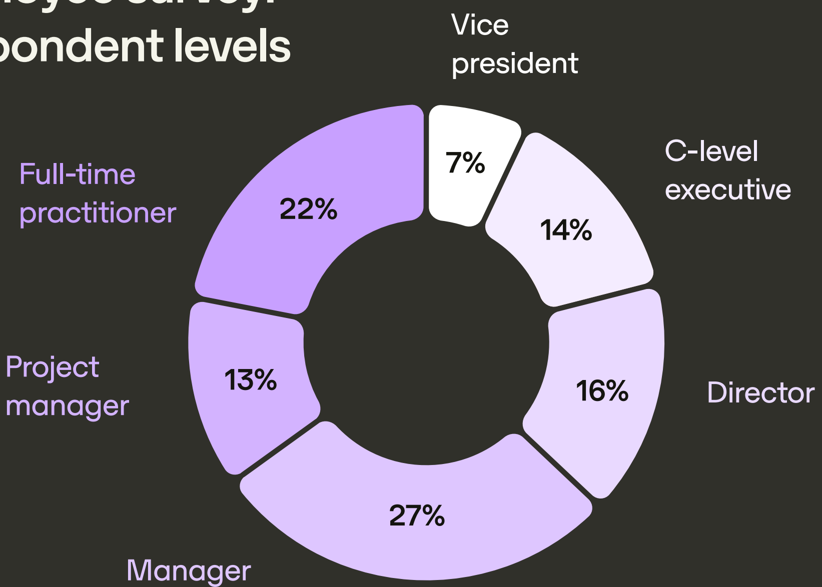
Key definition

Shadow work refers to routine, manual, non-value adding tasks that sit outside of an employee's core job responsibilities — from booking travel to processing expense reports, chasing approvals and reconciling invoices.

Survey demographics



Employee survey: Respondent levels



Methodology

Decision-maker survey

Over 700 finance, operations, HR, and IT leaders across the US, UK, Germany, The Netherlands, France, and Spain. Respondents represented small and mid-sized companies across 20+ industries including professional services, technology, manufacturing, and retail.

Employee survey

Over 8,000 employees across the same geographies, ensuring a representative mix of roles, functions, and seniorities.

Cost model

Forrester developed a cost-of-shadow-work model that combines survey-reported time spent on tasks with average salary benchmarks by country and industry. This allowed us to quantify the monetary impact of shadow work at an organizational, industry, and national level for the six countries covered in the research.

Perk (formerly TravelPerk) is the intelligent platform for travel and spend management, built to eliminate the hidden, manual tasks that drain productivity and morale – Perk calls these 'Shadow Work'. By automating travel bookings, expenses and invoice processing, the platform gives teams back time to focus on real work, with real impact. Trusted by more than 10,000 companies worldwide – including Wise, On Running, Breitling and Fabletics – Perk is tackling the 7 hours of lost productivity per employee each week, a $1.7 trillion problem revealed in **The Cost of Shadow Work** report. Founded in 2015, the global company combines innovation, control, and simplicity to transform how businesses work today and in the future. Perk's mission is to power real work by removing the invisible tasks that slow teams down.

Visit www.perk.com for more information.

Approving travel budget
Resolving rental complications
Scrolling through lengthy faqs
Navigating schedule changes
Anticipating travel disruptions
Accepting third-party fees
Reconciling duplicates
Uploading pdfs (again)
Converting file formats
Following up on late approvals
Cross-checking policies
Setting reminders
Resubmitting declined claims
Updating time zones
Waiting on system refreshes
Emailing reminders (again)
Troubleshooting log-ins
Forwarding confirmation emails
Selecting seats for the team
Waiting on hold with airlines
Staying on top of gate changes
Comparing prices
Juggling the team’s itineraries
Managing executive travel
Buying tickets last minute
Approving everyone’s travel

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Powering real work