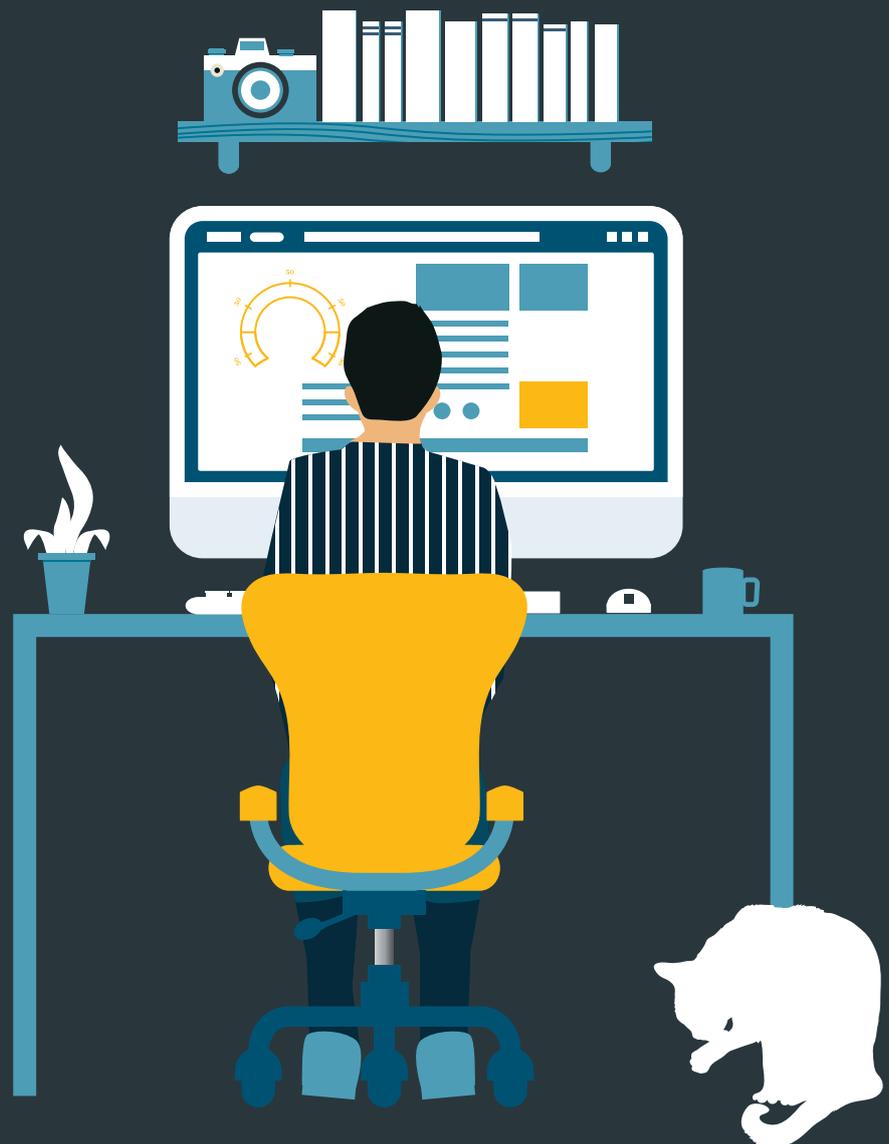


FLEXIBLE WORKING:

Are employers missing a trick?



‘The perception seems to be that if you are “working from home”, you are not working. This is ridiculous as anyone who is conscientious understands that this is not the case. In addition, it would be clearly evident to the manager in the performance of the individual if they were not working effectively when at home. I feel that if this is not revised, I will consider leaving, as most other companies [in our sector] actively encourage home working.’



Author:

Marianna Roach, Head of Research,
Great Place to Work® UK

Acknowledgements:

Mariana Skirmuntt, Senior Researcher,
Great Place to Work® UK.

May 2016

It is generally accepted that flexible working can improve employee wellbeing and engagement, increase productivity and reduce business costs through decreased absenteeism or better use of office space.

Importantly, employers can use flexible working to attract and keep talent and widen their talent pool geographically by hiring the talent they need wherever that talent may be located globally. This also enables them to provide a more global, 24 hour level of service. However, many organisations either fail to implement flexible working practices at all or don't implement them as effectively as they should and so don't fully reap the benefits. We look at what flexible working is, the different approaches organisations take and discuss the one key factor that will increase the chances of flexible working being successful – trust.

All employees in the UK have a statutory right to request flexible working after they have been with their employer for 26 weeks. Whilst quite a generic term, 'flexible working' usually relates to flexibility in terms of employees' place of work, their working hours or their type of contract. While there are still many who see flexible working as a benefit for employees, more organisations are realising that flexible working can be as much about the needs of the organisation as it is about their employees.

The focus should be on performance and outcomes

Some actually argue that to encompass the full purpose of this type of working the term 'flexible' should be replaced by 'agile' or 'smart working' where work is still concerned with flexibility around time and place. However, the focus here is on performance and outcomes and on 'any time, any place, anywhere' delivery rather than on presenteeism. The focus therefore is increasingly on outputs such as quality and timelines with work being done anywhere it suits best the person delivering them, rather than on inputs such as face-time in the office.

The business case for flexible working is strong. However, according to our recent research on a representative sample of the UK's working population¹, there is a disconnect between what employees want and what their employers actually offer. As Table 1 shows, over 45% of employees put flexitime as one of the top two types of flexible working most beneficial to them yet only 37% of their employers offered it. Similarly, working from home on a regular basis and compressed hours were stated as the most beneficial type of flexible working by 28% and 25% of employees respectively. In reality, however, only 22% of employers in the survey offered the opportunity to work from home and only 19% offered compressed hours. 86% of employees surveyed worked predominantly in a fixed location such as an office, plant or factory, 10% were field-based and only 4% were home-based (Chart 1).

1 2015 Great Place to Work® Trust Index© survey conducted by Research Now on a sample of respondents representative of the UK's working population by industry, region, gender and work status; n= 2,085

‘There are huge inconsistencies about how flexibility is applied. There are legacy arrangements in place for some employees on their working hours which is unfair. Also, some people are allowed to work from home regularly whereas in other teams this is frowned upon. If some people have reduced hours this should not impact the rest of the team’

Table 1: Flexible working – what employees want and what their employers offer

Types of flexible working	What employees want % of respondents	What their employers offer % of respondents
Flexitime: Working specific core hours but start and finish times can be chosen by employee (within agreed limits)	45%	37%
Working from home on a regular basis: Some or all of work being done from home	28%	22%
Compressed hours: Working full time hours over fewer days	25%	19%
Part-time: Working less than full-time hours	21%	57%
Annual hours: Certain number of hours are worked over a period of a whole year, during which the work pattern may change	16%	21%
Staggered hours: Having different start and finish times from other workers	16%	30%
Career breaks (sabbaticals): Extended periods of leave (normally unpaid) after which employees return to work	12%	26%
Job-share: Part time working where two people do one job and split the hours between them	7%	23%
Mobile working/teleworking: Working all or the majority of the week from a remote location	7%	16%
Other	2%	3%

* Respondents were asked to select two types of flexible working even if they were not currently available in their organisation. Percentages do not add up to 100% as more than one type of flexible working was selected by each respondent

Hot desking and co-working

Employers increasingly recognise the savings that can be achieved through more efficient use of space such as hot desking and flexible working, particularly if they are based in cities where the cost of office space can be very high. Whilst hot desking does not have a good reputation – some people find it difficult not having their ‘personal space’ and sitting next to different colleagues every day – we now have the technology that enables us to work anywhere. Reducing office space and introducing hot desking can actually lead to more desirable forms of flexible working such as home working and may be a necessary step towards building a business case for more flexibility in organisations. It is, however, key that the office is well designed and people can work in a space that is most suited to their preferred working style. This includes, for instance, quiet work stations for people who get distracted by noise around them and sufficient meeting spaces to foster team work and collaboration amongst groups of co-workers.

‘We believe a modern agency should adapt to the way people feel they are able to work in today’s world, which means being treated as professionals and having the flexibility to balance work and home life’

(firstlight Public Relations)

Chart 1: Main mode of work for employees in the UK



Source: Great Place to Work® and Research Now 2015 survey

The ‘contingent workforce’ (i.e. non-permanent employees such as contractors) is on the rise. One of the reasons is that a growing number of people want more flexibility in their work lives. Many nowadays opt for freelancing. However, working as a freelancer can be lonely and isolating. Consequently, an increasing number of freelancers use a practice similar to hot desking called ‘co-working’ where like-minded professionals who work for different organisations use a shared working environment to connect and socialise with each other.

One size does not fit all!

Looking at the different types of flexible working in our study by demographic groups, flexitime was cited as most beneficial by both men and women. However, part-time work was more important to women with almost 13% points more choosing this option. Flexitime was also at the top for all generations but part-time work was twice as more popular for Babyboomers (32%) as it was for Generation X (16%) and Generation Y (17%), an expected finding.

There’s a gap between what employees want and what employers offer

Non-managerial staff and supervisors most valued flexitime. However, for managers and directors, working from home was their main preference. The trend of flexitime being the most beneficial type of flexible working was seen across most industries with the exception of Financial Services, IT, Property & Real Estate and Technical Activities (architectural and engineering) where employees valued working from home more. In addition, working full-time hours over fewer days (compressed hours) was at the top of the list for employees in the Transport industry who slightly preferred this to flexitime. Employees working in Utilities (electricity, gas, water, power) stressed the importance of flexibility at work the most whilst out of all the industries, people working in the Media scored it the lowest. Financial benefits were a top priority when choosing a job for most industries while workers in Education, Healthcare and Scientific



‘More flexible working from home when needed [would make it a better place to work] – not just for managers as it looks bad to the other staff’

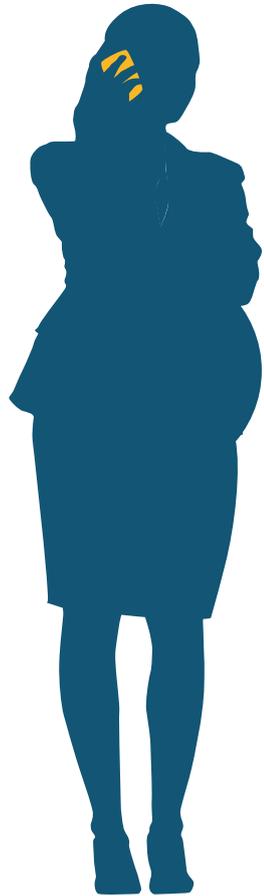
Activities (market research, scientific research and development) put location and easy commute at the top of their list.

It is clear that one size does not fit all. However, organisations can use these findings to better understand that their workforce’s expectations may be different to what they have on offer. This is also important for organisations when attracting talent and skills.

Table 2: Top three priorities when choosing a new job

	% of respondents*
Pay and other financial benefits	49%
Job security	39%
Location/easy commute	37%
The job itself is interesting and/or enjoyable	30%
Ability to work flexibly	24%
Work-life balance	19%
Being proud of the job	15%
The opportunity to progress in my career	14%
The people that I would be working with	9%
The ability to ‘make a difference’ in my role	9%

Source: Great Place to Work® and Research Now 2015 survey
 *Percentages do not add up to 100% as more than one ‘priority’ was selected by each respondent.



Flexible working – is it the new hygiene factor?

Whilst financial benefits, job security and location/easy commute scored top marks by people when choosing a new job (Table 2), the ability to work flexibly was one of the top priorities when choosing a job for 24% of people in the UK. This increased to over 32% for Millennials or Generation Y. This could suggest that, with the increasing number of Millennials in the workforce, flexible working is likely to become more accepted and widespread. This could go hand-in-hand with other expected trends as more Millennials enter the workplace including changes to management roles which result in flatter and less hierarchical organisational structures and a focus on delivery and individual performance and accountability.

Flexible working is a top priority for 24% of employees

We know millions of employees want flexibility and it could be argued that flexible working is now becoming a hygiene factor with employees increasingly seeing it as the norm. Yet we see some organisations like Yahoo controversially reducing or removing some of their flexible working arrangements. In addition,

‘Our Flexible Workplace solutions accelerate our growth by supporting a distributed work model, enabling teams to connect and collaborate from any place; they expand our access to the right talent; support high performing teams; better align our workplace with how we work; increase employee engagement and satisfaction and decrease our carbon footprint’

Intuit, UK Best Workplace

there isn't as much emphasis on flexible working in the recruitment process, such as including flexible working options in job advertisements, as might be expected. So why isn't flexible working more common, despite all its potential benefits?

Flexible working – what are the critical success factors?

There are many challenges facing organisations when it comes to flexible working. Some argue that flexible working may actually have a negative impact on team work, innovation and even cost. And while some jobs or industries appear to offer less opportunity for flexible working, there are examples of roles like customer services which are not seen as being particularly open to flexibility nevertheless having successfully implemented flexible working. Even if a specific job cannot be fully carried out in a flexible way, there are usually some elements of it that can be done from anywhere. Whilst these issues are important, for many organisations the main challenges lie elsewhere.

To be successful, flexible working depends on these key factors:

- Technology
- Organisational culture
- Trust
- Management
- Performance measurement
- Processes and resources

Technology

More organisations are successfully using technology for collaborative remote working, greatly increasing their pool of talented and skilled employees who can work and collaborate with each other from anywhere in the world.

Organisational culture

Culture is one of the most important factors for successful flexible working which benefits both the employee and the organisation. Without an ‘enabling’ organisational culture, flexible working is unlikely to yield lasting benefits for the employee or the employer.

Trust is a critical factor in making flexible working a success

Trust

We found that trust was a critical factor when looking at what made flexible working successful, both at team level and at individual level. When trust is high in a team people feel more encouraged to balance their work life and their personal life. They are also significantly more likely to feel able to take time off from work when necessary².

Our research showed that the UK's Best Workplaces – organisations which

² All of these associations have p values <0.0001.

‘A more genuine commitment to deliver a better ‘work-life’ balance would be a huge improvement. The company talks a ‘good story’ on this but fails to deliver’

are recognised for their high levels of trust – offered employees flexitime and homeworking, the two most desirable forms of flexible working, more frequently than the UK’s average workplaces. As Table 3 shows, 55% of organisations recognised on the Best Workplaces list offered flexitime and a staggering 75% offered working from home or other forms of telecommuting. This is 18 points more for flexitime and 53 points more for home and teleworking. Some of these organisations have also created specialised teams and programmes focused on developing and maintaining flexible working and work-life integration initiatives for their employees.

Trust and flexible working in best-in-class organisations

Table 3: Comparison of types of flexible working offered by Best Workplaces and average workplaces in the UK

Type of flexible working	UK’s Best Workplaces	Average UK Workplace
Flexitime	55%	37%
Working from home	75%	22%

In the UK’s 100 Best Workplaces, we found considerably higher levels of trust compared to the UK’s average workplaces. Employees in these organisations felt more encouraged to balance their work and personal life and to be able to take time off when necessary. For example, UK Best Workplace Gowling WLG’s (previously Wragge Lawrence Graham & Co.) flexible working request form does not ask for the reason for the request – they consider this as irrelevant. They recognise that flexible working is not just about childcare needs but about people achieving the work-life balance they want – what matters more is whether the business needs will allow them to accommodate the request. They also recognise that there are occasions when employees may need to change their working arrangements on a one-off/temporary or permanent basis because of things that are happening in their personal lives and, again, try to be as flexible as they can.

At Microsoft, another UK Best Workplace, employees are not expected to be office bound. They are empowered to find a flexible working style that suits them. Microsoft policy towards casual home working enables employees to work from home on an ad-hoc basis – this flexibility allows employees to choose their environment to fit the task and/or to help manage unexpected family commitments or transport disruptions. This flexible working style allows employees to work from home when they need to and does not need to be part of a formal alternative working pattern.

At eBay, also a UK Best Workplace, a manager cannot deny a request for a flexible/part-time work option unless a vice-president has reviewed and sanctioned it. Vice-presidents are accountable for assessing options and budgets to help managers find suitable solutions and are held accountable for having a fiscally responsible approach to the resources deployed in



‘I had a negative experience with HR over flexible working hours. Having put the business needs first, when I made the request my own managers had to fight my corner to assist me, not something I would wish to go through again’

their business rather than being held accountable for the number of heads, regardless of the cost. This negates headcount alone as a reason for refusing part-time/flexible working.

Employees often highlight unfairness when they feel that flexible working is not consistently implemented in their organisation. As Table 4 shows, over 72% of employees in the UK’s Best Workplaces believed that managers in their organisation avoided favouritism, whilst at average workplaces the figure is only 38%.

Table 4: Comparisons between Average UK Workplaces, the UK’s Best Workplaces and Europe’s Best Workplaces

Survey statement	Average UK Workplaces (% positive responses)	UK’s Best Workplaces (% positive responses)	Europe’s Best Workplaces (% positive responses)
Management trusts people to do a good job without watching over their shoulders	63%	88%	91%
A high level of trust exists between the people in my team	62%	Not asked	Not asked
People are encouraged to balance their work life and their personal life	48%	76%	82%
I am able to take time off from work when I think it’s necessary	62%	88%	91%
Managers avoid favouritism	38%	72%	76%

Management

As with many aspects of people management, managers have an important role to play in recognising and using flexible working to increase business performance. However, we found that flexible working and work-life balance were less important to directors and managers compared to non-managers and supervisors. Therefore management need to understand the benefits flexible working can bring to their organisation and be provided with appropriate training. However, this does not mean that any manager will be able to manage all types of flexible working having completed training. Recent research suggests that ‘inspirational’ leadership may be particularly suited to geographically dispersed teams as it can enhance trust and commitment in the team³.

³ Joshi, A., Lazarova, M. B., Liao, H., Getting Everyone on Board: The Role of Inspirational Leadership in Geographically Dispersed Teams, Organisation Science, Vol. 20, No 1, pp. 240-252

‘(Our) mobility programme enables employees to work from anywhere and not be tied down to a dedicated workspace. The type of mobility programme available is dependent on job function and manager/employee agreement’

Salesforce, UK Best Workplace

Mind the gap! Flexible working is less important to directors and managers than it is to non-managers

So managers displaying specific competencies may be more successful in teams where certain types of flexible working are used. However, all leaders – organisational and team – have a pivotal role to play in recognising the benefits of different types of flexible working and for ensuring that these are put into practice. Role modelling at the top with senior leaders working flexibly can send an important message to an organisation’s workforce. For instance, at Capital One, one of the UK’s Best Workplaces, CIO Rob Harding started to lead the way by creating space during the working week to pursue coaching accreditation and music and language qualifications. This dramatically shifted the mindset of his leadership team, particularly as he does not have children, reinforcing the message that flexible working is for all and not just for those with childcare responsibilities.

Performance measurement

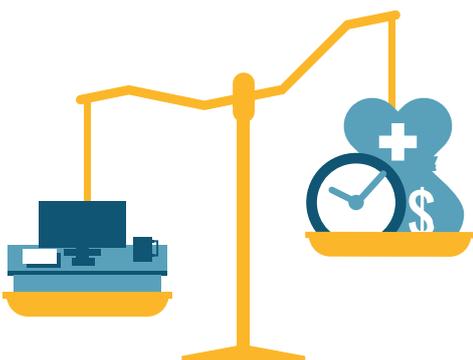
It is key for most types of flexible working that employee performance is measured in outcomes rather than presenteeism, that the objectives are clear and mechanisms enabling their accountability and ownership are in place.

Processes and resources

Finally, comments from employees in our research relating to flexible working also highlighted the need to introduce adequate processes and resources (such as equipment) for employees to do their job, with both managers and HR playing an important role in this. Resources can include a suite of collaborative tools for teams and other innovative approaches like a Double robot (a Segway with iPad attached) which allows home or remote working staff to participate in office life. For example, firstlight Public Relations bought a Double robot (which they called Jenkins). ‘Jenkins’ is controlled by the remote-working employee on their laptop and is driven around the office where he can talk to colleagues and take part in meetings and office life.

Conclusion

Flexible working can benefit both employees and employers yet many organisations fail to implement flexible working practices. Our research shows that flexible working is one of the top priorities for many employees when choosing a job with Millennials (or Generation Y) particularly interested in flexible working. However, we found that flexible working and work-life balance were less important to directors and managers compared to non-managers and supervisors. Changing perceptions about flexible working at the top and cultivating an appropriate organisational culture are key for successful implementation of flexible working. Developing an environment with high levels of trust plays a pivotal role, as does the selection of suitable managers, training programmes, clear and measurable objectives and adequate processes and resources. Whilst some may argue that not every business or every employee may always be suited to flexible working, there are many lessons on its benefits and implementation that all organisations can learn.



About Great Place to Work®

We are part of the world's largest consultancy specialising in employee research and workplace cultures. We help organisations improve their business performance by understanding and improving their workplace culture. Our focus is on trust which is proven to be a key driver of sustainable engagement which leads to higher business performance.

Best Workplaces Programme

Our world-leading survey methodology is at the core of the Best Workplaces Programme, the largest and most respected global study of people management and workplace cultures which culminates in the Best Workplace awards. The unique methodology behind the awards sets them apart from other engagement or employer brand awards. They are highly sought after for their credibility and impact on employer branding.

Our unique methodology and the fact that each year we globally survey over 6,600 organisations representing some 12 million employees gives us unrivalled data and knowledge about HR and management trends and good people practices. We share our knowledge via our research, publications and events.

