

Chapter **1**

# An introduction to flexible working

This chapter provides an overview of the reasons for introducing flexible working, illustrating the wide range of benefits.

We examine:

- The drivers for change towards greater flexibility and use of technology
- The various forms of technology-enabled working
- The benefits of flexible working to employers, staff, the wider community and the environment
- Facts and figures, with a particular focus on the growth of teleworking

- The likely future developments and new challenges for managers

### What is “Flexible Working”

“Flexible Working” is a broad term used to describe the overlapping fields of:

- Changes in the nature of employment – essentially moves to greater variety and flexibility in work patterns
- Changes in technology – enabling work to be carried out in different ways

#### Varieties of flexible working

Flexible contracts	<ul style="list-style-type: none"> <li>• Outsourcing</li> <li>• Use of agency workers</li> <li>• Temporary/fixed term contracts</li> <li>• Casual labour</li> </ul>
Flexible hours	<ul style="list-style-type: none"> <li>• Flexible hours or ‘flexitime’ schemes</li> <li>• Part-time working</li> <li>• Jobshare</li> <li>• Compressed working weeks</li> <li>• Annualised hours</li> <li>• Zero hours</li> </ul>
Flexible location	<ul style="list-style-type: none"> <li>• Working on the move</li> <li>• Working from home</li> <li>• Working from touchdown centres/telecentres/satellite offices</li> </ul> <p><i>(Variously described as location-independent working, teleworking, telecommuting, home working, remote working, anywhere/anytime working)</i></p>
Flexible tasks	<ul style="list-style-type: none"> <li>• Multi-skilling</li> <li>• Removal of job demarcations</li> <li>• Self-supporting executives</li> <li>• Portfolio working</li> <li>• IT-supported customer services</li> </ul>

In the first category, are the various forms of new or “non-traditional” working practices.

Essentially, these can be placed under four headings: flexible contracts, flexible hours, flexible location and flexible tasks:

In the second category are the developments in information and communications technologies enabling the new methods of working. These may incorporate or support the first category. In particular, they can have a powerful impact on introducing flexibility of location. However, it is important to see their development within the context of changes to the nature of employment as a whole.

### Reasons for introducing new ways of working

#### Business drivers for change

Employers are under continual pressure to:

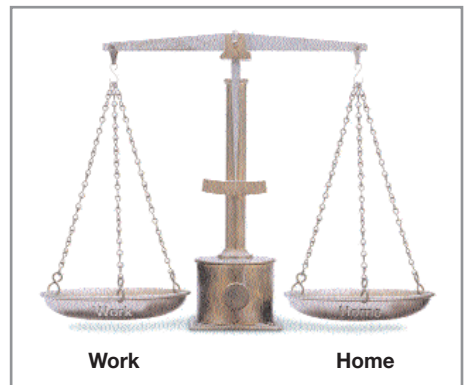
- Increase competitiveness
- Improve the quality and widen the scope of services to customers
- Boost productivity
- Manage the workforce more efficiently
- Reduce costs
- Increase the organisation's capacity to innovate

- Improve morale and motivation of the workforce, aiding recruitment and retention of employees

Introducing flexible working can be a highly effective way of responding to these pressures.

#### Social drivers for change

More flexible forms of work may also be used to make employment more “family friendly” and to assist equal opportunities or environmental objectives. A key point is that variable hours and flexible location working can be arranged to meet the objectives of both employers and employees. Furthermore, location-independence of work can also allow employment to be regenerated in disadvantaged regions.



## Various forms of new, technology-enabled ways of working

### Home-based teleworking

The word “teleworking” essentially means “working at a distance”. It is broadly understood to mean making use of computers and telephony in preference to travelling physically to a work site. Growing numbers of employed people are using technology to work at home,



or use home as a base, though few people wish to work at home full-time.

An increasing number of organisations, in both the private and public sectors, are introducing home-based teleworking as a flexible working option. Diverse examples include sales personnel, social services practitioners, financial advisers, mobile maintenance engineers and call-centre agents. The result is that more and

more employees are able to work at home, or use their home as a base, while spending more time out in the field with clients.

### Fleeing the workplace in order to work

We are seeing a growing tendency towards “ad hoc teleworking”. This is particularly prevalent amongst managers and professionals who want to escape the office to complete their work without interruptions, or who regularly bring work home. Recent research shows that 80% of all teleworkers are currently managerial or professional. Whilst many of these people remain “available” by phone or fax, the “tele” part of their work is, to some extent, more apparent than real. For instance, they may transfer their work to their home PC by bringing a disk back with them. Such ad hoc arrangements will increasingly be supported by dial-in access.

### Distributed teams

In larger organisations, it is becoming more common to have interdisciplinary and interdepartmental project teams. Technology can bring many advantages to team working, particularly speed of communication, more open and collaborative access to information, and savings in travel. For example, effective use of email for communication and file sharing is now widespread. In principle, given the right IT and communications infrastructure, it should make no difference where employees are located.

**Networked relationships**

Similar considerations also apply for networked relationships between partner organisations, and between clients and contractors, where sharing electronic information not only improves efficiency, but also opens up new ways of working. Previously, regular team meetings would need to take place in a physical location, involving much travel and rationing of each individual's input during the meeting. With a suitable IT infrastructure, information can be shared and worked on asynchronously, so that meetings can become more focused. In addition, meetings can be either face-to-face or virtual, using any of the available conferencing technologies, including audio-conferencing, video-conferencing, e-mail "chat" or virtual presence.

**Networking for virtual teams**

Cutting edge examples of virtual teams can be found in the broadcasting and film industries. One such instance is Sohonet, an advanced digital media network, linking media producers, processors and consumers in central London. The network allows for e-mail, browsing, video-conferencing, and transferring of files and resources at the speeds needed to process professional-quality sounds and pictures in real-time. This kind of high-speed network enables projects to be developed between different specialist organisations. In addition,

smaller organisations can network and compete effectively with the in-house resources of larger organisations.

**Outsourcing**

One effect of electronic communication has been an increase in outsourcing, particularly of non-core functions. This can involve a third party undertaking, such as accounting, secretarial or IT functions, or it could be an in-house team operating remotely to run, for example, a customer service call-centre. Such arrangements, coupled with other flexible working practices such as part-time or seasonal work, can be especially valuable in coping with peaks and troughs in demand.

**Flexible response to demand**

There are also examples of organisations taking advantage of time differences to process information during the downtime of a client, such as processing data in the UK or Ireland for US organisations while America sleeps. Similarly, a transatlantic network of call-centres, as operated by some airlines, ensures that the company is able to maintain a 24-hour service for its customers without making its staff work unsociable hours.

Another application is the ability to bring in a contingent workforce of home-based employees "down the wire" and at short notice.

This approach can be used to keep call-centre response times short, without incurring high staff and facilities overheads. A combination of flexible contracts such as zero hours or annualised hours, and flexible location can be involved in such instances.

### **Making mobile employees more effective**

According to the Labour Force Survey in Spring 2000, there were 1.6 million workers in the UK who described themselves as “working at home” or “with home as a base”. Many of these will be “class size zero enterprises”, for example plumbers or carpenters selling their services as labour-only subcontractors. It is increasingly rare to find such people without a mobile phone. Furthermore, it is becoming quite common for them to possess PCs or palmtop organisers.

The same is true for sales representatives, although in most cases, they will be employees rather than self-employed. The advantage that access to information and communication technologies gives such people, is that they can reduce the number of trips to base, and therefore spend more time working at sites, making client visits and arranging new business while away on current projects.

### **Touchdown sites**

One way of making mobile or home-based teleworking a practical option is by creating

“touchdown sites”. Essentially, touchdown sites enable location-flexible employees to drop-in and have access to corporate systems or specialist facilities, meeting rooms, secretarial services, and so on. They can be based at an organisation’s own premises and this is, by far, the most common approach. However, they can also be at third party premises, and this second approach delivers most benefit if it is accompanied by a significant reduction in property.

### **Making effective use of space**

The term “hot-desking” has acquired a negative image, largely because of some poorly devised implementations that have been well publicised. The underlying idea is that “personal space” is replaced by “team space”. Crucially, hot-desking is not a question of reducing space, but tailoring facilities to modern work practices and processes. When implemented well, it can reduce facilities costs and provide staff with a better working environment. Best practice implementations offer a variety of work-settings optimised for different tasks.

There are a variety of hardware solutions for touchdown sites and hot-desking areas, for example the use of mobile PCs and docking stations coupled with “follow me” telephony. In this way the concept of working “any time, anywhere” becomes seamless and practicable.

### **Remote diagnostics and monitoring**

One aspect of teleworking, which gains relatively little attention, is that of remote diagnostics or monitoring. There are significant gains to be made in being able to undertake such operations from a variety of less expensive locations and by reducing the need to travel. One example is Closed Circuit TV (CCTV) monitoring. It is ironic, however, that employees undertaking CCTV monitoring for crime prevention in urban centres are typically housed in expensive city centre office accommodation.

There are other examples. For instance, a rail company accepts dated video evidence as proof of work completed by contractors. Similarly, insurance loss adjusters might use remote video in assessing claims, helping to increase their productivity and streamline the claims process. Also, remote medical diagnosis can allow specialists to be “brought in” for their advice, potentially from anywhere in the world.

### **Connecting all employees**

The challenge for many organisations is to increase the efficiency of their employees or contractors by effectively linking them to their information and communications networks – wherever they are. This adds to efficiency and productivity, improving service to customers, reducing the need for travel and reducing delays caused by the need for further information or for decisions.

### **Benefits for all!**

#### **Reasons for introducing new ways of working**

As this Toshiba Guide has already indicated, there is a wide range of benefits to be gained from introducing flexible working. The following summary outlines where organisations should be setting their sights.

#### **Employers**

Employers gain from the cost, productivity, quality and customer service benefits that flexible working can bring. They also gain from a more motivated workforce, from increased flexibility of resources and from improved staff recruitment and retention.

#### **Employees and families**

Introducing flexibility, both in terms of location and hours worked, can bring benefits to employees and contractors, as well as to the organisation. Avoidance of stressful commute journeys, better integration of home and work life, dovetailing work and caring responsibilities, and remote access to work for people with illnesses or disabilities are among the advantages.

#### **Social and environmental gains**

Finally, regions, communities and the environment can benefit as well. Work can be

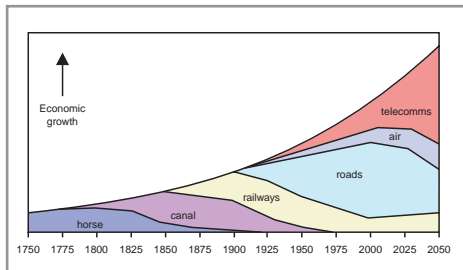
moved into areas of need, and communities can be revitalised as local employment is created.

As travel requirements are reduced and demand for city offices declines, air quality will improve, energy consumption will decline and land-take for offices will diminish.

### Too good to be true?

We are only at the beginning of the Information Age, where mobility of information is taking over from mobility of goods and people as the new driving force for economic growth.

(See diagram)



The impact of mobility on the economy: the chart shows the relative importance of communications networks to economic growth

There is little doubt that technology is changing the way we do business. Yet, in spite of huge investments in information and communications technology, most organisations still organise their work as if the Information Age is not actually happening.

In our experience, those who seize the opportunities of technology and take a holistic approach to flexible working, can deliver benefits all round. Thoroughly implemented, there are no losers – except perhaps transport operators, paper manufacturers, office developers and those who service the "Old Economy".

An appreciation of the potential benefits should provide the basis for setting robust and practical targets for change, based on the particular context of individual organisations.

As one of the world's leading technology companies, Toshiba not only supplies portable computers, but also desktops and servers. Add to this cameras, projectors, telephone systems and the wireless networks to link them together and Toshiba can be an effective one-stop-shop for today's flexible office.

### Facts and figures

A picture is emerging from government data and other surveys of the growth of new patterns in flexible location work:

#### UK data

According to the Labour Force Survey, Spring 2000:

- There are now around 477,000 office-based employees in the UK using information and communications technology to work at home at least one day a week
- Around 805,000 other people in the UK (employees and self-employed) can be classified as home-based mobile employees, making extensive use of information and communications technologies
- There are around 312,000 people working mainly from home, making extensive use of information and communications technologies
- This total of around 1.6m, i.e. 5.8% of the workforce, is believed to be growing by between 20% and 45% per year

These figures exclude self-employed people such as plumbers, electricians and carpenters, many of whom use mobile phones to keep in touch and computers for quotations and accounts.

According to data from the Centre for Labour Market Studies, 2000:

- The numbers working “mainly” at home have risen dramatically over the 1981 to 1998 period – increasing from 345,920 (1.5%) in 1981 to 680,612 (2.5%) in 1998
- Those working at home for at least one day a week (“partially”) account for 3.5% of the employed workforce (or 932,364 individuals),



while those reporting working “sometimes” at home, account for a further 22%. In total, therefore, around a quarter of the UK workforce now carries out some of its work at home

According to the European ECATT (Electronic Commerce and Telework Trends) Project (1999):

- In the UK, there are 1.27 million regular teleworkers (4.8% of the workforce) plus a further 750,000 “supplementary” teleworkers. That is people who do not usually work whole days at work but do extra telework from home in addition to regular work at a central workplace. That makes some 7.6% of the workforce who include teleworking in their repertoire.

- Of 9 million European teleworkers identified by ECATT, 2.9 million are regular home-based teleworkers, 2.3 million are mobile teleworkers, 1.4 million are self-employed teleworkers working in SOHOs (Small Office – Home Office) and 3 million are supplementary teleworkers

Projections from the ECATT Project indicate that the numbers of teleworkers in the UK will rise from the current 7.6% to 11.7% of the workforce by 2005. The European average is projected to rise from 6.1% to 10.8%.

Finally, according to Gartner Group, 1999:

- Once the technology and infrastructure barriers fall, the market will explode, with 137 million teleworkers worldwide by 2003, including 30% of the US workforce

There is every sign that current trends will continue. By the end of 2002, the UK market for "mobile, flexible and location-independent workers" is expected to be around 3 million individuals, spending over £1.5 billion per year on their laptop and desktop PCs and associated equipment and services.

### **Following the US lead**

While the UK is relatively advanced in its adoption of "wired working" in European terms, we lag some way behind the Nordic countries and the US. But the signs are, where the US goes, the UK follows.

According to the 1999 "Telework America" Survey, there were over 20 million teleworkers in the USA at the end of the year – a 20% increase on the previous year. The survey showed a further 10 million would like to work for some of their time at home, but felt their employer would not allow it.

The survey examined a range of other issues, including how teleworkers handled work-life conflict issues. 80% of teleworkers indicated they were able to accommodate activities, such as visits to the doctor, that would normally require time off work.

The average cost benefit to employers enabling teleworking was estimated as US\$12,000 per employee, per year. Other figures included an annual saving of 2,880 km commute miles per employee.

One key US trend over the past 10 years has been the development of the "home office" (or SOHO) and an accompanying market for products. With home PCs outselling new televisions for the past three years, people's ability to work from home is increasing, even if those who do so are in a minority. Over 50% of US households now have some form of home office.

### **Teleworking development in the UK**

One of the most recent and rigorous surveys, Teleworking Britain by Mitel, published in 1998, found that almost 30% of "knowledge workers" are already teleworking full-time or part-time – translating to about 5.1% of the workforce. This indicates a rise from the 4% found in the Spring 1997 Labour Force Survey.

High levels of interest were also shown in teleworking. 40% of men and 30% of women said they would like to telework. The major obstacle identified was lack of company policy on teleworking, coupled with technologies, processes and cultures that make it difficult. Over the next few years, we can anticipate more organisations developing policies for teleworking, and opening the door to a sizable increase in uptake.

### **Future developments**

#### **More bandwidth**

Held back by technical limitations, high costs and a lack of competition in the telecommunications industry, a massive increase in bandwidth is about to be launched in the UK, with unit costs continuing to fall.

Whilst large organisations have had access to high bandwidth, wide area data communications for some time, small businesses and home

workers have had to make do with low-speed modems, ISDN lines and high connection charges. The advent of high-speed ADSL services, unmetered Internet access and new services from cable companies will begin to change this.

#### **Wireless world**

The last decade has witnessed a resurgence in radio technology and the growth of the mobile telephony market. Current systems can be used for slow speed communications, for example e-mail, but are of limited use for Internet browsing and more demanding applications. Also, connection costs can be very high. Nevertheless, even with its limitations, a mobile PC with a digital mobile telephone interface is a remarkably powerful and versatile tool for "anywhere/anytime" computing and communications.

Next generation mobile systems, known as 3G, will offer much higher bandwidth. As well as enabling the mobile PC to be just as connected and functional as the desktop PC, it will spawn a new generation of portable multimedia communications devices.

WiFi and Bluetooth™ (see glossary) will be the main players in this arena. WiFi is the direct replacement for the current 10MB cabled network but without the expense and inconvenience of cables. Bluetooth, however,

could be described as a replacement for “short” cables and removable “media” The result is that the PC is no longer “just” a computer. Add a modem, and it becomes a communications platform. Add a camera, and it becomes an editing machine, and so on. It can be continually modified by the addition and removal of devices, all without the need for cables.

### Where has all the paper gone?

Working away from the office is of limited benefit if information is still stored in filing cabinets, and business processes and communications remain paper-based.

The paperless office has been predicted for some time, yet paper continues to be generated – and destroyed – at a faster rate than ever before. While hard to achieve, the concept of



being “paper-free” is an important aspiration, and one that needs to guide the implementation of new business processes and new ways of working.

Structured business environments such as call-centres are almost already paper-free zones.

The investments being made by most large organisations in e-business, process re-engineering and knowledge systems, will bring the benefits of paper-free working to most job functions.

### Power to the people

It is a well-worn cliché that today's mobile PC packs in more computing power than a multi-million mainframe did just 20 years ago.

“Moore's Law”, which states that computing “bangs-per-buck” double every eighteen months, shows no sign of slowing down, and nowhere will this be more apparent than in portable systems.

In practice, this means that computing-intensive applications such as speech and image recognition, natural language processing and massive multimedia databases, will migrate out of the corporate environment to individual desktops and notebooks.

A major step change will arrive when the computer becomes a more “active” platform. At that stage, it will begin to use its power to tell you in a synthesised voice that you have e-mail – it will even read the e-mail to you. It will recognise your voice and respond to you. It will evolve into a “companion” device (perhaps supported by mobile network profiles – wherever you log on, you get “your” desktop).

**The network is the office**

There are signs that the traditional office may have a limited life. In the same way that people are moving out of the office to work more flexibly, systems are moving away from corporate servers to the Internet. Massive "server farms", run by third party specialists and with thousands of servers, are being established at secure facilities, connected to the Internet "backbone". Corporate applications are transferring to these servers, and the Internet is being used as a channel for secure internal communications as well as a public network.

Telephony is also starting to move to the Internet, which is rapidly becoming the universal and ubiquitous communications environment.

With filing cabinets, staff, telephone systems and servers gone, the office becomes a place for support and personal networking, necessitating a radically different approach.

**Information across boundaries**

The development of seamless and transparent electronic processes poses a challenge to traditional ways of working. One possible goal is to reach a situation where anyone with a stake in the information, including customers, can be given access to it so that they can monitor the progress of their project or transaction, and work on it. Given access rights, individuals or organisations located anywhere can be involved

in every step of the process – there is no need to make a visit or to wait for the post.

In fact, this is already happening. Once you have the right infrastructure to support your method of working, it truly doesn't matter where you are. Even if you have no worldwide structure the Internet can be used to create the connections you need, for example via a Virtual Private Network (VPN). A VPN allows a user to pass and receive information via a secure network across the Internet.

Information does not need to be constrained by national or international boundaries. It costs little more to telework from the other side of the world than it does to telework just around the corner – it might well cost less. Many forward-thinking employers are starting to exploit this.

**Impact of video in new media**

With low-cost digital cameras and editing equipment developing so rapidly, video in the workplace is likely to become much more commonplace. Already, video is used quite extensively for training purposes. Increasingly, it will be used for internal communications, with applications that include employee communications (a stage on from the company newsletter), presentations, marketing, and analysis. Clearly, skills in working with video and new media – both technical and presentational – will become important.

The ability to use networked video will add new dimensions to location flexibility. As expensive video conferencing suites are replaced by cheaper desktop systems, online meetings will become viable, functional and attractive.

### Changing roles

Key role changes, which arise from moves to technology mediated working, include:

- A shift in the secretarial/clerical role to what is sometimes called a “hub” role. The new focus revolves around managing a “hot-desked” environment, keeping track of the work and whereabouts of a dispersed workforce, and being central to communications – rather than spending long hours typing and filing
- A shift to a more self-sufficient role for service delivery employees. They will do more of their own word-processing and electronic filing, with e-mail communication increasingly replacing memos and letters
- Consequent changes in the manager’s or supervisor’s role. There is a need for more formal and regular communication, to “walk-the-job electronically”. Managers of a formerly geographically-concentrated workforce lose the imperative to be centrally located themselves. Managers of already dispersed workforces can reduce their own and their staff’s need to travel by substituting more frequent electronic communication

### Clearly, the key objectives for managers are:

- To realise the cost savings and productivity benefits, which effective use of technology allows
- To learn to direct, encourage and support a workforce that is geographically dispersed

These objectives can only be reached with a good understanding of what can be done. The following chapters outline the way forward, starting from an introduction to what is possible, moving through more in-depth guidance and then on to the practicalities of implementation.

