# FACILITIES MANAGEMENT

## FLEXIBLE WORKING

# Any time, any place

A new report from the BCO looks at the business case for flexible working and how to manage the change process successfully, explains **Nigel Oseland**.

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Flexible working made the headlines back in March when Barack Obama held his first forum on workplace flexibility at the White House. The forum was partly Obama's response to government workers not being able to get to work due to snow. He commented that "encouraging more firms to consider adopting flexible practices can potentially boost productivity, improve morale and benefit the economy. Especially at this time as the US rebuilds after the Great Recession, it is critical for the 21st-century workplace to be organised for the 21st-century workforce."

More recently, the new UK government has been discussing extending the legislation on the right to request flexible working to all workers rather than just those with dependants.

According to DEGW's founder, Frank Duffy, the notion of flexible working was introduced in the late 1970s when his design consultancy explored innovative ways of reducing IBM's property portfolio. The adoption of flexible working has been slow over the past 40 years but recent disruptions due to weather, ash clouds and the recession have rekindled interest in what many consider to be a high-outlay (financially and mentally) but high-return workplace strategy.

Occupiers and the property and FM industry are well informed of the potential benefits of flexible working. Where knowledge is lacking is in the implementation of flexible working, in particular the HR and legal aspects and the accompanying change-management process. A new report by the British Council for Offices (BCO), *Making Flexible Working Work*, aims to provide "a practical guide, acting as a checklist to aid all constituents involved in programmes to adopt flexible working". The report focuses on clarifying the terminology on flexible working; offering advice on hidden costs and how to present the business case; and providing guidance on the change-management process and space management that will enable flexible-working programmes to be successful.

## TERMINOLOGY
Flexible working is surrounded by its own terminology and mystique. Phrases such as hotelling, agile working, free address, nomadism, third places and the dreaded hot-desking are elements of flexible working but ultimately, the report says, "flexible working is offering the choice of where, when and how to work."

This is a phrase that was introduced some time ago and is referred to as the Martini principle. The authors

continue: "It incorporates non-standard working patterns, remote connectivity (within and outside the office), access to and sharing of alternative work settings, and the non-ownership of space, particularly offices and workstations."

Figure 1 illustrates how the various phrases related to flexible working can be clustered into three categories: remote working, office-building based (or shared spaces) and non-standard hours. These terms are sometimes confused and interchangeable – for example, flexible working is often interpreted as simply meaning flexitime, as opposed to remote working or sharing space.

The renowned scientist, Stephen Hawking, remarked that his book *A Brief History of Time* contained only one equation, albeit a very important one. Similarly, the BCO report includes a key equation, one that calculates the number of workstations required in an office based on the utilisation figures (obtained through a time utilisation survey):

$$W_R = W_O \times (U_O \div U_T)$$

Where: $W_R$ = number of workstations required
$W_O$ = number of workstations observed
$U_O$ = percentage observed utilisation
$U_T$ = percentage target utilisation

Critical to the equation is understanding how to measure utilisation and the appropriate target utilisation. Of course, the maths should be backed up through consultation with the business to determine the most appropriate desk-sharing ratio and the potential space released, which could be taken as a saving or used to accommodate headcount growth.

## COST-BENEFIT ANALYSIS
The business case for flexible working is built by comparing the cost of implementation against tangible benefits such as reduced property, FM, churn and utilities costs, savings from rent and rates, and lower service charges. Those moving to new premises will also save on fit-out costs. Savings from less tangible benefits, including reduced absenteeism, enhanced staff performance, reduced staff attrition, improved teamworking, extended business hours, better business continuity and longer work periods can be estimated with some thought and effort.

The report highlights the so-called hidden costs – that is, costs beyond fitting out the space, associated with flexible working. The largest of these is the technology infrastructure, including mobile technology, additional remote electronic storage, new telephony, booking systems and IT support for remote workers. Other costs include those related to support services, such as managing the clear-desk policy, a concierge or help desk for remote workers, enhanced cleaning regimes, extended

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opening hours, security and catering. In less joined-up organisations, capital and operational savings made by the property team could incur additional operational costs for the FM and IT teams.

Homeworkers may also require additional equipment, connectivity and support. Furthermore, "Health and safety guidelines apply to flexible workers, in particular those using laptops or working from home," the authors warn, and "there is no specific number of hours above which these rules apply." However, "If the employee chooses to work from home occasionally, independent of the workplace strategy, it is their choice and the onus then shifts to them to ensure they have created a safe working environment." Nevertheless, it is clearly not sufficient to assume that the homeworking environment falls outside the employer's responsibility.

### CHANGE MANAGEMENT

Change management is key to implementing flexible working but it is the project phase that property and facilities managers are least confident with. The authors of the report warn that: "Change management is an essential component of a project, yet too often it becomes a separate entity, limited to surveys, focus groups and communication. True change management needs to look at the organisation as a whole, including goals of the specific project as well as goals of other concurrent initiatives."

The change process has four key steps:

- *Vision* – objectively understand the organisation and determine a realistic view of the desired change, aligning the project goals with the core value and vision of the business.
- *Assessment* – this is the time to examine every aspect of the organisation to determine how flexible work will affect both production and employees, including creating policies, procedures and training information.
- *Preparation* – establish a programme to help the successful implementation of flexible working and inform employees of the vision, workplace strategy and how it directly affects them.
- *Implementation* – consistent communication is key at this stage. Reiterate the vision and the route to meeting it, employ change champions and other means to keep staff informed of the change, identify the barriers to change and deal with them.
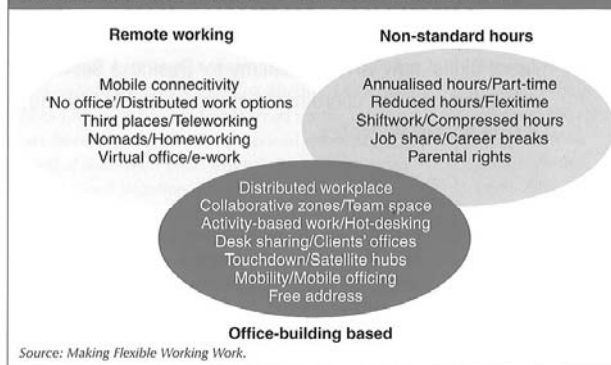
For most people, fear of the unknown is the main barrier to change, and this can be overcome through consultation and engagement. The power of good communication should not be underestimated.

### SUCCESS FACTORS

According to the report, the key success factors for implementing flexible working are as follows.

- *Understand the requirement:*
  - determine the business drivers for introducing flexible working, as there may be easier ways of



FIGURE 1: THE THREE BASIC CATEGORIES OF COMMONALITY

**Remote working**
Mobile connecitivity
'No office'/Distributed work options
Third places/Teleworking
Nomads/Homeworking
Virtual office/e-work

**Non-standard hours**
Annualised hours/Part-time
Reduced hours/Flexitime
Shiftwork/Compressed hours
Job share/Career breaks
Parental rights

Distributed workplace
Collaborative zones/Team space
Activity-based work/Hot-desking
Desk sharing/Clients' offices
Touchdown/Satellite hubs
Mobility/Mobile officing
Free address

**Office-building based**

Source: *Making Flexible Working Work.*

saving money such as increasing space density or relocation;
- explore work patterns and understand the organisation's needs to help develop a clear vision for the future; and
- make flexible working part of the company culture.
- *Identify client champions and partners:*
  - flexible working requires management support at the highest level, and managers need to lead by example;
  - seek out the project champions and tackle the saboteurs head-on; and
  - create a joined-up team, including corporate real estate, HR, IT and FM.
- *Manage change:*
  - communication is the key to the success of flexible-working initiatives;
  - involve staff and give them ownership of deliverables;
  - use a range of methods to convince staff to change, including site visits, piloting and a guidance document or welcome pack; and
  - train line managers to manage flexible workers.
- *Use the optimum solution:*
  - flexible-working practices vary between organisations and will continue to change over time;
  - consider where the organisation is currently and where it wants to go; and
  - challenge the vision, but be realistic so that a project can be implemented successfully.

Implementing flexible working can be difficult, especially in the current climate when many firms will be reluctant to embark on programmes involving high upfront costs. However, for those who persist, the reward for implementing flexible working is huge, with clear benefits to the business and its people. *Making Flexible Working Work* offers clear practical advice for those considering a journey into the world of flexible working. **FM**