

Flexible Working: An Executive Summary

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1. Introduction

This executive summary accompanies the FlexWork Handbook of flexible working. It is provided by the FlexWork Project which aims to support the practical take-up of new ways of flexible working by Small to Medium sized Enterprises (SMEs), particularly those in remote regions.

The executive summary is designed to support the business advisor in providing appropriate advice to SMEs about introducing flexible working practices, and to the SME manager who may be considering flexible working as an option.

All FlexWork materials are available online at <http://www.flexwork.eu.com>

The summary is organised in four sections which reflect the Handbook structure. It should be used as an overview of flexible working and, where appropriate, the reader can switch to the handbook for a more detailed treatment of the selected topic.

The structure of the summary is:

- Introduction (this section)
- Flexible Working Concepts, Terms and Models
- Flexible Working Issues and How To Deal With Them
- Flexible Working Planning and Implementation.

It is recommended that the business advisor or SME manager reads through the executive summary to identify topics of interest. These can be investigated further by using the FlexWork web site which contains:

Handbook of Flexible Working
Blueprints (generic models/cases) of Flexible Working.
Case studies (SME cases, regional cases, Technical cases, etc.)
Tools (Checklists, Cost benefit Tool, Planning Aids, etc.)
Briefings on technology and management issues
Links to other online resources
Links to IST (CEC Information Society Technology programme) Success Stories
. and much more!

Implementing flexible working raises a broad range of issues. By using this summary for orientation (topics of interest and targets for further study) the reader can then investigate flexible working in further detail via the web site and other online linked resources.

2. Flexible Working – Methods, Tools and benefits

2.1 Flexible Working – Freedom From Ties

‘Flexible working’ refers to styles of work that exploit the flexibility offered by using information and communication technology (ICT).

- personal flexibility - organise work to fit in with other aspects of your life (e.g. family).
- professional flexibility – meet work demands in ways that better fit your professional objectives.
- organisational flexibility - organise labour resources to meet varying demand.

ICTs free companies and employees from working at a fixed time and place. Now companies can adopt innovative strategies for better productivity and improved working conditions.

Don’t be tied to a location

You can work from home or from a tele-centre (teleworker), or even while on the move (nomadic worker). You can also organise workers from different departments or even different companies (virtual teams).

Don’t be tied to fixed times of work

You can organise work through a flexible basis such as flexi-time, term-time working (to suit school hours), annual hours (total amount), part time work and job sharing. You can work outside normal hours to collaborate with people in other time zones.

Don’t be tied by contracts

You can use many different kinds of contract such as fixed term, contracted labour, outsourcing, agency labour (not employed by you), and freelancers. SMEs can work together (to pull together a wider range of resources for larger contracts or as supply chain partners).

Don’t choke creativity and flexibility

People can organise their own work patterns, and can be ‘networked’ in different ways. But that means work must be judged on project objectives (goals and outputs) rather than ‘time spent at a desk’, and so is more dynamic and flexible.

Don’t over-manage

People need to be free to exploit flexibility and so need a new work culture driven by facilitators and measured by outputs. People can have more than one role, and may need to be selected for flexibility. Flexible work often needs smaller working units with fewer people and flatter structures. Managers need to focus on resourcing and outputs, while watching how work patterns develop. Organisational learning becomes more important (transfer of good practice between teams).

Don’t Worry About Terminology

Terminology keeps changing in the world of flexible working. Various new terms are introduced here, and many more will emerge in line with technology development..

ICTs (Information and Communications Technologies) are simply the technologies that enable information to be used, modified, stored or shared through communication (e.g. text editor, e-mail and web).

Groupware is a special form of ICT that is designed to support teamwork or other group interactions.

Telework simply means working at a distance (e.g. from home, on the move, etc.).

Telecottage is usually a location that provides a community with easy, affordable access to computer and telecommunications equipment. Local people and small businesses can work with the equipment or use other resources. Some also provide IT (information technology) training for local people.

Telecentres usually support specific types of work involving the use of ICT and can function as the remote office of a large company, or a flexible office space used by more than one company.

2.2 Types of Flexible Working

There are many types of flexible working. We provide some common examples here and more can be found in the Handbook and on the Web Site.

Home Worker

A person can work from home for a number of reasons: to reduce time wasted on travel; to reduce costs; to enable them to work in a 'quiet' setting, or to let them deal with family matters. Working from home can be a temporary or more long-term arrangement depending on what is wanted by those involved.

Job Sharing

Companies can 'share' a job between two or more people. If skills are in short supply, and those who are skilled do not want to work a full day, then this can be a benefit. Such people must work co-operatively, and may work from a common setting (office) or from different locations (e.g. home).

Virtual Company

A company can be set up anywhere, and can use employees or freelancers etc. (see 'contracts' previously). Thus, the 'functions' of the company can be spread amongst employees, freelancers, and even other companies (supply chain partners). This flexible model means that human resources are assigned 'as needed', and all are equipped to work from their chosen location (e.g. from home, from a telecentre, from within a collaborating SME, etc.). Such companies make extensive use of telecommunications to support collaboration, e-mail and file transfer between team members. Companies who exploit flexibility to this extent can respond to market requirements without having responsibility for a large work force and substantial overheads. The freelance 'employees' manage their own financial affairs and see a direct relationship between effort and reward. They typically work for more than one 'organisation' (portfolio worker).

Mobile Workers

Using ICT to support mobile workers can pay dividends immediately. Workers who collect or use data in the field (e.g. sales agents, support staff, advisors) can be linked to the company database, and so they can update records quicker, and access up to date information. Workers can update while on the move (mobile connections) or can update at specific times of day (at office or remote location). Procedures and processes can be designed to be as flexible as required.

2.3 Tools And Technology For Flexible Working

Flexible working can be supported by the technology that companies already have or with minimal new investment. New technologies are rapidly emerging, and so technology is always an unstable area – keep looking for better solutions. The web site provides technology briefings which cover these issues in more detail.

Applications such as word processors, e-mail packages, collaborative working tools, design packages, project management tools or web-browsing tools have features that support flexible working.

Hardware may exist already, but there will be new choices such as to whether to buy portable or desk-based equipment; what configurations are most suitable; whether a server is necessary, etc.

Local Area Networks (LANs) connect equipment together so that people in different offices or departments (or even remote locations) can work together more effectively.

Services can support flexibility, including messaging services; telephone conferencing services; Internet Service Providers (ISP); Application Service Providers (ASP).

Access Networks can be selected on the basis of performance, bandwidth, reliability, availability and cost (e.g. ADSL vs. PSTN, Fixed vs. Mobile).

2.4 Benefits of Flexible Working

Flexible working can benefit companies and individuals by improving competitiveness, productivity and working conditions, but requires that we consider new types of work, new ways of performing work and new approaches to organisation. New ICTs can benefit remote SMEs (e.g. rural) by improving access, and the ‘virtual company’ approach can allow several SMEs to combine forces, or a single employer to develop at least cost/risk.

The main general benefits derived from re-organising structure and process for flexibility are:

- Increased productivity
- Improved competitiveness and market access
- New products and services
- New kinds of business organisation
- Better use of personnel and skills

Work in the Information Society is increasingly becoming not “where you go” but “what you do” and “how you do it”. Flexible working is a lot more than working at home a few days a week (the traditional view of telework). ICTs can be fully exploited to devise whole new patterns of work to fit the needs of the economy, the organisation, the worker and the community.

Benefits for Business.

Flexible working can provide benefits related to a wide range of critical business issues.

Access to skills - companies can find scarce talents by employing remote workers.

Access to new work – flexible working allows easier access by SMEs to work opportunities in other regions. This not only increases revenue but also opens access to new kinds of work and new markets.

Increased productivity – flexible working allows specific workers to become more productive by letting them work in preferred ways.

Business start-up – remote/flexible working lets people start new business activities with low overheads.

Cost savings - some businesses can reduce office costs through flexible working. Using freelancers to explore new work areas is a way of developing new lines of work safely.

Dealing with demand –businesses can plan when the most effort needs to be applied and so can set work patterns that will meet the demand.

Benefits for the worker

Balancing Family and Work - flexible working allows people to get the best from family life and working life. Being more involved in the family requires having flexibility to work to a preferred schedule.

Reducing wasted commuting hours - some employees free up time by not travelling to work (those who are based at home or a local telecentre), while others work in transit (nomadic).

Equal opportunities - people with disability are already exploring working from home across Europe, and many women returners, or people with responsibility of care, can re-enter work via teleworking.

Gaining wider experience – for those on flexible contracts such as employees working freelance or on contract to more than one company, there are great opportunities to expand the range of projects worked on and so develop a broader portfolio of skills and experiences.

3. Issues in Flexible Working

3.1 Selecting The Right People

For effective flexible working appropriate staff members must be selected. A number of factors should be taken into account:

- Employee preference – the employee should be interested in the scheme and will perceive some personal benefit.
- Trust and loyalty – flexible working may involve potential security risks (taking company information home; working with other companies) and requires good self-management skills.
- Type of job – not all jobs are suitable for flexible working. Most suitable are those which require little direct supervision or face-to-face contact.
- Personality factors – remote workers need to be good decision makers, effective at problem solving, able to work independently and skilled at self and time management. Working in a collaborative setting requires a set of personal skills such as good communication, open-mindedness, willingness to try new ideas, ability to work to deadlines, ability to focus on task output/results.
- Working from home – the home environment should be assessed for suitability (or advice given).

3.2 Choosing the Right Type of Flexible Working

Flexible working is very varied in nature, being a flexible adaptation of working procedures, styles, management, timing, and location.

Five main types have been identified - these types are not mutually exclusive and often overlap in the same company. They are:

- Companies whose employees telework.
- Flexible working by companies in the traditional activities of rural and peripheral areas.
- Flexible working by companies exploiting new opportunities
- Flexible working to deliver local services
- Companies in flexible working networks (virtual teams, supply chain collaboration, etc.)

A company needs to investigate and determine which type, or mix of types, will be of greatest benefit.

3.3 Managing Flexible Working

Traditional management style and attitudes can be a barrier to flexible working. Managers have to be able to trust employees working flexibly, and they should have access to education and training about flexible working. Managers should be taught to enhance their communication skills to support flexible working, and this might include the use of ICTs. Flexible work has a number of disadvantages from a traditional management viewpoint (e.g. difficult to manage workers not physically present), but these can be countered by using new management techniques. Managers should be encouraged to develop a new management style based on trust, delegation and teamwork.

3.4 Self Organising Workers

Flexible workers have to be autonomous, and have good self-management skills while taking greater responsibility for their own tasks. That means companies need to be aware of the demands of flexible work and select and train staff appropriately. Not every worker is suitable for self management, but you can provide training measures that teach these skills. Flexible work influences self-organisation in two ways: the switch from 'eyeball management' to management by objectives and the potential blurring of boundaries between work and private life.

3.5 Equipment and Technology

Companies must decide which equipment and technology to purchase, and it may not be necessary to make a big investment. Companies must also decide who pays for equipment, furnishings and consumables which are used out of the office. It is common for the company to provide all items or to give employees an allowance towards their cost. Furthermore, companies must determine the extent to which they will fund the 'home office', and it is common to pay for installation of telephone lines, business line expenses and maybe improvements to (power) wiring and additional electrical sockets.

Companies also must decide how equipment maintenance and support are to be handled, as well as insurance cover for equipment kept off-site. In most countries, companies will be liable for accidents at the home office which are a result of poor equipment maintenance.

3.6 Health & Safety

If flexible working involves employees working remotely or outside normal office hours, then special health and safety considerations apply. Companies are still responsible for the health and safety of home working employees. Companies may be legally obliged to carry out a health and safety workplace risk assessment on home offices (depends on company size and nationality). Companies should also be aware that the use of mobile phones and laptops pose particular health and safety problems, and so should check employees' awareness of these issues regularly. Attention must also be paid to work schedules to ensure that employees remain within legal requirements. Procedures need to be specified to deal with emergency situations and equipment failure because the usual support staff may not be on the premises. Employers may be liable for any accidents occurring in the home office. The extent of responsibility can be clearly outlined in a flexible working agreement.

3.7 Security of Equipment and Information

Both company security and personal security must be considered when implementing flexible working. Company security includes data and network security and confidentiality. Data and network security can be assured by employing appropriate technical and managerial solutions. To enhance confidentiality only allow trustworthy staff to work flexibly and include specific safeguards in contracts for flexible workers and collaboration agreements. The physical security of remote workers should be given special attention and many common sense measures can enhance physical security. For example, equipment located off-site might also be at risk (from theft, vandalism, flood) and the remote worker must also guard against security problems when using computer equipment (virus attacks, good back-up facilities).

3.8 Finance and Regulatory Issues

The specific details related to finance and taxation tend to be defined by the Country or Region. Local government and taxation departments should be contacted for specific requirements operating within a region. Some general considerations do tend to apply across Europe. Tax allowances may be payable for employees working from home or those with childcare expenses. Payment levels are generally equal for home based and office based staff. Certain allowances may be payable to home workers to offset added costs related to work activities (e.g. consumables, power, lighting, wear and tear, etc.). Home workers and/or freelancers have to ensure they can get appropriate tariffs for home services, and that they record business expenditure such as travelling expenses. They may also have to consider safeguards against periods of unemployment (freelancers only).

3.9 Work-Life Balance

Flexible working arrangements are often seen as a way for employees to achieve a better balance between work and family life. However, in practice, achieving a good balance between home and work life can be difficult. For parents, good childcare arrangements are essential, and companies should be supportive. A variety of flexible hours schemes can suit workers with children or other care responsibilities.

3.10 Communication Between Workers

ICTs can support teamwork even if the team members are remote from one another, and different types of team work can be supported: collaboration between SMEs, setting up 'virtual' teams; the inclusion of home based employees in teams; communication between office based team members and those on the move. Teams can have members in a variety of locations (both nationally and internationally), and technology support is available for communicating on a one-to-one level; communicating with a group, working on common documents; tracking the progress of on-going work. Teams can operate on an informal basis using the phone, the world wide web, bulletin boards and chat rooms, and these informal teams can provide vital contact for the remote flexible worker. Despite advances in technology, remote workers can experience isolation and companies should take steps to minimise effects of isolation. The most advanced usage of ICT for teamwork is generally referred to as 'groupware' and can be extremely sophisticated. Groupware solutions can provide a complete project management and project team communications package that is accessible by team members from anywhere at anytime.

3.11 Training and Career Development

A key problem for flexible workers is that people who are not physically present in a company can easily be overlooked. They can miss out on training because in-house organisers may feel it is too complicated to try to involve them. However, training is as important to flexible workers as to anyone, and maybe even more so. Companies should offer equal training opportunities to all workers and should maintain good communication concerning promotion and career development. This can be made a matter of contract, with explicit coverage of professional development being a key area for flexible workers.

3.12 Legal Aspects of Flexible Working

Flexible work is not well represented and/or supported by European regulatory systems. At present, different countries have different ways of dealing with legal issues related to flexible working. In general, it is agreed that flexible working requires voluntary participation, and people should be able to revert to 'normal' working if they feel unhappy with the scheme. Workers should be covered by insurance that protects them from heavy losses, even in the event of gross negligence. Both employer and employee should acknowledge the need for insurance, and they may have to negotiate over who pays for the policy. Employers must enforce 'health and safety at work' regulations, and in the case of flexible workers must be careful to identify what responsibilities still apply, and this problem affects a number of areas including 'working hours' legislation (e.g. do you break any laws by letting employees set their own hours), and also 'occupational injury' (i.e. you may be responsible for the home-work environment or at least its assessment).

3.13 Contracts for Flexible Working

In the case of 'employed' flexible workers, it is normal to avoid problems by having a special contract that itemises the flexible working' issues and the agreements related to these (see examples at the FlexWork web site). These commonly address working conditions, health and safety, management and worker inclusion, employee status, employee representation, responsibilities and entitlements, and closure of flexible working arrangements.

In the case of flexible working such as 'virtual company', 'virtual teams', or collaborations between SMEs involving labour supply, then it is normal to have a contractual basis addressing all terms and responsibilities, even if only by letter. Such agreements cover work processes, responsibilities, time-scales, critical path, copyright, etc.

4. Planning and Introducing Flexible Working

4.1 Developing Flexible Working - from Policy to Implementation Plan

The 'Flexible Working Implementation Plan' (FWIP) is provided by FlexWork and it can be downloaded from the web site. The FWIP details the way in which the company will introduce flexible working, and is a planning aid aimed at helping a company to develop a clear plan for implementation (structured document approach). The resulting document can be used as a resource within the company to ensure agreement between the different parties involved and as a planning aid during the implementation process.

The plan can be developed iteratively so that sections can be re-worked as investigation proceeds, or as the implementation process gets underway. For larger organisations a flexible working pilot or trial scheme can allow a safe test of ideas. However for small organisations (less than 10 employees) running a pilot scheme may not be feasible or even necessary.

The FWIP package that can be downloaded from the FlexWork web site includes an example plan, notes on how to develop your own plan, plus a PowerPoint presentation of FWIP usage.

4.2 Cost Benefit Analysis

For successful introduction, flexible working should bring benefits that outweigh the costs of introduction, and in many companies it is usual to conduct a cost-benefit analysis in support of any investment decision. FlexWork provides a tool for cost-benefit analysis that can be downloaded from the web site, and it is accompanied by detailed guidance notes. The topic of cost-benefit for flexible working is also covered in more detail in the FlexWork handbook.

Common cost saving measures include desk sharing and 'touch down' offices for remote workers, apportioning costs between company and employee. Cost assessment measures should take account of Total Cost of Ownership for equipment and increased use of services (telecommunications, security measures).

Changing from any traditional way of working to a new flexible form of working is unlikely to happen when the perceived costs outweigh the benefits (at least in the middle to long term). This applies to the organisation setting up flexible work arrangements and the individuals who make use of these new arrangements. Using the FlexWork cost-benefit analysis approach can resolve the many questions and debates in this area.

4.3 Phased Introduction

Having achieved a clear 'Implementation Plan' (FWIP) and assessed both the costs and benefits in detail, a company can proceed to introduce flexible working practices. In smaller companies the plan developed via the FWIP is usually enough. However, for larger companies who will introduce flexible working on a larger scale, the complexity requires further support.

For this reason, FlexWork also provide the 'Phased Introduction' approach which can be downloaded from the web site as a detailed guide. The methodology is most useful to medium to larger sized enterprises.