New Ways of Working

Why should businesses adopt new ways of working?
How do they benefit everyone involved? From increased productivity to cost efficiency, Kate North and Kate Lister present their business case and suggest ways to prepare organisations for the change.

By Kate North and Kate Lister

Over the past few decades the rise of the knowledge-based economy, rapid advances in technology, a multi-generational workforce and concern over carbon footprints has made the traditional workplace model obsolete. We all increasingly work in more distributed ways. Work is done ‘on the go’. We can work anytime, anywhere. We just increasingly work in more distributed ways. Work is done

We all workforce and concern over carbon footprints has made economy, rapid advances in technology, a multi-generational Over the past few decades the rise of the knowledge-based economy, rapid advances in technology, a multi-generational workforce and concern over carbon footprints has made the traditional workplace model obsolete. We all increasingly work in more distributed ways. Work is done ‘on the go’. We can work anytime, anywhere. We just don’t always do it well. Value is derived when an organisation formally creates an integrated strategy and training to support these new ways of working.

New ways of working offer something for everyone. In fact, few other workplace initiatives offer as wide a range of solid, tangible benefits for all stakeholders. The more common benefits, both quantitative and qualitative, include the following:

Reduced Real Estate Costs
Traditional offices are expensive, inefficient and inflexible. Research on office space utilisation reveals that employees typically spend less than half of their workday at their desks. They are in meetings, in other buildings, traveling, at customer locations, working at home, and increasingly in what are known as “third places” (such as executive office suites, co-working locations, coffee shops, libraries and other ad hoc spaces).

Many organisations evolved their workplace from one based upon entitlement and status, often referred to as “ME space”, to one focused on “WE space” — supporting the collective and creating activity-based (shared) work settings that reflect the way work gets done. This not only supports concentrated work but also social and more collaborative types of work.

"The workplace of the future will provide just seven desks for every ten office workers, with each person accessing the corporate IT network from an average of six different computing devices," according to the Citrix Workplace of the Future report. "The figure for 2020 is as low as six desks for every 10 workers in Singapore, the Netherlands, the U.S.A. and the U.K. Some of the highest desk to worker ratios in 2020 will be in Japan (8.77), South Korea (7.95) and Germany (7.90)."

Based on our computations, through new ways of working — including a mix of office hoteling, desk sharing, telework, and reorganisation of existing spaces — a typical U.S. employer can reduce its real estate costs by between US$3,000 and US$10,000 per employee per year. In some of the most expensive parts of the world those savings could be as much as five times higher.

Increased Productivity
While managers often worry that productivity will suffer if their employees are out of sight, studies in a wide range of industries show the opposite to be true. In fact, overwork is one of the most frequently cited problems among employees who manage their schedules in the new workplace.

Mobile employees are 15 to 55 percent more productive than their office-bound peers. For a typical employee who is mobile just half the time, that equates to another US$4,000 and US$16,000 in annual productivity. We calculate the total bottom-line benefit of new ways of working can exceed US$20,000 per employee per year.

When properly trained, mobile workers are more productive for a variety of reasons, including:

Fewer interruptions — Traditional offices are host to many time-draining activities such as the morning coffee chatter, long lunches, rumor mills, birthday parties, etc.

Better time management — When colleagues are out of sight, email, texting and instant messaging are the norm for non-urgent communications. This and other asynchronous methods of communicating are less interruptive and less apt to digress to non-work topics.

Increased empowerment — Trust and accountability, which are fundamental ingredients of remote work, are also key to job satisfaction and a prerequisite for peak performance.

Greater flexibility — For those who are able to flex their hours as well as their location, workplace mobility allows them to work when they are most productive.

Longer hours — Mobile workers voluntarily spend an average of 60 percent of the time they would have otherwise spent commuting doing more work.

Reduced down time — Team members allowed to work flexibly do not need to lose a full day’s productivity when they’re sick, caring for a loved one or attending to personal business.

Greater goal alignment — Because these new workplace cultures require more formal goal setting, goal conflict is often reduced.

Continuous operations — Work can continue even if employees are unable to reach the office due to weather, traffic or a similar transient problem, or due to disasters or even acts of terrorism, or even for something as simple as a broken water pipe.

Improved Retention and Recruiting
What employees of all age groups want is the flexibility to determine for themselves, where, when and how they work.

New ways of working reduce turnover by improving engagement and loyalty; expand the talent pool beyond geographic boundaries; provide access to workers who would otherwise be hard to reach such as people with disabilities, those with caregiver responsibilities, and military spouses; and address people’s work and lifestyle needs.
Experts estimate the cost of replacing an employee at 75 percent their annual income for hourly workers and between 150 and 200 percent for those who are salaried. That doesn't include the cost of lost customers or corporate intelligence. To attract and retain talent in the years ahead, organisations must do all they can to keep their people happy and to create environments that will inspire others to want to work there.

A typical employer can reduce turnover costs by US$1,400 per employee per year through new ways of working.

**Increased Wellness and Reduced Absenteeism**

Unscheduled absences are costly. When implemented properly, the emerging workplace allows workers the flexibility to remain productive under a variety of circumstances.

Workplace mobility has proven to be the most effective method of reducing absences because employees will often continue to work at home, even when they are sick. They’re able to return more quickly following prolonged leave. They can attend to personal appointments without losing a full day of work.

New ways of working reduce absenteeism, which can save a typical employer US$900 a year. Additional savings can be realised through reduced healthcare costs, sick-leave expenses, workers’ compensation, and disability costs.

**Reduced Environmental Impact**

Carbon taxes, supply chain mandates and public pressure to report environmental impact will be a part of every organisation’s future.

Workplace mobility is the most economical, immediate and effective way to reduce an organisation’s carbon footprint. It helps reduce: emissions caused by travel, paper use and the associated storage space, business travel costs, as well as office space and the associated energy use.

An employee who doesn’t commute half of the time will save seven barrels of oil and reduce greenhouse-gas emission by a ton every year.

**Making New Ways of Working a Reality**

Leading organisations have proven that new ways of working can have an extraordinary impact on people, planet and profits. They have also learned that making a successful transition requires an integrated strategy among departments, strong change management and relevant training. Workplaces, work practices, and work processes must all be aligned in a way that best supports the work, the worker, and the organisational goals.

Leaders in new ways of working are completely re-visioning the way they think about work and they’re challenging other leaders to do the same and fostering a sense of virtual community.

Employees will face challenges in these new workplaces too. They may need help in collaborating and communicating effectively when they are working remotely, being a part of a virtual team, being visible to their manager and colleagues, organising their work and work places and maintaining productivity.

**Changes in Work Processes**

While today’s technologies can enable people to work anytime or anywhere, doing so effectively, efficiently, and securely may require new work processes.

To succeed in new workplace strategies, organisations should: evaluate whether existing work processes and technologies effectively support a mobile workforce; ensure that employees are proficient in the tools that are available to them; establish policies around the use of personal technology in the workplace; establish, communicate and enforce security policies and practices; provide employees with resources for resolving technology problems; virtualize paper processes and eliminate processes that are geographically hard-wired; and provide employees with best practices for maintaining productivity, communicating, collaborating, staying visible, office etiquette and sustainability.

**The Future is Now**

Leading private and public sector organisations around the globe have already made the transition from “work” as a noun — where employees go, to “work” as a verb — what employees do. They are embracing workforce mobility and they are reaping the benefits in terms of enhanced talent attraction and retention, increased productivity, greater wellness, increased engagement, greater collaboration, increased efficiency, and reduced impact on the planet.

Organisations that have not embraced new ways of working need to understand that change is already upon them. Rather than just letting it happen, they must make it happen if they expect to excel in the years ahead.

Kate North is Vice President of Global Development for e-Work, a provider of customizable, interactive, computer-based training in new ways of working. More information can be found on www.e-Work.com.

Kate Lister is President of Global Workplace Analytics, a firm focused on helping organisation and community leaders understand the business case for new ways of working. Visit: www.globalworkplaceanalytics.com.