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Smart Flexibility

Moving Smart and Flexible Working
from Theory to Practice

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GOWER

Changing Work in a Changing World

It is not the strongest of the species that survive, nor the most intelligent, but the ones most responsive to change.

Charles Darwin

The world of work is changing. Some of the largest and most successful organisations in the world now give their employees the freedom to work from wherever they want, and whenever they want, as long as it's good for the business. If the work gets done, and customer needs are met, that's good. Even better is that the new working times and locations can be used to improve productivity, meet customer needs better and at the same time reduce costs.

The world of work is changing for organisations across all sectors. We are perhaps not surprised to hear that companies in the field of IT and telecommunications are doing this, or companies with large numbers of knowledge workers. But across all sectors new working practices are being introduced – financial services, manufacturing, construction, health services and emergency services: no sector is excluded.

Our case study in Chapter 5 of soft drinks company Britvic shows that intelligent deployment of smart and flexible working practices can bring benefits across sectors. The argument that 'this can't work in our sector' just doesn't wash.

Government organisations are also going down this route. Many have a creditable record in introducing flexible work options to meet employee aspirations for a better work-life balance, and to create a more level playing field for people with caring responsibilities. The next step that some have taken is to use Smart Flexibility to reduce the cost base of government operations and make government services more agile. Many more will go down this path over the next 10 years, faced with the imperative to increase efficiency and in particular reduce property costs.

All sectors are feeling this imperative to change. In this chapter we take a look at why this is so, and why standing still really isn't an option.

The Old Ways of Working – and Their Value

The terms 'new ways of working', 'flexible working', 'agile working' or 'smart working' and of course Smart Flexibility imply that we need to move away from older, less flexible, less smart, more traditional ways of working that are now past their sell-by date. The organisational model that we need to change is one based on factory methods – herding

people together and marshalling resources in significant concentrations in order to manage them better and to achieve economies of scale.

One mustn't forget that these 'old' ways provide a model that has been highly successful and has achieved unprecedented prosperity, at least in the developed world. Although it may in the end be futile, resistance to change is quite natural. The old model is a tried and tested one, and one in which today's managers have made successful careers.

In historical terms, however, the old model is one of fairly recent vintage, emerging from the Industrial Revolution. Having offices organised on factory lines with regimented desks and a production-line approach to processes is even more recent.

This kind of regimented organisation of working life was exacerbated in the twentieth century by the dominance of 'collectivist' approaches to social organisation, in both the capitalist West and the communist East. The regimentation of mass activity to achieve improved results is evident in approaches not only to industrial organisation, but also to mass transit systems, public health reform and public education, plus of course military organisation and strategy in two world wars and the conflicts of the Cold War era. The influence of having three generations in uniform in the twentieth century cannot be exaggerated in terms of setting the norms for workplace organisation and behaviour.

By the last quarter of the twentieth century, nearly everyone who worked in the developed world was an employee, rather than being self-employed or having other variations of pre-industrial work relationships. Work for most people had become a place you go to as much as the activity you undertook. Long-term job security had become far more attainable, and the 'job for life' became the dominant expectation, backed up by solid pension schemes.

A job for life, and 9–5 working for most people. The world of work seemed a well-ordered and simple place compared to the ferment we have today. Of course, it wasn't so simple. There were always self-employed people, people working all hours in small businesses, people working shifts, people moonlighting with second jobs, people doing part-time, term-time, casual or seasonal work. But we all knew what was normal, and there was a consensus in public policy that the best jobs to create were full-time, permanent jobs for life with regular hours.

How and why did this consensus slip away?

Reflections on the History of Work – How We Got to Where We Are Now

There has been a growing realisation that work doesn't have to be organised in this way. Even in 1900, despite more than 100 years of Industrial Revolution already, most work was not in factories or offices even in the UK, the most industrialised nation. The home was still the centre of much enterprise and employment, whether one's own home or working in domestic service. Living and working in the same premises was still a normal way of working, at all levels of society. Seasonal work and contract working were also much more common than they are today.

Looking back before the Industrial Revolution, some commentators have even suggested there was no such thing as a job – only work (for example, Bridges 1995). This is, of course, not exactly true. But there is a point to be made about jobs back then on

the whole being much more fluid and less defined than in the modern world with its bureaucratic/regulatory payroll and taxation systems.

Even so, more or less as far back as records go there is evidence of people having jobs, in the sense of paid, regular employment for a single employer. That seems to be more or less an inevitable part of running large-scale, complex organisations. Initially these tended to be palaces, temples and armies, then moving into other areas of administration – in the beginning was the public sector, perhaps. Then over the centuries, similar models are adopted in trading, banking and manufacturing.

Regular, paid jobs, however, were in the minority and much coveted. Other work may have been more flexible, but carried with it the flexibility of earning or not earning, surviving or starving. So it is no wonder that security and stability became highly prized. Generally, apart from a minority of adventurers and entrepreneurs, people are unwilling to risk trading security and stability for greater autonomy and control over their working lives. The experience of periods of substantial unemployment and the evils that arose from them underlie the consensus between employers and employed about the need for security and stability in the labour market and the workplace. For the post-war generations with ‘jobs for life’, regular hours, improving working conditions, health insurance and the prospect of comfortable retirement this was not a bad deal. And much better than anything their fathers or grandfathers had experienced.

So one has to be wary of approaches to new ways of working that romanticise the past. Questioning the collectivist approaches to the organisation of work should not mean reviving some kind of romantic ‘artisan workshop’ ideal or ‘two acres and a cow’ idyll. These utopian themes are common to both late nineteenth-century ‘Merrie England’ socialism and the late twentieth-century ‘telecottage’ movement.

People want flexibility, and they want autonomy – but they also want to be secure and be sure that they have the means to provide for their families. Can we have it all? Both flexibility and autonomy on the one hand, security and stability on the other?

According to Dan Pink, in his 2001 work *Free Agent Nation*, the increased wealth and security we generally enjoy in the western world is leading more people to seek work that gives greater meaning to their lives. This is behind the rise of ‘free agent’ working, people who are freelancers or starting small, often home-based, businesses (Pink 2001).

The rise of freelancing and contract work is part of the picture of the changing world of work. It is not the major focus of this book, except insofar as it provides options for large organisations and the people working in them. But it’s worth noting that similar aspirations motivate employees who want to stay as employees but also aspire to more freedom in the way they work. This is having a significant impact on corporate life.

It is also worth reflecting on the fact that in ancient, medieval and early modern times, ‘corporate’ life was often more mobile than it is today. This is not so much in terms of having field workers operating nomadic styles of work – though there certainly were plenty of such people. Rather it is in terms of *the whole corporate centre being peripatetic*. Where the emperor or general or business owner went, so did much of the central apparatus of the organisation: advisers, secretaries, clerks, scribes (and their paperwork), security staff and organisers for the household, plus entertainers of various kinds too, perhaps.

The concept of carrying your office with you is making a return. We can all be our own king, queen or general, though for better or for worse we don’t have the same kind of retinue. We may not have scribes, runners and cooks in attendance, but we do

have laptops, BlackBerrys and ready meals. Such is progress, and the tools we need for ownership of our working lives.

Working 9–5 is, however, a modern invention. And a regular 8-hour – or less than 8-hour – day has been the culmination of campaigns and legislation to protect workers from exploitation and to ensure a better quality of life. In the 1890s, this was a distant dream for workers, a dangerous fantasy as far as most business owners were concerned. We have gone beyond this, and a recent report for the New Economics Foundation has recommended a universal 21-hour working week as a default standard (NEF 2010).

Having a 7- or 8-hour continuous working day with most people working at the same time is, though convenient and reliable, an artificial and inefficient norm for working practices. And in recent decades there have been many changes in the wider world that have exposed weaknesses in the model.

The Context of Work is Changing – Nine Trajectories of Change

The way we work is always changing. The ‘where’, ‘when’ and ‘how’ of our work arises from a combination of factors relating to power relationships, access to resources, levels of prosperity, available tools and technologies, mobilities, social systems, cultures and, somewhere down the line, individual preferences.

Social change and changes in markets create new contexts in which organisations have to function. The ability to adapt to new contexts is crucial to a company surviving. It presents challenges, but also can create opportunities to do things better.

The following nine trends provide the context for change in moving towards more flexible working practices.

Trend 1: Lean Organisations, Re-Engineering and Outsourcing

To some extent, the old industrial ways of working were already living on borrowed time by the 1980s. Lean production techniques and business process re-engineering (BPR) meant that companies were questioning the ways they operate, and the resources they need – including the human resources.

In the ensuing struggles and debates, the word ‘flexibility’ was associated with creating more flexible labour markets, greater use of contractors, agency workers and outsourcing. For some, particularly on the political left and in the trade union movement, this gave flexibility a bad name. ‘Whose flexibility?’ was the key question, and many felt that these kinds of labour flexibility being introduced were mainly in the interest of the employer, not the worker (for example, Purcell et al. 1999).

The issues and the political positioning around this that we saw in the UK in the 1980s and 1990s remain current in some continental European countries where unions have a more dominant position and remain very suspicious of flexible working. They fear the erosion of hard-won working rights.

BPR, as the name suggests, is about changing processes and the advent of new information, and communication technologies (ICT) have a central role in this. Implementing integrated enterprise-wide IT systems and systems to connect with customers and suppliers forms part of the picture. The progressive elimination of paper

from processes, and moves towards electronic service delivery, are all part of re-engineering processes to cut out waste and increase efficiency.

However it's interesting that for the most part in companies re-engineering themselves that the approach to working practices has remained entirely traditional. Some work may be outsourced – outsourced to people working in traditional ways, only for a different employer. Work became much more electronically based, but the need for employees to commute to a fixed workplace to work with these systems was rarely questioned. The reasons for this are more cultural than technological. And it's still going on in many large organisations.

Many organisations now have programmes of business transformation (the current preferred and slightly less contentious term), rethinking and redesigning work processes and workflow, aiming to eliminate wasteful processes, reduce costs and outsource non-core activities. In principle this should help to focus activity on core objectives and delivering value to customers. New technology solutions are central to implementing these.

The challenge now, which greater flexibility in working practices can address, is to leverage greater value from the huge IT investments involved. This means challenging not only business process design, but also the assumptions about property, facilities, travel, working time, working culture and management techniques that form the context for reforming business processes.

Trend 2: More Women in the Workplace

From the 1960s, ever increasing numbers of women in the workplace led to a rise in 'non-standard' or 'atypical' working arrangements such as part-time work and term-time working. There has been a strong association between flexible/atypical and 'family friendly' working practices.

Work-life balance *for the individual* is brought more sharply into focus when both partners in a family work. Before the 1970s there was a kind of consensus, whether fair or not. The man was the breadwinner, and the woman was the homemaker and primary carer for the children. In this way families managed the home-work interface, and had *between them* a balance. There was a man's territory, and a woman's one.

Though some people think we should return to these ways, most of us do not. But we haven't entirely found the solution. 'Can women have it all?' ask the women's magazines, referring to having a successful career and a great family life. Can men?

Gender stereotyping and genderist assumptions still pervade many of the debates and even the regulations about flexible working. Introducing measures to help combine caring responsibilities and work is seen by many campaigners as a key way to help women in their careers (Fawcett Society 2009). Is this, in its own way, sexist? Or is it realistic and pragmatic? It starts from where we are, and looks to flexible working as a way to achieve greater equality between women and men.

The fact is that women are far more likely to work part-time, term-time and have start and finish times to align with caring responsibilities. The evident benefits of this and of having a more diverse workforce provide a key element of the context for the growth of flexible working. And a concern for women's equality in employment has also spurred legislation by governments on flexible working and parental leave arrangements,

which we will return to in the next chapter when considering drivers for companies to introduce Smart Flexibility.

Trend 3: Demographic Change

The age structures of society are also changing. We are moving from a three-generation society to a four-generation society. People live longer. And increasingly they also either need or want to work for longer. Or, if they are a reasonably well-off baby boomer, they may want to half-retire earlier and continue to half-work or work intermittently until they choose to stop.

Currently around a third of the UK population is over 50. This is going to rise to half the population some time over the next 20 years, according to current estimates. Around half of the children born around the world in 2009 will live to be 100.

At age 65 men can now expect to live for a further 21 years, and women for a further 23 years. And amongst other effects, this is creating major challenges to pension provision. The trends are clear. But what does it mean for the workforce, and for the nature of work?

There has been a lot of focus on 'dependency ratios', that is, the number of people who are not economically active compared to the number of people who are working, paying tax and national insurance. The long and short of it is that people are living too long, and not enough people are working to support them. Short of a *'Logan's Run'* type of solution – that is, vaporising people before they get too old – what are the solutions?

First of all, there are many things wrong with the 'long and short of it' view expressed in the last paragraph, and with a misunderstanding of the concept of a 'dependency ratio'. Though there are of course real issues of health and social care for older people, in general people are living longer because they are fitter and healthier rather than because we are spending a fortune on propping them up. For all the problems, today's pensioners are healthier and wealthier than at any time in history.

Today's older people are also more likely to have people depend on them than to be dependent on others. Today's grandparents are increasingly a 'sandwich generation', with older, frailer parents perhaps as well as children and grandchildren that they support in many ways. They are also the most likely to be undertaking voluntary work. To a significant extent, society depends on the labour and spending of its older citizens.

Increasingly, we are also depending on their continuing to work past pensionable age. While think tanks and politicians wrestle with the issues, the flow of the river of work into retirement has already burst its banks. People are increasingly working beyond pensionable age – some because they have to, and some because it's what they want to do. What many don't want to do, however, is follow the old patterns of working flat out in the old ways up to the point when they stop working altogether. 'All or nothing' is not acceptable to increasing numbers of older workers.

There are many high profile people working into their 70s or 80s – monarchs, popes, politicians, high court judges, heads of international sporting bodies, self-made millionaires, writers and celebrities, for example. However, it's easier for the rich and famous to carry on and do what they want in old age than for the rest of us. Money and status are important, it seems. For those of us with more modest means or lower status, the attitudes and policies of employers and the impact of tax and pensions regulations mean that it's altogether a more difficult proposition.

Even so, the trajectory of change is, and must be, towards blurring the hard divide between work and retirement. And some demographers and sociologists anticipate a 'baby boomer effect' as that generation reaches retirement age. They will revolutionise their own 60s as much as they revolutionised the 1960s. They will continue to be demanding consumers, innovating socially and economically in their approach to older age. And this may be in terms of employment, semi-employment, investing and enterprise.

Michael Moynagh and Richard Worsley (2004) have said that we are moving from lives that are divided 'horizontally' to lives that are divided 'vertically'. By this they mean that in the past, the norm was to divide our lives into clear phases based on age: from childhood to education, to work, through marriage and parenthood, and then to retirement. The 'vertical' divisions of life mean that transitions, or the options for transition, may be available throughout a longer life: into and out of work, back into and out of education, into and out of marriage, then maybe back into marriage again at some point. Like an ageing boxer in need of ready money, perhaps we will flex in and out of retirement as need or preference arises. The work/non-work interface is then not only about retirement, but also about choice.

According to a recent report by PWC, 'extending working lives is a social and fiscal imperative' and 'Employers in all sectors ... need to develop solutions to overcome barriers to flexible and later working that can benefit both companies and their employees including the potential changing nature of the job role and career trends as the employee grows older' (Hawksworth et al. 2010). Government, meanwhile, has accepted the logic of this by abolishing the default retirement age, effective in 2011 in the UK.

A survey by the Department for Work and Pensions found that around half of workers aged 30 to 69 would consider working part-time after they retire, but only 10 per cent would like a full-time job (DWP 2004). Flexible working (especially reduced-time, home-based, or temporary contracts), and self-employment are the natural ways for older people to work in the ways that suit them. The main challenge we face now is not the acceptability of the concept, but how to remove the barriers to this.

Trend 4: Individualism and Personal Autonomy

It's not possible to get through the weekend's TV without being exhorted in Hollywood films and the inescapable talent shows that 'you've got to follow your dreams!' The generations surviving conflict and rebuilding nations in the last century knew the opposite: you had to get real and moderate your dreams. But for baby boomers and the subsequent generations X, Y and Z who have grown up with the safety net held high beneath them, realising their dreams and becoming who they want to be is a key motivator.

For the aspirational society we live in the first few basic levels in Maslow's hierarchy of needs can be taken as given, for the majority. We've got food, shelter, clothing, no worries. It's seeking the higher levels of happiness and self-actualisation that drive us. There is a lot to debate and critique about such trends, no doubt. And sooner or later we might be in for some kind of Malthusian reality-check, though heaven forbid.

What is important, though, is that this urge to self-actualisation and the resistance to external control that goes with it are reshaping the way we look at organisations and employment. As mentioned above in our brief tour of the history of work, people are

seeking more autonomy in their lives. They are impatient with the lowest-common-denominator collectivist solutions of the twentieth century. They want to shape their world around themselves, rather than be shaped.

This manifests itself in having two, three or even four different careers in a working life. To be a 'company man' in the 1950s mould, or to desire a 'job for life' strikes many people as being somehow inauthentic, even if not expressed in so many words.

At a deeper level, however, what is actually happening is that in all areas of life people are more individualistic and crave more autonomy. It's about the decline of collectivist mentalities and the rise of individualism. It's why 8 out of 10 people choose to drive cars rather than ride in buses. It's why we now have multi-channel TV rather than a schedule largely dictated by the state, and why we have choice over our utilities providers. It's why self-help books sell millions. And it's why employees like to choose employers who enable them to balance their lives better and pursue interests outside work.

From some standpoints, we live in an age that is too individualistic and self-indulgent, that is seeing the breakdown of families, institutions and all the old certainties and solidarities. The rapid changes in society and attitudes appears to be a kind of fragmentation, to the point where some think that society itself is breaking down.

It is of course possible to be too gung-ho either way when looking at these kinds of trends. There is a multitude of different attitudes and aspirations running side by side and sometimes in conflict with each other. Collectivist mindsets still abound, though are no longer so dominant. But few would dispute that the choices are greater, and the possibilities more extensive for being oneself rather than fitting into someone else's groove.

There is also an associated trend of what might be called the democratisation of aspiration. What I mean by this is that groups formerly marginalised, disadvantaged or discriminated against can now 'dare to dream' like the rest of us. For the most part, this means aspiring to be able to have the same opportunities to do things as everyone else. So it's about a woman's aspiration to have a place in the board room, a parent's aspiration to balance work and family life, or an older employee's aspiration to keep on working or to start up a 'sunset business'.

For many people with disabilities or long-term health conditions, the traditional workplace is a disabling environment. The need to commute to it can be an additional hurdle to overcome. Smart Flexibility is a facilitator of the aspiration to work for people with mobility disadvantages, who are unable to work long periods at one time or who need either regular or intermittent medical treatment.

Society as a whole now accepts this equality of aspiration, even if we're not always sure how to facilitate it in practice. It is no coincidence that in many organisations it is the Equal Opportunities and Diversity people who are the ones pushing for the introduction of flexible working practices to overcome disadvantage in the workplace. And I would say, 'More power to their elbow!' even though I also say throughout the book that an equalities approach or a work-life balance approach is not sufficient to achieve the range of benefits that Smart Flexibility can provide.

Trend 5: Blurring Boundaries

Boundaries between home and work are changing. This is only in part down to business-related reasons. It also reflects changing personal preferences with aspirations for a

better work-life balance, as outlined in our fourth trend above. And the fact that new technologies mean that we can work in new ways also makes a difference.

The boundaries are blurring because the nature of work is changing. We are leaving behind the Industrial Age – at least in the developed world. And with it we are leaving behind the imperative to separate the domestic environment from the dirty, smelly and hazardous world of industrial work, and the economies of scale of the centralised office.

Other changes are taking place, shifting not only the places of work but also the times when work takes place. The accelerated emergence of global markets and an increasingly integrated world economy mean that the traditional 9–5 is not an option for organisations that need to compete or interact internationally.

At the same time we see the stubborn development of a ‘long hours culture’, particularly in the UK. It is not clear that people are necessarily doing anything very useful in these extra hours ‘at work’ – but all the same the evidence is there to show that we are using our ‘time budgets’ differently.

The headline figures on hours worked also mask more subtle trajectories in the evolution of new ways of working. During both our working time and our wider life we are much more likely to be doing – or attempting to do – several tasks simultaneously.

Sociologists of work have for some time been talking about a basic distinction between people who are ‘integrators’ and people who are ‘separators’ in terms of managing the interface between home and work (Nippert-Eng 1996, Kossek and Lautsch 2008). The rigid boundary between home and work is fading. Integration and separation describe psychological rather than geographical approaches – a home worker can be a separator, and an office worker can be an integrator. It’s about how you intertwine or separate the tasks and concerns of work and life outside work. Either way, the boundaries tend to be less hard-edged than in the old days.

Organisations have also changed. Concern for employees’ well-being, ‘benefits’ such as workplace crèches or childcare vouchers take employers into territory that was once the preserve of the employee’s home life.

Trend 6: Globalisation

The acceleration of globalisation in the past few decades is having a profound impact on our lives, from the food we eat to the times and places that we work. New technologies from the telegraph to the Internet, from steamships to jet planes, have played their part in overcoming the constraints of distance and enabling us to work closely with people from all over the planet. The old ways are not suited to working in an integrated way with colleagues and customers all over the world.

Flexibility in working time is needed to work effectively across time zones. Individuals cannot work 24/7, but there is a need for companies to do so and to marshal their employees and subcontractors to cover around the clock as needed.

And with the need to work in collaborative virtual teams across the world, the precise work location of members of the team reduces in importance. Employees also need to be able to work when they are travelling around the globe, and to work as effectively as when they are ‘in the office’.

The impetus to more flexible work arrangements from globalisation does not only affect corporates. Smaller businesses can access global markets using the power of the

Internet, and will be more successful if from the outset they incorporate flexible working practices and flexible organisational models.

Globalisation is a process stretching back well before the Internet. But there is no doubt that modern telecommunications and computing are having a profound effect. Being able to do 'business at the speed of light' and to cope with rapid market changes requires organisations to be increasingly agile, and this provides an impetus to adopt flexible working practices.

Globalisation is also having an impact in the way that new models of working can be rapidly imitated across the world. Yesterday's innovation in Silicon Valley can be today's practice from London to Tokyo.

Perhaps above all it is the competitive pressures arising from globalisation that are driving the impetus for change. Companies need to be more agile, quicker to adapt to competition in the market and to seize new opportunities, wherever they may arise.

Trend 7: Beyond Industrialisation

The nature of work has also been changing in the UK, with the decline of manufacturing, the development of a service-dominated economy and in recent decades the emergence of the 'knowledge economy'.

While flexible working has been developing in parallel with these trends, too often people make easy – and mistaken – assumptions about the relationship between flexible work and different sectors or different kinds of jobs. It tends to be seen as something more for the service sector or knowledge economy than for traditional industries like manufacturing or construction. While the knowledge economy may be based on bits and bytes, some sectors are irreducibly involved with 'lumps and bumps'.

But these distinctions between sectors are increasingly artificial and misleading. Manufacturing today is very different from manufacturing in the 1950s. Factories are far more automated and need fewer people to operate them. By comparison with the last century, far more of the people working for, or subcontracted to, a manufacturing company will be in occupations with high information content: design, procurement, logistics, research, sales, marketing, HR, administration and many managerial and professional functions.

In historic terms, we are probably only just at the beginning of these changes. Developments in artificial intelligence, robotics and nanotechnology over the coming decades will utterly transform our concepts of manufacturing and production. The boundaries between the knowledge economy and the manipulation of physical artefacts will blur.

Those whose roles are *intractably* site-specific or focus on the handling of physical objects are increasingly in a minority, even in a manufacturing-focused industry. This will particularly be the case in a company that outsources production to another country, while employees in the UK deal with the more creative and information-rich components of work.

'This type of job can't be done flexibly' is increasingly a prejudice rather than an objective observation. There is usually some kind of flexible work that is possible, even if the tasks involved mean that not all flexible options are possible.

Trend 8: Information and Communication Technologies

The availability of new ICT is having a transformative impact on society – on the ways we communicate, the way we socialise, the way we access services, the way we buy products, the products we buy and the way we work.

Letter-writing has all but disappeared. Texting and social networking have had a profound effect on behaviours and the way people interact, meet and arrange to meet. Online shopping, initially treated with scepticism by many, is having a major impact on the way we consume and on the nature of the products that we buy. Bookshops and record shops are closing almost every day, and high street stores find that online sales make up an ever greater proportion of turnover.

This is also having impacts on mobility and on ‘activity spaces’, that is, the places we choose to do what we do. Places we used to go to are now often online spaces we visit. And things we used to buy as physical products are increasingly ‘dematerialised’ as online products or services. Sectors such as the entertainment, newspaper and advertising industries are being transformed by new media.

Though the process is slow for cultural reasons, the same technologies are bound to have an impact on working practices. Computers and Internet access are introduced to workplaces as productivity tools, but in due course their use has a subversive impact on the workplaces they are brought into. They undermine the need to work in a particular place.

Technological change outside the workplace often runs ahead of change inside the workplace. For many young people, using webcams and social networking are commonplace at a time when many IT departments still ban their use, standing Canute-like against the tide. Desktop videoconferencing and business use of instant messaging and social networking technologies are on their way, sooner or later. Most of our case study organisations are already doing it. And these technologies will impact on the way we work, the places we work, and how geographically distributed teams work with each other. Leading companies including the case studies in this book are already deploying them.

The technology tools we use on a daily basis also interact with, and bring changes to, the spaces where we use them and the furniture, fittings and services that characterise those spaces. As computers and phones become smaller and more portable, screens become more versatile and wireless technologies are deployed, everything we assume about the configuration of the office is open to question.

This is only the beginning. A theme of this book is that in using technologies for Smart Flexibility, we’re very much in a transitional era. What will we see over the next 10 years? Vastly increased use of video, increasingly immersive environments for meetings, new virtual environments for collaboration and for storing information, holographic technologies, reliable speech recognition technologies, extensive use of sensing and tracking technologies ... and many innovations we can’t yet envisage.

What is certain, though, is that many applications that will transform the way we work will be developed initially as consumer technologies rather than specifically for business use. The pace of change, however, is also constrained by public policy and the effective monopoly position of the providers of telecommunication services such as broadband.

Eyes tend to glaze over when conversations get into the technological details. But the details make a difference. In 2009 the UK Department for Business published a report called ‘Digital Britain’. This spectacularly unambitious document juggled the

interests of existing telecoms and broadcast providers into a dismal fudge, and called it a strategy for our digital future. Amongst other things this proposed an aspiration to achieve a universal 2 Mbps (megabits per second) Internet download speed for all homes in Britain. Upload speeds in this view should stick around 0.5 Mbps. What is particularly remarkable about a report produced by the Department for Business, is that there is not a single mention of the word 'enterprise', or self-employment; no mention of home-based business, nor remote working and no understanding at all of the changing patterns of work. The inference is that we should all be passive consumers, rather than producers of digital content or entrepreneurs running businesses from home.

Fortunately, other countries such as South Korea are setting the pace, with services up to 100 Mbps, and to be fair BT and Virgin Media here are starting to roll out premium services heading towards this. If you are reading this book a few years after its publication, all this may seem impossibly quaint. Some commentators feel that Internet speeds are a red herring – we can do most of what we need to do with the pretty modest speeds we have now. This is wrong.

Imagine a time a few years hence when we all have access to a zillion zettabits per second. Unlimited broadband. When there are no constraints on the amount of data that can be zipped around between anyone and everyone. It will be transformative. The applications will develop for interaction between workers (and friends, and families – not to mention producers and consumers, and 'prosumers') that not only facilitate what we do now, but will create new contexts for sharing activities and experiences.

We think the pace of change is great at the moment with the technologies we have. *But this is only the beginning.*

No doubt it's worth pausing for a while and questioning why we have embarked on this headlong rush for innovation, change, progress. There may be the occasional backlash, where we seek moments of escape to lead a simpler, less techno-full life. However, the great engine of progress, as they would have said in Victorian times, is steaming ahead – it doesn't look like coming to a halt in the foreseeable future.

Trend 9: Global Warming and Environmental Awareness

After talking about the unstoppable engine of progress, we should move on to the environmental impacts of that engine.

The global climate may have been changing for more than a century, but it's only in the last few years that it has moved to centre stage in public policy and the media. It's now an inescapable fact of life, especially if you read scientific journals or *The Independent* newspaper where in every edition the climate makes the headlines. Politicians who formerly saw the environment as a fringe tree-hugging issue now compete with each other for green virtue and carbon taxes.

There are increasing amounts of regulation and legislation forcing organisations to look to their environmental performance – and there is sure to be more coming soon. The environment is clearly on the agenda.

In paperback thrillers, Hollywood blockbusters, and international development conferences, it is almost a given that big corporations, hand-in-glove with corrupt governments, make it their daily business to despoil the environment in search of quick profits.

I daresay there is some truth under the clichés. In real life, there is another side to the story too. Since the 1960s there has been a growing awareness of the environmental impacts of the ways in which we live and work, and it has become embedded in our educational systems – in the curriculum, in our textbooks, even in the fiction we are given to read.

I might be accused of naivety in saying this, but for the generation of corporate managers, civil servants and politicians who are coming through now, concern for the environment is not mere lip-service or cynical self-interest. While activists and green politicians may lay claim to a monopoly of wisdom or righteousness, in reality there would be no change if there were not in fact a much broader movement of understanding across people in all walks of life – not least in management.

The impacts of production, business processes, buildings operation, transport, travel and working practices are in fact of great concern to organisations. Often these concerns find their way into policies for Corporate Social Responsibility. Maybe it is not enough, or not of sufficient priority. But that is not the point here.

The point is that the trend of awareness has developed to a stage where proposals for Smart Flexibility can and often do strike a chord with the environmental awareness of senior managers, who are sharply aware of the imperatives to reduce the corporate environmental footprint.

As yet, though, the actual benefits that flexible working practices can have are not well understood by senior managers and public policy makers. It is easier to grasp concepts relating to 'greening the office', intelligent buildings, reducing emissions and so forth – essentially engineering solutions – than it is to grasp the impacts of the interdisciplinary field of Smart Flexibility, and the associated behavioural and cultural changes.

The environmental product pitch goes like this: 'use that bit of kit and your energy consumption is x . Use our new bit of kit and your energy consumption will be one tenth of x . And you'll save money'. It's easy to grasp, and there doesn't seem to be an obvious downside.

By contrast, the environmental impacts of flexible working seem to come packaged in 'maybes' and concerns about the possible downsides. Well, it could reduce travel for employees and make them happy. But what will it do for business travel? How can I manage them if I can't see them? Will their performance improve? Will they be isolated?

This is a theme I will return to later in Chapter 13. There is an acceptance of the importance of improving environmental performance, and an increasing receptiveness to innovate to achieve this. But in terms of accepting sustainability arguments for Smart Flexibility, the gatekeepers of change want some facts to back up the argument, and reassurance that it won't cost the earth to save the planet.

What is the Evidence for Increasing Flexibility?

These trends are all factors in the growth of Smart Flexibility. But what actual evidence is there that flexible working is on the up?

There are many indicators that the world of work is indeed changing. According to the government, there are around 15 million flexible workers in the UK – roughly half the workforce. And flexible work options are offered by some 95 per cent of employing

organisations (BERR 2007b) – though how developed and how truly flexible that ‘flexibility’ is remains open to question.

Part-time work has been growing steadily, in large measure connected to the increasing number of women in the workforce. In August 2012 there were 8.07 million part-time workers out of a working population of 29.5 million – 27.4 per cent of the workforce. Three-quarters of part-time workers are women, but the number of male part-timers has risen by 10 per cent over the recession, with the number of women rising by 3 per cent.

Most people who work part-time do so because they want to. Only a quarter of male part-timers say that they are working part-time because they could not find a full-time job, and 10 per cent of women.

Flexible working time arrangements are also becoming more common. These include flexible hours/flexitime, compressed working week, term-time working and annualised hours. According to Social Trends 2010, in 2009 there were 4.8 million full-time employees with a flexible working time arrangement – 22.5 per cent (ONS 2010). Twenty-seven per cent of part-time workers also have another kind of flexible working time arrangement. The most popular form by far is flexible working hours, though part-time workers are more likely to combine part-time working with term-time working than are full-time workers. Table 1.1 below gives a more detailed breakdown.

Part-time work is itself generally considered a form of flexible working, so we see here the combination of different forms of flexibility in a tailored blend.

Data from the UK Labour Force Survey shows a continued rise in the number of people working mainly from home. At the end of 2011, 13.1 per cent of the workforce (3.8 million people) worked mainly at or from home. This is a 24 per cent increase since 2001 (Live/Work Network, 2012). Some 19 per cent of the workforce sometimes (more than once a month but less than half the week) work from home during working hours. Sixty per cent of the self-employed now work mainly from home. They make up two-thirds of all homeworkers. The number of employees who work mainly at home lags behind, and makes up only 5 per cent of employees.

Table 1.1 Flexible working time arrangements

	Men (%)	Women (%)	All (%)
<i>Full-time employees</i>			
Flexible working hours	10.9	15.3	12.6
Annualised working hours	4.9	4.9	4.9
Term-time working	1.2	6.7	3.3
Four-and-a-half-day week	1.2	0.5	0.9
Nine day fortnight	0.5	0.4	0.4
Any flexible working pattern	19.0	28.1	22.5
<i>Part-time employees</i>			
Flexible working hours	8.6	10.3	9.9
Term-time working	3.6	11.6	9.9
Annualised working hours	3.3	4.6	4.3
Job-share	1.0	2.1	1.9
Any flexible working pattern	18.4	29.6	27.1

If we take together the 27 per cent of the workforce who work part-time, the 22.5 per cent of full-time employees who work flexibly, and the 5 per cent who work from home, allowing for some overlap with home-based work and other forms of flexibility we are looking at around just over 50 per cent of employees who do not work a standard office-based 9–5. This isn't counting in shift workers and temporary workers. There should be a clear message for employers and managers in here: it's not unusual.

What we have is a situation where we have a 45 per cent block of employees who work in 'traditional' ways and who set the tone and the mindset for how employees should work. But the exceptions are starting to outnumber the rule by some way.

Businesses are now much more likely to be run from home. A survey of small business by the then Department for Business, Enterprise and Regulatory Reform found that 41 per cent of all businesses were home-based, and that 51 per cent of start-ups begin at home (BERR 2007a). For a long time these home-based businesses have been under the radar, with economic development policies and business support efforts focusing almost exclusively on businesses operating in separate business premises.

The number of people who work at home using computers and telecommunications – 'teleworking' – has been growing at around 13 per cent per year since the mid-1990s, according to official figures. As computing and the use of the Internet become ubiquitous, the distinction between teleworking and other forms of homeworking is becoming increasingly artificial. The old forms of offline homeworking, such as stuffing envelopes or sewing, have been in retreat for some time. And many craft-based forms of traditional homeworking now use ICT for dealing with orders, marketing and purchasing. Social Trends puts the numbers of teleworkers (a subset of homeworkers as a whole) at 10 per cent of the UK workforce in 2009 (Randall 2010). The percentage of homeworkers who are classed as teleworkers is steadily rising as the technologies used become ubiquitous.

A series of surveys into work-life balance have been conducted by the Department for Trade and Industry (DTI) in the UK. The most recent at the time of writing is the Third Work Life Balance Survey, conducted in two parts: for employees (DTI 2007) and for employers (BERR 2007b). (In case the references are confusing, the DTI was subsequently rebranded as BERR and then BIS, a symptom of the endemic 'restructuritis' in the UK public sector.) The survey findings are summarised in Table 1.2 overleaf.

The Employers Survey looked at six kinds of flexible working practice: part-time working, job-sharing, flexitime, compressed working week, temporarily reduced working hours and regular home-working. The survey found that 95 per cent of employing organisations said that at least one kind of flexible working practice was available in their organisation; 85 per cent said that at least one of these arrangements had been used in the past 12 months.

One of the things highlighted by the survey is that there is a difference of perception between how employers see the availability of flexible working patterns and their take-up, and how employees see them. The third column shows the percentage of organisations where the working practice is taken up by at least one person – it isn't an estimate of the number of people doing it.

If the employer survey is correct, then clearly many employees are not aware of the options that are in principle available in the company. For all the flexible working options surveyed, employers are far more likely than employees are to say it is available. Availability doesn't mean that take-up of any option will be significant.

Table 1.2 Surveys of flexible working patterns

FW practice	WLB employer survey		WLB employee survey	
	Availability (% of orgs)	Take-up (% of orgs)	Availability (% of orgs)	Take-up (% emps)
Part-time	92	79	69	26
Job-share	59	15	47	6
Temporary reduced hours	74	22	54	10
Term-time working	n/a	n/a	37	13
Compressed working week	41	11	35	8
Flexible hours	55	25	53	26
Annualised hours	n/a	n/a	24	6
Homeworking	26	15	23	10

Note: n/a = not asked.

I have some reservations about the methodologies of such surveys and the limited samples employed. However, what they show, along with the other evidence cited in this section, is that flexible working is very much on the workplace map.

We will see in later chapters evidence from workplace surveys that there is considerable unmet demand for flexible working. And we'll also see how many companies and public sector organisations are taking further steps to extend flexible working.

Recognising the Capacity for Flexibility

Progress towards greater flexibility is often hindered by assumptions about what types of job can be undertaken more flexibly. People say for example that flexible working is not appropriate in *this* sector or for *that* kind of job. Such assumptions are often lagging behind the actual trends of change in the world of work. A number of our case studies, for example at Britvic, illustrate how flexible working can be introduced and make a difference in industries where at first sight it would seem not to be an option.

Often the capacity for flexibility is not recognised, and models of working practice that are traditional for the sector endure without being questioned. Even when new technologies are introduced, the opportunities to modernise work styles are not recognised. For example, companies may introduce new electronic systems for service delivery, or for internal management processes, but still require all staff to turn up every day at the same time and for the same hours as if nothing had changed.

This is one of the main themes of this book: *understanding how to recognise the context and the opportunities for introducing flexible working practices.*

Evolution and Resistance

The way organisations are run has only started to evolve. Flexible working practices when introduced are typically seen as exceptions from an office-based nine-to-five norm.

Resistance to change is often strong amongst middle managers, and the scope for change often narrowly conceived.

Psychologically, this makes sense. Managers have progressed in their careers by doing things in a certain way, have developed certain professional competences, and have a degree of comfort in doing things in familiar ways. Moreover, their sense of worth and success as managers may be bound up in the way they do things. As a result, they can be sceptical of calls to operate in unfamiliar and – to them – unproven ways.

On the other hand, the role of being a manager requires innovation: an openness to look for better and more efficient ways of working, and to manage more effectively.

Herein lies the challenge. Other forms of change, involving company reorganisations or process change, do not necessarily challenge the fundamentals of managing people and places. Moving to flexible working can introduce a whole new set of challenges that may take even the best managers out of their comfort zone.

Flexible working can be, and often is, introduced in a partial or piecemeal way that does not change the nature of the organisation. Introduced in an integrated way, it contributes to the evolution of the organisation.

That makes it sound like a choice – evolve or not. In the longer term, it isn't a choice. The other factors such as competitive pressures, new technologies and employee aspirations are forcing the pace. Trying to freeze working practices in a mid-twentieth century mould is, effectively, to choose organisational failure.

Recession and Retrenchment

At the time of writing (early 2012), we are trying to emerge from the worst recession since the 1930s. Even though we may appear to be emerging from recession, we will certainly be heading for a period of adjustment that will see significant increases in unemployment as companies and public sector employers streamline their operations.

The public sector in particular has been charged with achieving huge savings to meet the costs of bailing out the banks and addressing the structural deficit, and this is leading to tens of thousands of redundancies as posts are cut. The challenge is to cut costs while maintaining services to the public. The way to do this is to, as far as possible, cut central costs, drive down waste and increase productivity while leaving outward-facing operations intact.

New working practices have a role to play in this, in particular where the costs of delivering services can be reduced by using new technologies and where the costs of property are reduced. I am not confident that public sector bodies are good at doing this – usually it is those in internal-facing roles who are more skilful at building empires and keeping them safe from cuts.

And for the hundreds of thousands who lose their jobs, new ways of working potentially offer the chance to build new companies with a much reduced cost base compared to traditional companies, or to become interims or freelancers (as many in fact are doing). In the coming years we should hope to achieve the twin goals of supporting public services with a smaller public sector, and creating the conditions for a more entrepreneurial society. The only way to do this is if flexible working is at the heart of it. If we don't embrace flexibility, it will be a long road to recovery.

The Changing World

This then is the context for developing Smart Flexibility – a rapidly changing world that to some extent provides a ‘following wind’, or several following winds that to a large extent are driving change without clearly defining what those changes should be. Taking the road to Smart Flexibility is to provide a coherent framework for change, embracing the positive aspects of these larger trends.

We have seen that change is happening in the world of work, that a range of flexibilities is growing. But they tend to lack business focus, and are still considered anomalous by many managers, and encounter scepticism and resistance.

So having identified the trends, we next need to explore the specific business drivers for change and the benefits that well directed change should achieve.