

Flexibility Drives Productivity

MOBILE WORKERS



PRODUCTIVITY

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PROFITS



A Regus study into the link between flexible working practices and increased revenues/productivity

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Regus
Work your way

Abstract

Flexible ways of working are becoming more the norm as businesses and employees enjoy the personal and commercial benefits these practices afford. This report now provides hard, independent research evidence that business internationally have found that flexible working produces and enables real increases in productivity and greater revenue generation.

Business managers across the globe report that staff are more energized and motivated thanks to flexible working. This results in additional benefits, with energized, motivated staff less likely to leave their company. Flexible working is being successfully used as an important talent retention tool.

With more than half of firms internationally looking to hire more freelancers in the coming year, there is a growing requirement to provide a flexible working environment that accommodates increasingly mixed (full-time, part-time and freelance) workforces.

Management summary

- This report provides hard research evidence that businesses globally feel that flexible working helps companies overcome barriers for growth.
- The majority (72%) of global businesses report that increased productivity is a direct result of flexible working practices.
- In almost all cases (68%) firms declare that flexible working has led to staff generating increased revenue.
- This is particularly the case in emerging economies that appear to have made flexible working a key part of their development push and are even more likely than mature economies to directly link work flexibility with greater productivity and increased revenues.
- Small businesses have embraced flexible working more willingly than the norm, with 80% of small company managers saying that their company works more flexibly than it used to compared with 68% of large business commentators.
- Although small and large businesses globally agree that they generate more revenue working flexibly (69%) small businesses are more convinced that productivity is a direct result of flexible working (76%) than large businesses (64%).
- Flexible working also helps staff feel more energized and motivated (63%), highlighting that flexible working practices are also a key talent-retention tool.
- The majority of workers report that they are working on the move more than they used to making the availability of work centres in every city an increasingly attractive proposition, particularly to small businesses that cannot rely on a network of company offices when they leave their headquarters.
- Half (51%) of firms intend to hire more freelancers in the next year, and 80% respondents believe that there will be a surge in people that plan to go part-time in their career path - indicating an increasing demand for a flexible work environment to accommodate such staff.

Introduction

Across the globe flexible ways of working are becoming increasingly the norm in business.¹ The benefits that are leading businesses and workers to opt for more flexible work solutions, whether flexible work-time or alternative location arrangements, are manifold and range from a better work/life balance for workers, to increased motivation. Flexible working is also acknowledged to be a driver of economic growth with governments calling for changes in working practices. In the UK for example more than three-quarters of the public (79%) and around two-thirds (69%) of MPs believe that more needs to be done to help organisations implement flexible working to stimulate economic growth.²

The number of mobile workers in the USA is expected to grow to 119.7 million by 2013

Similar calls to action are being made across the globe with a survey report authored by Valerie Jarrett, senior advisor and assistant to President Obama for intergovernmental affairs and public engagement, reporting that if all U.S. firms adopted flexible work schedules, a saving of \$15 billion per year could be achieved. In December 2010, the Obama signed the Telework Enhancement Act, providing federal agencies with greater flexibility in the workforce.³ In fact, in the USA, the number of mobile workers in the USA is expected to grow to 119.7 million by 2013 and similar growth trends are expected across the globe; In the Asia/Pacific region mobile workers are expected to hit 734.5 million in 2013, compared to 546.4 million in 2008 while Western Europe's mobile worker growth should reach 129.5 million by the same date.⁴

The Australian productivity commission also recently highlighted the importance of adopting flexible working practices in order to help close the productivity gap between Australia and other countries such as the USA.⁵ In Europe, on the other hand German research into tension between workplace policies and the level of autonomy given to employees to carve out their own work/life balance found that as the employees were given more autonomy in decisions about their work arrangements, they experienced less work/life conflict.⁶

¹ Regus and ZZA Responsive User Environments, Why place still matters in the digital age, October 2011

² Personnel Today, More needs to be done to boost flexible working, says survey, 19th September 2011

³ The Society for Human Resource management, White House Advisor: Workplace Flexibility 'Will Keep America Competitive', 21st June 2011

⁴ Source: IDC, Worldwide Mobile Worker Population 2009-2013 Forecast, June 2010

⁵ Economic Structure and Performance of the Australian Retail Industry, Draft Report, p.286.

⁶ Kattenbach R., Demerouti E., & Nachreiner F., (2010) 'Flexible working times: effects on employees' exhaustion, work-nonwork conflict and job performance', (Career Development International), Vol.15, No. 3, pp 279-295

Introduction

Flexible working is expected to help returning mothers to accommodate work and family demands

Without a doubt technological advances have made it easier for workers to work from any location and recent Regus reports show that businesses have given flexible working the vote of confidence with 81% offering their staff alternative options to fixed office working.⁷ Technology is also becoming more affordable and scalable with even bootstrapped businesses finding it is easy to operate taking advantage of offerings that enable remote working such as low cost or free video conferencing and instant messaging.

Currently over half of the world have access to voice-capable mobile telephony and by 2020 the majority of global population is expected to have access to mobile telephony (80%) and to smart phone or low cost tablet computers.⁸ These trends are expected to impact working practices significantly. Interestingly, although, Japan is a leader in consumer mobile technology, ingrained cultural habits mean that enterprise mobile technologies have seen slower take up.⁹

Europe and Russia-wide research confirms that 67% of workers in Europe feel that when employees are given freedom and control over their working lives are happier employees.¹⁰ Flexible working is also recognized as an effective practice for rewarding and retaining employees with families,¹¹ however, it is disappointing to note that flexible working is too often only associated with this segment of the workforce and overlooked as a benefit for other demographic groups. Older workers for example were found by Demos in the UK to be the most likely to have their request for flexible working turned down.¹²

Studies show that women that have left the work force at some point in their careers to raise children still experience difficulties re-entering the world of work. In the same study only 74 percent of returning mothers who sought re-employment found jobs, and only 40 percent of those roles were full-time. Flexible working is expected to help returning mothers to accommodate work and family demands improving employment opportunities and economic growth.¹³

The workforce is rapidly changing. As retirement ages are raised by western economies in their deficit shrinking strategies, more and more workers consider alternative ways of winding down their career as they approach retirement age. A survey by the Transamerica Center for Retirement Studies confirms that half of workers plan to remain employed after retirement mostly in part-time jobs.¹⁴ Part-time arrangements are therefore becoming more common not only for mothers that work but for older workers and for fathers thanks to legislation encouraging families to share parenting more evenly.

⁷ Regus, Flexible working goes global, March 2011

⁸ Institute for the Future + Rockefeller Foundation, 2020 Forecast: The Future of Cities, Information and Inclusion January 2011

⁹ Source: IDC, Worldwide Mobile Worker Population 2009-2013 Forecast, June 2010

¹⁰ Avaya/Dynamic Markets, Flexible working 2009, 2009

¹¹ Regus, Flexible working goes global, March 2011

¹² Demos, Reinventing the workplace, August 2011

¹³ Knoll, Future Work and Work Trends, April 2009

¹⁴ CNBC, Part-Time Retirement, Part-Time Work

Introduction

60% of global workers believe that flexible working practices improve work/life balance

Millenials, or generation Y workers, are also proving to be much more driven by quality of life offered by prospective employment than by salary and their highly technological mind-set means that they are even more likely to question the traditional 9-5 fixed office mentality and favour flexible and mobile working arrangements.¹⁵ A Cisco survey of young people globally confirming this insight found that 40% of students and 45% of young employees would accept a lower-paying job if it had more flexibility on device choice, social media access, and mobility than a higher-paying job with less flexibility. 29% of college students believe that once they begin working, it will be their right to be able to work remotely with a flexible schedule, this peaks at 65% among Chinese college students. By contrast France is the country where face to face interaction in the office was seen as most important.¹⁶

These radical views are shared by new workers in developed and emerging economies alike with 22% of Indian young people declaring that they 'will never join another company that does not acknowledge the benefits of remote workforces – they're too old-fashioned in their thinking'. This compares with 19% of Brazilians, 14% of Japanese and only 3% of USA youths. 25% of Mexican college students and young professionals declared that they are inclined to look for other jobs and leave sooner rather than later if they are not offered remote access. 11% of USA and 13% of UK young people shared this view highlighting that flexibility is set to become a vital aspect of employee retention.¹⁷

These findings confirm that in the search and selection of new talent firms will no longer be able to ignore flexible working opportunities, regarded as an important way of retaining top talent and of singing up valuable employees. Proof that flexible working is already being successfully used to retain staff was found by a recent Regus report confirming that 60% of global workers believe that flexible working practices improve work/life balance and 21% feel that offering these solutions helps them attract a wider talent pool and even allows them to employ valuable people that live in more remote areas (19%).¹⁸

In addition to a changing workforce, businesses are also more aware than ever of the impact that rapid changes in world economic outlook can have on their volume of business. Remaining lean and scalable is a vital part of being prepared to face all kinds of conditions from rapid growth to contraction. Businesses globally have in fact been found to agree that flexible working is more cost effective than fixed office working (60%).¹⁹ In addition to this, studies report that on average 55%+ of desks are unused in any office at any one point, which combined with worker's demands for more flexible work arrangements, suggests that a more intelligent use of desk space is urgently required.²⁰

Previous studies by Regus show that 41% of businesses believe that flexible working improves employee productivity and a third believe that motivation also increases when flexible working is introduced. To shed some light into the actual value that can be brought to business efficiency through flexible working Regus commissioned global research interviewing over 16,000 senior manager and business owners globally.

¹⁵ Regus and Unwired Ventures Ltd, VWork: measuring the benefits of agility at work, May 2011

¹⁶ Cisco, Connected World, 2011

¹⁷ Ibid.

¹⁸ Regus, Flexible working goes global, March 2011

¹⁹ Regus, Flexible working goes global, March 2011

²⁰ Regus/Unwired Research, Agility@Work, 2010; see also, Regus/ ZZA Responsive User Environments, Liveable Lives, March 2010

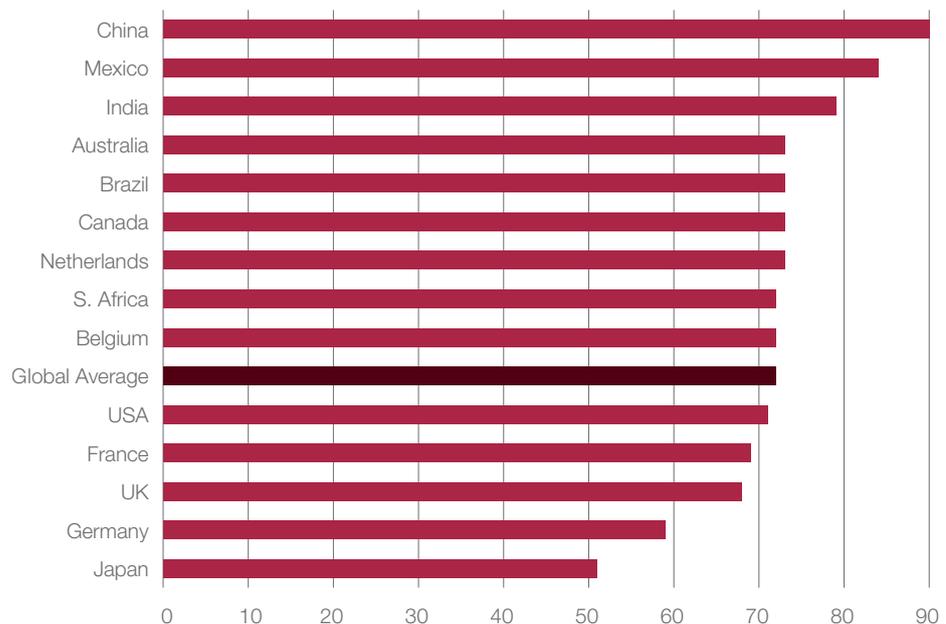
Key results

Productivity and revenue generation

The first key result shown by this survey is that the majority of senior managers and business owners globally report a direct link between flexible working practices and improved productivity (72%). This is an important indication that flexible working owes its popularity not only to enthusiastic employees who are better able to manage work/life pressures and feel more motivated, but to business leaders identifying in these practices a driver for growth and a way of achieving increased productivity.

The results suggest that in Western economies, recently put to the test by difficult economic conditions and an uncertain future outlook, businesses seem to have experienced the benefit of flexible working arrangements that have allowed them to 'do more with less' in terms of fewer members of staff, less budget for office space and corporate travel. In emerging economies the report shows that flexible working is even more likely to be identified with greater productivity highlighting that these economies have learnt the lesson from the recent downturn experienced elsewhere and are making flexible working a key part of their growth strategies.

I believe that my company is more productive nowadays, directly as a result of more flexible working

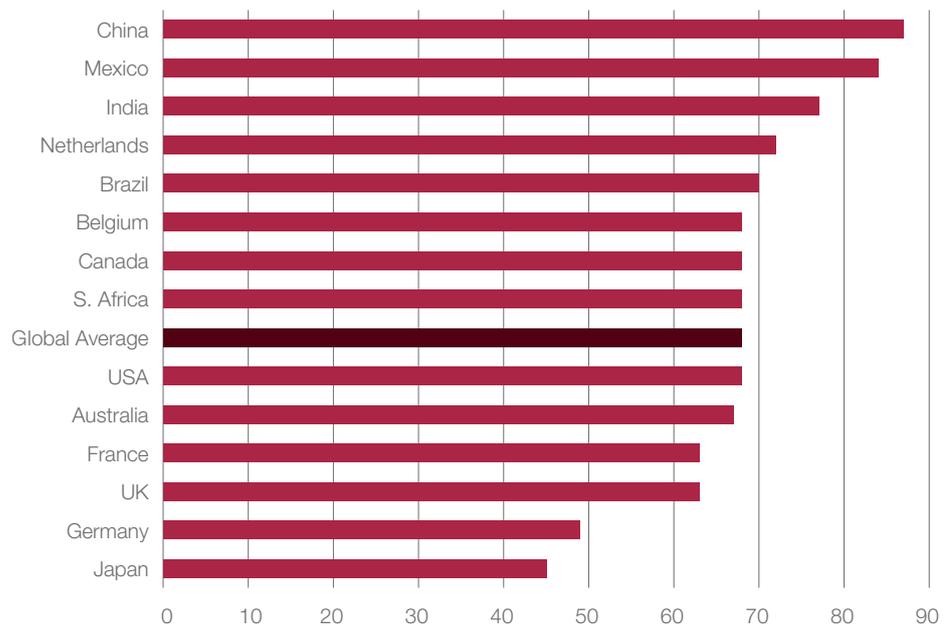


Key results

In particular China (90%), India (79%), Mexico (84%) are converts to the productivity benefits brought about by flexible working. Western economies are also enthusiastic with 71% of respondents identifying flexibility as the driver of greater productivity in the USA, 69% in France and 68% in the UK. The country least convinced is Japan, where respondents are split with only 51% of companies reporting a link between flexible working and productivity. Japanese companies (65%) are also less likely to have increased their use of flexible working practices (75%) indicating that perhaps, as these practices become more mainstream, the proportion of businesses reporting benefits may become more aligned to the global average.

In almost all cases (68%) flexible working is also reported to help staff generate additional revenue bringing real, tangible results to support the case for flexible working. Emerging economies are more likely to report that they have seen an increase in revenues through flexible working, with China (87%), Mexico (84%), India (77%) standing out. Japanese companies are yet again less likely to have noted this correlation although even here almost half (45%) report higher revenues as a result of flexible working.

Flexible working allows me and my staff to generate more revenue than we used to



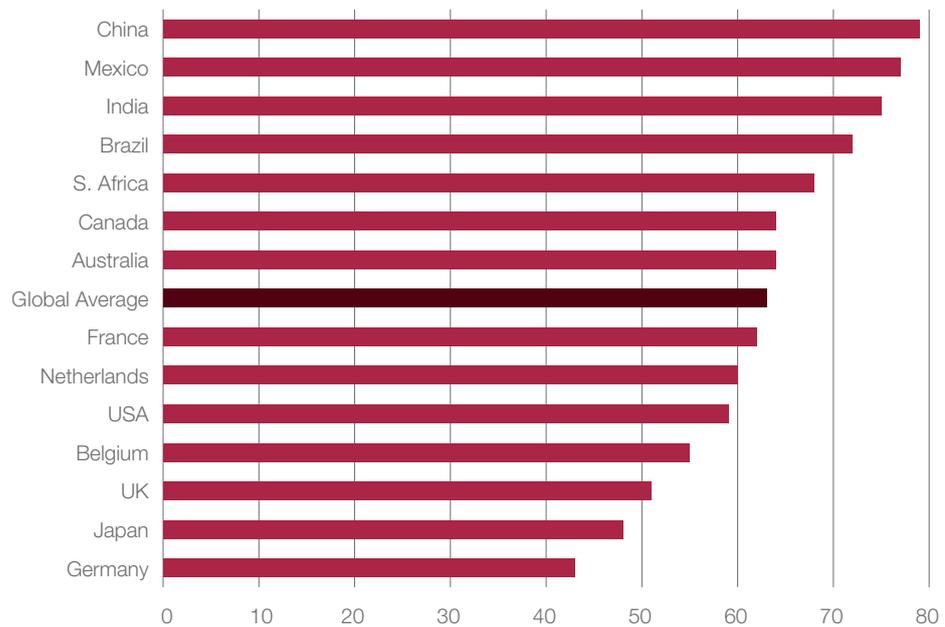
Key results

Motivation

Greater productivity is perhaps a direct result of staff feeling more energized and motivated thanks to flexible working (63%). In particular it is interesting to note that workers in BRIC economies, where companies are making efforts to maintain the pace of rapid growth, are also more likely to feel more energized and motivated by flexible working practices suggesting that firms are benefitting from better performing employees and workers are achieving a healthier lifestyle. Apart from the business benefit in fact, 58% of workers globally declare that they feel healthier as a result of flexible working.

In addition to this, more energized and motivated staff will be enjoying their jobs more and will be less likely to leave their company confirming that flexible working is becoming an ever more important and widely acknowledged talent retention tool.

In my company we all feel more energised and motivated than we used to, directly as a result of more flexible working

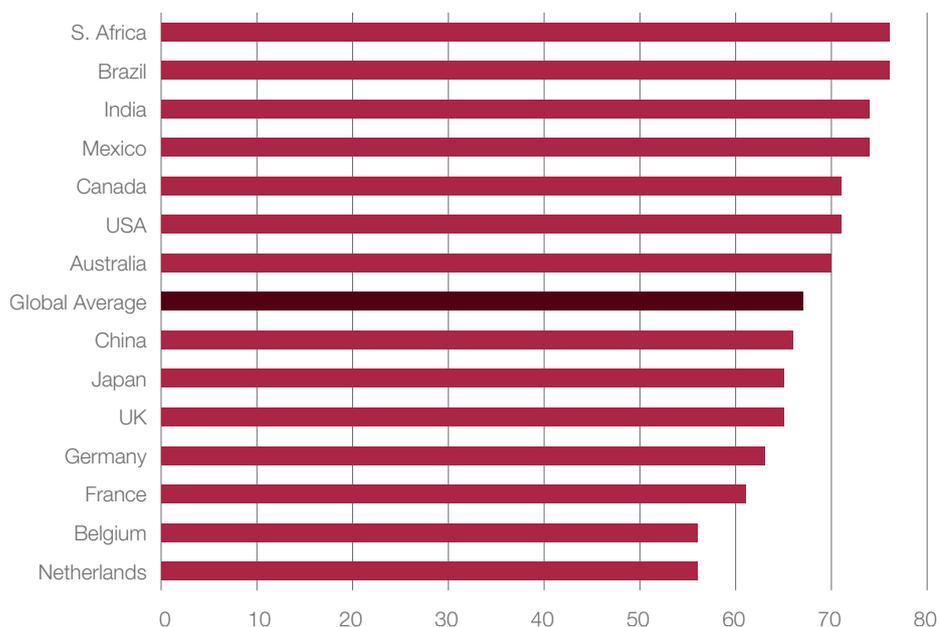


Key results

The evolving workforce

The majority of workers are also working on the move more than they used to (67%) making the availability of work centres in every city an increasingly attractive proposition, particularly to small businesses that cannot rely on a network of company offices when they leave their headquarters. 60% of workers confirm that they actively seek out business centres when they are on the move in order to recreate the professional work environment of the office at a more convenient location to their purposes.

I work more on the move than I used to



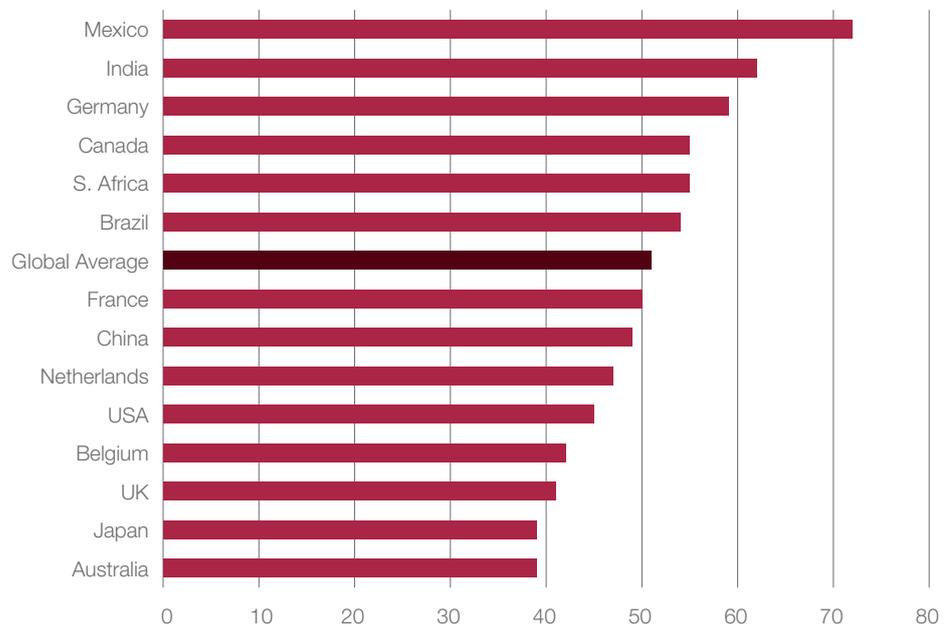
²² BDO Ambition Survey, Global Opportunities 2011

²³ PwC, Private Company Trendsetter Barometer, 2011

Key results

The increasing demand for alternative work locations is emphasized by the fact that half (51%) of firms intend to hire more freelance workers in the next year. The flexible nature of their work may well require that businesses seriously analyse the unused desk space at their premises and opt for more nimble accommodation arrangements that are easily scaled according to workforce numbers and that suit the demands of workers.

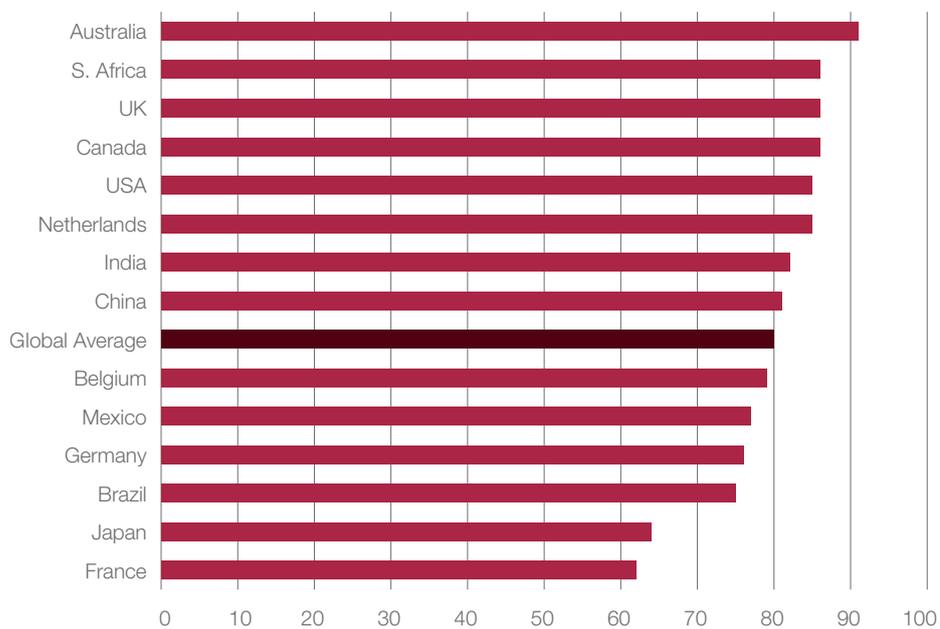
We intend to hire more freelance staff in the next year



Key results

In particular, the survey reveals that 80% of respondents believe that there will be a surge in people that plan to go part-time in their career path confirming reports that the workforce is changing radically and suggesting that businesses will have to offer more flexible options to meet these demands.

I believe there will be a large increase in people who go part-time later in their careers



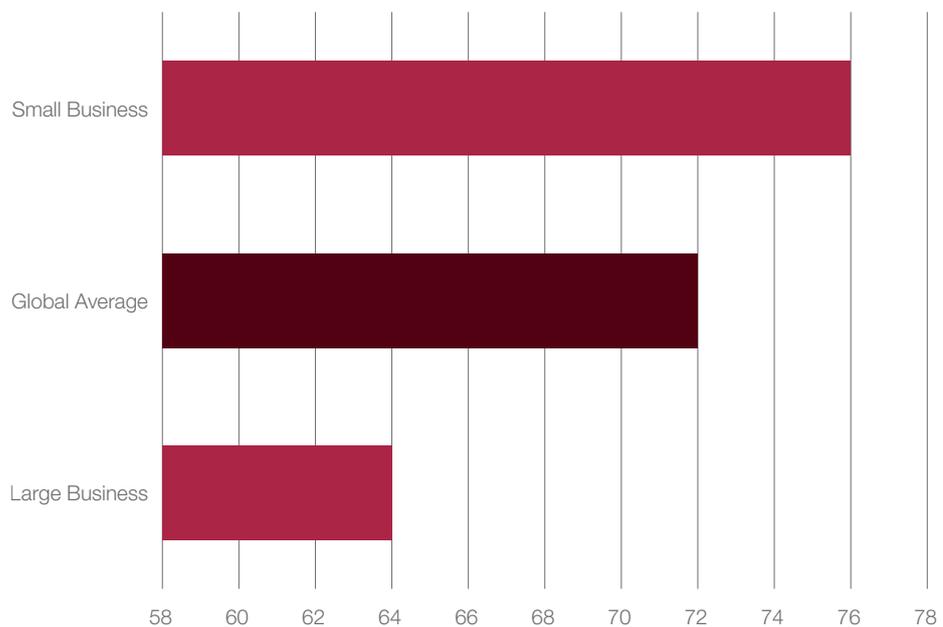
Key results

Business size

Small businesses are more likely to have embraced flexible working with 80% of workers saying that their company works more flexibly than it used to compared with 68% of large business workers. This confirms reports revealing that although large organisations are most likely to have formal policies on flexibility,²¹ small businesses, in particular micro-businesses (1-10 employees) have a greater proportion of their workforce actually working flexibly.²²

While small and large businesses agree that staff are able to generate increased revenues thanks to flexible working increased revenues, small firms are more likely to report that productivity has increased as a direct result of flexible working (76%) than large businesses (64%).

I believe that my company is more productive nowadays,
directly as a result of more flexible working



²¹ Regus and Unwired Ventures Ltd, VWork: measuring the benefits of agility at work, May 2011

²² Demos, Reinventing the workplace, August 2011

Key results

Conclusion

Flexible working is becoming a standard element of normal business practice, driven by employee demand for more autonomy in managing their work/life balance, by improved technology²³ and by calls from governments to change work practices to models that are more agile, modern and most of all productive. This survey confirms the business case for flexible working revealing that global businesses see increased productivity and greater revenue generation as directly linked to flexible working practices.

In addition to these benefits staff report feeling healthier, more energized and more motivated which in turn means that staff are happier in their jobs and less likely to turn to competitors in an unwelcome brain-drain. As the workforce morphs with more Millennials entering the world of work and people choosing to work part-time at some point in their career path, flexible working is evolving into a vital retention tool that can be used to reward all demographics, not just families.

With more workers working on the move than before, businesses are also beginning to rely more on the availability of work centres in every city. Small businesses workers, that cannot rely on a network of company offices when they leave their headquarters, are particularly likely to increase their demand for flexible workspace in the near future.

²³ Regus, Flexible working goes global, March 2011

Country highlights

China

- 90% of respondents declare that their company is more productive nowadays, directly as a result of more flexible working.
- 81% of respondents think that believe there will be a large increase in people who go part-time later in their careers.

India

- 77% of respondents report that flexible working allows their company to generate more revenue than in the past.
- 79% of respondents declare that their company is more productive nowadays, directly as a result of more flexible working.

Belgium

- 72% of respondents declare that their company is more productive nowadays, directly as a result of more flexible working.

The Netherlands

- 72% of respondents report that flexible working allows their company to generate more revenue than in the past.

Brazil

- 54% of respondents report they intend to hire more freelance staff in the next year.
- 70% of respondents say that flexible working allows their company to generate more revenue than in the past.

Canada

- 55% of respondents report they intend to hire more freelance staff in the next year.

Mexico

- 84% of respondents declare that their company is more productive nowadays, directly as a result of more flexible working.
- 77% of respondents say that workers in their company feel more energized and motivated as a result of flexible working.

South Africa

- 55% of respondents report they intend to hire more freelance staff in the next year.

Country highlights

Japan

- Only 51% of respondents declare that their company is more productive nowadays, directly as a result of more flexible working and 45% that flexible working allows their company to generate more revenue than in the past.

UK

- 68% of respondents declare that their company is more productive nowadays, directly as a result of more flexible working.
- 86% of respondents think that believe there will be a large increase in people who go part-time later in their careers.

USA

- 71% of respondents declare that their company is more productive nowadays, directly as a result of more flexible working.
- 85% of respondents think that believe there will be a large increase in people who go part-time later in their careers.

France

- 50% of respondents report they intend to hire more freelance staff in the next year.
- 69% of respondents declare that their company is more productive nowadays, directly as a result of more flexible working.

Germany

- 59% of respondents declare that their company is more productive nowadays, directly as a result of more flexible working and 49% that flexible working allows their company to generate more revenue than in the past.

Australia

- 73% of respondents declare that their company is more productive nowadays, directly as a result of more flexible working.

About Regus

Regus is the world's largest provider of flexible workplaces, with products and services ranging from fully equipped offices to professional meeting rooms, business lounges and the world's largest network of video communication studios. Regus enables people to work their way, whether it's from home, on the road or from an office.

Customers such as Google, GlaxoSmithKline, and Nokia join hundreds of thousands of growing small and medium businesses that benefit from outsourcing their office and workplace needs to Regus, allowing them to focus on their core activities.

Over 900,000 customers a day benefit from Regus facilities spread across a global footprint of 1,200 locations in 550 cities and 94 countries, which allow individuals and companies to work wherever, however and whenever they want to. Regus was founded in Brussels, Belgium in 1989, is headquartered in Luxembourg and listed on the London Stock Exchange. For more information please visit: www.regus.com

Methodology

Over 16,000 business respondents from the Regus global contacts database spanning 88 countries were interviewed during January 2012. The Regus global contacts database of over 1 million business-people worldwide is highly representative of business owners and senior managers across the globe. Respondents were asked a wide variety of questions including ones about their ways of working, flexible working in their company and its effects along with their intentions to hire and views on changes in working practices. The survey was managed and administered by the independent organisation, Mindmetre – www.mindmetre.co.uk.

Notes

Whilst every effort has been taken to verify the accuracy of this information, Regus cannot accept any responsibility or liability for reliance by any person on this report or any of the information, opinions or conclusions set out in this report.

