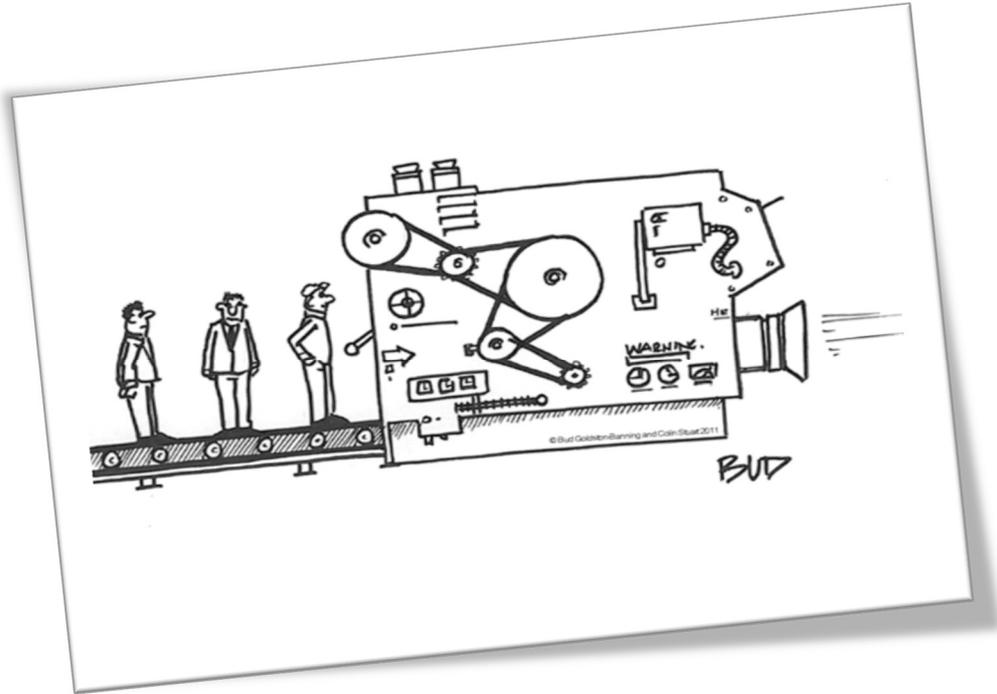


The benefits of flexible working for Employers

By Colin Stuart



The world has always changed, however the pace of change seems to be accelerating. New advances in IT are changing the way we work and our relationship with the office. In particular, if flexible working is offered to employees, this has the potential to drive and unlock profound changes to society.

Why we need flexible working

Increasing work pressures of the modern era (caused in part by our new technology and the pace of work life) are increasing stress levels, which in turn are not helped by the morning commute. These cause negative morale amongst the UK workforce, which is leading to levels of attrition and absenteeism that, in turn, are impacting on the bottom line.

According to the Property Data Report, office rents totalled £13 bn in the UK in 2012 (though this does not account for freehold property) whereas staff costs accounted for £176 bn. Typically this equates to 80 to 90% of an organisations operational cost spent staffing and less than 10% on property. It can be seen then that staff are the most expensive and most important asset and this is logically where the focus should be.

Research has proven that staff who are unhappy with their job are absent more often (Nelson & Quick, 2008) and more likely to leave. The psychological rationale is that an individual will withdraw from dissatisfying working conditions (Johns, 2007). This has a significant detrimental financial impact on the company's bottom line. PWC estimated that UK employees are taking off 10 unauthorized days per year and that this is costing UK business payroll £32 billion (PricewaterhouseCoopers). This rate compares to the European average of 9.7 days but is a lot

higher than the 4.5 days in Asia and 5.5 days in the US. Further a recent report by the Chief Medical Officer highlighted that mental illness is the leading cause of sickness absence in the UK, accounting for 70 million sick days in 2013.

A recent survey by Canada Life revealed that 1 in 4 employees have taken sick leave when they have not been ill. 12% took time off due to stress and 23% due to family emergencies. They found that the introduction of more flexible working practices combined with employee well-being and counselling services significantly reduced absence rates. Further a survey conducted by the UK Office of National Statistics (Barham & Leonard, 2002) showed that absenteeism was higher in women than men and that women with a dependent child aged 5-10 had the highest absence rate.

Typically the effect of losing a valued employee is equivalent to a year's salary, once you have taken into account all the direct and indirect costs, disruption to others, and the loss of goodwill (Stuart, 2012). With UK absenteeism running at approximately 10% and attrition levels anything up to 25% even small changes can have a big impact on the company's bottom line.

Flexible working can change all of these circumstances and is beneficial for both employer and employee. Thus it is not difficult from these studies to see that improvements in the workplace leading to improved morale and job satisfaction. This combined with an adoption of a more flexible working patterns will not only reduce absenteeism due to dissatisfaction with the workplace but also absence caused by stress and clashes between work and family life. Add this to the corresponding drop in attrition levels from happy and valued employees and significant reductions in staff costs can be achieved.

Benefits of flexible working

But the benefits for the employer are not just reducing the level and cost of attrition and absenteeism, the introduction of flexible working environments and policies can significantly impact other areas of the organisation such as:

- increases in morale leading to increases in individual productivity,
- greater mobility leading to increased collaboration and interaction which in turn leads to increases in team productivity, knowledge sharing, a higher level of innovation and reduced time to market for new products,
- improved interaction and innovation between staff in remote locations and office environments, leading to a greater sense of identity and team cohesion which it turn aids the embedding of the corporate culture and brand identity,
- staff feeling trusted, valued and empowered leading to higher motivation and job satisfaction as well as reduced stress and mental illness
- greater mobility amongst staff leading to less sedentary behaviour reducing both obesity and sickness levels
- and of course, reduced space needs per staff member, improved office efficiency and reduced property costs

The introduction of a more flexible working environment can also act as significant catalyst to change staff behaviours, promoting cultural change and supporting wider organisational change initiatives.

But what is Flexible Working?

Often called "agile" or "smart" working, there are numerous terms for the models used to introduce changes in both the office environment and the organisations culture. For me flexible working is about adopting both a working environment designed on "agile" principles (to encourage mobility and interaction) alongside changes to policies, procedures and management style to allow for more "flexible" working patterns, working locations and hours.

The right model needs to be carefully considered and developed for the particular organisation to suit the organisation itself and deliver the specific goals and benefits required. It might not necessarily include remote working away from the office, home working or even hot desking within the office but be a mix of different work settings and policies that achieve the desired result.

Supporting the Business Case

The benefits to the individual employee are significant, the benefits to the team as a whole are even greater but more significantly the benefits to the organisations bottom line are impossible to ignore. Adopting more flexible working practices not only has positive benefit in terms of helping to unlock the value in the human capital of the organization but also can significantly reduce the space required for the company, thus making a more flexible workplace financially attractive.

But how do you model this and build a business case. By assessing potential business change initiatives by the value they unlock in terms of human capital and modelling this as a direct financial impact on the business bottom line with corresponding ROI periods, a cautious company board can move forward with more confidence and commit to adopting new more flexible operating models, which will satisfy all levels within the company. We will explore how these can be measured in future blogs.

Next time we'll talk about the benefits of Flexible working for Employees. In the meantime, why not talk to us about how to facilitate change in your workplace to bring about the best returns? Please visit our website at www.bakerstuart.com/ and subscribe to receive future articles or follow us on twitter [@bakerstuartltd](https://twitter.com/bakerstuartltd) or LinkedIn <http://www.linkedin.com/company/bakerstuart>

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About the author	 <p>Colin Stuart is a specialist in workplace and occupational strategy. He has an award winning track record in the design and delivery of workplace transformation projects. A published author and speaker with an intrinsic knowledge of the drivers of corporate clients both in the public and private sector and how property can respond to those drivers in order to deliver maximum benefit to the business he has delivered major change programmes and real estate projects in both the public and private sector</p>

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Further reading:

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