

---

White Paper:

# All Present – but Correct?

By Jessica Andrews

A consideration of workplace cultures and the pros, cons and implications of different management approaches.



Companies sink or swim based on their leaders. Good leadership in a company can be felt throughout the entire organisation; with effective management corporate culture is developed instead of forced. Communication is frequent and open. Employees feel integral and important. Everyone shares and understands the same goals and everyone has the chance input on how vision can be improved. Yet there are some managers who are so controlling that they seem to beat their employees into submission, creating a culture which eventually breeds unhappy employees who are primed to jump ship and quit. With the cost of losing an employee often being in excess of the annual salary of that worker<sup>i</sup>, this is a cost that organisations can scarcely afford. In contrast to this, the result of a good corporate culture is high morale, employee retention and long-term, sustainable success. So why do so many managers get culture wrong? This paper will look at two contrasting workplace cultures: presenteeism and results-orientated working and consider how to cultivate a culture which benefits employees and the bottom line simultaneously.

## Presenteeism

In today's working world, time and time again we see employees undergoing unpaid overtime, working through their lunch breaks and dragging themselves to work when ill. This can have huge implications, not only for staff at a personal level, but also for the bottom line of organisations. Since the term 'presenteeism' was first coined a few years ago by Cary Copper, a professor of organisational management at Manchester University, there has been a shift in attention to the problem of employees not knowing when to stop. Presenteeism is the practice of being present at one's place of work for more hours than is required, especially as a manifestation of insecurity about one's job. 'Presenteeists' work long hours, or struggle to work when they feel lousy. Although many may be driven by their own dedication, much of the blame lies with the 'long-hours' work culture many organisations have raised.<sup>ii</sup>

As a workplace culture, presenteeism is worryingly widespread, and more often than not, the blame lies at the feet of management. A survey by Mike Broad, editor for Personnel Today, found that nearly sixty percent of 400 managers surveyed claimed that their organisation has a culture of presenteeism, where staff felt under pressure to

---

remain at work for longer than their contracted hours. The survey also found that nine out of ten workers work an extra hour per day and a fifth spend an extra fifteen hours a week, or more, at work.<sup>iii</sup> These findings are supported by a further US study, which found that work attendance, and presenteeism, are influenced by management. With statistics like this, it's no surprise that in so many organisations there has become a macho culture of one-upmanship when it comes to working hours. In many organisations it has become an unofficial competition between staff as to who can clock in the most hours – working long hours at work has become, to many, a symbolic badge of honour. Yet long hours are more often than not simply a demonstration of loyalty, rather than being a productive use of time.

Widespread presenteeism occurs when managers fail to set the example that taking a lunch break or a sick day is okay. The study unearthed that many managers felt that they had to be brave and set an example to their staff – but this only serves to breed a culture of presenteeism where staff follow management's lead for fear of being branded as 'lazy' or a 'shirker'. The researchers suggested another adverse effect of presenteeism when ill may be the spread of contagious illnesses to other employees, therefore contributing to a greater loss of productivity and increased absence among employees.<sup>iv</sup>

Presenteeism as a culture is most acutely felt in work environments with strongly enforced organisational policies. In these organisations, presenteeism is driven by the threat of withdrawal of sick pay, disciplinary action and return-to-work interviews to name a few.<sup>v</sup> Procedures and policies which make employees feel insecure about their financial stability or employment prospects may result in stress, low morale, tension and at worst, employee hostility towards their employer and organisation. This in turn will undoubtedly have an impact on wellbeing in a workplace, through a combination of bringing employees into work when unwell and potentially reducing their overall productivity and affecting the overall organisational culture.

## Costs of Presenteeism

But the impacts and costs to the individual are thrown into the shade by the dazzlingly high costs that presenteeism can have on organisations as a whole. Worker absenteeism has long been seen as a cost to employers, but now it seems that being excessively present could be even costlier. The Centre for Mental Health calculated that presenteeism associated with mental health alone costs the UK economy £15.1 billion per annum, while absenteeism costs just £8.4 billion in comparison.<sup>vi</sup> These statistics are staggering when you consider that in 2012, the cost of staff to the whole economy was £176bn.

Presenteeism has also been the subject of numerous studies across US; it has been estimated that presenteeism costs US employers around \$180 billion per annum. Studies found that many people were coming to work with headaches, colds and flu, fatigue and depression when they should have taken time off to recover. It is estimated that the problem is much more prevalent than absenteeism as well as costing the economy up to seven times as much in the US.<sup>vii</sup> The reality is that employees who go beyond the call of duty are ultimately self-deprecating – the truth is that tired, sick or

---

burned out workers are damaging the bottom line, not boosting it (in fact, there is a negative correlation between hours worked and productivity, which is detailed further in an additional Baker Stuart white paper [A Four Day Working Week?](#)).

## Addressing Presenteeism

So how can managers address and revert a heavily rooted culture of presenteeism? An effective measure can be as simple as putting a limit on individual overtime, encouraging workers to take their allotted leave time and to remain home when unwell [viii](#), but when presenteeism is ingrained into employees throughout the organisation it can be useful to adhere to the following tactics:

1. Promote openness and honesty. Many employees are fearful of disclosing that they have a health problem as they don't feel it would be met well by management. Encouraging employees to talk to management can be the first step in breeding a more open and honest workplace culture, where employees don't feel ashamed to be unwell or admit to management that they need time off. By making this change to a culture which is more open to discussing health and wellbeing, a company can potentially prevent both presenteeism and absenteeism.
2. Train managers to recognise the signs. Line managers and supervisors need to be able to recognise the signs of stress and illness in their employees. Being able to recognise that performance issues may be related to stress will allow management to take the appropriate course of action, which will likely be to encourage the employee to rest, rather than disciplinary action.
3. Review of sickness policy. Many absence policies are aggressive and effectively punish employees for being unwell. For example, cutting pay when an employee is off sick is one of the main causes of presenteeism. Absence policies need to be fair and flexible.
4. Promote health and wellbeing. Making health and wellbeing prominent in an organisation so that it is relevant to employees at an individual level is key in developing a healthier and more productive workforce. Providing health benefits is one way to do this, but it is important to realise that there is no 'one size fits all' approach to wellbeing. Each organisation is made up of individuals and as such, has a unique set of needs. Due to this a cookie cutter approach to wellbeing is not the best approach to follow; talk to your staff to find out what makes them tick and how the work place can work better for them to meet their needs.[ix](#)
5. Allow employees to fully recharge. Managers need to take the first step here, if an employee is away on annual leave and they respond immediately to an email, let them know that you would prefer they relax and enjoy their time off. Before you send a text message to the person on holiday, ask yourself if it's really necessary. This should be extended to 'out of office' hours; managers should refrain from sending emails in the evening or at weekends, no one should be a slave to their email. Similarly, if management do not respond to emails sent out of work hours, hopefully employees will follow suit. It is important to create a culture that respects a person's time off.[x](#)

---

## Focussing on Output

It is apparent that the commonplace culture of presenteeism that is embedded in so many companies these days is long overdue for a change. Gone are the days of nine-to-five hours, telephones anchored to desks and secretaries to type letters for managers who didn't know their way around a keyboard. Less apparent, however, is exactly what general practice should change to. In a 24/7 economy, just how much work is enough? What is the purpose of an office when work can be done from anywhere with wifi? How do you manage employees when you can't see them?<sup>xii</sup> The answer to all these questions may come in the neat little package that is a Results Orientated Work Environment (ROWE). A term first coined Cali Ressler and Jody Thompson, employees in HR at Best Buy, in 2003.<sup>xiii</sup> ROWE attempts to push the boundaries of flexibility in the workplace and redefine them in the process.

In a ROWE, staff are measured by their performance, output and results, not by their presence in the office or the hours that they clock in. Employees are allowed total autonomy over their projects and are given freedom to choose when and how they will meet their goals. It is important to make the distinction here between ROWE and 'flexible hours' – the time spent on a task is irrelevant; results are the only thing that matters. The premise of ROWE can be likened to the relationship that managers have with freelancers, who are paid solely for the work that they deliver.

One of the main benefits of working a ROWE is how it spreads a culture of freedom and flexibility among staff. As long as deadlines are hit, people are free to complete work in their own time. This set up allows employees to avoid a stressful commute, attend appointments and take breaks without having to take any time off, which can be particularly useful for working parents. As such a ROWE can be a way for employers to retain female employees who would otherwise have left their jobs when they come to have children.

Arguably the most convincing argument in favour of ROWE is that it generally results in happier employees. Staff who don't have to suffer the morning rush-hour traffic en route to work are happier staff. Staff who aren't morning people and get to sneak an extra hour of sleep in the morning are happier staff. Staff who can take a trip to the gym to burn off some steam in the middle of the day are happier staff. This added employee morale can be felt throughout the business in the form of reduced attrition and higher productivity as well as a more positive culture throughout the company.

## Restrictions of ROWE

However, ROWE is by no means a perfect solution and in some circumstances it may cause more problems than it alleviates. It is difficult to effectively apply ROWE where each piece of work is unique and difficult to scope out on advance. Similarly, certain industries would struggle to go ROWE; customer services companies for example need to have people available to answer enquiries at regular hours. If ROWE is suitable for a business model, it's essential to have assurance that people will complete tasks by an agreed deadline and quality level. This needs to be done regardless of whether the work is completed at home or in the office, during business hours or at night. Employees

---

need to have a clear notion of what is expected of them and what they're responsible for. Deadlines must be realistic and managers must ensure that employees do not exaggerate the amount of time a project should take.

The success of ROWE is also dependant on the workforce it is applied to. It will be unsuitable for new or inexperienced employees who need regular and immediate support for problems as well as guidance and mentoring without having to wait for pre-planned, face-to-face meetings. ROWE can also cause problems within teams, as staff may struggle to communicate and collaborate with colleagues who do not work regular hours. Once again, this raises issues for inexperienced employees who rely on co-workers for support.<sup>xiv</sup>

Additionally, ROWE will not work for all management styles. Indeed, when ROWE was introduced at Best Buy managers resisted the change, arguing that there are certain people that need to be managed differently to others.<sup>xv</sup> To implement ROWE successfully requires delegation and a great deal of trust between management and employees. Thus, managers who lean towards micro-management as a preferred style will find it difficult to adjust to ROWE and let go of control over employees. By the same token, those who already find delegation to be a useful management technique will adapt much more easily to ROWE; it is a question of management's personal style, and this is as varied across different organisations as chalk is from cheese. This issue of management styles and personality types is a complex one, and certainly one that needs further study and consideration (watch this space).

Whilst it is clear that there is no 'one size fits all' approach to office management, what is apparent is that presenteeism and ROWE are on completely opposite ends of the spectrum. Presenteeism is an ever growing issue that management should be aware of, but taking the plunge head first into the world of ROWE may not be the best approach, as ROWE also has its limitations and drawbacks. Indeed, the new CEO of Best Buy, Hubert Joly, has reverted back from employing ROWE in the company. As a spokesperson for the company explained, "Bottom line, it's all hands on deck at Best Buy and that means having employees in the office as much as possible to collaborate and connect on ways to improve our business".<sup>xv</sup> Yet the sacrifice of collaboration that comes with ROWE is only one in a number of reasons that Joly decided to revert the practice; ROWE is based on the premise that the correct leadership style is always delegation and to Joly this didn't make sense.<sup>xvi</sup> This illustrates the point that ROWE is not always the correct fit for all managers and employees and instead of going full ROWE, baby steps towards an approach where the company focusses on output rather than hours worked (often called "output thinking") may be a more delicate and realistic approach.

## Final Thoughts...

In many organisations there is a culture whereby the view is that if you're not at your desk, you're not working. In the modern age of technology and resources, this is simply not true. We are embarking on the course of true 'Martini Working' where work can be done any time, any place, and flexible working can allow staff to work around their own schedules, helping them to juggle the work/life balance. If managers trust their staff and

---

don't measure them by presenteeism, it is more than likely that this trust will be rewarded in the form of happier employees, better productivity and less absenteeism and attrition.

Both presenteeism and ROWE are extremes of office environments and whilst a manager might not want to go to the extremes of ROWE, introducing flexible working can be the first step in moving away from a culture of presenteeism to a more output focussed one similar to, but less extreme, than ROWE.

At Baker Stuart we have found that by encouraging clients to take small steps along the path of flexible working, large changes can be made to organisational culture. Actions as small as allowing employees to leave at 4pm on a Friday can have enormous impacts on employee morale and aid in reverting even the most embedded culture of presenteeism. Whilst ROWE may not be appropriate for all managers and business models, small steps allow an organisation to move in an output focussed direction without a dramatic change, allowing culture to adapt at its own pace.

View and download our other [white papers here](#)

**About  
Baker  
Stuart**

**Baker Stuart** are a specialist consultancy providing a personal, bespoke and comprehensive service to occupiers. Being focused solely on the workplace this has allowed us to develop expertise in depth in the analysis of our Clients' businesses, the creation and delivery of effective real estate strategies and corresponding office environments.

We provide a range of consultancy services including workplace analysis, workplace consultancy, real estate strategies, project & programme management, project procurement, furniture consultancy, contract administration, design management, change management, facilities management, CAD/CFM and relocation consultancy.

We have an award winning track record and have helped businesses both public and private sector, from SMEs to multinationals to use the working environment as a catalyst to drive positive behavioural change.

Image: PhotoPro1/Bigstock.com

---

<sup>i</sup> Managing Organisational Ecologies. Chpt 11. Value Rhetoric and Cost reality

<sup>ii</sup> New Zealand Management. 2003. New Zealand Management. 50(8), pp. 9

<sup>iii</sup> Broad, M. 2002. Personnel Today.

<sup>iv</sup> Ramsey, R. 2006. Presenteeism" a new problem in the workplace. Supervision, 67(8), pp. 14–17.

<sup>v</sup> Aronsson, G., Gustafsson, K. and Dallner, M. 2000. Sick but yet at work. An empirical study of sickness presenteeism. Journal of Epidemiology and Community Health, 54(7) 502–509.

<sup>vi</sup> Centre for Mental Health. 2011. Managing presenteeism: a discussion paper. Available from: [http://www.bitc.org.uk/sites/default/files/managing\\_presenteeism.pdf](http://www.bitc.org.uk/sites/default/files/managing_presenteeism.pdf)

<sup>vii</sup> New Zealand Management. 2003. As above.

<sup>viii</sup> New Zealand Management. 2003. As above.

---

<sup>ix</sup> Forum of Private Business. How to deal with presenteeism in the workplace. [Online]. [Accessed Feb 15, 2016]. Available from: <https://www.fpb.org/business-support/how-deal-presenteeism-workplace>

<sup>x</sup> Parks, S. 2013. Smart Business Orange County. 8(7), pp. 6-6

<sup>xi</sup> Huffington Post. 2013. Is ROWE the future of work? Or an unworkable fantasy? [Online]. [Accessed March 10, 2016]. Available from: [http://www.huffingtonpost.com/2013/04/15/rowe-future-work\\_n\\_3084426.html](http://www.huffingtonpost.com/2013/04/15/rowe-future-work_n_3084426.html)

<sup>xii</sup> Kerrigan, H. 2012. Results-only work environment goes public sector. [Online]. [Accessed March 1, 2016] Available from: <http://www.governing.com/topics/public-workforce/gov-results-only-work-environment-goes-public-sector.html>

<sup>xiii</sup> Thottam, J. 2005. Time International (South Pacific Edition). 29(1), pp. 44-47

<sup>xv</sup> Thottam, J. 2005. As Above.

<sup>xiv</sup> Mind Tools. 2016. Managing in a results-only work environment. [Online]. [Accessed March 21, 2016]. Available from: <https://www.mindtools.com/pages/article/managing-results-only-environment.htm>

<sup>xv</sup> Bhasin, K. 2013. Best Buy CEO: Here's why I killed the 'Results only work environment'. [Online]. [Accessed March 20, 2016]. Available from: <http://www.businessinsider.com/best-buy-ceo-rowe-2013-3?IR=T>

<sup>xvi</sup> Bhasin, K. 2013. As above.



This work by Baker Stuart Limited is licensed under the Creative Commons Attribution ShareAlike 4.0 International License. To view a copy of the license, visit <https://creativecommons.org/licenses/by-sa/4.0/legalcode>.

For all referenced material you must comply with individual copyright terms of the originators.