

Managing at arm's length



A study into the practicalities and issues of managing a remote workforce

Regus, September 2013





48%

Percentage of respondents believe that remote working at least some of the time helps people switch off at the end of the day.

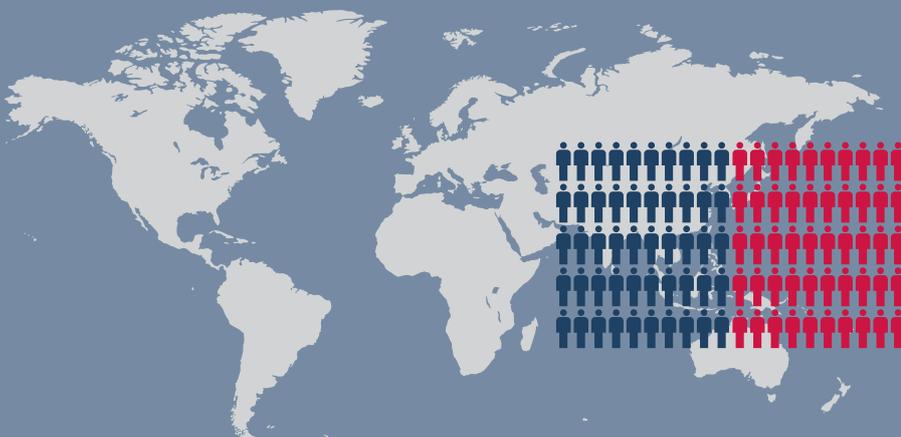


global?

In February 2013 the CEO of Yahoo, Melissa Mayer, ordered all the company's workers back to fixed office working. The move – designed to prevent abuse of flexible working practices – was instantly pilloried by commentators around the globe as reactionary and short-sighted. Yet Ms Mayer's reaction to poor performance is a common fear in the minds of managers contemplating the task of motivating and managing staff at a distance. The more sensible commentators observed that abuse of remote working practices by employees is not the fault of remote working itself, but simply a failure of management. After all, the challenge of managing a mobile workforce will not go away.

Remote, mobile, flexible or even agile working – call it what you will – is now almost as common as fixed working.

Soon the majority of us will no longer have a single, defined place of work. Given the win-win benefits, this is hardly a surprise – what organisation wouldn't want fewer operating costs, higher productivity and employee retention, lower risk and enhanced employee work:life balance?



50%
of professionals
work remotely

According to the 2013 Regus Global Business Survey almost fifty per cent of professionals across the globe now report that they work remotely for half their working week.

Managing remote workers is increasingly being recognised as an art in itself. As the inexorable move towards flexible working continues, it is likely that remote management training will become more and more prevalent.

55%

This Regus research report has found that over half (55%) of its respondents believe that the effective management of remote workers is perfectly achievable, but not without additional management training and skills development.

37%

Across more than 90 countries analysed, specific reporting and monitoring systems are used by 37% of businesses to help managers and employees be effective when remote working.

43%

And 43 per cent of managers use video calls to communicate with their teams when working remotely.



Technology is the great enabler, allowing workers to remain in contact with their colleagues in ever more sophisticated ways, wherever they may find themselves. However, successful remote working requires rather more than just providing employees with the latest equipment and letting them get on with it.

Even with video communication tools allowing managers to actually see team members regardless of where they are, trust remains an important issue. There are also concerns about whether working away from colleagues and more experienced workers slows the development of younger team members.

Nevertheless, members of Generations X (born 1965-1980) and Y (born after 1980) are certainly being remotely managed some of the time and are likely to feel sufficiently familiar with it to introduce more of it as they move into more senior roles.

Having been remotely managed themselves, Generations X and Y recognise the benefits of flexible working practices for all concerned, including an improved quality of life, lower costs and increased motivation and productivity.

Key findings and statistics



- Respondents reveal that managing people at a distance works – but it’s an art that needs special training. In fact more than half (55%) report that effective remote management is perfectly achievable, but not without specific management training and skills.
- In spite of this, trust issues remain important as 54% of respondents say that management is worried about how remote workers spend their time.
- In order to address the trust issue, a significant proportion of companies are reportedly turning to reporting systems to monitor the efficiency of remote teams (37%).



- Remote managers also rely on technology to communicate with their teams with 43% using video calls for a more face-to-face feel than regular telephone calls or email.
- Respondents are divided as to the effects of remote management on employee development, perhaps because the practice is still relatively new and its long-term effects need more time for solid evaluation to be made.
- Although 68% of respondents consider that being managed remotely slows junior employee development, 37% believe that junior employees become more responsible faster if they are managed remotely.



- However, given that 50% of Generations X and Y are being remotely managed at least some of the time, compared to only 41% of Baby Boomers (born 1945-1964), there are grounds to believe that this trend is set to increase as younger generations enter more senior roles and apply the same flexibility of location that they experienced to their own teams.
- 39% of respondents also report that one of the benefits of remote management is that relationships remain more professional.
- Finally, almost half (48%) of respondents believe that remote working at least some of the time helps people switch off at the end of the day, improving their work:life balance.

Remote working now mainstream

Just as the Industrial Revolution in the 18th and 19th centuries changed the way the world worked – moving people from working as individuals or in small groups – to producing things and services in vast factories or offices, so the Information Technology Revolution of the 21st century is moving work away from something that is done in huge groups to something that is done wherever and whenever, using technology to bring people together. Such has been the force of this development that remote working is to all intents and purpose standard practice for many professionals.

People want to improve their work:life balance (a growing expectation amongst the younger generations). Firms want to improve people productivity by reducing fixed office operating costs, eliminating the financial waste and environmental impact of under-occupancy, and cut commuting.

Technology has enabled remote working, and drop-in workspace networks stretching round the world keep the working environment professional, wherever someone needs to be.



Predicted growth

By 2015, the world's mobile worker population will reach 1.3 billion, representing 37.2 per cent of the total workforce. The most significant gains will be in the emerging economies of Asia/Pacific thanks to continued, strong economic growth, while the Americas will experience a slower growth rate due to a protracted economic recovery and high rates of unemployment. "Despite recent market turmoil, mobility continues to be a critical part of the global workforce and we expect to see healthy growth in the number of mobile workers," says Stacy Crook, senior research analyst for IDC's Mobile Enterprise Research programme, responsible for this forecast.

This view is supported by a study published by the internet company Cisco, which found that college students and workers aged between 18 and 30 (Generation Y) were so obsessed with using technology all the time that they were "always connected" and saw little distinction between work and social time when it came to using devices, whether they were owned by themselves or their employers.

50%

In the UK, a study by Virgin Media Business found that company chiefs predicted that more than half of employees would work from home within the next decade.

Face-to-face meetings with customers and prospects would also change, with 72 per cent believing getting together in person will become increasingly rare. The company, which carried out the study in December 2011, said that businesses were already getting fit for purpose by investing in cloud-based software, virtual private networks or in new tools to ensure that remote teams remained connected and engaged. The growth in video communication and social media across corporate networks was also supporting this migration away from the traditional office.



Perceived benefits

This development could also have other benefits. Virgin predicted that not only could businesses potentially make huge savings by reducing the numbers of people working in offices in central London and elsewhere, but the travel network could be under less pressure as well. London's public transport network currently caters for 25 million journeys every single day. If the predictions of the UK's business leaders come true, and nearly two thirds expect to be commuting less often, that number could tumble to a more manageable 10 million journeys, the report concludes.

In Japan, the case for remote working has been made by dramatic events. The March 2011 earthquake and tsunami threw wide regions of the country into chaos, and this provided a powerful incentive for companies to allow more of their employees to work remotely. For example, the industrial producer Teijin has enabled 2,000 employees to telework and electronics company Hitachi has extended its existing teleworking policy to include all workers. Internet business Softbank has made it possible for marketing staff to work from home.

In Australia, the federal government is enthusiastic about remote working and has launched the National Digital Economy Strategy, which aims to double the number of Australians who telework to 12 per cent by 2020. Meanwhile, a report by Colmar Brunton and Deloitte Access Economics showed that if 10 per cent of Australians were to telework 50 per cent of the time, it would save 120 million litres of fuel and 320,000 tonnes of carbon emissions.

The report also focused on more mature workers and revealed that 60% of mature workers would take up telework if it was available to them and, as a result, delay retirement by an average of 6.6 years – which is important in view of the ageing of the population and the impact on overall participation rates. 74% of people not in the labour force with family or career responsibilities reported that they would take up a telework employment opportunity.

Even in China, as the country's economic power grows, telework or telecommuting is on the rise as part of a general introduction of western-style work practices.



Counterpoints

However, not everybody is convinced that these developments make business sense. In the United States, much has been made of the decision by Marissa Mayer, the incoming head of the internet company Yahoo, to demand workers return to the office. The decision was apparently prompted by a desire to encourage greater team collaboration to help Yahoo improve its business.

Meanwhile, although there is much academic research to suggest that employees who are allowed to work remotely enjoy greater motivation and are more engaged, a 2011 report by WorldatWork discovered that fewer employed Americans did so regularly in 2010 than in 2008. The drop from 33.7 million to 26.2million was attributed in part to remote workers (often referred to as teleworking in the US) being perceived negatively – a problem at a time of high unemployment. More than a quarter of employees viewed being able to telework as a “reward”, in line with the fact that employers saw it as a worker benefit.

55% of workers who believed that they themselves were more productive...

In Canada, meanwhile, the Microsoft Canada Flexible Workplaces report found that only a quarter of managers thought that their employees were more productive when working remotely. This was compared to the 55 per cent of workers who believed that they themselves were more productive – showing a clear disconnect between the thinking of management and employees. Something emphasised by the finding that six out of 10 bosses also thought that they were more productive when working remotely.

The managers' major concerns about remote workers included finding the inability to meet face-to-face a challenge; feeling remote workers were less focused than those in the office; worries about the lack of accountability; and a perception that remote workers did less than their office counterparts.



The challenge of remote management

The continuing development of ever-smarter forms of mobile, tablet and cloud-based software technology, enabling increasing numbers of employees to work away from their offices, is creating a challenge for management. On the one hand, the technology that enables workers to do many of their tasks as effectively at home, on the road or elsewhere produces much-needed efficiencies at a time of great competition and offers the potential for increased productivity, especially at a time when organisations of all sorts are expected to be operative 24 hours a day, seven days a week. On the other, it is being used by workers – especially those newer to the workforce – to justify demands for greater flexibility in where, when and how they work.

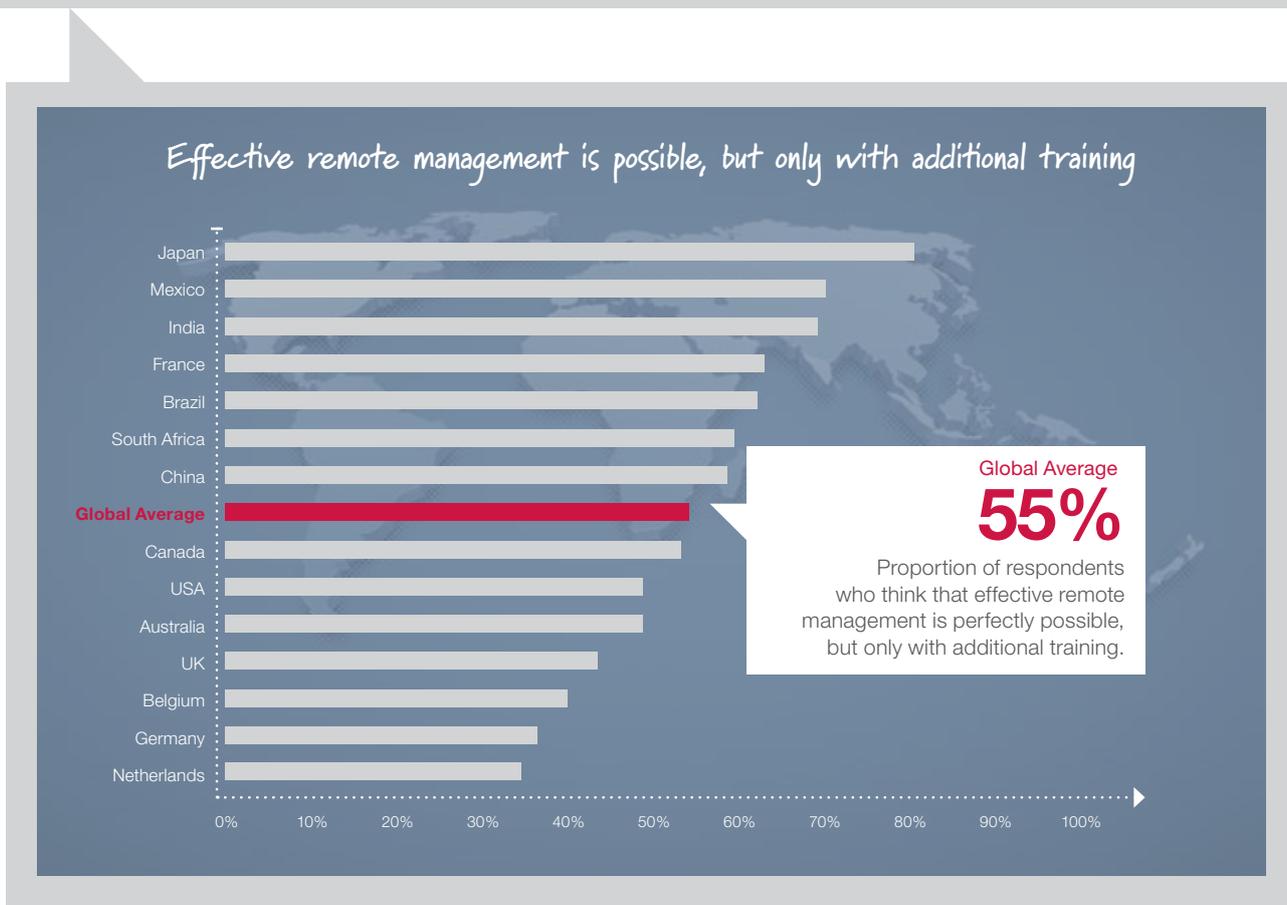


Fig. 1

90 Countries surveyed...

Whatever is driving it, managers have a challenge they have never really encountered before – remote management. That is, they need to be able to inspire, motivate and control people they cannot always see as well as those who are sharing the same physical space as them. Encouragingly, nearly two thirds of respondents in the Regus survey interviewing over 26,000 business people in more than 90 countries believe that with additional training and skills development, the effective remote management of dispersed team members is achievable.

However, there appear to be clear national differences in attitudes. The Japanese, for example, are strong supporters of this view along with most emerging economies, while respondents in Germany, the Netherlands and the UK are less likely to believe that additional training is an enabler of effective remote working. The USA, Canada and China are close to the global average, confirming that Chinese perceptions of remote working are becoming aligned to western standards.

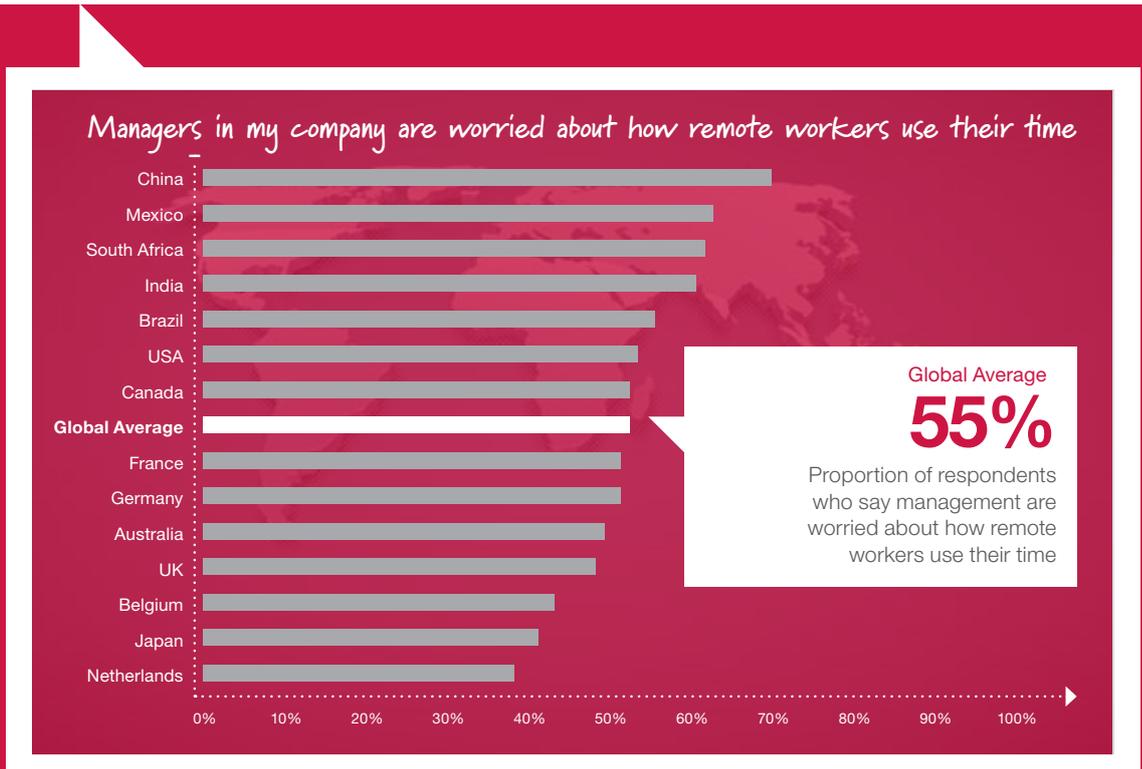


Fig. 2

Dutch respondents are also the least likely to agree that managers are worried about how remote workers use their time, suggesting that Dutch management is more open-minded towards flexible working than most. By contrast, China tops the table in this category, followed by Mexico and South Africa. All three are significantly above the global average of 54%.

Reporting systems

Businesses appear to be taking steps to bring some rigour to the area of remote working. More than a third use specific efficiency-monitoring reporting systems for remote teams, while 43 per cent of remote managers use video calls to communicate with their team in the office – thereby demonstrating that new technologies are helping remote working become more manageable, as well as facilitating it in the first place. India, China and Brazil – all countries where management was more than averagely concerned about productive use of staff time – are among the leaders in this area.

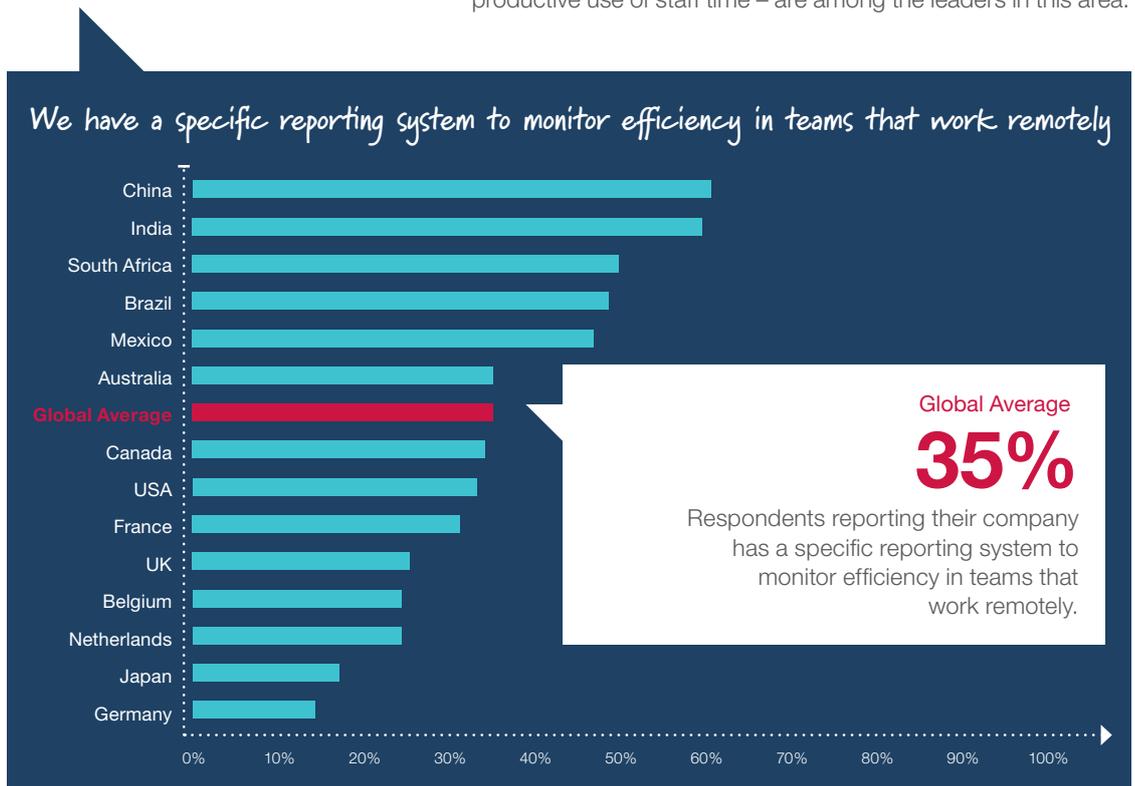


Fig. 3

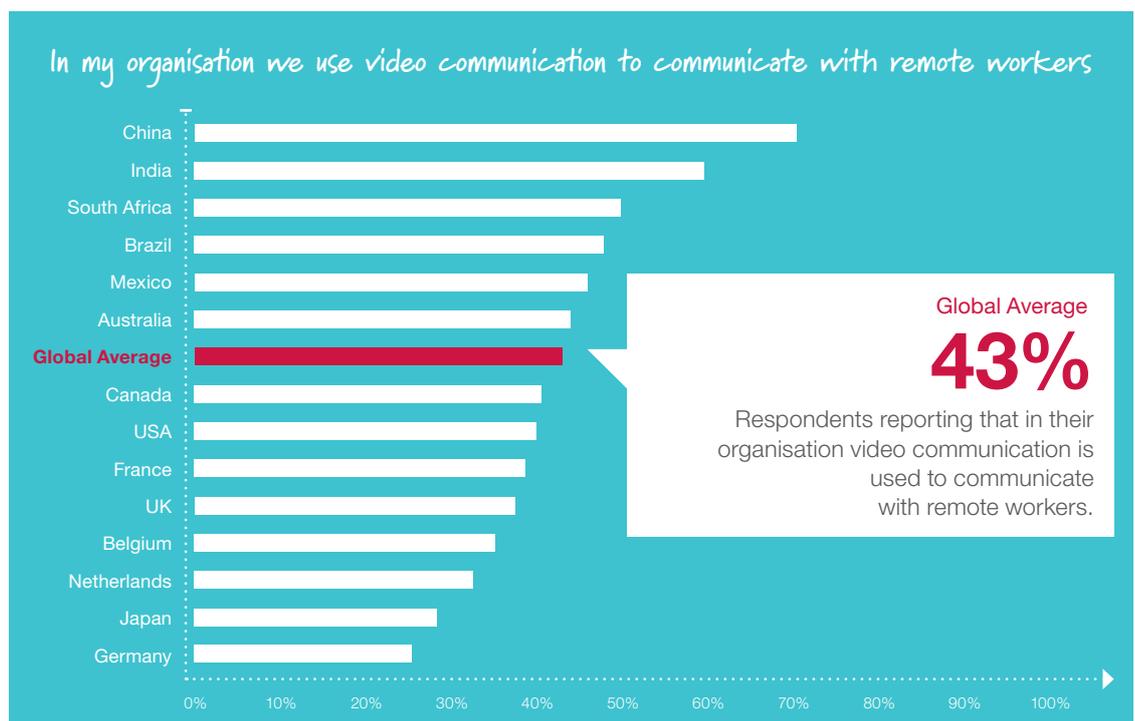


Fig. 4

Employee development

Respondents are also concerned about how junior employees develop, with 68 per cent around the world feeling that being managed remotely slows their development (see Figure 5). This is a special worry in Australia and France, where more than three quarters feel it is an issue. Dutch workers confirm their open view on flexible working, and Chinese and Brazilian respondents highlight how their countries have embraced the practice.

750%
of workers in Australia and France feel that being managed remotely slows their development

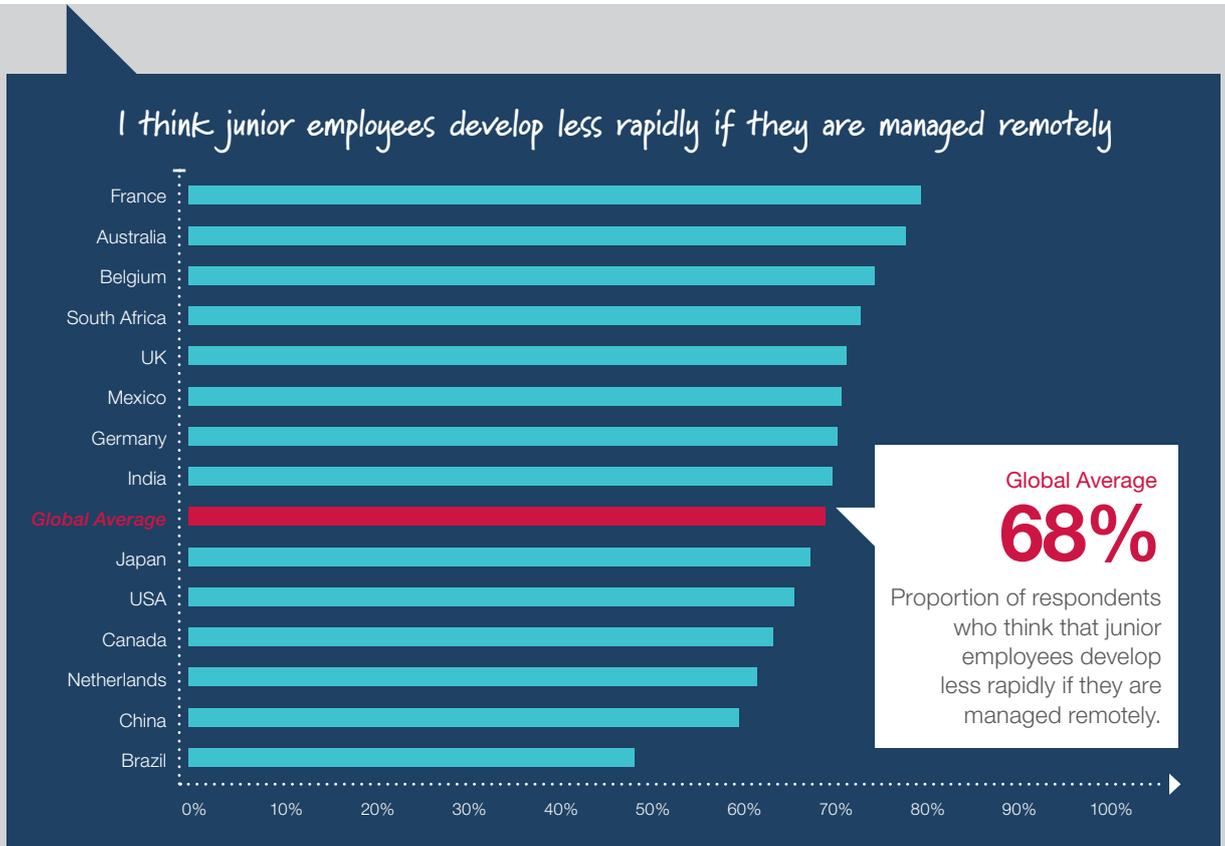


Fig. 5

Conversely, as can be seen in Figure 6, over a third (37%) of respondents consider that junior employees become more responsible faster if they are managed remotely. This view is particularly strong in the Netherlands and many emerging economies with the exception of Mexico. Thirty-nine per cent feel that relationships remain more professional with some remote working (see Figure 7). This view was particularly strongly felt in China, but not in Japan.

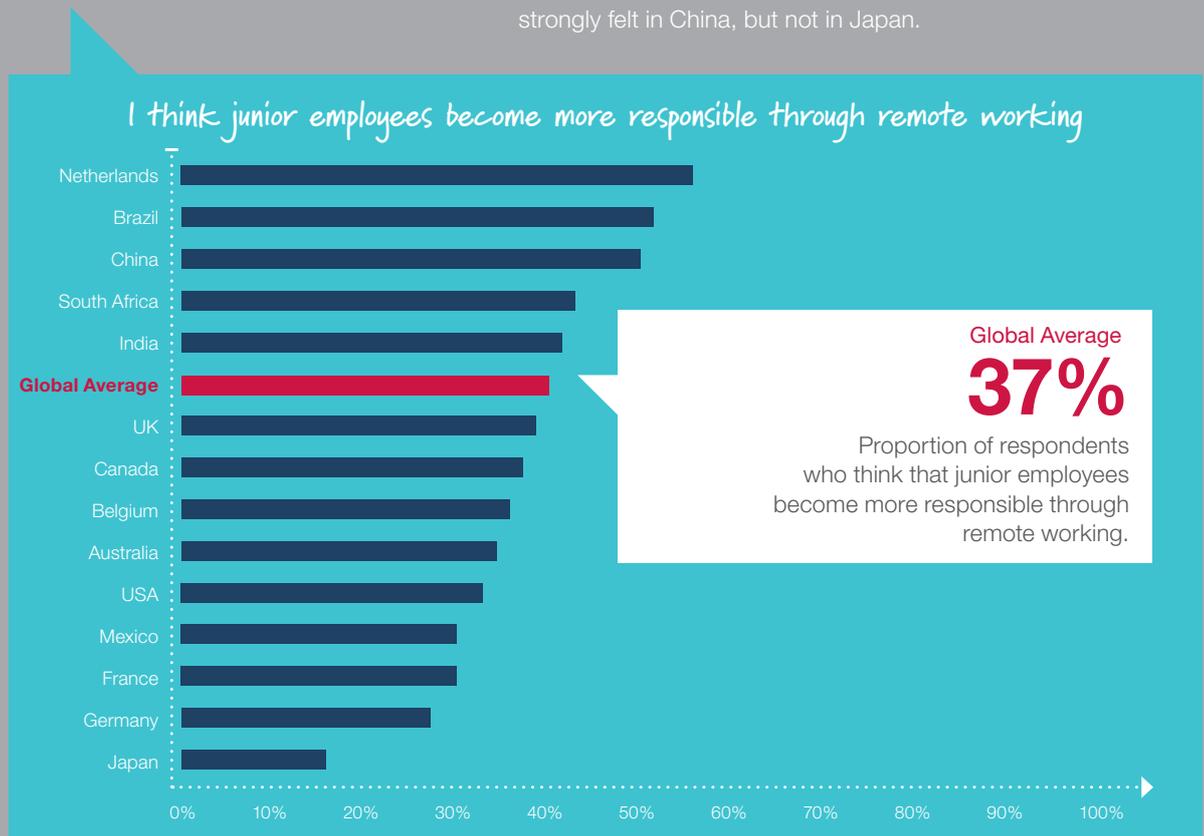


Fig. 6



Fig.7

Switching off

One of the most contentious issues is whether remote management helps employees to switch off faster after work. Across all countries analysed, roughly half of respondents agree with the notion. However, opinion varies between Japan – which appears to be generally sceptical about the benefits of remote working – and the surprisingly lukewarm Netherlands on the one hand, and India and Mexico on the other, where nearly three quarters of respondents agree with the notion. This may be connected with the commuting stresses caused by the transport issues in countries with extreme urban congestion.

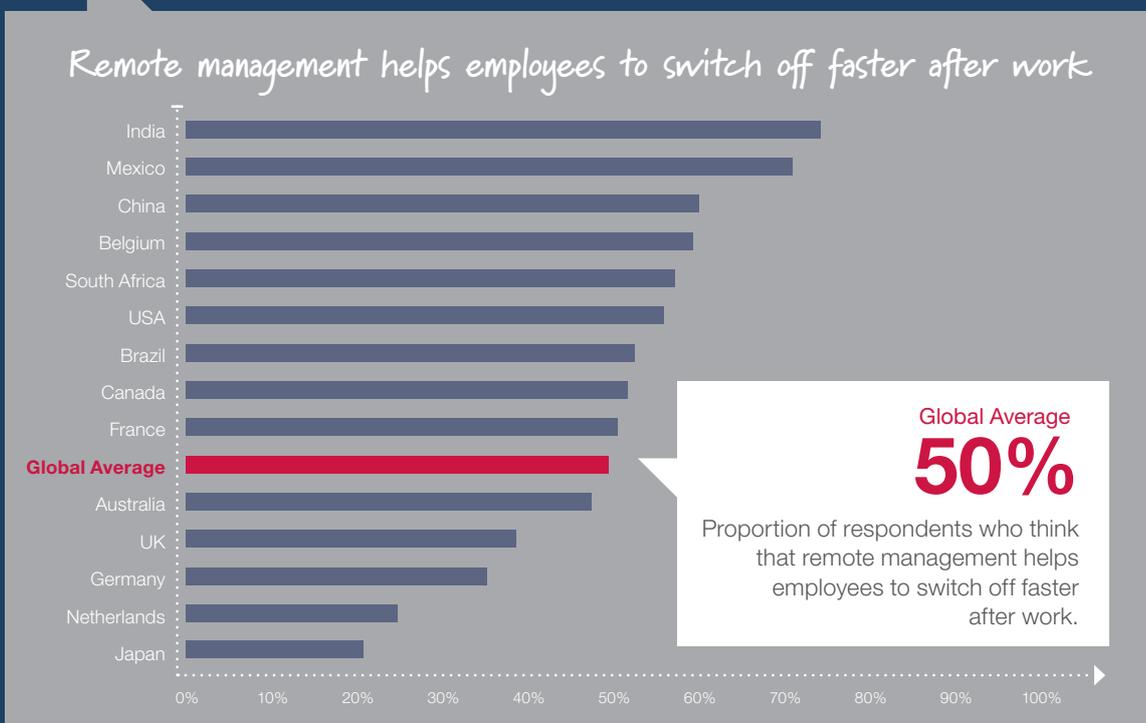


Fig.8



Managing the remote workforce - What does success look like?

10 rules

for the effective management of a remote workforce

1

Rule 1

This study has established that business feels upbeat about managing a remote workforce, but also recognises that special skills need to be developed for the new style remote manager. Based on the collective insight of a number of leading thinkers as well as the experience Regus has gained from helping thousands of businesses move from a fixed to a more flexible mode of working, outlined below are the ten rules for the effective management of a remote workforce.

Establish an atmosphere of trust and responsibility

There is no point in creating virtual teams and then being so worried about whether they will get on with their work, that you micromanage them. So trust is an essential part of the remote team. However, so is their own responsibility. Set up a granular, but easy to use micro-reporting system so they can effectively monitor themselves. This should be as automated as possible – there are a wide variety of free and paid for tools and apps that can facilitate this – that not only makes achievement visible to management, but also helps the employee self-manage and prioritise.

2

Rule 2

Be overt about the rules and write new contracts

A new way of working demands a revised contract that clearly sets out the duties and responsibilities of both employee and manager. Remote working does require more reporting to management, so clearly specify what this entails. Definitions of success and failure should be documented together with the rewards and penalties associated with each.

3

Rule 3

Establish clear goals and measure on outputs

Managers have to learn to manage goals and outcomes, not tasks. The first step is clear thinking to establish what those goals are. Meeting agendas have to become clear, descriptive and outcome-oriented so there can be no excuse for coming to a meeting unprepared, nor confusion over what is to be achieved afterwards, and by when. Management also have to analyse which elements of process ('how an outcome is achieved') they think are important and therefore have to be described and enforced.

4

Rule 4

Promote corporate culture and facilitate relationships

Some organisations have noted that they perceive remote working as a positive force to 'de-politicise' the work environment. No longer is presenteeism an option for currying management favour. Facts, actions and outcomes are everything. But it has to be recognised that remote workers have fewer opportunities to interact with colleagues and form productive relationships in a virtual world. Therefore, an active programme has to be constructed that allows colleagues to spend time together outside of purely completing work tasks. There has to be focused attention on making work fun and providing virtual workshops or brainstorming sessions where people can laugh, game or have open discussions.

5

Rule 5

Provide professional local/flexible workspace

Research has shown that homeworking is often not conducive to productive working because of disturbances, distractions and lack of professional working facilities. Providing staff with access to drop-in professional workspace, close to their home or their itinerary, provides them with the combination of locality and professional working environment. This is both motivating and encourages focus and productivity.

6

Rule 6

Ensure the technology platform is robust

Virtual workers are dependent on technology, so it is essential that the technology you provide is easy to use, and is quick, reliable and robust. Encourage the use of video conferencing so that people are not just remote voices to one another, but can see each other's expressions. Ensure that cloud-based applications enable functions such as database access or printing whichever business centre the employee is working from.

7

Rule 7

Organise regular communication and encourage feedback

Organise regular virtual meetings to keep staff talking to one another, but avoid purposeless meetings. Make sure people understand meeting etiquette and do not simply dial in while working on other tasks. Ensure active participation from all parties and actively encourage feedback and opinion. Where possible, acknowledge and act on feedback. Managers should also have regular open-door times each week when members of their staff know they can contact them to discuss issues arising.

8

Rule 8

Make sure that personal development is actively discussed

Managerial time should be regularly scheduled to discuss staff progress and performance. This replaces the complimentary or disciplinary conversations that can more easily take place ad hoc in a fixed office. Such conversations give virtual staff the assurance that their professional development is being taken seriously and that they are not 'out of sight, out of mind'. By the same token, these scheduled conversations ensure that staff do not hide behind their physical remoteness from management.

9

Rule 9

Lead by example

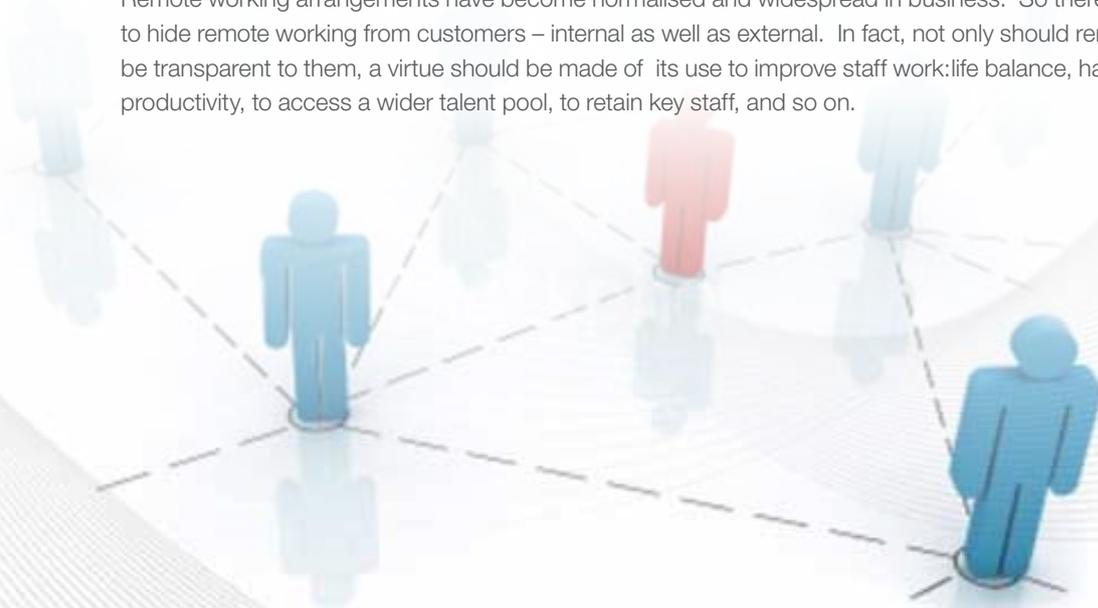
Rules for virtual staff need to be respected and observed by their managers. Meeting times must be met and subsequent actions fulfilled; preparation should be thorough; objectives and targets completed to a high standard and on time; and management should be contactable and transparent in their goals and activities. Many commentators have remarked that managers of virtual teams have to be – and be seen to be – even more energised and active than their fixed-working counterparts.

10

Rule 10

Be transparent with customers

Remote working arrangements have become normalised and widespread in business. So there is no need to hide remote working from customers – internal as well as external. In fact, not only should remote working be transparent to them, a virtue should be made of its use to improve staff work:life balance, happiness and productivity, to access a wider talent pool, to retain key staff, and so on.



Conclusion

Remote working is growing and will continue to do so. Therefore, organisations that do not engage with the issue of effective remote management will get left behind. Technology will only get smarter, more powerful and cost effective; people will continue to want more control over their lives as they search for the optimal work:life balance; businesses will search for ever more efficient ways of improving productivity and decreasing cost. Newer entrants to the workforce are increasingly pressing for an acknowledgement of this as they point out the feasibility of working anywhere any time on a laptop, tablet or smartphone.

work:life balance



At the same time, increasing pressures on organisations of all sorts – public as well as private sector – to cut costs while delivering better services for longer periods (increasingly 24-7), is making a strong business case for reducing or eliminating fixed office space leases, especially as there is firm evidence that flexible workers are more productive as well as happier and more motivated. Adding force to this view is the environmental argument against commuting and fixed space energy requirements.

A majority of business professionals the world over now agree that remote management is perfectly achievable, so long as it is recognised that management need special training to adapt to new ways of working. Nevertheless, it is not entirely straightforward. There are still issues – such as distrust of flexible workers on the part of their peers and managers, and isolation and fear of being passed over on the part of the flexible workers – to be overcome. To overcome these issues, organisations need to invest in management training right now – in line with pioneering counterparts that have already done so – if they are not to lose competitive edge, attract and retain top talent, and make valuable productivity gains.

Country highlights

UK

Only 33% of UK respondents said that in their organisations remote managers used video calls to communicate with staff in the office and only 26 per cent said they had specific reporting systems for managers to monitor teams working remotely, at least some of the time.

France

Only 26 per cent of French respondents believe remote management helps maintain a more professional relationship with employees.

Belgium

Seventy-five per cent of Belgian respondents believe that junior employee development can be slowed by remote management.

The Netherlands

Dutch respondents are the most sure that junior employees become more responsible through remote working.

China

Chinese managers are the most likely to be worried about how remote workers use their time, and they are much more likely than average to have specific reporting systems for managers to monitor the efficiency of teams working remotely.

Canada

Sixty-one per cent of Canadians said they managed somebody or a team remotely at least some of the time.

Germany

Thirty-two per cent of respondents believe that remote management helps employees switch off faster after work.

Japan

Japanese respondents are the least likely to think junior employees become more responsible through remote working; to believe that remote management helps maintain a more professional relationship with employees; and to feel that remote management helps employees to switch off faster after work.

Mexico

Mexicans were among the most convinced that remote management helped employees to switch off faster after work (71%)

Brazil

Sixty-one per cent of Brazilian workers surveyed are convinced that effective remote management is possible to achieve with additional training.

India

India is generally highly enthusiastic about flexible working and remote management, with 81 per cent of respondents saying they manage someone or a team remotely at least some of the time and 72 per cent believing that remote working helps employees to switch off faster after work.

South Africa

Fifty per cent of South African respondents confirm that their company has a specific reporting system to monitor remote worker efficiency.

USA

Two thirds of US respondents – just under the global average – believe that junior employees develop less rapidly if they are managed remotely.

Australia

Thirty-eight per cent of respondents state that their company has specific reporting systems to monitor efficiency in remote working teams.



Methodology

Over 26,000 business respondents from over 90 countries were interviewed during January 2013. They were sourced from Regus' global contacts database of over 1 million business people worldwide, which is highly representative of senior managers and owners in business across the globe.

Respondents were asked about their views on remote management, whether they managed or were managed remotely at least some of the time and what practices their business had adopted to facilitate remote management, if any. The survey was managed and administered by the independent organisation, MindMetre, www.mindmetre.com



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 1 million customers a day benefit from Regus facilities that are spread across a global footprint of 1500 locations in 600 cities and 100 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

