

# The flexible road to workforce productivity



Flexible working fosters greater employee return on investment

Regus, November 2013

  
Regus™

Percentage of  
business people  
confirm that flexible  
working improves  
productivity

75%



# Management summary

In the continuing climate of economic instability, businesses are still keeping a firm watch on efficiency and trying to maximise productivity. Flexible working, allowing employees greater choice over when and where they work, is clearly shown in this study to increase employee productivity, improve the speed and quality of decision making, develop an individual's time management skills, and boost creative thinking.

Alongside these flexible work patterns that help improve employee work-life balance, the use of Cloud computing, best practice knowledge management and good internal and external communication have been found to seriously contribute to improving business productivity by streamlining operations and creating an open, positive environment. Other studies also show that businesses continuing to seek and invest in innovation are more productive than their counterparts that do not.



72%

*72% of workers reported that productivity is a direct result of flexibility*

In particular, businesses are seeing that helping workers improve their skills through training can help increase productivity. Measures that improve health and psychological well-being are also documented to have a positive impact on productivity, particularly as the global economy moves out of a high-stress recessionary phase. In growth economies too, the great pressure exerted on workers from the break-neck pace of growth can also crucially be countered by allowing employees to improve the equilibrium between work and personal pursuits by giving them the freedom to choose when or where they work from. For instance, providing workers with the opportunity to walk or cycle to work is another popular measure to reduce stress and stress-related illness such as heart disease, obesity and diabetes, but employees will need to work close enough to home to do so.<sup>1</sup>

This latest Regus survey highlights that fully 75% of business people confirm that flexible working improves productivity. After all, a business' key assets are its people and any productivity drive that fails to integrate them, and their well-being, into its strategy is unlikely to attract, retain and maximise the value gained from its talent pool.



# key findings and statistics

- As highlighted by the latest Regus Business Confidence Index, businesses everywhere and in any economic climate are always seeking to maximise their resources and create efficiencies in order to gain competitive advantage
- From a human resource angle, achieving higher productivity in the workplace is one of the most sought after objectives
- The latest Regus survey highlights that fully 75% of business people confirm that flexible working improves productivity. This result shows growth over research findings from February 2012, where 72% of workers reported that productivity is a *direct result of flexibility*<sup>2</sup>
- 77% of overall respondents think flexible working encourages a greater sense of responsibility and time management – key to a more productive workforce and effective remote management
- Flexible working also improves staff productivity by helping decision making move faster (64%) and by fostering creativity (74%)
- And useful business connections are also enabled through flexible working (70%)
- In terms of other factors, reports state that productivity can be increased in a number of ways with a particular focus on innovation, Cloud computing, knowledge management, better communication internally and externally with customers and the public
- From a human capital point of view, better productivity is boosted by providing training opportunities, and by improving health by giving employees the opportunity to cycle or walk to work<sup>3</sup> (often enabled by flexible work locations)
- Emerging economies, and, in the West, in Germany, are most likely to regard flexible working as bringing further benefits such as better and faster decision making, fostering creativity and helping improve time management
- Nevertheless, even in Japan where a face-time work culture dominates, 68% of respondents reported that they think flexible working improves productivity.

<sup>2</sup>Regus, Flexibility Drives productivity, February 2012

<sup>3</sup>The Guardian, How cloud-based products improve business productivity, 2013; Time, How Data Analysis Boosts Productivity, 9th September 2013; Forbes, 7 Management Practices That Can Improve Employee Productivity, 17th May 2013

# Introduction

*Respondents believe that flexible working also helps faster (64%) and better quality (65%) decision making*

As the global economy moves out of a recessionary phase and emerging economies are forced to curb the extraordinary rate of their growth in order to avoid the boom-and-bust cycle that recently hit the developed world, businesses are focusing on achieving greater efficiency and improving their productivity levels. There are a number of strategies that find more echo than others and that are authoritatively reported to really help businesses become more productive. In particular, this latest report confirms that flexible working helps employees become more productive.

The stress-reducing effects of flexible working are well documented with employees who are able to choose their own working hours or location being more satisfied with their jobs and their lives than their fixed office counter parts.<sup>4</sup> They also reportedly experience better work-family balance. The National Study of the Changing Workforce (NSCW) conducted by the Families and Work Institute adds that employees in more flexible workplaces exhibit less negative spillover between work and family life and thus are able to concentrate better on their different personal or work duties.<sup>5</sup>

Among other productivity enhancing measures, research conducted by NESTA in the UK revealed that firms that had introduced some product innovation in 2002-04 experienced a 4.4% average employment growth rate between 2004 and 2007, well above the 2% average growth rate achieved by non-innovators.<sup>6</sup> The ability to innovate foreseeing an advantage helps businesses be a step ahead of the competition further down the line.

In addition to innovation, analysts report that Cloud computing and improved knowledge management could significantly improve business productivity.<sup>7</sup> In particular, Cloud computing, by giving businesses access to information and company data on the move, can help shorten response times, make business more seamless and finally improve worker productivity.

<sup>4</sup>Sloan Centre on Aging and Work, Why employees need workplace flexibility

<sup>5</sup>Families and Work Institute's 2008

<sup>6</sup>The vital 6 percent, NESTA, 2009

<sup>7</sup>The Guardian, How cloud-based products improve business productivity, 2013





In addition to this, the fact that these solutions are often available on a pay-as-you-go basis and offer hosted services makes them particularly relevant and cost-efficient for small businesses that are able to use applications and programmes that are powered by the cloud vendor's infrastructure and therefore need not be purchased in-house.<sup>8</sup> Interestingly the top countries for a pro-Cloud environment are: Japan, Australia, the USA, Germany, Singapore, France, the UK, South Korea and Canada suggesting that in these geographies Cloud computing is more likely to be used to help improve productivity.<sup>9</sup>

In an economy where more and more data is generated and stored, knowledge management is also an evidently useful area to improve in order to increase productivity. In particular, recent research by Smartlogic in the USA and Europe found that less than half of businesses were able to retrieve information from their systems in what they deemed a suitable amount of time.<sup>10</sup> Finding data in a time-frame that allows for rapid action wherever workers are located can be make-or-break in some instances and always helps businesses be more responsive to market changes and enables effective remote working.



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Similarly, efficient communication streams within the organisation and with the public can help firms increase productivity. A well-ordered and accessible intranet, for example, helps manage information while keeping staff in the loop about decisions and market events that affect the company improving decision making and ensuring that strategies are based on solid up-to-date news.

In addition to this, research encourages managers and company owners to foster an empathetic environment where free communication dominates.<sup>11</sup> A happier workforce is generally felt to be more productive and the following measures also focus on making employees feel healthier and happier. Providing training opportunities not only helps workers keep their skills up to date and up to speed with those of competitors,<sup>12</sup> but helps worker morale. Research in Belgium found that on-the-job training increased business productivity between 1 and 2%, compared to firms where no training was carried out.<sup>13</sup>

<sup>8</sup>The Guardian, How cloud-based products improve business productivity, 2013

<sup>9</sup>Forbes, The 10 Best Countries for Cloud Computing, 03rd July 2013

<sup>10</sup>Smartlogic, Mind the Enterprise Search Gap, 2011

<sup>11</sup>Human Capital Review, Corne Meintjes

<sup>12</sup>Training Mag, Training for Productivity, 15th August 2012

<sup>13</sup>The Impact of Training on Productivity and Wages. Evidence from Belgian Firm Level Panel Data, Jozef Konings, 2008

A large body of evidence suggests that giving workers the possibility to cycle or walk to work helps improve productivity. While evidently employees become healthier and fitter by taking exercise on the way in to work, they also lower their stress levels by avoiding traffic and congested public transport. It is reported that cyclists take on average 15% fewer sick days a year than other workers and that, by avoiding traffic, they are more punctual. A Dutch study specifically found that cyclists took 7.4 sick days a year compared to the 8.7 of non-cyclists.<sup>14</sup> However, to be able to offer workers this perk, businesses must also ensure that they are able to work within cycling or walking distance from their home.

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7.4

Flexible working options, such as the possibility to work closer to home at least some of the time, address these issues and help workers strike a more positive work:life balance. Giving workers some freedom to decide when or where they work from, not only helps employees feel more empowered and valuable to the organisation, but means that they are better able to manage the interaction between personal and work life and can enjoy lower stress levels. Lower stress levels in turn help reduce absenteeism and improve productivity, confirming previous Regus research that found that 72% of workers reported that productivity is a direct result of flexibility.<sup>15</sup>



<sup>14</sup>Transport for London, Cycling for business,

<sup>15</sup>Regus, Flexibility Drives productivity, February 2012

# The results

In order to analyse the status of flexible working among senior managers and business owners globally, Regus asked its contact pool of 1 million what they thought were the effects of flexible working practices on workers.

Corroborating results obtained in February 2012, when 72% of respondents to Regus' bi-annual global business survey reported that they believe productivity is a direct result of flexible working, in September 2013, 75% of respondents in the nations canvassed reported that flexible working improves productivity.

Most emerging economies sit above the global average, suggesting that in these regions embracing flexible working has gone hand-in-hand with strategies aimed at achieving rapid growth and efficiency. Only Brazil sits slightly below the average at 74%.

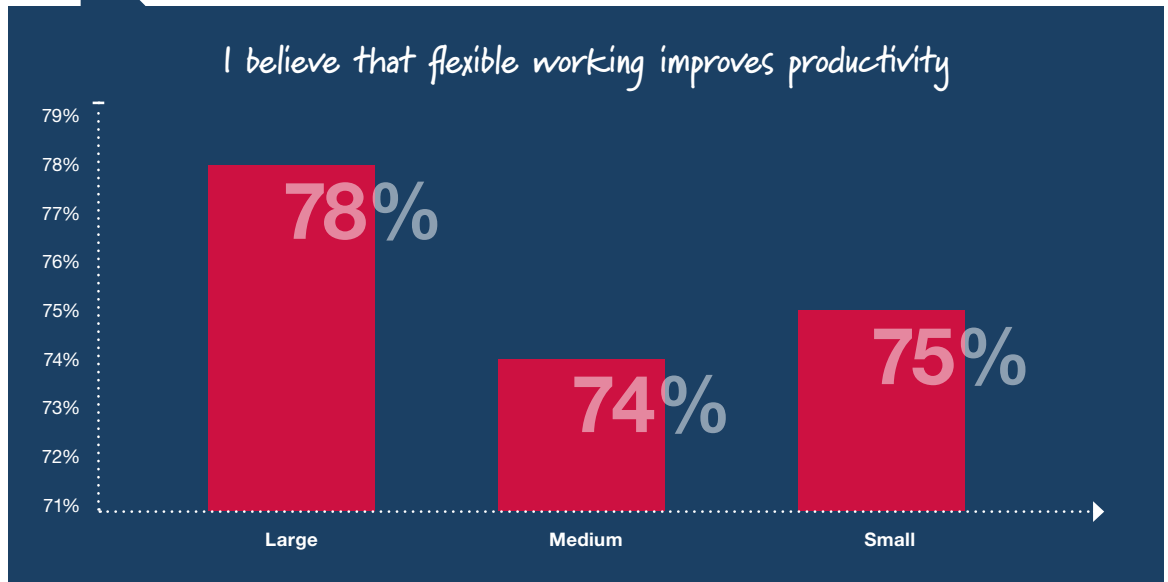
Japan and France, both cultures where 'face-time' is a core and established part of business culture, are a little less likely to endorse the productivity-enhancing properties of flexible working.



Figure 1 - Respondents reporting that flexible working improves productivity

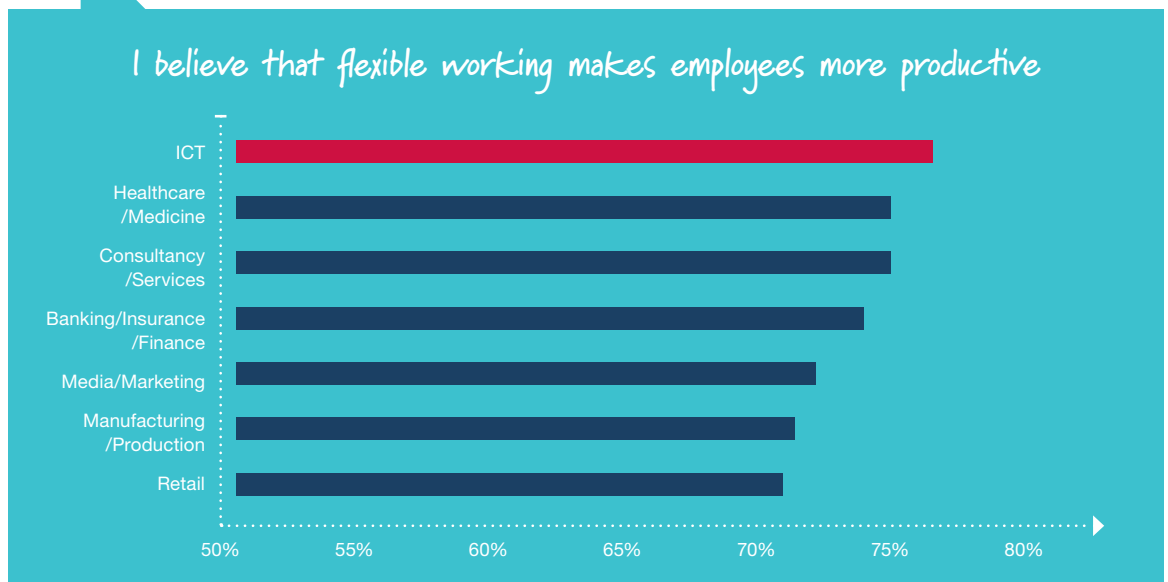


Belief in the correlation between flexible working and staff productivity is remarkably consistent, whether between different company sizes or different business sectors. Businesses of all sizes report that flexible working is productivity enhancing. As the graph above shows, only a very small percentage point difference can be found between all sizes of firms.



**Figure 2**  
 Respondents that believe flexible working improves productivity by company size

Across all sectors over 70% of respondents regard flexible working as a measure that increases productivity. This peaks in the ICT sector where use of remote working technology is ripe and well-documented, followed by the Healthcare and Medicine sector. While Manufacturing and Production are understandably lower down the scale, given their reliance on plant-based machinery, and Retail – where work location and opening hours are fixed (although shifts are not, nor location for management/IT/back-office roles, are not), is the bottom-scorer. Nevertheless, these sector differences are relatively marginal, and should be regarded as such.



**Figure 3**  
 Proportion of respondents that believe flexible working enhances productivity by sector

74%

The survey further attempts to break down which factors brought about by flexible working result in increased productivity and found that, if flexible workers are more productive in spite of working remotely some or all the time, or of being able to choose their own working hours, it must mean that they are efficient managers of their time and duties. It follows, therefore, that a large proportion of respondents (77%) think flexible working develops a greater sense of responsibility and of time management.

Although France and Japan remain below the global average, Brazil surprisingly tops the chart suggesting that while soft benefits such as improvements in attitude and time management have been felt, hard benefits like productivity increases, which become measurable after a longer period of time, are not yet ripe in Brazilian companies.

*Flexible working also improves staff productivity by helping decision making move faster (64%) and by fostering creativity (74%)*

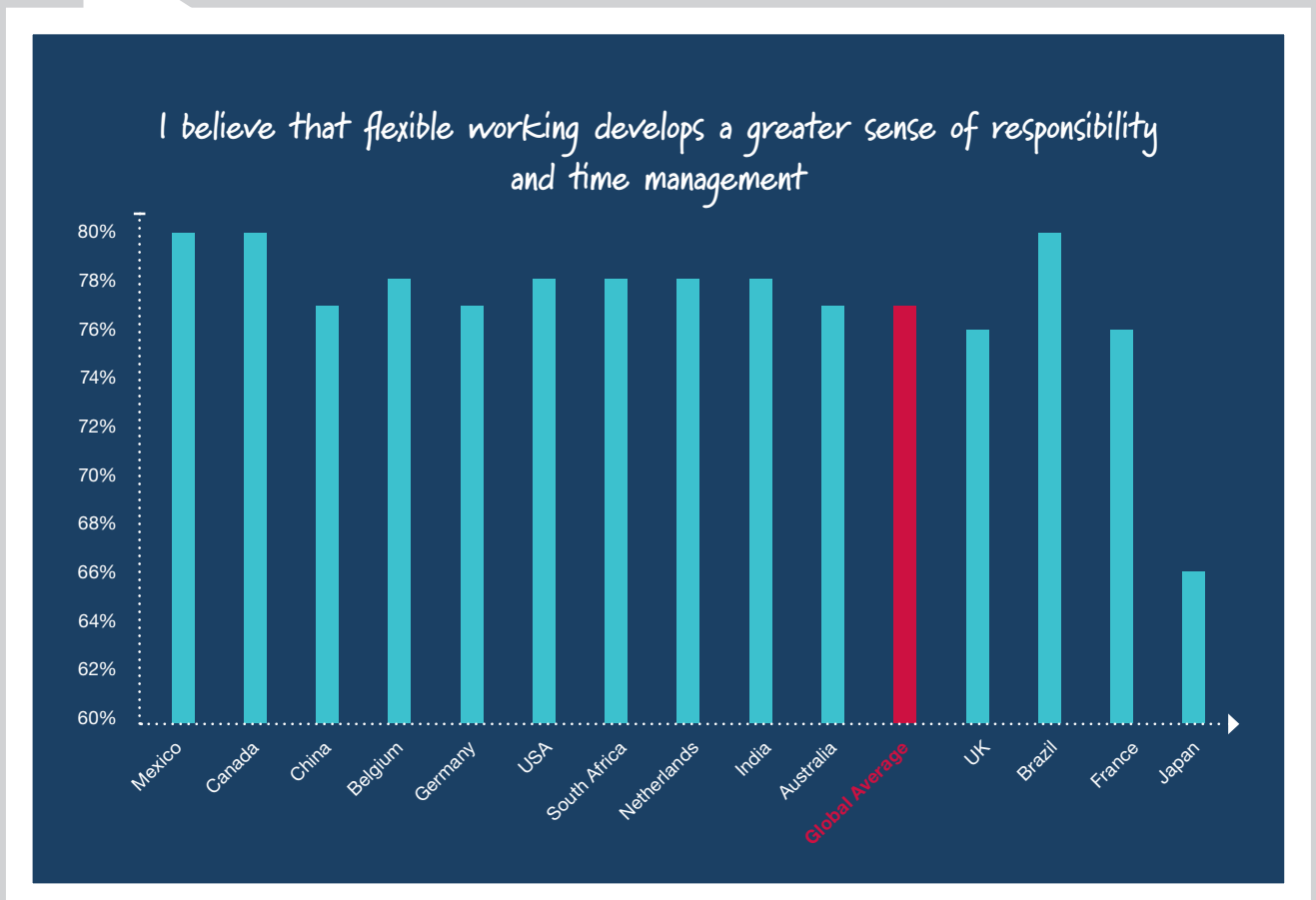
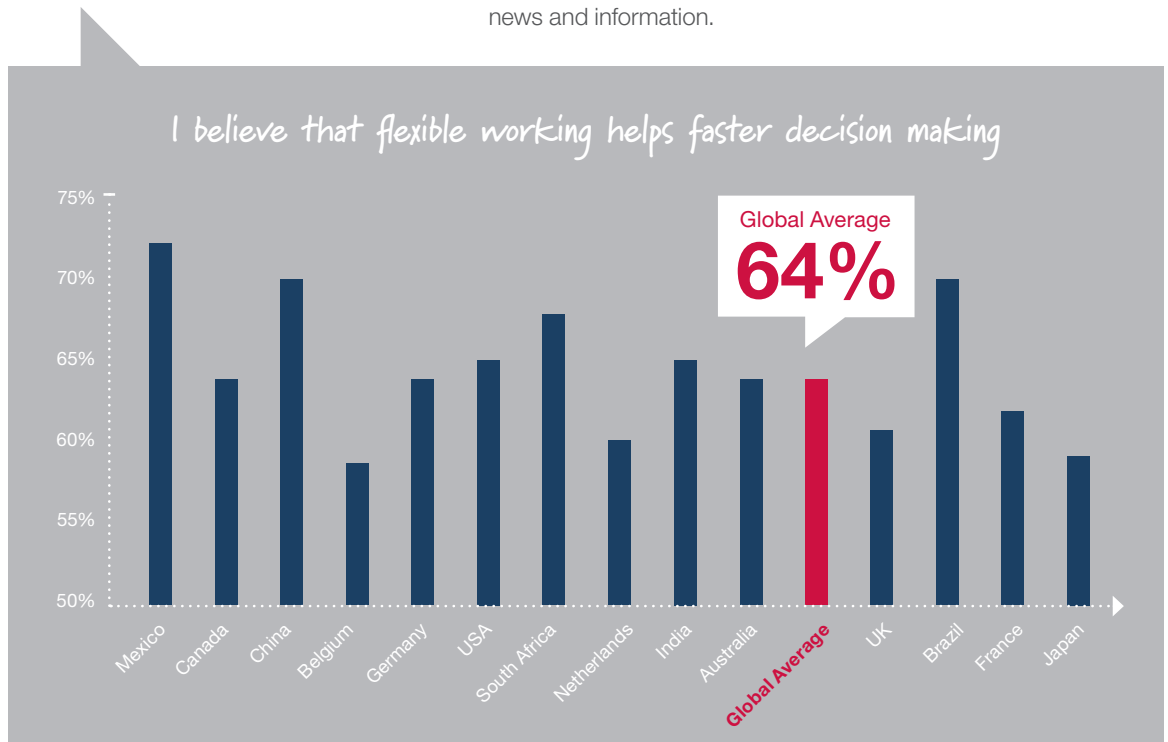
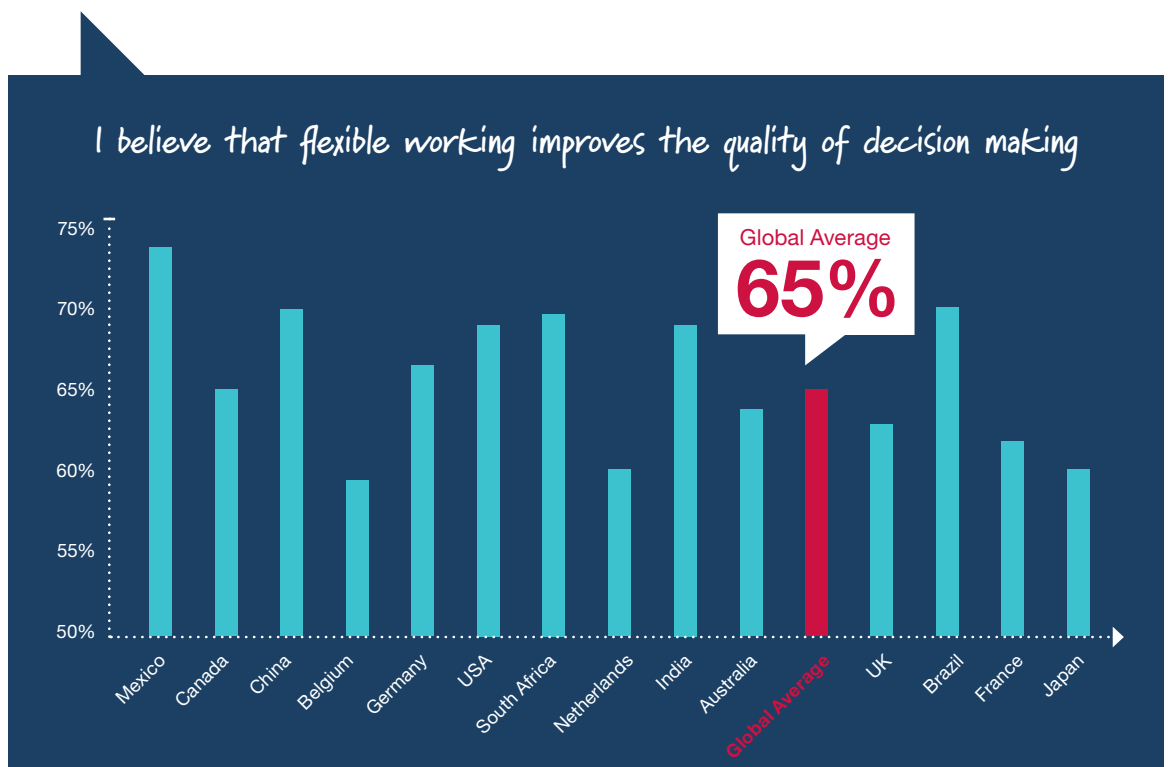


Figure 4 - Respondents that think that flexible working helps improve responsibility and time management skills

Interestingly, respondents believe that flexible working also helps faster (64%) and better quality (65%) decision making. The ability to come to high quality decisions faster is of course a great advantage to any business wishing to react to the market before its competitors. By allowing employees to work from different locations businesses help workers save time wasted on commuting and help them become less likely to get ill and to take time off. All these benefits can impact the decision making process and contribute to speeding up the way workers react to news and information.



**Figure 5**  
Respondents that think flexible working helps come to decisions faster



**Figure 6**  
Respondents that think flexible working helps improve the quality of decisions

A more obvious link is that to be found between flexible working, carried out therefore at the time and in the place workers prefer, and creativity. Flexible working can help lower stress, which is an obstacle to creative thinking, but also allows people to work from different locations and therefore to mingle with people from different industries. This type of mixing with different professionals can help spark creativity. Sometimes, simply having a change of scenery can help blow out the cobwebs, so it is evident that allowing workers to choose where they work at least some of the time can help them think outside the box. This belief is particularly embraced in emerging economies, but also in Germany and Canada.

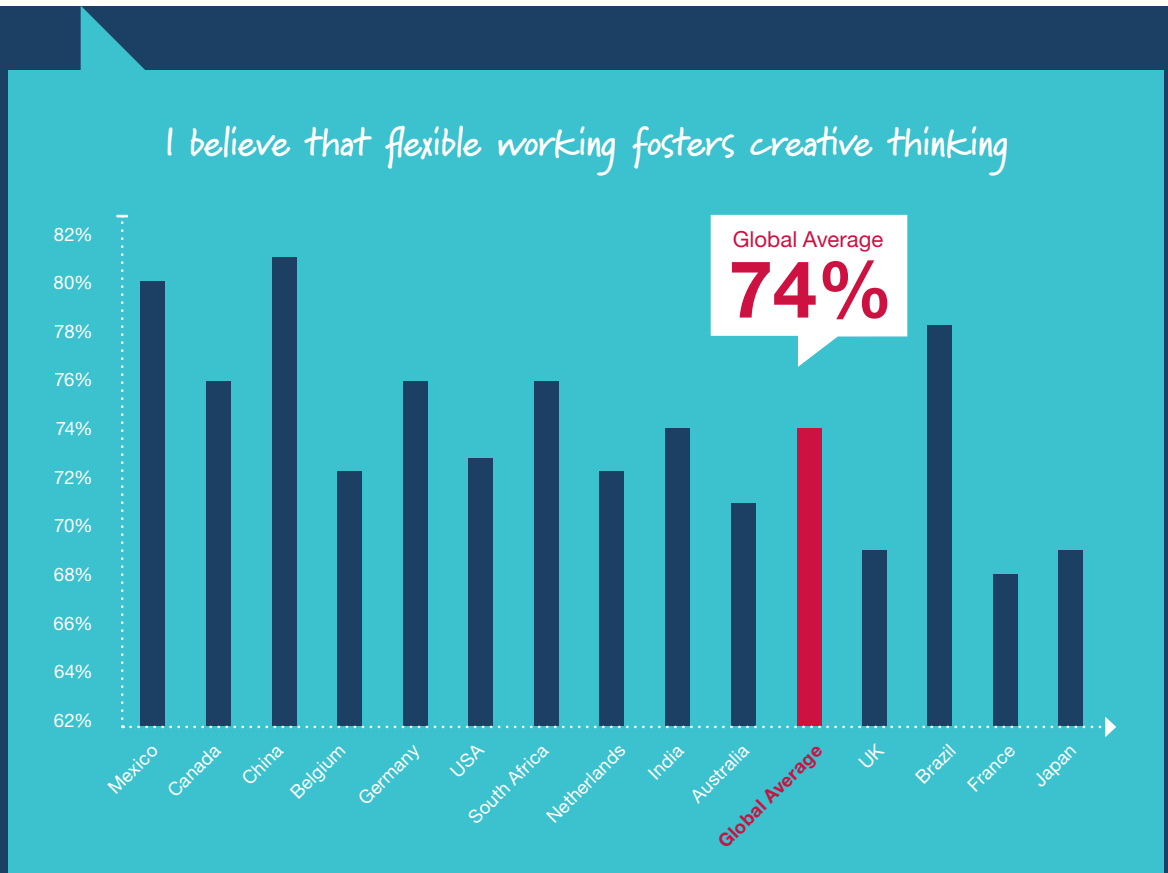
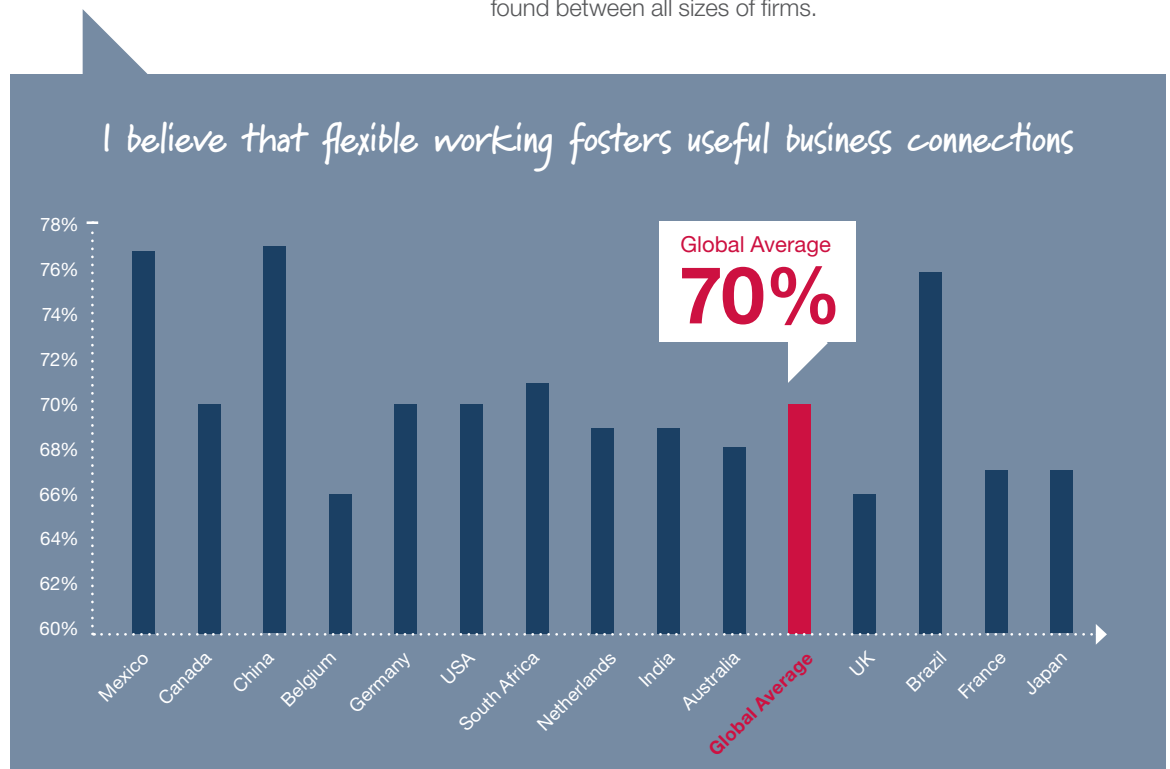


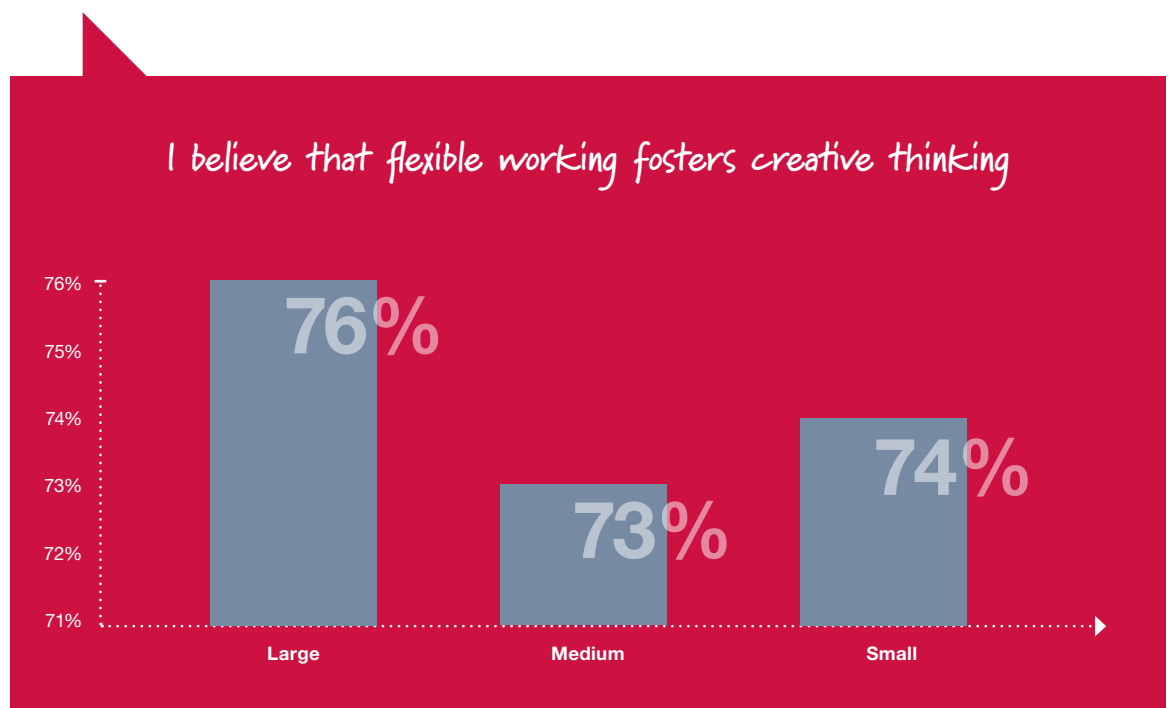
Figure 7 - Respondents that think flexible working fosters creative thinking



In addition to helping foster creative thinking, being in a mixed environment helps workers establish interesting and sometimes useful business connections. Referrals to service providers, consultants and strategies that can be applied to their own industry can all be drawn out of mingling with professionals from different backgrounds as Chinese, Mexican and Brazilian respondents well appreciate. Businesses of all sizes report that flexible working is productivity enhancing. As the graph below shows, only a very small percentage point difference can be found between all sizes of firms.



**Figure 8**  
Respondents that think that flexible working fosters useful business relationships



**Figure 9**  
Small, Medium and Large business respondents who regard flexible working as fostering creative thinking

# Conclusion

In any economic climate all businesses share the objective of gaining greater efficiency from their resources and enhancing productivity, all the more so when conditions are volatile. Research highlights a number of practices that are proven to impact productivity more than others. Some key practices experts agree on are: innovation, use of Cloud computing, best practice knowledge management, good communications within the company and with the outside world, more training, allowing employees to cycle or walk to work and flexible working.

*Flexible working, allowing employees a degree of freedom over when and where they work brings added benefits to the workforce*

In addition to this, respondents in the geographies analysed highlight that flexible working aids faster decision making, and helps foster the creative process and the development of useful business connections. In this light it is evident that flexible working helps increase productivity by bringing about a series of benefits for workers which in turn make them more efficient and better disposed to truly make the most of their working day.



# Country highlights



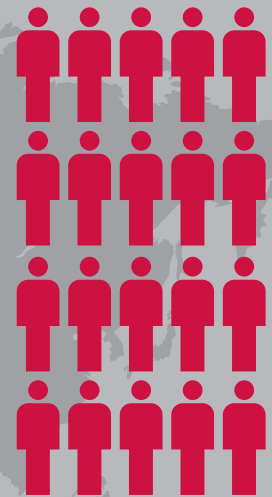
# Methodology

Over 20,000 business respondents from over 95 countries were interviewed during September 2013. These 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 flexible working, productivity and its effects on decision making, creativity and business connections. The survey was managed and administered by the independent organisation, MindMetre, [www.mindmetre.com](http://www.mindmetre.com)

*Respondents were asked about their views on flexible working, productivity and its effects on decision making, creativity and business connections*

**20,000**  
business respondents  
interviewed



**95**  
countries



# About Regus

Its network of more than 1,700 business centres in 100 countries provides convenient, high-quality, fully serviced spaces for people to work, whether for a few minutes or a few years. Companies like Google, Toshiba and GlaxoSmithKline choose Regus so that they can work flexibly and make their businesses more successful.

The key to flexible working is convenience and so Regus is opening wherever its 1.5million members want support – city centres, suburban districts, shopping centres and retail outlets, railway stations, motorway service stations and even community centres.

Founded in Brussels, Belgium, in 1989, Regus is based in Luxembourg and listed on the London Stock Exchange. For more information, please visit [www.regus.com](http://www.regus.com)

