

Making Workplace Flexibility Business as Usual

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Workplace Transformation Overview: Evolution and Current State of the Workplace

What is Workplace Transformation?

Workplace Transformation combines involving **space design and usage, technology provision,** and HR, talent, and organizational change management approaches that drive:

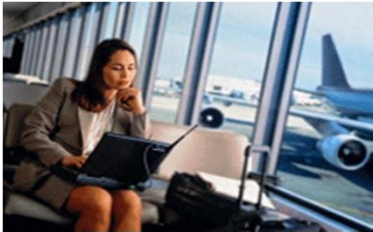
- **Efficiency and flexibility** in the use of office space that is traditionally dedicated (single use)
- **Mobile technology tools** that allow for access and collaboration, on-demand anytime / anywhere
- **Flexibility and choice for employees** to be productive from a variety of work settings
- Belief that the **role of the “office” is to foster collaboration** that will lead to innovation and speed to market

Most companies offer some form of “flexible” work arrangement or work / life balance program as part of their HR and benefits policies, although participation levels in these programs are often low due the non-main stream “branding” that these programs have acquired, implying an opportunity to re-brand these programs as mainstream and “the way we do business”



At this point, the key challenge is not solution design, but implementation and scale

The Work Experience is Changing



Nearly 80% of workers say they would like more flexible work options and would utilize them if they could do so without consequences at work.

- *Georgetown University Law Center*



82% of Fortune's "Best Companies to Work For" allow employees to telecommute at least 20% of the time

- *Fortune Magazine*



The majority of companies offer programs on an ad hoc basis, with flextime (31%), job sharing (46%), and telecommuting (39%) being the most prevalent.

- *Hewitt Associates*

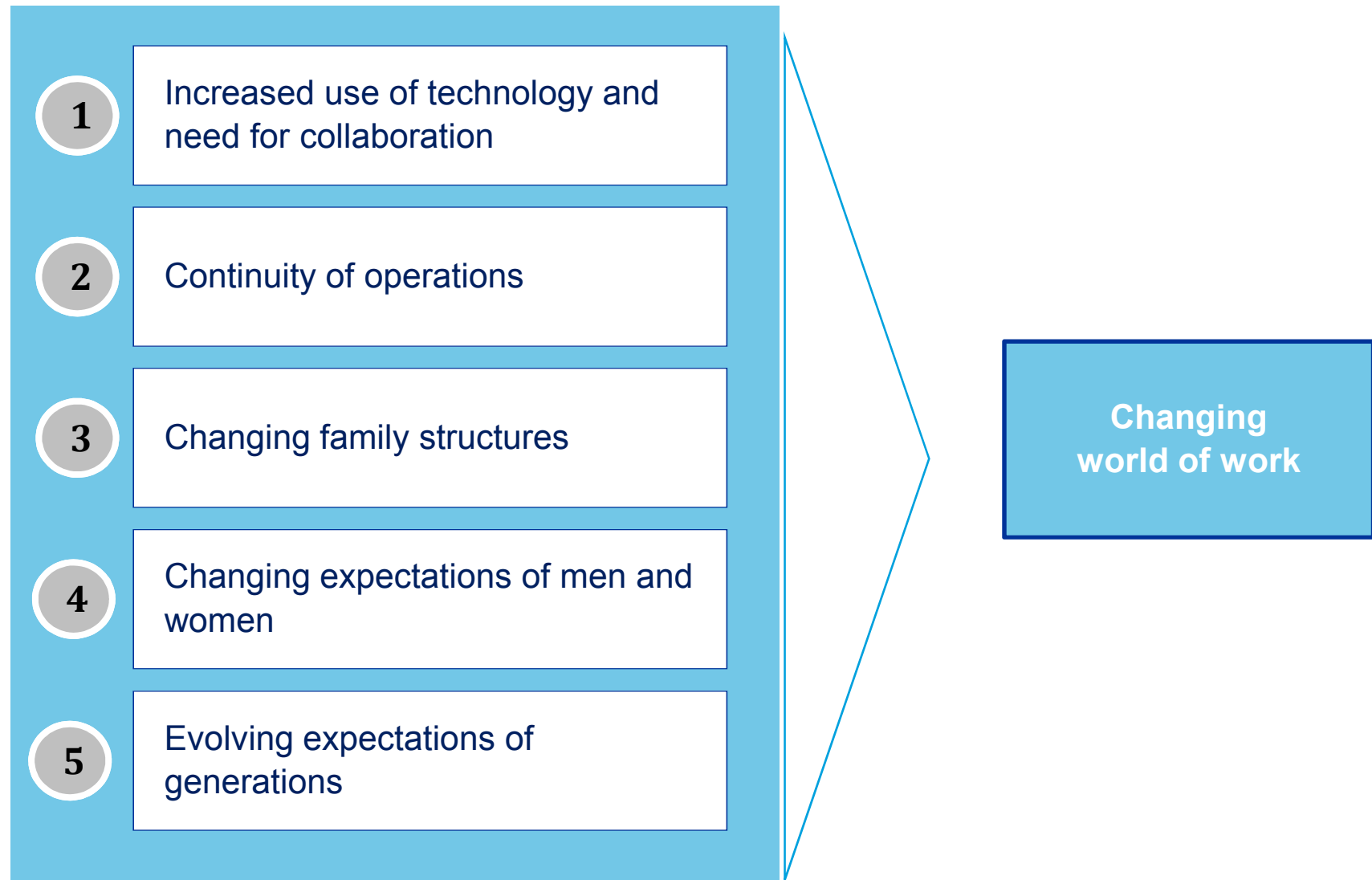


In a compensation survey of 1,400 CFOs, 46% said telecommuting is second only to salary as the best way to attract top talent. 33% said telecommuting was the top draw.

- *Robert Half International*

Work is becoming *more* about what we do, and *less* about where we go

Converging Trends Changing the Way We Work



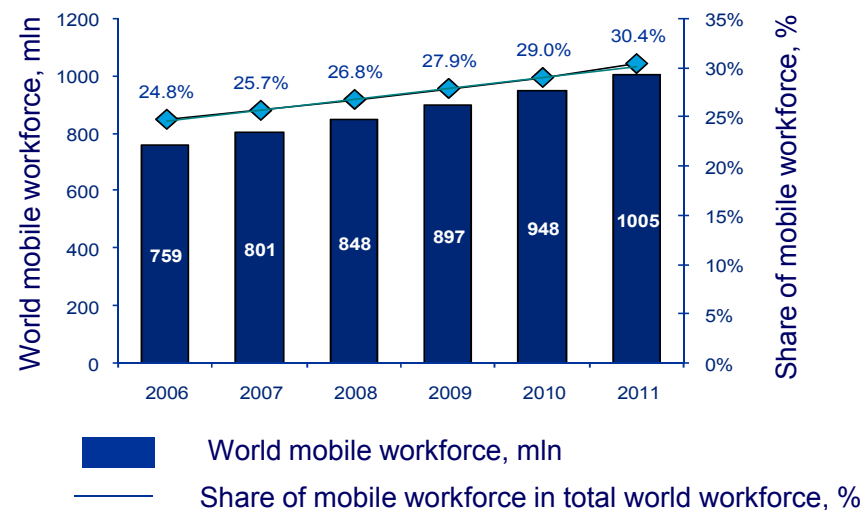
Increased Use of Technology and Need For Collaboration Go Hand in Hand

Changing work processes and increased use of technology through a series of technology adoption drivers have allowed a higher level of mobility and increased the mobile workforce

Technology Adoption Drivers

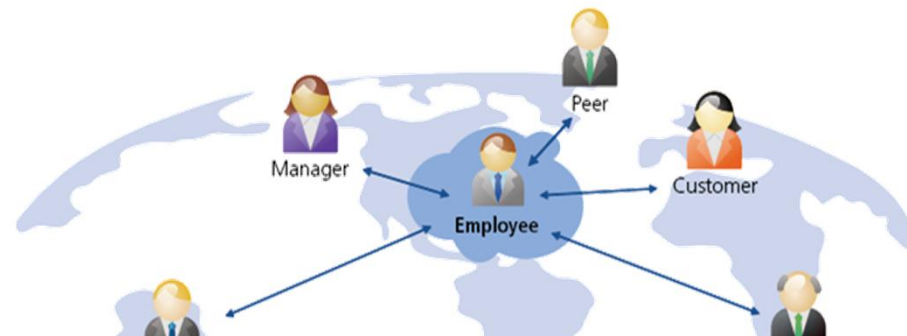


World Mobile Workforce 2006–2011



Continuity of Operations (COOP)

The 21st century networked organization allows people to maintain business continuity and interact with peers, managers, and customers in new ways

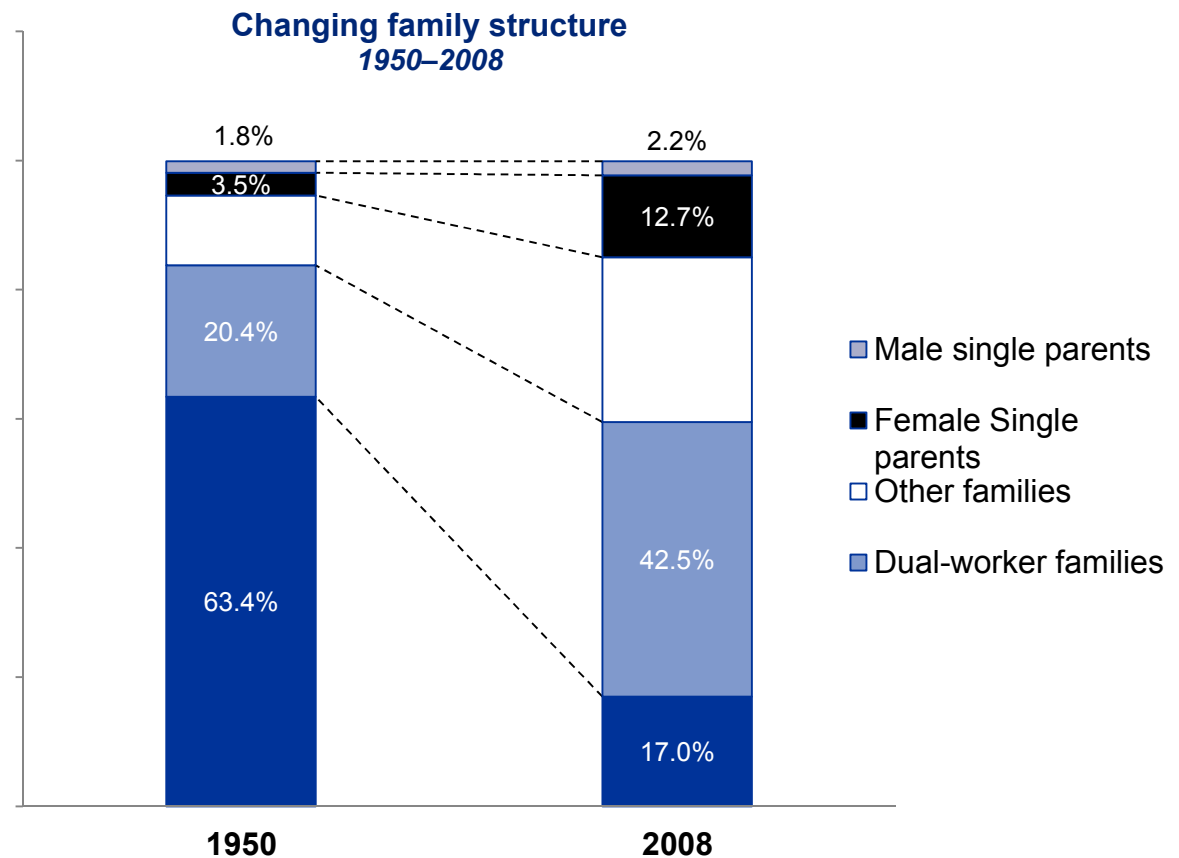


- Need for alternate workplaces to address weather, health, terrorism situations
- New norm -- 24 hour, 7 days / week world
- Global activities and relationships make work a continual activity – not 9:00 – 5:00

The Federal government lost an estimated \$70M in productivity a day due to the Washington, DC snowstorms of 2010. - U.S. Office of Personnel & Management (OPM)

Changing Family Structures Mean Work / Life Fit is More Complex

Half of all families have all adults working outside the home, and 73 percent of federal employees either have or will have dependent care responsibilities.

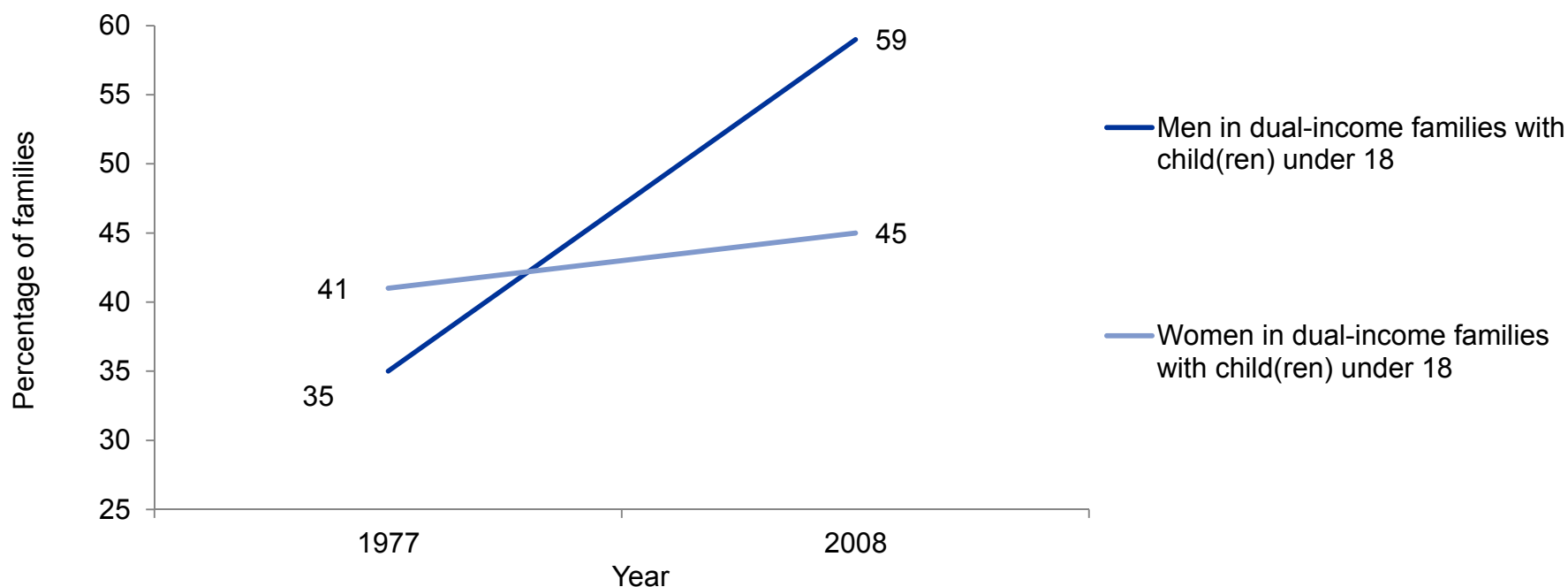


Sources: Catalyst and Bureau of Labor

Flexibility is Not Just a Women's Issue as Men's Expectation's Change

Men's need for flexibility is rising sharply as their roles at home have changed, and as their parents get older.

**Percentage of Men and Women in Dual-income Families reporting Work-life Conflict
1977–2008**



Each Generation is Distinct But Has a Lot in Common With The Others

There are many defining characteristics for each generation; however, they share a hunger for learning, purpose, deep connections – and flexibility.

Baby Boomers (born 1946-1964)



- ✓ Hard working
- ✓ Driven
- ✓ Respectful
- ✓ Patient
- ✓ Competitive
- ✓ Concerned

Gen-X (born 1965-1980)



- ✓ Independent
- ✓ Proud
- ✓ Hard working
- ✓ Career minded
- ✓ Self sufficient
- ✓ Skeptical

Gen-Y (born 1980-2000)



- ✓ Digital natives
- ✓ Impatient
- ✓ Tolerant
- ✓ Diverse
- ✓ Confident
- ✓ Optimistic

Unified Desires – They want to be...

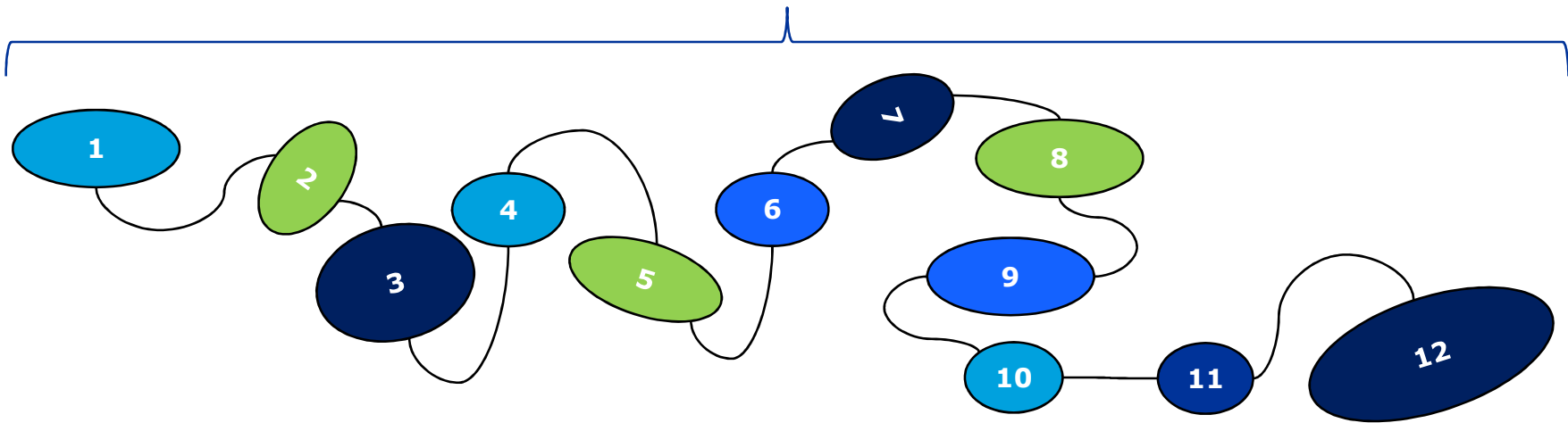
- ✓ Respected
- ✓ Recognized
- ✓ Remembered
- ✓ Coached
- ✓ Consulted
- ✓ Connected

Gen X and Y No Longer Seek “Career Destinations”

“My father was a loyal corporate soldier who worked at the same company for 32 years. But my generation is more interested in opportunities for fast growth ...”
- Gen Xer Ryan Bristol

“The best way to keep yourself employable is to always be learning. So when the learning curve flattens out, Gen Y jumps.”
- Penelope Trunk, The Brazen Careerist

Average person holds 12 jobs in their lifetime



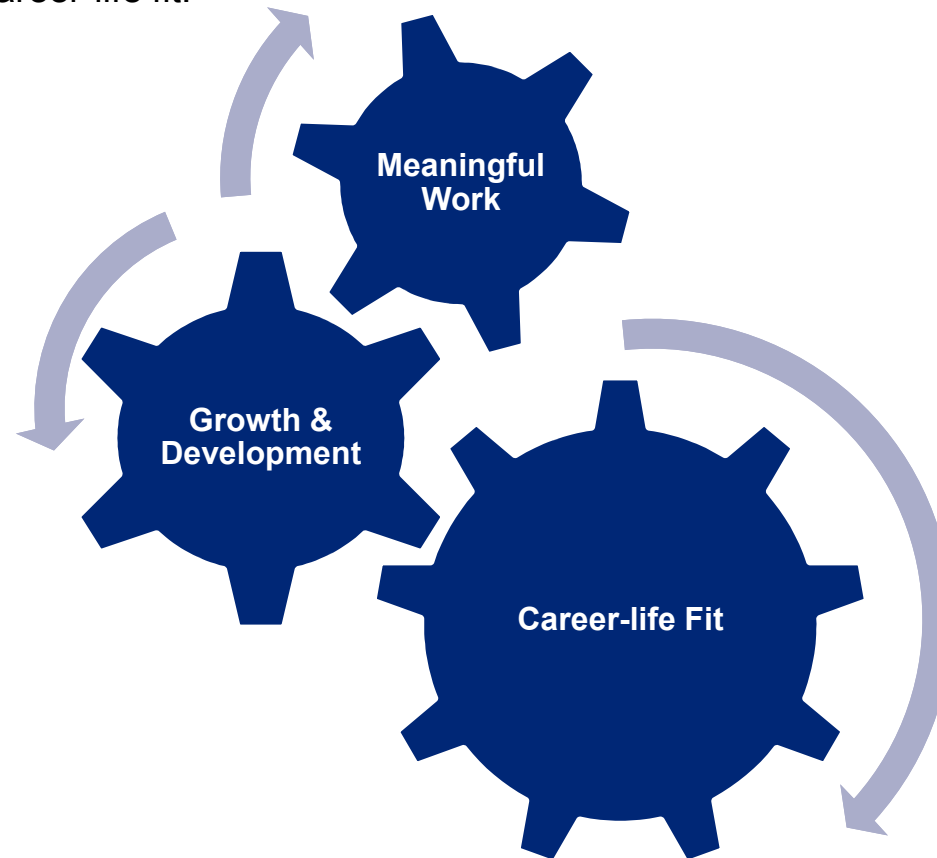
Painting a Picture of the Future of Work

The shifts in thinking from traditional concepts of work to the new way forward include:

<i>Where We Have Been</i>	<i>Where We Are Going</i>
Work is where you go	Work is what you do
Space defines status	Contribution and results define status
Command and control silos	Cross-team communities, collaboration
Out of sight, out of mind	Out of sight, in mind
Manage by being around	Manage by results
Flexibility as an accommodation	Flexibility as a choice and toolset for all
Space = my territory	Space = facilitator for innovation
Formal meetings, slow decisions	Flexible interactions, faster decisions
Traditional office space	Innovation centers and innovative uses

What is the New Value Proposition?

Today's top talent is looking for the opportunity to grow and develop while doing meaningful work in a way that supports career-life fit.



The goal is to make organizations embody this proposition

Discussion Question

How supportive is your work environment of workforce flexibility? Why?

- Very supportive
- Supportive
- Indifferent
- Against
- Strongly against



Making Virtual Work Part of “Business as Usual”

Discussion: It's all been said, so how do we get it done?

The case for workplace transformation has been made...

Why aren't more employees and organizations taking advantage of these strategies?



The Current Debate

Point	Counterpoint
<p>Workplace flex can increase productivity</p> <ul style="list-style-type: none">Americans spend an average of 100 hours commuting to work every year — equivalent to approximately two and a half full-time work weeks. <p>http://www.whitehouse.gov/assets/documents/2009fedleader_eo_rel.pdf</p>	<p>Facebook can't replace face time</p> <ul style="list-style-type: none">Are we reducing the talent pool for future leaders? How do employees get experience working with people, leading people, conducting meetings, having face to face conversations, giving and receiving direct feedback, etc., in virtual work environments? <p>http://www.teleworkresearchnetwork.com/resources/costs-benefits</p>

The Current Debate

Point	Counterpoint
<p>Just because managers can visually see employees at their desk doesn't necessarily mean they know what they're working on</p> <ul style="list-style-type: none">• Workplace flexibility programs are often found to highlight already flawed performance management programs	<p>Career fears from 'out of sight out of mind' mentality</p> <ul style="list-style-type: none">• 75% of managers say they trust their employee, but a third say they'd like to be able to see them, just to be sure. <p>http://www.teleworkresearchnetwork.com/pros-cons</p>

Barriers From Recent Case Studies

- Leadership can be unwilling to model the behaviors needed in a virtual working environment
- Some employees fear that their performance will not be evaluated fairly when they work remotely
- Inflexible systems make it difficult to integrate flexible work arrangements. Employees that do not take advantage of flexible work arrangements at times perceive they are working harder than their counterparts
- Collaboration technology adoption can be cumbersome. Inadequate training and use standards can make online sharing difficult

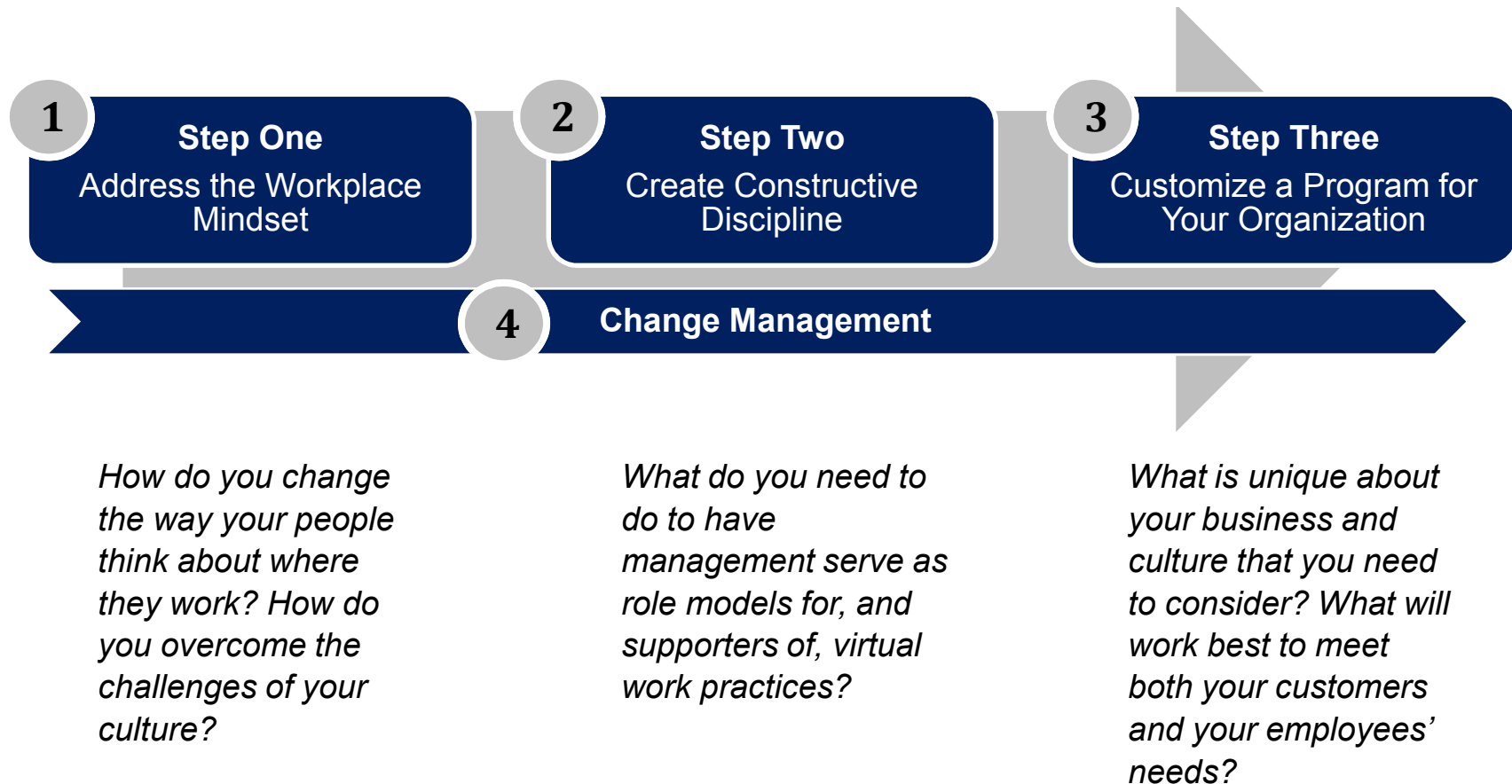
Common Managerial Barriers To a Flexible Workplace

- Managers are not adequately prepared to lead virtual teams
- Managers are concerned about how new systems, processes, and work environments will interrupt day-to-day operations
- Managers are not prepared to design and set expectations regarding work, productivity, performance results, and communication in a mobile work environment
- Managers desire and value in-person interactions and don't know how to re-create this in a virtual world
- Managers wonder how to successfully on-board and integrate new employees or team members in a virtual setting

Actionable Steps

Creating a More Flexible and Seamless Virtual / In-person Work Environment Can Be Achieved Through Four Steps

Develop a plan that can work for your business and culture. In our experience, creating a more flexible work environment involves four steps

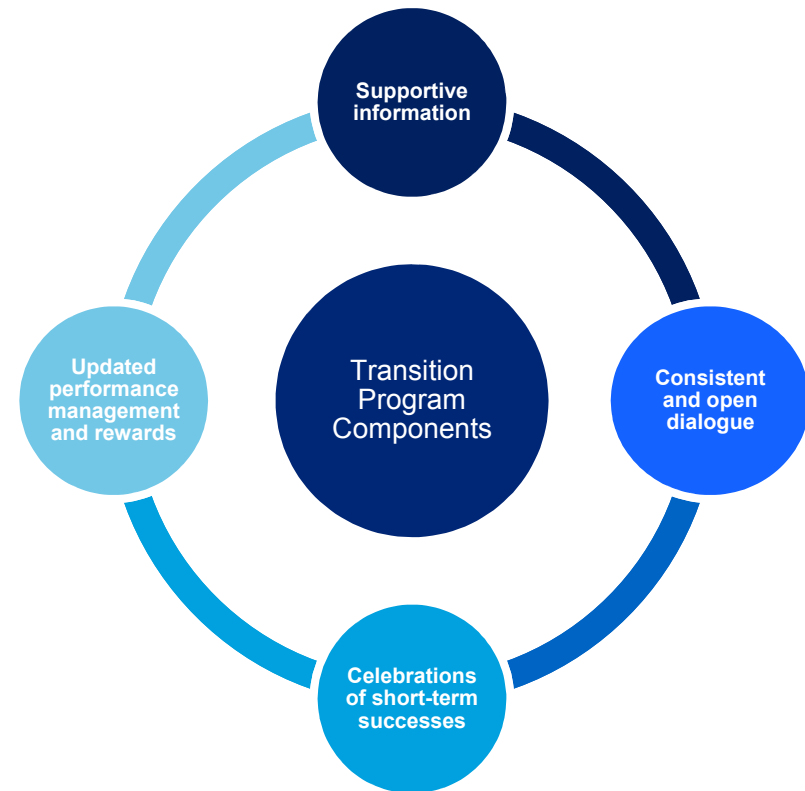


Address the Workplace Mindset

Actions that show an appreciation of the importance of physical space and how we deal with change as individuals can help an organization more effectively transition.

Tips for transitioning from personal to 'team' spaces:

- **Create connections to team-based physical space.**
Offset the traditional importance put on personal office space by emphasizing a new sense of connection to team-based office areas
- Look for opportunities to **enhance 'team' space** with symbols that celebrate the individuals who make up the team
- **Open up exterior window access and visibility for all,**
not just the ivory tower few
- Go for **comfortable seating in areas that serve as alternative meeting spaces**
- A mutually **inviting and engaging team environment** can be the quid pro quo to convince employees to let go of traditional attachments to personal space



Leaders should identify any new skills that are required in the new world to be effective, and to provide the training, support and rewards as employees ramp up to effectiveness in the new environment

Create Constructive Discipline

Managing a blended virtual and in-person team takes discipline and well-tuned organization skills. Employees take their cues from their leaders, so how management behaves matters a great deal.

In one major study, managers expressed concern with barriers to virtual work. The top six barriers were the following:

- 1) Organizational culture (74%)
- 2) Manager concerns (71%)
- 3) Resistance / fear of change (63%)
- 4) Executive buy-in / endorsement (55%)
- 5) Staff concerns, such as losing an assigned seat (42%)
- 6) Loss of contact with managers and colleagues (36%)

Each of these barriers are impacted, directly or indirectly, by the degree to which a manager:



**What this means is that for virtual work to really take hold,
you should get your managers onboard and engaged in the new way of working**

Customize a Program for Your Organization

When it comes to space and logistics in today's business world, there is no single solution that works for everyone. Ultimately, this is an exercise in managing presence, be it physical or virtual.

In customizing a program, keep in mind the following...

Ground rules and policies should be defined when virtual work is acceptable versus when physical presence is required, and who decides or approves alternative work options.

Performance metrics should be adjusted to reflect greater emphasis on results versus activities.

Trade-offs and choices should be primarily driven by business needs and "moments that matter" to customers.

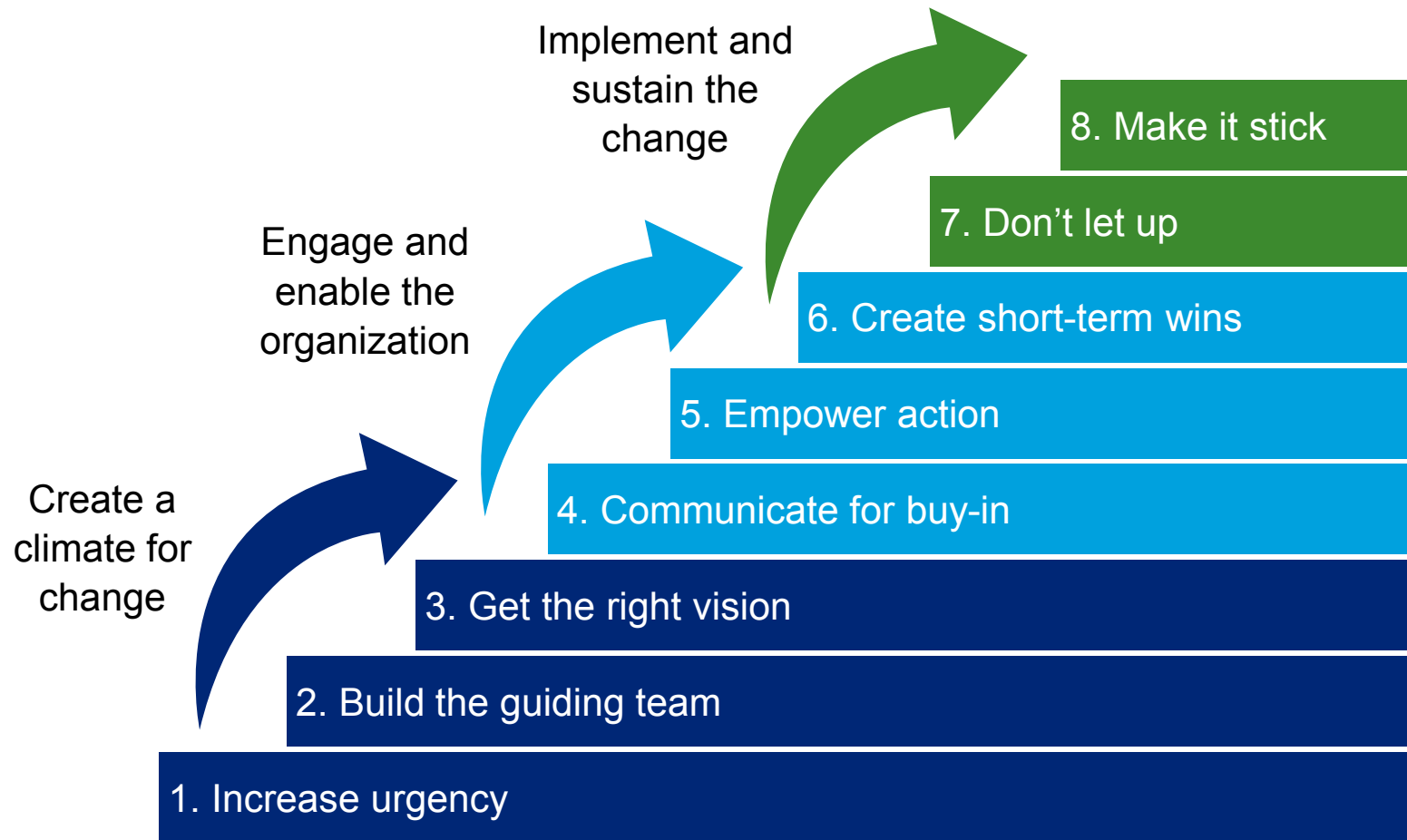
If we recognize that there are moments that matter, then there are also moments that matter less or not at all, which can open the door for greater flexibility.

To enable employees to work virtually with the same level of effectiveness, the proper technology tools should be in place to support the requirements of a blended work environment, including:

- Greater bandwidth and availability of broadband and VPN networks
- The provision of smart phones and laptops, on-line meeting and conference calling support tools
- Widespread use of social networking capabilities that enable manager / employee and team communications, such as SharePoint, LiveMeeting, Microsoft Messenger, WebEx, etc.

It is essential that there are resources dedicated to the infrastructure supporting virtual work

Change Management Builds Awareness and Commitment



A well-defined and integrated change management program can create the necessary awareness and engagement needed to implement workplace flexibility and realize its benefits

Through a Structured Approach, Employees Will Be Able to See, Feel, and Adopt Change

Considerations	Actions
Workplace transition team design	<ul style="list-style-type: none"> Focus on workplace transition team design, governance, and decision rights Determine roles, capabilities and staffing approach
Stakeholder and leadership alignment	<ul style="list-style-type: none"> Engage leadership and specific stakeholders around a common vision of the workplace Enlist specific executives to become vocal sponsors of flexible workplace principles, modeling specific practices themselves and inspiring widespread advocacy
Change readiness	<ul style="list-style-type: none"> Assess readiness and areas of organizational resistance to change Using a “stage-gate” framework; establish and monitor readiness checkpoints
Cultural assessment	<ul style="list-style-type: none"> Assess existing Talent, IT, and Real Estate factors to identify needs and cultural gaps Utilize a defined change program to align organizational and individual beliefs / behaviors with new ways of working
Communications and engagement	<ul style="list-style-type: none"> Tell the “story” as to the benefits of a flexible workplace; respond to concerns Use customized communications to drive understanding and acceptance
Training and competency building	<ul style="list-style-type: none"> Provide tools and training to managers and employees to build competencies and improve performance / results
Measurement and improvement	<ul style="list-style-type: none"> Determine metrics and reporting approach across specific functions (Talent / HR, IT, Finance, Real Estate), driving transparency and accountability Foster consistent improvement and innovation practices

A well-defined and integrated change management program can create the necessary awareness and engagement needed to implement workplace flexibility and realize its benefits.

Making A Distributed / Virtual Workplace “Business as Usual”

It is critical for leadership to clearly understand that removing individuals’ personal, defined workspace can leave people feeling deprived of their “territory.”

As leadership, remember to :

- ☐ Structure virtual work options to support business outcomes and the needs of your customers and talent
- ☐ Engage everyone in the organization in the journey
- ☐ Do not compromise those crucial human in-person connections – remember, the goal is not 100% virtual work, but the appropriate / balanced mix of in-person and virtual options for where and how work is accomplished
- ☐ Celebrate success stories – when people see that virtual work is a real option with benefits – they may be more likely to give it a try
- ☐ Focus on management – make them the role models to paint a clear and compelling picture of virtual work in action

It is important to develop an affiliation with the overall team space and creating meaningful virtual interactions with others

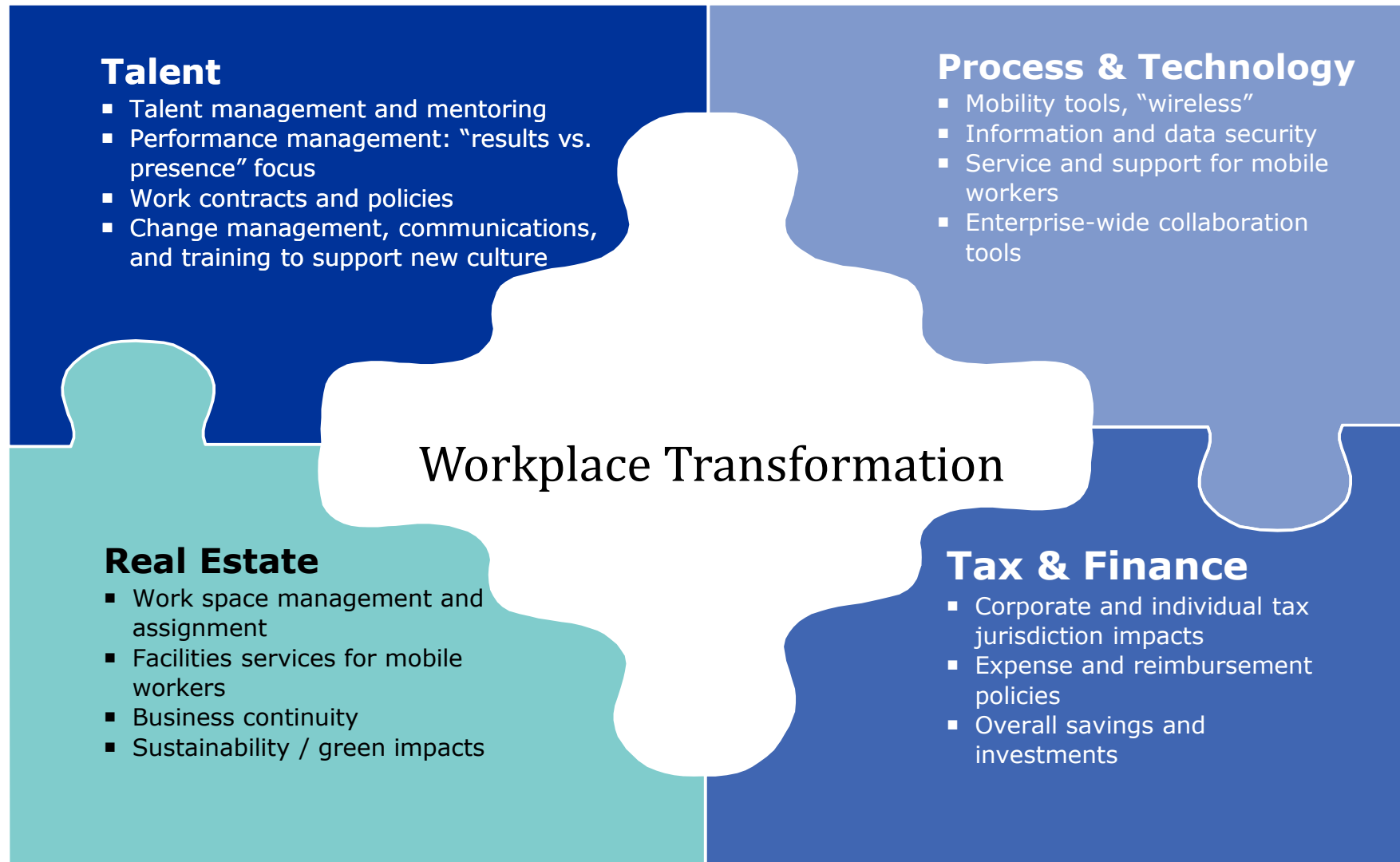
Lessons Learned and Path Forward

Lessons Learned to Implement Success Workplace Transformation Programs

Recognize the Business Case	Workplace flexibility can add value beyond employee recruiting and retention. For example, consider how flexible scheduling and/ or telecommuting can allow the company to operate in inclement weather, reduce office space, or hire talent who live in other geographic areas.
Assess and Segment the Requirements	Survey employees to learn which types of flexibility would be most valuable to them and carefully think through all the potential organizational implications before executing any new strategies. An evaluation often uncovers opportunities for small changes that can make a big impact on employee satisfaction without disrupting the organization.
Support Transparency	Create a safe environment for employees to come forward with their individual situations that could be solved with increased flexibility. While learning about employees' requirements for work-life fit, leaders often uncover other situations that need attention before they become a crisis.
Build the Infrastructure	Don't assume the organization's technology can support virtual workers. Test the infrastructure with a rigorous pilot project designed to uncover potential problems that could frustrate employees and undermine credibility.
Develop and Support Effective Managers	When it comes to improving the performance of remote teams, effective managers are able to identify each individual's role and assignment, and clearly link their contribution to business goals. They take a prescriptive approach in defining the team's deliverables and coordination required, especially as the virtual team learns to work together.
Develop Self-Directed Teams	Informal strategies are often more effective than formal policies in managing day-to-day work life flexibility. Set clear expectations about what work must be done and by when—then allow teams to negotiate on how they can most effectively meet their collective work goals and personal needs.

The key to implementing successful workplace flexibility programs is through a multi-disciplinary approach (Talent, Process & Technology, Real Estate, Tax & Finance)

Align All The “Stars” Working As An Integrated Team



Conclusion: A Way Forward

- Companies are having to **rethink what they thought were constraints to flexibility** and find creative ways to meet both what the business needs and what employees and prospects are looking for.
- It's **not one-size-fits-all proposition**, but rather an ongoing effort to figure out a combination of strategies that makes for a sustainable solution.
- One positive step organizations can take is to **encourage employees to discuss situations that are causing them to seek more work-life flexibility**, rather than simply viewing it as hopeless and walking out the door. **Make it OK for employees to ask for the conversation and explore options.**



“As technology continues to migrate from fixed to mobile devices, companies should anticipate workplace flexibility growing as an issue, especially with pressure to have more women in the workplace. There will be more emphasis on working remotely. More companies will need to put this on their agenda and determine how to deal with it.” - Rosabeth Moss Kanter (Arrive, March / April 2013)

Q & A