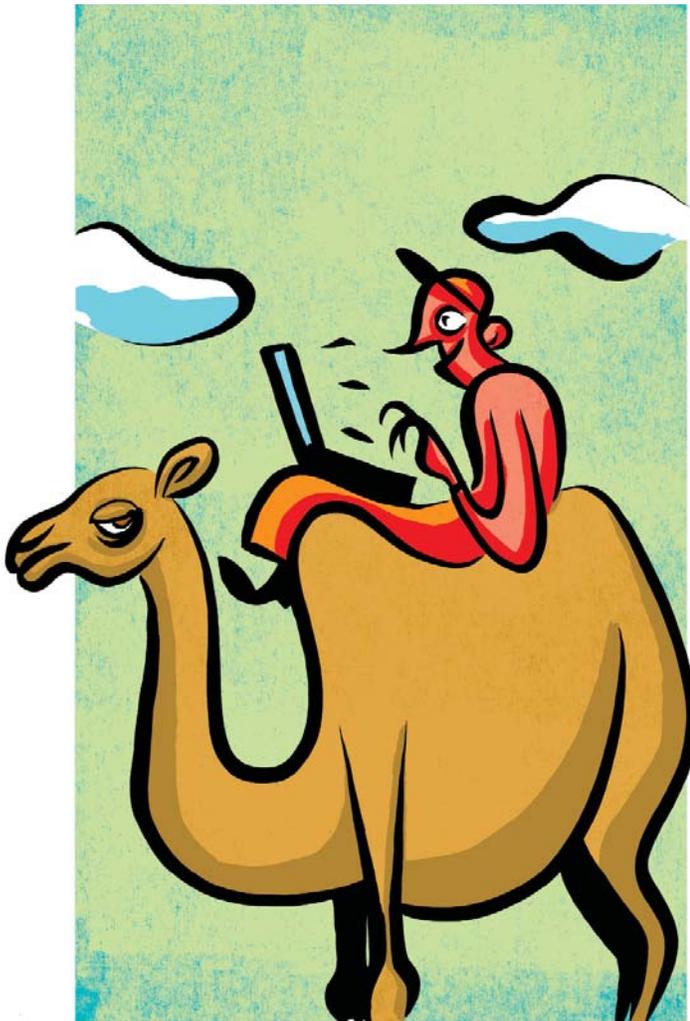


Set Them Free

How Alternative Work Styles Can Be A Good Fit



Teleworker. Mobile worker. Bedouin. Nomadic. Location agnostic. Professionals who sometimes—or always—work at a location other than the office have gone by a variety of terms over the years. It's an alternative style of working, but not an insignificant one: "Roughly one-fifth of [the American] workforce is part of the so-called Kinko's generation, employees who spend significant hours each month working outside of a traditional office."¹

According to a 2005 report from IDC, a global market intelligence provider, the worldwide mobile office population will increase from 425.1 million in 2004 to 543.1 million in 2009.² Asia Pacific and Japan are expected to experience the most growth (5.5 and 8 percent, respectively). Meanwhile, Western Europe's mobile worker population is expected to increase 1.5 percent, and the U.S.'s 2.7 percent. Analysts at Gartner Dataquest predict the number of mobile workers in the U.S. will grow 10 percent annually.³ WorldatWork, an organization that focuses on human resource issues, estimates that 100 million workers [or about two-thirds of the workforce] will telework at least sometimes by 2010.⁴

Why We're Working Everywhere

There are a variety of reasons for this burgeoning trend. Mobile technologies, affordable high-speed Internet access, and more secure, cost-effective virtual private networks have helped managers gain faith in something workers have long known, i.e., there are times when you can be more productive someplace other than the office, or even the home office.

Today, workers work from an average of 3.4 locations, including airports, coffee shops, and vendor or customer sites.⁵ Companies have always talked about being closer to the customer; with today's technology, they can be sitting right next to a customer without sacrificing access to their own company's data. The results are powerful. In an Economist Intelligence Unit study of 1,500 executives worldwide, "50 percent [of highly mobile respondents] said that mobility yielded improved customer satisfaction."⁶

Productivity also increases. In Best Buy's ROWE (Results-Only Work Environment) program, managers "...can judge employees only on tasks successfully completed—even if none were done in the office.... Employee productivity has increased an average of 35 percent in departments covered by the program."⁷ In another example, AT&T figures it receives \$150 million worth of additional productivity from its teleworkers.⁸

Better productivity won't have much of an impact however, if the right workers aren't on the job. Alternative work styles that allow people to work when and where they want entice older workers to stay in the workforce longer. That is a factor as many skilled workers in developed economies are nearing retirement. In the U.S., for example, the baby boom generation (those born between 1946 and 1964) will number 46 percent more in 2010 than in 2000, an increase of 11 million.⁹ By 2020, almost half of the adult European population will be over 50.¹⁰ In response, leading companies are trying to give workers reasons to come and stay.

Other ways of working also provide the improved work/life balance highly valued by "emergent workers." They are the 52 percent of the American workforce who are "confident, self-reliant, and distinguished by a set of workplace values and expectations that vary drastically from what managers have previously encountered."¹¹

Contrary to popular belief, the ranks of these "emergent workers" are filled with people of all ages, although the "digital natives" predominate. They have grown up with technology and already view e-mail as an old way to communicate and resist traditional boundaries. As Charles Grantham, a principal at Future of Work, has said, "Their worlds bleed together. It's pretty useless to try to draw borders around different spheres of life for them. It's

better to let them shift among them at their own choosing, as long as the work gets done."¹²

In fact, 86 percent of U.S. workers said work/life balance and fulfillment are top career priorities, according to a survey conducted by Spherion, the recruiting and staffing agency; 96 percent said an employer was "more attractive when it helped them

meet family obligations through options like flextime, telecommuting, or job sharing."¹³ AT&T considers its telework program a success in this regard. "Turnover in our virtual office population is half that of

the turnover in our general salaried employee population," according to Joseph Roitz, AT&T's telework director.¹⁴ Sun Microsystems has also cut its turnover rate in half for the employee population that works in its iWork at Sun program, in which employees can choose from three primary work arrangements.¹⁵

Preserving the natural environment will likely increase in importance as companies look for ways to be better environmental citizens. According to Forrester Research, "Altogether, employers that participate in the Best Workplaces for Commuters program, which encourages companies to implement telework and telecommuting programs...saved 389 million gallons of fuel and 3.4 million metric tons of carbon dioxide cumulatively from 2001 to 2005."¹⁶

Putting Space to Better Use

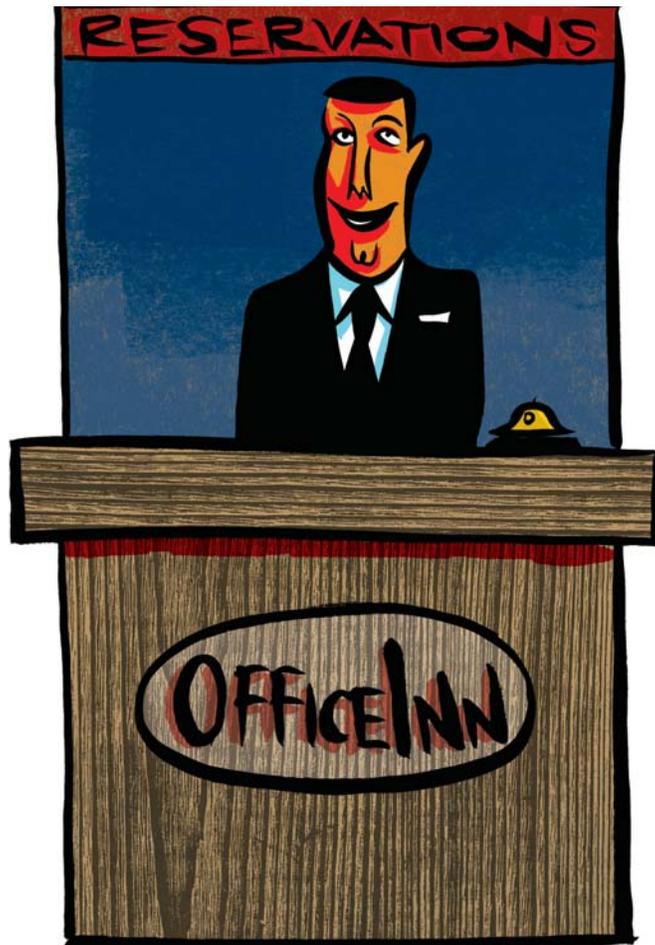
In just the last few years, work has evolved from the place you go to the thing you do. Most organizations—even progressive ones—are still transitioning to this new paradigm, however, and wrestling with the implications, not the least of which is rethinking company space. "What's happening as a result of all the mobility is that 47 percent of individual workstations are unoccupied at any given time at our West Michigan facilities," says Paula Edwards, Workplace Strategist at Herman Miller, Inc.¹⁷ One company report forecasts that there will be a 17 percent decrease in square footage usage between 2005 and 2015.¹⁸

Other companies have been experiencing the same thing. Sixty-five percent of workstations were vacant at Cisco.¹⁹ At Sun, 35 percent of employees were not even showing up at their assigned building, let alone at their assigned workstations. International bank ABN Amro found that only 45 percent of the

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seats in its London office were occupied.²⁰ At the same time, the more peripatetic workers become, the more critical it is to have spaces where they can meet and reconnect when they are in the office.

There are a variety of alternative work styles companies can use to address the changing nature of work, including hoteling (reservation-based unassigned seating), hot-desking (first come, first served), and evolved open plan environments (fewer and lower partitions, along with quiet rooms and team spaces). Mobile work, although it is a driver behind the other alternative work styles, can itself be a work style.



like VoIP (Voice over Internet Protocol) and lightweight laptops make this way of working almost seamless.

Herman Miller started using the hoteling model with its unassigned spaces ("campsites") but discovered it really wasn't necessary because there were always spots available. Now the system is more like hot-desking, which works well except for one facility that has enclosed campsites ("studios"). Says Edwards, "People show up early in the day and lay claim to a studio for the whole day, day after day, which is an abuse of the system"—and a drawback to the model. Without reservations, there's no way to prevent the abuse.

Hoteling environments are often used for large groups that have low in-office occupancy rates, e.g., consultants. The number of people a hoteling environment can support varies according to the occupancy rate, so it's important to track space use. Companies who use formal hoteling environments often have either a person or software that tracks use and manages the reservation system. They also have a concierge who sets up a space for the person who has reserved it. "These kinds of environments require a great deal of setup and support, but the space and cost savings generally outweigh the setup costs," says Edwards.²¹

Hot-desking (unassigned seating, no reservations) fell out of favor for a while after advertising firm Chiat/Day, in a move that was ahead of its time, tried to implement it in 1994. Back then, the firm outfitted workers with mobile phones and laptops and instructed them to find a different desk to work at each day, and to stop using paper. But the technology wasn't evolved enough and the infrastructure had shortcomings (there was a scarcity of equipment and storage space). People lost track of each other and got frustrated, and the program was abandoned. Now technology has caught up with the idea and things

In a variation of hot-desking, teams are given dedicated space, but the workspaces within that space are primarily unassigned. In this "group address," or "shared address," an entire group is brought into the program at one time and a space is designed just for them, including quiet rooms and meeting rooms as well as workstations. How big the area is depends on projected occupancy. Depending on how aggressive a company wants to be, it might plan for 30 workspaces for a team of 100 workers that only has a 30 percent occupancy rate. ABN Amro has found keeping team members together in this way helps "retain the team's social structure and make it easy for people to find their way around."²²

Evolved open-plan environments (fewer and lower partitions, along with quiet rooms and team spaces) are becoming more common as people realize that an open-office workstation just doesn't support all the kinds of work that happen in an office. For this model to work, workers must be mobile enough so that they can easily collect their work and work tools and move to a quiet room, as necessary.

The evolved open-plan model has a nice benefit—it's primarily an open setting that allows for collaboration.

As companies understand the link between collaboration and innovation, many are moving in this direction. Conversely, some are moving back to private offices as a way of supporting workers' concentration, "but this happens at the cost of interaction and collaboration. It's a balancing act," says Edwards.²³

Aligning Work Style with Corporate Goals

The alternative work style a company implements depends on which one it thinks will align with corporate goals. Any of the alternative work styles can result in cost savings. On the other hand, if work/life balance is the goal, a company might want to ramp up its support of telework. Leading companies seem to be using a combination of approaches to accomplish their goals.

Cisco wanted to reduce costs but also improve the work experience for employees by supporting the new ways they were working. It combined evolved open-plan, unassigned seating (only administrative help has assigned), and telework strategies in its "Connected Workplace" environment; it is more analogous to a home than to the old-style office. "It's a multifunctional area in which you move around, as appropriate, while you do different types of work with different members of your work 'family,'" says Cisco's Mark Golan. "Your 'office' is the entire environment, not just an individual office or cube."²⁴ Employees are free to choose the area most conducive to the task. Cisco saved 37 percent on real estate rent by accommodating more people in the same amount of space. It pegs its productivity benefits at \$2.4 billion in 2005.²⁵

Herman Miller's goal is to be one of the best places in the world to work so that it can attract and retain the best workers. One of the ways it's doing that is by giving employees choice about when, where, and how (and possibly even how often) they work. Another of its goals is to encourage innovation through a work environment that "creates meaningful connections."

The company also wants to make sure there's not a disconnect between allocation and use of space. So it is piloting a program: If several people in an area agree to give up their assigned space, a portion of that space is returned to the group in the form of additional places to work, e.g., studio space or project space. "This decreases the amount of space we can ultimately reduce in our portfolio, but we think giving people lots of choices in the ways they can get their work done is important," says Edwards.²⁶ Reallocating the space this way provides a variety of places for people to work, meet, converse, and simply bump into each other.

The more people work remotely, the more important it is to provide "we spaces" where workers can come together. Participation in the Herman Miller program is voluntary. If 200 people join that will translate into a savings of 30,000 to 40,000 square feet, a number reached by factoring in both people giving up underutilized individual space and gains from space planning inefficiencies.

The tricky part, says Edwards, is assessing how many people will want to participate so the facilities group can plan accordingly. For that, Herman Miller is using some research it did on the relationship between the nature of work (process) and worker preferences as assessed through the Myers-Briggs Type Indicator[®], which measures basic differences in the ways individuals prefer to use their perception and judgment.



Based on two studies of 700 people working in a variety of job types in eight West Michigan locations, researchers found a correlation between space preferences and the Sensing/Intuition (S/N) scale of the Myers-Briggs types. The S/N scale focuses on how a person takes in information. Sensing individuals prefer taking in information through the five senses, noticing what is actual. Intuitive individuals prefer to take in information from a “sixth sense,” create a big picture from nuggets of information, and note what might be.

The correlation was this: Sensing (S) individuals prefer to work in an individual assigned space. Having an assigned space is important to them (regardless of how much time they actually spend there). Whereas intuitive (N) individuals rate having their own assigned space as less important, they rate the availability of group/community spaces higher in importance.²⁷ These findings, which transcend age and job types, are helping Herman Miller assess how big the program might be and identify early adopters.

Through this research, the company also came up with a work style construct. The company’s workplace strategy group uses this construct to help plan for workspace provision in the pilot phase and beyond. In the construct, workers are classified as anchored, campus mobile, traveling mobile, or distributed. The idea is that anchored workers will always get assigned workstations and basic technology. Campus and traveling mobile workers can choose to have an assigned workstation or an unassigned workstation. If they choose unassigned, they will get more advanced technology tools to ensure they can work efficiently from almost anywhere. Distributed workers are those who live far away and, as a result, typically work from a home office.

Impact on Culture

While alternative work styles have an impact on how office space is used, their greatest impact is on corporate culture. Some employees may not want to work from locations other than their desks, even if it makes sense to do so, because they believe “out of sight is out of mind.” Most often, however, the biggest obstacle to alternative work styles is managers who fear losing control: “With managers and employees working out of sight from one another, managers fear perceptions that they will have less authority, and less ability to motivate and influence their

subordinates—resulting in less status in the organization.”²⁸

Companies already implementing alternative work styles agree that training managers is tantamount to success. “It’s a different skill set to manage without seeing the whites of people’s eyes,” says Tracy Brower, Workplace Knowledge Consulting Practice Leader at Herman Miller. “It’s managing to results as opposed to managing to presence or the clock, and you have to deal with that through training and development.”²⁹

Another consideration is that low-proximity (remote) work comes with different expectations than high-proximity work. For example, in high-proximity work, people are likely to have chance encounters in which they generate ideas and resolve problems. When people work remotely, they must find other ways to do these things and they must set new expectations, e.g., “Monday is our in-office day.”

In addition, workers will not intuitively know what kind of behavior is acceptable in new kinds of spaces created to support alternative work styles. At Sun Microsystems, where offices and other work resources are shared, spelling out rules related to etiquette, cleanliness, and office supplies has proven to be critical to the program’s success.³⁰

Employees may adapt quickly and enthusiastically to telework, which can bring a different set of problems. Employers believe “self starters” are ideal candidates for remote work, but many a remote worker knows being a “self stopper” is just as important. One Best Buy employee told *Time*, “the hardest part of the adjustment [to the ROWE program] was not working 24 hours a day. Because you have that ability now. I had to learn when enough is enough.”³¹ Easier said than done. According to one study, teleworkers are four times more likely to say they worked on vacation as Americans in general.³² Some workers may fear that



being able to work from anywhere 24/7 will lead to the expectation that they are available 24/7.

Workers who are already mobile may resist giving up their dedicated office space because they can't let go of its perceived status. In an interview broadcast on NPR's "Marketplace," Prentice Knight, CEO of CoreNet Global, an association of corporate real estate executives, said it's been most difficult "among those people who say, 'I've worked here for years, I've earned that corner office or I've earned that space.'"³³ The paradigm of office space as reward is changing, however. Workers entering the workforce are more likely to want their generation's status symbol—cutting edge technology they can use for work and for fun.

Cultural Characteristics

Encouraged by the successes of alternative work style leaders like Sun Microsystems, Cisco, Hewlett-Packard, and Herman Miller, other companies may want to adopt similar programs. But experts are clear that cultural change must precede or accompany these programs. Brower calls it "authenticity and alignment," also known as "walking the talk." If the program doesn't align with the culture—if management is not modeling the ostensibly desired behaviors, if the rewards and recognition system doesn't reinforce using it, if people who choose an alternative work style are penalized either overtly or covertly through comments like, "Gee, it must be nice to leave at 3:00"—then the program will likely fail. "Without alignment, you sacrifice sustainability," says Brower.³⁴

What are the cultural characteristics critical to the success of an alternative work style program? Empowering employees to do their jobs and trusting that they will know the best place from which they can accomplish their objectives. Furthermore, "if people are going to be given more freedom in how they do their work, [employers] need to be very clear with employees on what those objectives are, how they fit with overall corporate strategies, and how the workers will be evaluated," says Edwards.³⁵ That's part of a willingness to manage outcomes rather than activities. Researchers at Gartner say, "This means that the focus of work measurement is centered on accomplishments against agreed-to goals and objectives."³⁶

To help companies get there, Gartner researchers

offer two sets of resolutions, one for managers and one for workers, that will encourage a culture receptive to alternative work styles.³⁷ The managers' resolutions include:

- Set rules for communication and job protocols, keeping global issues in mind.
- Create location-free team spirit.
- Share information and opportunities equally with local and remote workers.
- Never casually question or jest about employees' work habits.
- Use technology to facilitate planned and spontaneous communication.
- Convert staff meetings to audio teleconferences or online meetings.
- Use flexible schedules to maximize individual contribution.
- Solicit feedback from out-of-sight and local employees; show them that you care.

Workers' resolutions include:

- Set a deadline for learning how to navigate the company.
- Reach out to other team members, even if you have not "seen" them.
- Contribute to teams; be assertive.
- Agree on business hours; keep status messages up to date.
- Focus on the job; don't chatter or gossip in online systems.
- Introduce yourself, pay attention during meetings, and ask questions.
- Tell peers and managers when and how you are at your best.
- Be constructive; show your manager that you care.

Building Support

Even organizations that are culturally friendly to alternative work styles have to work to build support for them. Pilot groups work well because they allow you to incorporate what you learn into the program before rolling it out to a large population. Edwards meets regularly with members of the pilot group at Herman Miller and hears "the little stuff that bothers pilot participants but that they'd never call me up to complain about."

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Thus far, the feedback has resulted in the addition of “campsite toolkits” mobile workers can borrow while they are at a Herman Miller facility. These include supplies that a worker might need, e.g., scissors, stapler, and paperclips, but are inconvenient to carry around. The company is also developing a “campground,” which is basically a cluster of campsites. The campground will, Edwards hopes, give mobile workers a community of their own, complete with the camaraderie and informal information sharing that happens in a traditional team setting.

What eventually developed into the ROWE program at Best Buy was, at first, a stealth pilot program, started in a single department that needed to improve morale.³⁸ It had to be stealth because the corporate culture “always glorified long hours and sacrifice.”³⁹ But when that department’s turnover went from 14 percent to zero in the first 3 months and productivity and team performance both rose, word spread. Five years later, 60 percent of employees participate.⁴⁰

Sun has found that “sound data is the most persuasive argument for change.”⁴¹ Sun’s other best practices include studying work profiles to better match work with work arrangement; providing technology support services and training; including managers in the development of the overall program; and providing training in how to manage the alternative worker.

Key to the Sun program is worker willingness to try it, and to that end, the iWork at Sun program allows each employee to choose the arrangement that’s most appropriate, given the work he or she does and his or her family obligations. The breakdown: 20 percent choose assigned workstations; 20 percent choose home offices; and 60 percent choose flexible offices, which allow them to work from home or another location up to two days a week.⁴²

Choice is important, both for purposes of attraction and retention (not everyone will like the idea of not having a desk of his or her own) and for productivity. As mentioned earlier, Sun employees who are able to choose their work arrangement quit at half the rate of employees who don’t have a choice, and they report “very high” productivity scores.⁴³

The Way of the Future

In fact, choice seems to be the watchword for the future of work. The authors of the book *Corporate Agility* predict workers will spend 30 percent of their time in a variety of “third places”—small facilities business people can use for everything from

meetings to copying.⁴⁴ (Forty percent of their time will be spent in corporate facilities, and 30 percent in home offices.)

The authors put forth their own “third places” model: locally owned but nationally networked membership-based Business Community Centers (BCC) that will provide workstations, equipment, meeting space, and office amenities on an as-needed basis. “Think of a health club. As a member, you don’t own the facility or the equipment outright; you divide its cost and share its use with the other members.”⁴⁵ In addition to the membership fee, BCC members would pay for space and services when they needed to use them.

A nationally owned version of the BCC already exists. The Regus Group runs 950 business centers in 400 cities worldwide. These models, or something similar, are likely to appeal to businesses because they provide another solution to the facilities mix without adding overhead. Alternatives keep a company’s options open.

And people’s options open. “Alternative work styles mean there are multiple right answers,” says Brower. “It’s about giving people many options to work in the way and place that works best for them. It’s about creating new possibilities and then making them available so people can think about their work in new ways.”⁴⁶

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