

A united front: businesses and workers demand flexibility.

Regus – September 2015



Flexible working growth fuelled by worker demand and business support.

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Management Summary.



Flexible working is becoming increasingly popular, with half of the global workforce reporting that they work outside the main office at least part of the week. The reasons behind this growth can be roughly divided into business and worker-focused drivers.

48%

of professionals prefer to work closer to home

For businesses, flexible workspace means taking steps to become an agile organisation that can rapidly and readily meet changing market requirements. It also means reducing the use of expensive, often under-occupied leasehold property by offering workers the opportunity to work from locations closer to home instead. But being able to set up a presence closer to customers is also a key element to success as global firms report that physical proximity helps them resolve issues faster, improves customer satisfaction, increases sales and boosts productivity. Firms are also aware that they can better attract and retain top local talent by providing them with work locations closer to where they live.

From a worker's perspective, business people globally confirm that a need for better work:life balance is driving the demand for flexible working among professionals who prefer to work closer to home (48%), reducing their lengthy commutes and freeing up time to spend on personal pursuits and relaxing. This is especially important as nine out of ten workers report they work overtime.

Fortunately for burnt-out workers wishing to work flexibly, the vast majority of firms report that companies are becoming more focused on measuring employees on outputs rather than time spent in the office. Fully three quarters (76%) even declare that senior managers are actually more productive if they can work flexibly.

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Key Findings and Statistics.

- Over 44,000 workers globally were asked for their views on flexible working and the drivers contributing to its increasing popularity. They were also asked about attitudes to remote management and their overtime work patterns.

Respondents report that businesses are increasingly moving towards flexible working in order to create agile organisations that are better able to rapidly respond to market changes.

- Giving employees the opportunity to work flexibly such as choosing to work closer to home also helps tackle the issue of leasehold under occupancy (17%) as businesses are able to reduce underused fixed office space costs.
- Setting up locations closer to customers also help to boost sales (67%) and to attract and retain top local talent (64%) that may be put off by lengthy commuting. In fact 61% of respondents report that the need to improve work:life balance is driving up the increase in flexible working.
- Almost half of respondents think that more workers demand to work flexibly to be closer to home (48%), and therefore to combat the rising cost of commuting (32%).
- Firms wishing to comply with best practice employee flexibility standards (31%) and those wanting to attract staff from a wider talent pool (29%) are also driving take up of flexible working. This is good news as workers globally are doing an average of almost one full day overtime every week.

- Although the majority do around 2-4 hours more each week, over one in ten (14%) report putting in more than 15 hours overtime each week. And Monday really is the longest day with over one in ten workers staying on late to catch up from the weekend and to try to get ahead. By contrast workers are keen to get out early on Friday when only 10% commit to regularly doing overtime.

- Workers staying on late and working overtime can really benefit from choice of location and respondents suggest that businesses are well disposed to allow them to work flexibly. Specifically, 54% of respondents confirm that companies like theirs are looking to increase the number of remote workers.
- In spite of this, only 43% of firms have put special training in place for management to manage a remote workforce.
- Fully 79% confirm that firms like theirs are becoming more focused on measuring employees on outputs rather than time spent in the office and over three quarters declare that senior management can actually benefit by becoming more productive if they can work flexibly.

44,000

workers globally were asked for their views on flexible working and the drivers contributing to its increasing popularity.

- 14% report putting in more than 15 hours overtime each week.
- 43% of firms have put special training in place for management to manage a remote workforce.
- 54% of respondents confirm that companies like theirs are looking to increase the number of remote workers.



improve
work:life
balance

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Introduction.

Whether by allowing workers choice over location or more freedom to manage their timetable, businesses globally are increasingly embracing flexible working.

A report by Citrix suggests that by 2020 the proportion of businesses offering mobile working will reach 89%¹, and the groundwork to achieve this high target is clearly already being laid as a study conducted by Vodafone shows that 86% of multinational enterprise businesses consider the implementation of mobile flexible working as a medium or high priority.²



In the USA, for example, telecommuting increased 79.7% from 2005 to 2012,³ while another report by Forrester Research, predicts that the US telecommuting ranks will swell from 34 million in 2009 to 63 million by 2016.⁴ Meanwhile in the UK from the 30th June 2014 the right to work flexibly was extended from just carers and parents to all employees meaning that more than 20 million Brits can now ask for flexible working. Specifically the government has forecasted 182,000 requests per year, with the new right accounting for 81,000 of the new requests. It is expected that 144,000 will be granted and 64,000 of these will be employees benefiting from the new extension.⁵

58%

of workers in Mexico were remote, compared to 28% in Brazil and 45% in Argentina.⁵

But businesses are also expected to reap rewards from the measure, helping them reduce underused office space and improve worker productivity: benefits to business are predicted to come in at £55.8 million.⁶

In line with the findings in this latest report, a 2013 study by HowDolbecomeA.net, confirms the global popularity of flexible working and found that in Latin America there is a particularly high rate of take up. Two years ago, the research found that 58% of workers in Mexico were remote, compared to 28% in Brazil and 45% in Argentina.⁵

There are a number of reasons driving business to increase the take up of flexible and remote working and among these some of the most important are: complying with regulations, adhering to best-practice work:life standards to attract top employees, increased productivity through shorter commutes and a healthier workforce, but also cost reduction and agility.

The high volatility experienced by global markets since 2007 continues to rear its ugly head, most recently in the form of the Chinese stock market crash in July 2015 and the knock-on effects of fears relating to a 'Grexit' from the Euro, not to mention the Syrian war and ISIS crisis. All these events bring back to the forefront the fragility of international trade and the importance for businesses to think 'agile' and be able to respond

rapidly and effectively to unexpected market changes.

Divesting assets is one way to achieve better liquidity and flexibility and Ernst and Young reports that in the industrial sector companies are doing so in order to build consensus for more effective portfolio reviews, while the financial services sector is driven by capital requirements and changing regulation. Interestingly the life sciences sector mostly sees divestment being made because the asset being sold was not part of the core business. Under-occupied workspace could be a prime example of non-core assets.

¹ National Institutes of Health and the Centers for Disease Control and Prevention, Changing Work and Work-Family Conflict: Evidence from the Work, Family, and Health Network, 2014.

²CareerBuilder, Teachers, Engineers and Scientists Among Most Likely to Gain Weight on the Job, CareerBuilder Survey Finds, May 2013.

³N. Bloom, Does working from home work?, 2014.

⁴Sigal Barsade and Hakan Ozcelik, Work loneliness and employee performance, 2011.

⁵Citrix and Cebr, The productive value of the untapped workforce: A study into the potential economic impacts of a flexible working culture, November 2014.

⁶Regus, The hidden perils of working from home, November 2012.

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Flexible Working Introduction



Being able to rapidly retract or expand a firm's presence is critical to ensuring the safety of employees, but also to protecting profitability and securing the pipeline. One key way to become more agile is the reduction of fixed overheads, as stated by 39% of respondents in 2012 who declared that reducing expensive fixed office space leasing arrangements was one of the key take-away learnings from the recession.⁷

Savings made by reducing office space can be huge. In the USA for example, the U.S. General Services Administration (GSA) is saving \$24 million a year in real estate costs since it moved its 4,000 Washington, D.C.-based employees from three buildings to one. The Department of Homeland Security is also reportedly saving \$70 million in real estate costs by reducing rented space, increasing telework and adopting desk sharing.⁸

In addition to financial benefits, businesses can achieve improved worker health and well-being by offering flexible working. Specifically, in a hyper-

connected world where work emails and telephone calls are always at the tip of our fingers on smartphones and iPads as well as computers, it is easy to see that burn-out is a very real risk. But stress related diseases such as heart disease, obesity and diabetes are not the only issues that can be triggered or aggravated by workplace stress and long hours as mental health can be damaged too. While sick employees cost businesses in terms of days off, Mental Health America clearly quantifies that mental illness and substance abuse-related issues cost employers \$80 to \$100 billion.

Interestingly though, recent studies show that the most important factor in lowering work-related stress levels and increasing wellbeing, is not working less, but the ability to set your work hours and feel in control.⁹ Offering some form of flexible work arrangement, whether in the form of flexible hours or choice of location is an easy way to achieve this and to protect workers, and their productivity, from dangerous stress

levels. A recent survey by FlexJobs asking respondents how having a more flexible job would impact their health and happiness further confirms this result with 91% saying it helps them take better care of themselves and 90% declaring it would decrease their levels of stress.

But workers do not expect to have to sacrifice their career prospects for the sake of improved work:life balance and 74% of millennials specifically report that they want to be able to work flexibly but still be on track for promotion.¹⁰ Workers globally also confirmed that although they value flexibility they also want to maintain opportunities for collaboration and networking even when not in the office with other employees. Specifically, this need was expressed by 54% of respondents in the Americas, 55% in EMEA and 57% in APAC in a recent study.¹¹ Access to colleagues, managers and other professionals is therefore key to providing flexible workers with the right balance of interaction and flexibility to ensure they are productively managed, fulfilled and maintaining their skills.

⁷Citrix and Cebr, The productive value of the untapped workforce: A study into the potential economic impacts of a flexible working culture, November 2014.

⁸OECD, Labour market statistics: Labour force statistics by sex and age: indicators, OECD Employment and Labour Market Statistics (database).

⁹Working Mother Media, How Men Flex, 2014.

¹⁰Ernst & Young, Work:life challenges across generations, 2015

¹¹ESNA, Remote worker collaboration figures infographic, 2014

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Results.

In order to help explain the dramatic increase in take up and interest in flexible working across the globe, Regus commissioned research canvassing over 44,000 senior managers and business owners asking them about their remote working habits and for their views on main drivers for firms like theirs to take up flexible working.

The survey also analysed the major trends for overtime work across the globe identifying average additional hours and 'longest' days of the week and canvassed business people's views on prevalent remote management attitudes and strategies.

50%
of workers work outside
the main office at least
2.5 days a week

Respondents working outside the main office 2.5 days a week or more



The flexible working revolution

Half of business people globally report that they work remotely, or outside one of the company's major office location, at least half the week or more. The proportion is fairly consistent among key geographies analysed suggesting that across the globe, remote working is well accepted. Interestingly, some of the higher take-up of remote working is seen in emerging economies such as Mexico, Brazil and India, rather than the USA, the Netherlands and Canada which sit at the bottom of the pile.

So what are the reasons driving more and more firms to embrace remote working? Reports show that a number of different pressures are contributing to drive this change in workstyle practices and that these are both 'business' and 'people' led.

One key issue driving firms to increase their use of flexible working is the need to become more agile and responsive to market changes. As the markets remain volatile and conflicts continue

to erupt across the globe, firms need to ensure that they are able to retract and retrench rapidly, but also that they are keeping their ear to the ground and are making the most of new opportunities expanding in promising new markets faster than the competition.

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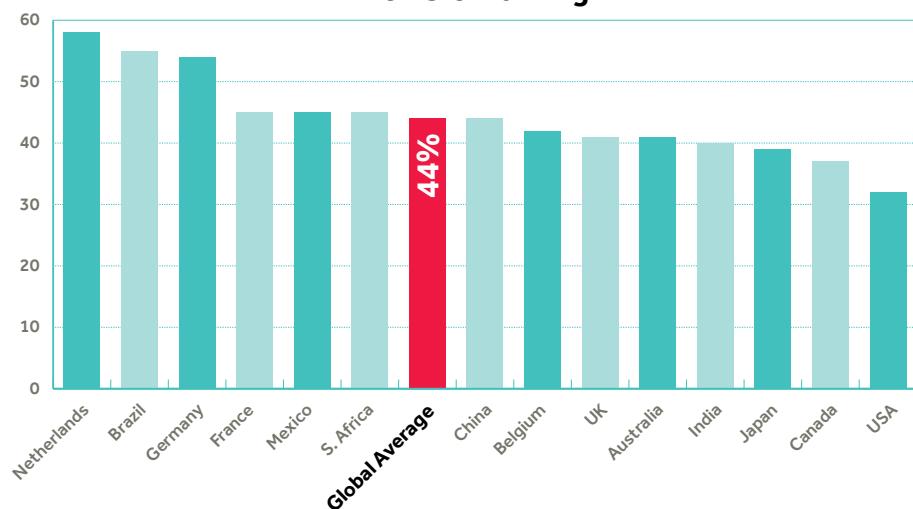
By reducing reliance on fixed leasehold property and operating on a per-needs basis, agile firms are also able to reduce under-occupancy of their main headquarters.

Almost a fifth of businesses see the reduction of lease-hold property under-occupancy as a driver for flexible working.

In fact, many agile businesses prefer to operate with smaller headquarters, but to branch out in a number of satellite locations that are closer to where their staff live or to where their customers are based.

The benefits of being closer to customers, in particular, can be huge. Businesses report that having locations closer to customers helps to resolve issues faster and increases visibility, improves customer satisfaction and

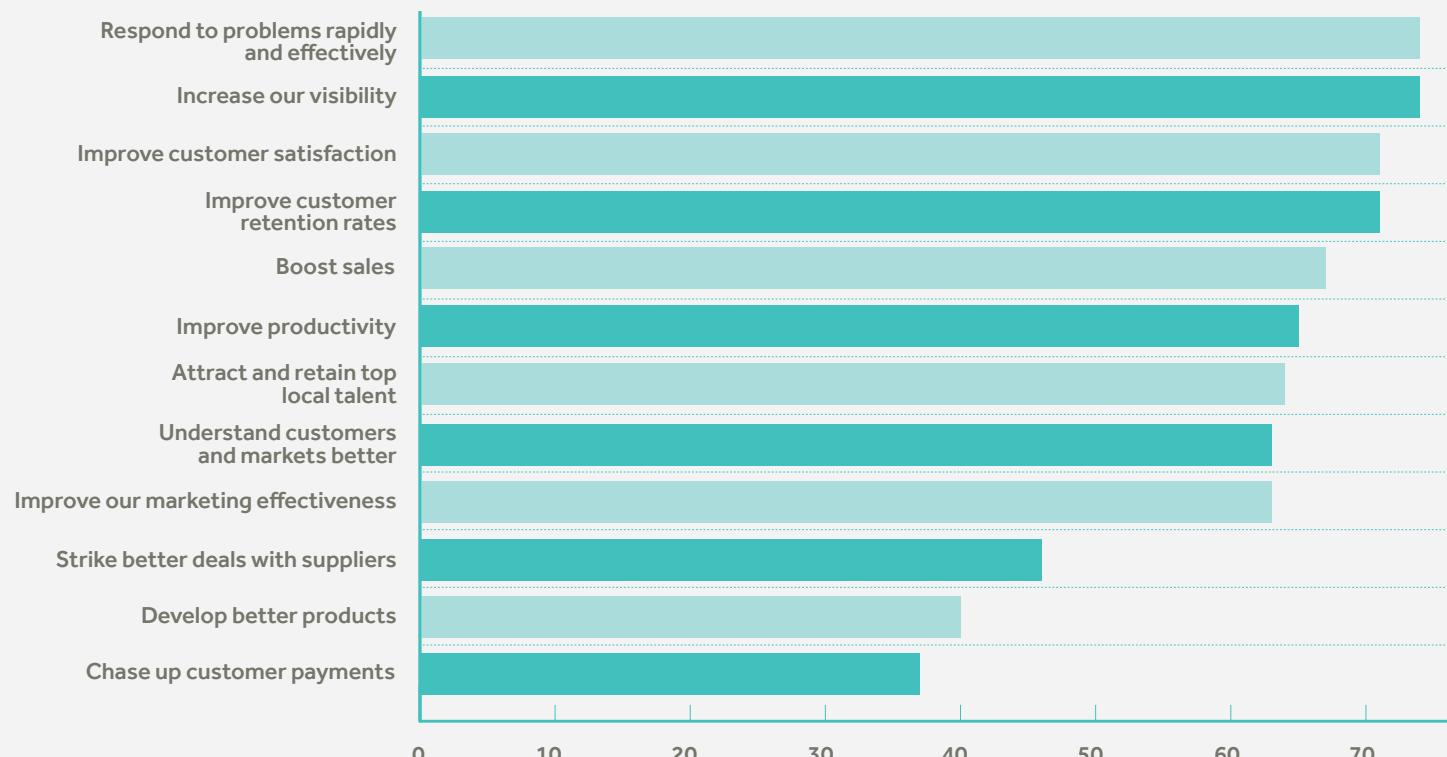
Respondents reporting that the need for agility is driving flexible working



retention rates, boosts sales and even improves productivity. But living and breathing the same environment as customers also clearly improves market knowledge, therefore improving new product development and helping

marketing address their targets in their own words. In addition to this, setting up a location physically close to customers and prospects helps attract and retain top local talent.

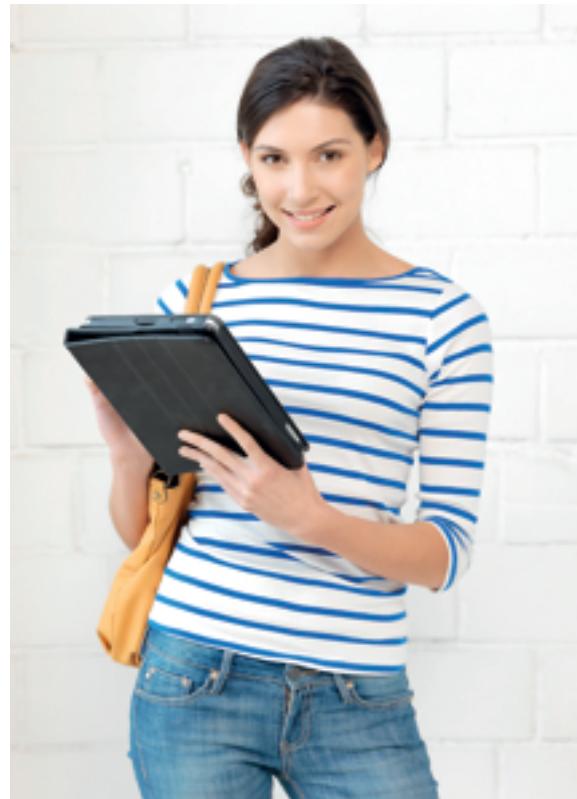
Respondents highlight the benefit of being physically close to customers and prospects



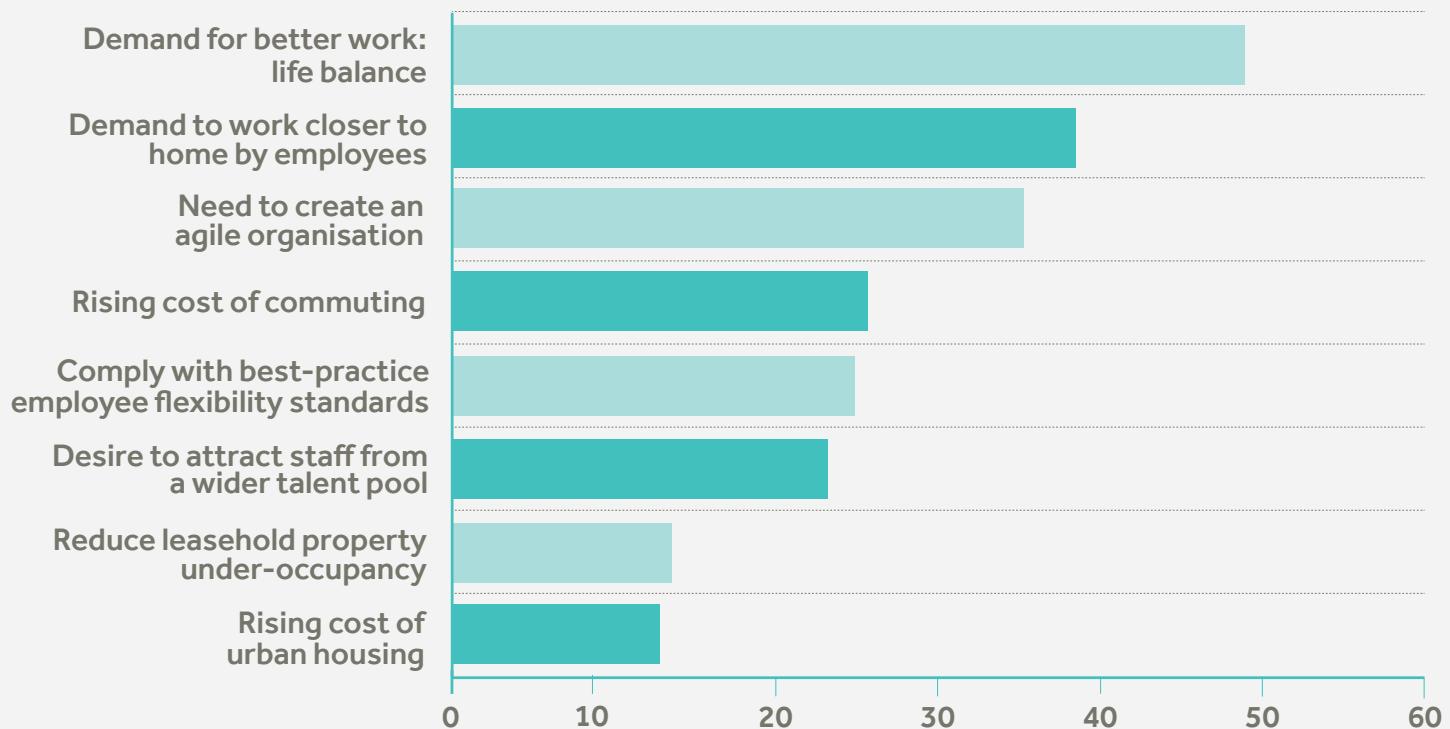
The balance bonus

In addition to hard-nosed business evidence and drivers, firms are also looking at increasing flexible working to improve the health, well-being and productivity of workers. 61% of senior managers and business owners globally report that the demand for better work:life balance by employees is pushing them in this direction. Similarly, almost half report that one of the key drivers is staff desire to work closer to home, guaranteeing better management of personal and business tasks and close to a third report workers demand shorter commutes.

Taking into account the importance that employee demand has on driving flexible working, it is not surprising that firms wishing to attract top staff and retain their best employees are careful that they comply with best-practice industry standards for offering flexible working options. Similarly, providing workers with the option to work closer to home is seen as an ideal way of helping widen the talent pool to workers that prefer to be closer to home such as parents, carers and older workers.



The main drivers of flexible working selected by respondents

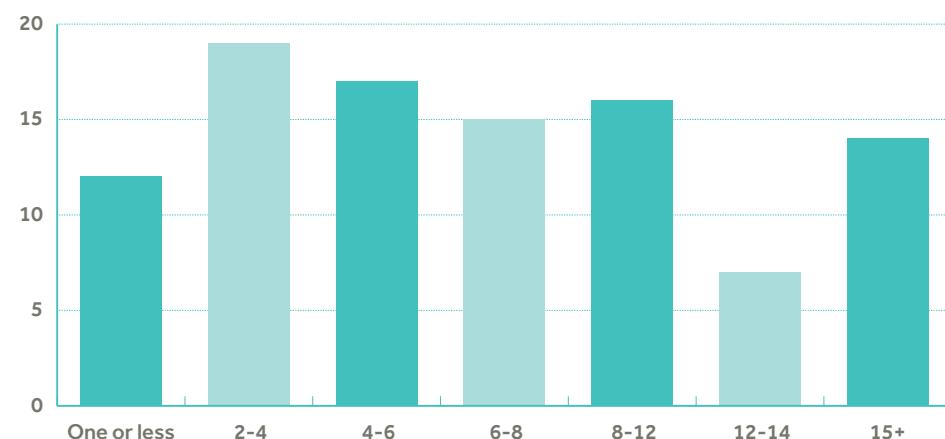


The longest day

It is a relief that businesses look favourably on flexible working especially given that globally the average employee works almost one full day in overtime every week clocking up 7 additional hours. Although the majority only work an additional 2-4 hours a week small group of workaholics clocks up over 15 hours. Being able to carry out this work from a location closer to home, or the gym, or wherever they prefer to be, certainly helps ease the pain.

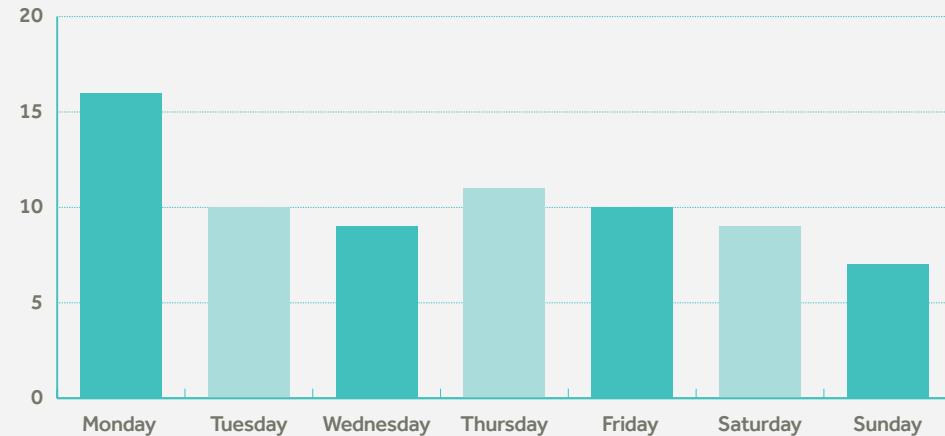
The average employee,
globally, works almost
one full day
in overtime every week

Respondents report how many hours overtime they usually do in a week



Interestingly, workers also report that the day they are most likely to stay on longer is Monday when they most probably try to catch up from the weekend and to get ahead for the week, while on Friday they are keen to get out and start the weekend.

Respondents report which day of the week they are most likely to have to work overtime



The challenge of remote management

The majority of businesses confirm the key role that flexible working plays as a recruitment and retention tool and report that firms in their sector use flexible working to promote staff retention. 63% also report that they manage a remote worker at least some of the time. This dips in Japan, where face-to-face office culture is still very strong and peaks in India.

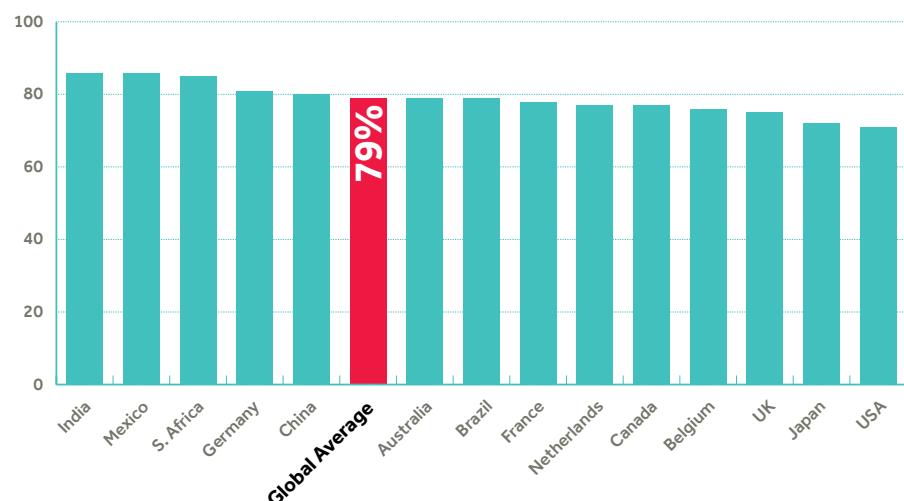


Almost four fifths say that firms like theirs are becoming more focused on measuring employees on outputs rather than time spent in the office, confirming that most businesses are comfortable with remote working and concerns over productivity are being addressed by focusing on outcomes rather than time spent at the desk. This type of measurement is of course particularly apt for more senior roles where performance, rather than attendance is under greater scrutiny.

79%

report their company
is more focused on
results than time spent
in the office

Respondents reporting that companies like theirs are becoming more focused on results than time spent in the office



76%

of workers globally work more productively when able to work flexibly.

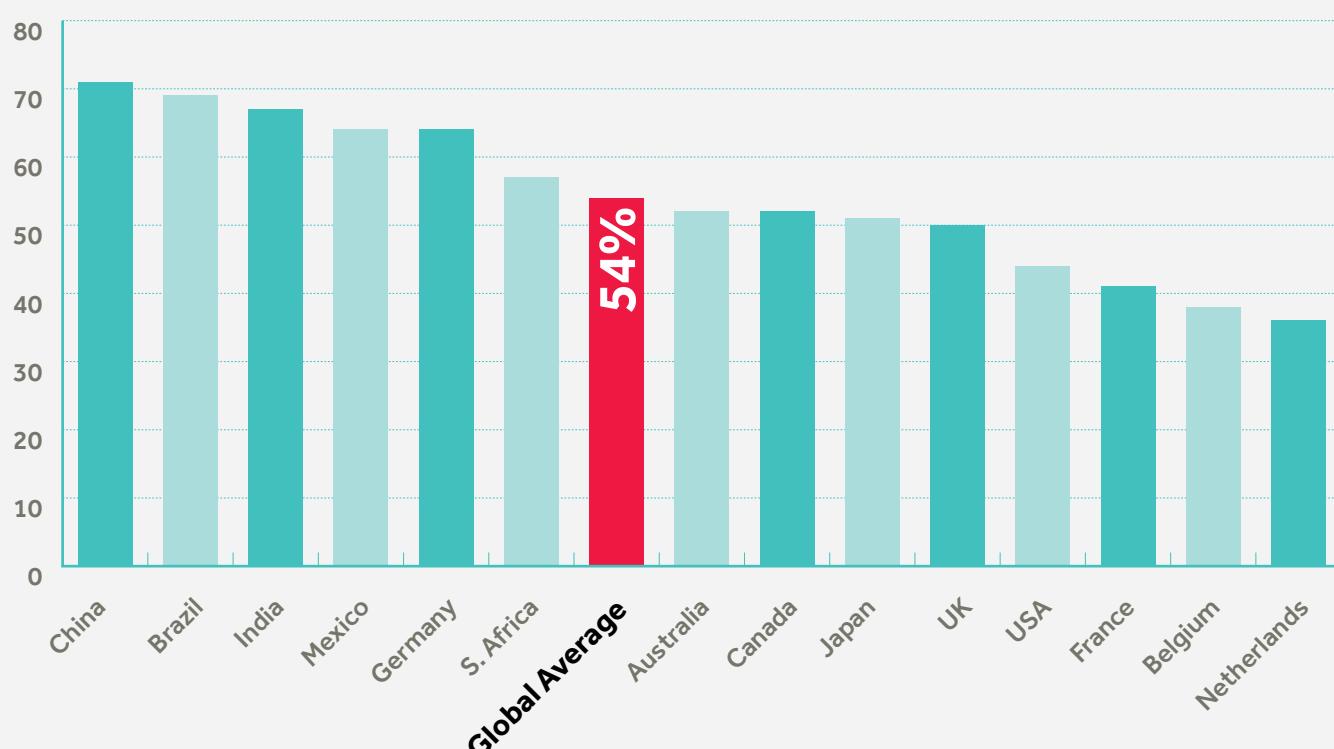
It is not therefore surprising that businesses report that senior management are actually more productive when able to work flexibly than otherwise. Belgium and France particularly stand out for their support of this assertion, while Japan lags behind.

Respondents saying that senior managers become more productive if they are able to work flexibly



As a result, it's hardly surprising that over half of businesses say companies like theirs are planning to increase the number of remote workers they have on the books.

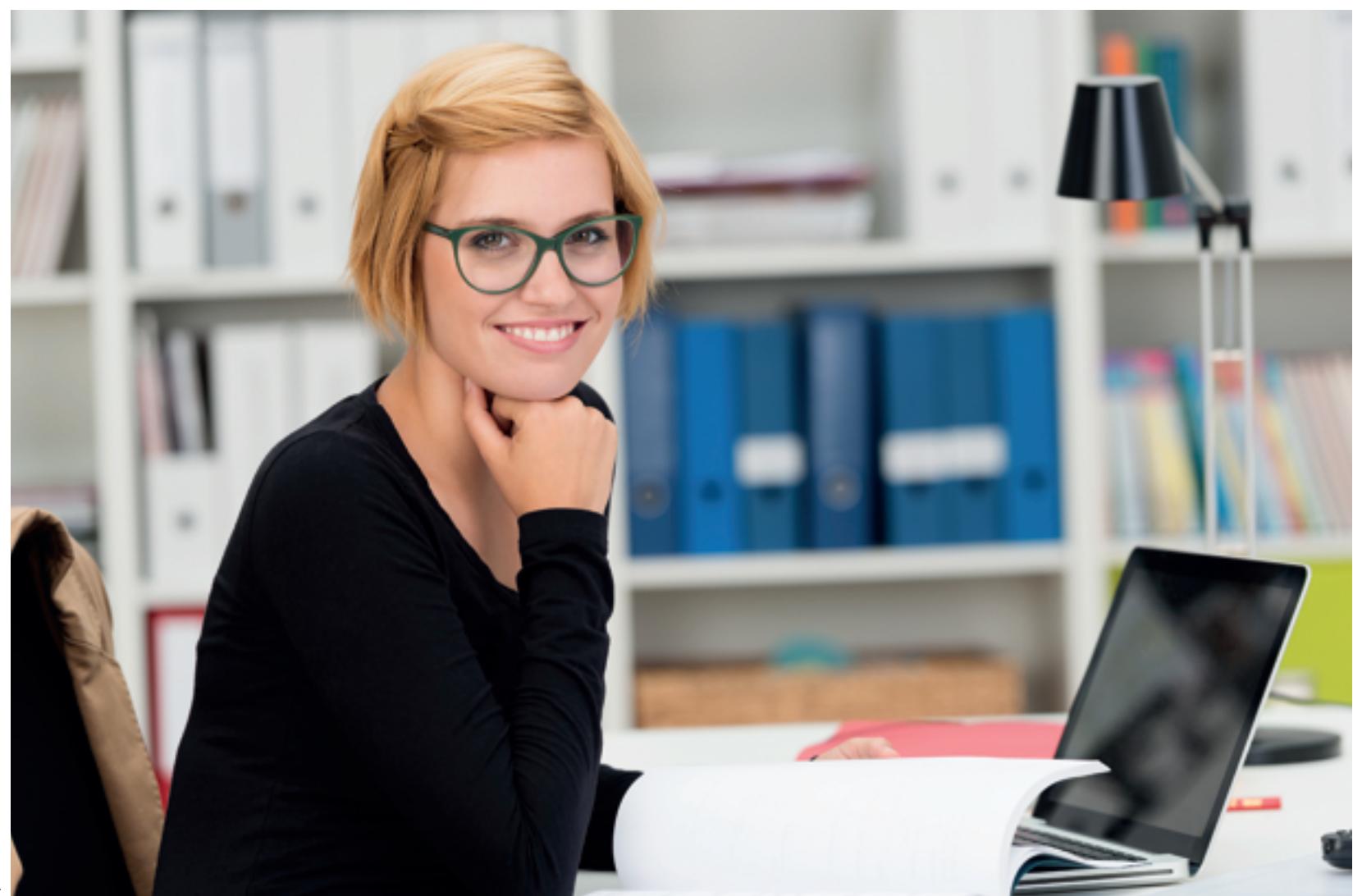
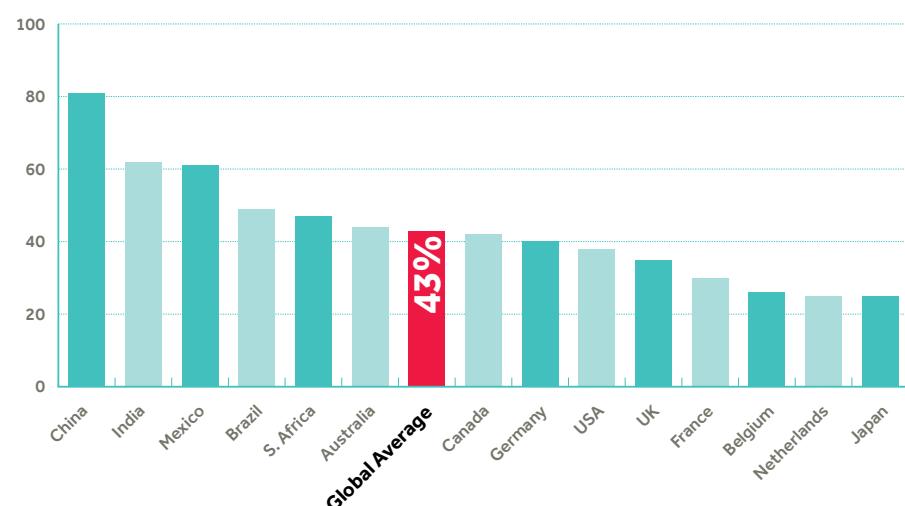
Respondents reporting that companies like theirs are planning to hire more remote workers



In spite of this expected increment, only 43% of firms have put special training in place for management to manage a remote workforce. This is especially interesting in the case of Germany which sits above the global average in terms of increasing flexibility, but below it in terms of preparation via special training.

43%
of firms have put special
training in place for
management to manage
a remote workforce

**Respondents reporting that companies are putting in place
special training for remote managers**



Conclusion.

As flexible working rapidly continues in its course to becoming the norm, this latest report confirms that already half of workers globally work flexibly at least some of the time. The main drivers promoting the take-up of flexible working can roughly be divided into two 'types': hard business benefits, directly linked to the bottom-line, and those stemming from employee demand for better work:life balance.

Businesses see flexible working, and specifically the reduction of fixed office space and its lengthy inflexible leases, as a key way to become a more agile organisation that is better able to expand or retract depending on market circumstances. A lighter structure, with fewer fixed desk spaces in the main office and flexible satellite locations not only benefits workers that are able to work closer to home and reduces their commute, but also allows businesses to be physically closer to customers and prospects servicing them better and increasing sales.

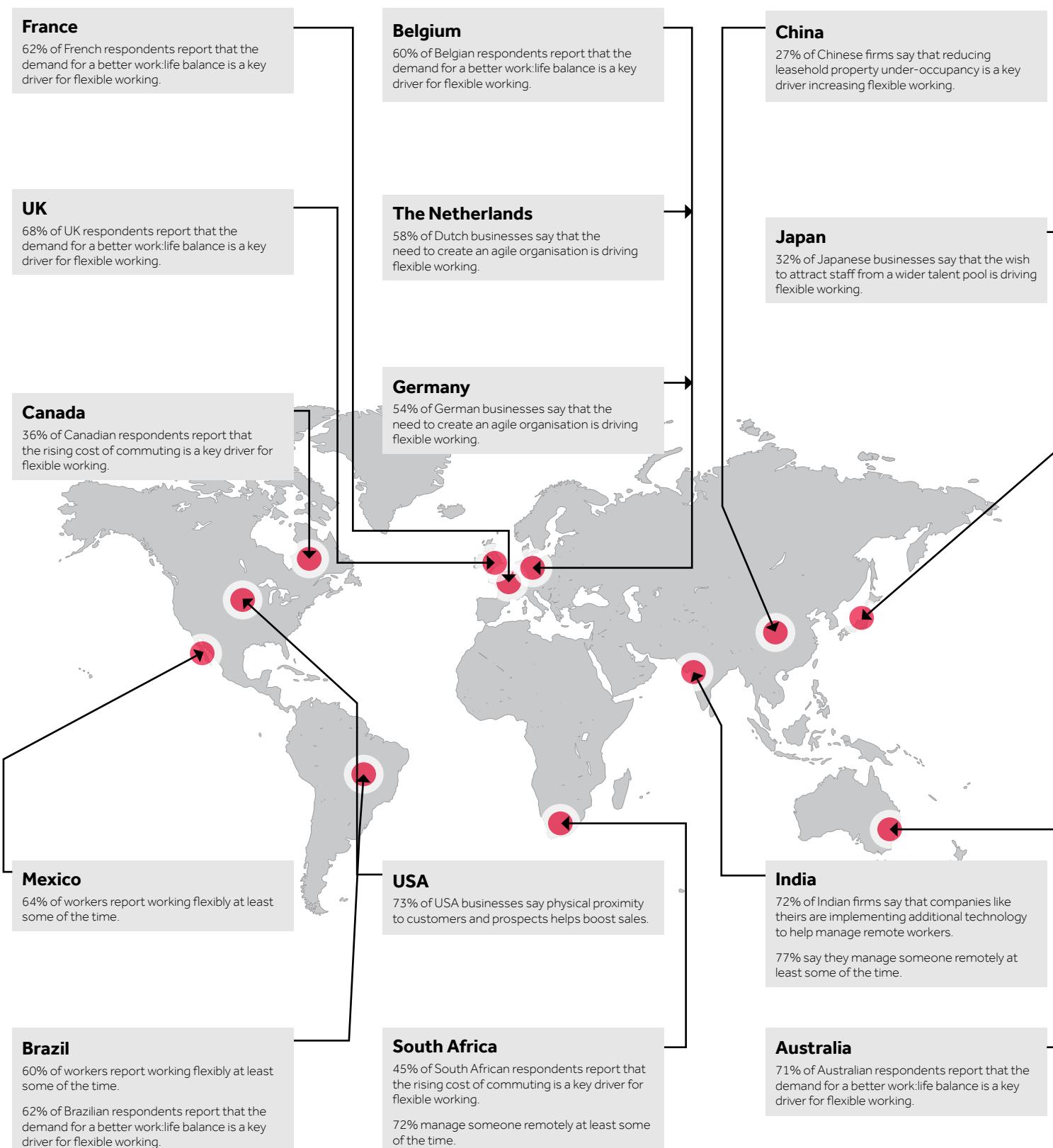
Workers, on the other hand, are staunch promoters of flexible working as it is seen as a key measure to improve work:life balance, lowering stress and helping them juggle personal and work demands more fluidly. Providing employees with the opportunity to decide where they work is especially important as the average worker carries out a full day's overtime each week.

Fortunately, this report highlights that businesses are ready to fully embrace flexible working with over half reporting they manage a remote resource at least some of the time and over half saying that their business plans to increase the flexible workers on their books. As general opinion in the business world becomes ever more favourable towards flexible working, businesses and employees find themselves striving for the same outcome: a healthier, more productive and efficient workforce.

improve
work:life
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Country Highlights.



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Methodology.

Over 44,000 business respondents from 105 countries were interviewed via an online survey during January 2015. These were sourced from Regus' global contacts database of over 2 million business-people worldwide which is highly representative of senior managers and owners in business across the globe. Respondents were asked if they usually work half the week or more out of the office and if they have a home office. Their view on home working were

canvassed and they were also asked about the role of government incentives towards flexible working. The survey also investigated respondent thoughts on the role of flexible working to keep returning mothers, carers and older professionals in the workforce.

The survey was managed and administered by the independent organisation, MindMetre Research.

44,000

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About Regus.

Regus is the global workplace provider.

Its network of more than 2,500 business centres in 106 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 2.1 million 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

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