

# flexible working: state of the nation



Cloud applications and rising commuting costs are driving up demand for remote working, but businesses remain unaware of liabilities and risks.

Regus, March 2015

  
Regus™

# Management summary

Commuting is taking longer, and it is also taking a larger bite than ever out of employee take-home salary. One way for businesses to reduce the cost of a lengthy commute, which exhausts employees and deters prospective talent from joining the organisation, is to introduce some degree of remote working.

As remote working becomes the norm, a growing number of remote working tools and applications are gaining currency on the market. In fact, thanks to tools such as Skype, WhatsApp, WeChat and Google Hangouts, workers can stay in touch with their colleagues, desktops and servers wherever they choose to work.

# 61%



61% of workers globally say they have a home office, only half (51%) report this is a fully functional and well equipped professional space.

Respondents also reveal that while senior management are mostly comfortable with the notion of flexible working, they also point out that remote employee management requires specific training.

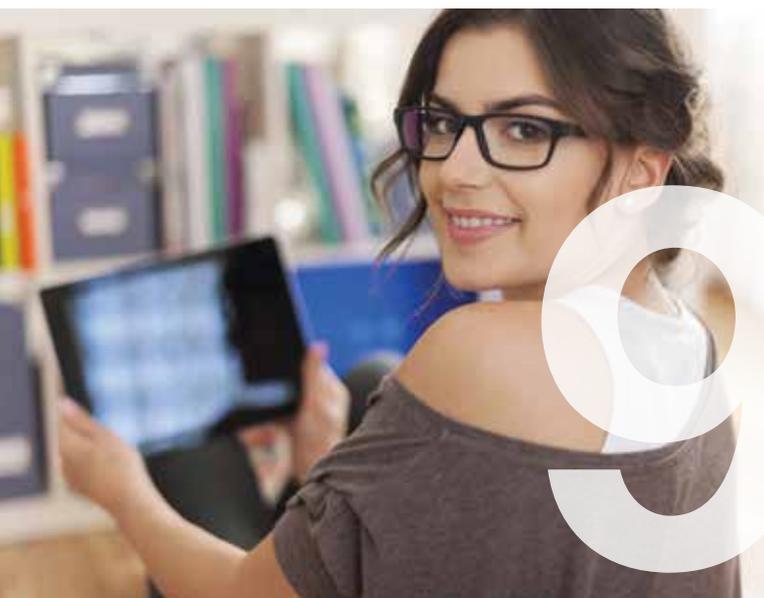
Professionals from all backgrounds also report that their sectors are increasingly using flexible working to attract and retain talented employees, but too few home offices are properly equipped as the financial onus of setting up this space is usually imposed on the worker.

Nor are businesses always recognising their duty to ensure employee health and safety, even when working remotely. Respondents say companies that encourage their employees to work from home are usually not aware that they must ensure health and safety standards are implemented. Rarely do employers take out the appropriate insurance cover on this home workspace.

All of these issues are overcome by providing workers with the option to work from fully equipped professional locations close to their home. Such flexible work facilities provide full technical capabilities, and ensure regulatory compliance. By using such facilities, businesses can deliver the flexible working promise but also avoid hefty sanctions.

# key findings and statistics

- Over 44,000 of workers globally were asked about their view on remote working, what tools they used to enable it, how management sees it within their sector and organisation, and how they feel about home working;
- Workers globally report that the cost of getting to work is becoming a larger and larger slice of their monthly out-goings. Back in 2010 global workers spent an average of 3% of their salary on travel into work, but that has now rocketed to almost twice as much at 5%;
- Businesses wanting to offer workers a real perk and retain valuable staff need to urgently address reducing the cost of commuting by offering them the choice to work closer to home at least some of the time;
- With more and more professionals working outside the main office at least some of the time, use of remote working tools has also radically increased. 90% of workers in fact confirm they use at least one instant messaging tool a month;



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- The research found that the most popular VoIP Messaging applications are Skype followed by Facebook Messenger and Viber, while WhatsApp is by far the most used Instant Messaging app for smartphone;
- The sharing of documents, seen as one of the biggest hurdles to remote working, is carried out using tools like Dropbox (56%), Google Drive (43%) and TeamViewer (25%);
- Remote working is also seen to be strongly driving take up of 'cloud' applications that can be accessed anywhere at a lower cost (85%);
- Overall workers globally believe that senior management is supportive of remote working in their business (72%), but agree that to be successful managers require specific retraining (75%);

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- But on the positive side 68% of respondents report that their sector is moving increasingly towards making a greater use of remote working in order to attract and retain top talent;
- But it seems that home working is not the answer. In fact although 61% of workers globally say they have a home office, only half (51%) report this is a fully functional and well equipped professional space;
- Among workers who have a home office, only 34% report that the investment to kit-out the home office has been made by employers rather than by the worker;
- Not only is getting workers to equip their own space a neat saving for businesses (60%), but running costs such as lighting, heating and maintenance are believed to save businesses \$3400 a year or equivalent;
- And yet, to achieve this small saving, businesses could be incurring all sorts of higher expenses by not regulating the environment their staff works from when away from the main office as Health and Safety regulations oblige them to protect home workers too;
- 79% of respondents think that companies that encourage their employees to work from home are not aware that they must ensure health and safety standards are implemented and 77% that they do not take out the appropriate insurance cover on this home workspace;
- A small investment in providing workers with access to fully equipped workspaces closer to home could help firms provide a fully compliant environment for flexible workers, saving staff money too.



# Introduction

With the average commute now taking over 32.5 minutes globally, workers disappointingly indicate that they are getting less value for their money.



One of the biggest bug-bears for workers globally is their daily commute: it eats into personal time without counting as work-time and, to make matters even worse, it is often overcrowded, delayed and getting longer and longer as recent Regus research showed in 2014<sup>1</sup>. With the average commute now taking over 32.5 minutes globally, workers disappointingly indicate that they are getting less value for their money.

Global news confirms it: commuting is becoming frustratingly expensive. Brazilian workers were in fact so exasperated by 2014 bus fare hikes and lack of planning for new transport routes that riots broke out<sup>2</sup>. Meanwhile in 2015, commuting in London is set to become more expensive for 89% of workers<sup>3</sup> and in Mumbai Monthly Season Tickets (MST) are also set to increase<sup>4</sup>. Chinese workers are not much better off with Beijing's metro fare hike already taking its toll on commuter's finances<sup>5</sup>. But taking personal transport is no cheaper as the AAA (American Automobile Association) reports that in 2013 the cost of car maintenance and ownership increased by 2%<sup>6</sup>.

To counter this frustration, more and more businesses are providing a greater element of flexible working to their employees allowing them to work from home, closer to home, or closer to wherever they need to be. Increased take-up of flexible working both fuels and is fuelled by the increasing number of applications and tools being developed to enable and improve the efficiency of remote working. Many of these are designed for smartphone use, such as Instant Messaging apps WhatsApp and WeChat, while others facilitate remote desktop access and meetings with people in different locations.

Globally, the Instant Messaging apps with most users are WhatsApp (600m), QQ mobile (542m) and Facebook Messenger (500m)<sup>7</sup>, but there are interesting differences in take up at a national level with Line reportedly reaching 50 million users in Japan and 24 million in Thailand. Viber, for example, has 33 million users in India and 30 million in the USA. In addition to an increasing use of IM remote workers are using and fuelling growth of VoIP: users reportedly spend 2 billion minutes a day on Skype globally<sup>8</sup> and although Google has not released a similar statistic about the time spent by user video conferencing on Google Hangouts, Google+ boasts 540 million active monthly users<sup>9</sup>. Finally, remote desktop access helps an increasing number of professionals access documents on-the-go. These solutions include GoToMyPC, TeamViewer and Join.me, as well as ones provided by the main browsers such as Chrome.

<sup>1</sup> Regus, Work, sweet, work, September 2014

<sup>2</sup> The Guardian, Fury and frustration in Brazil as fares rise, 2<sup>nd</sup> February 2014

<sup>3</sup> CityAM, 2015 season ticket and travelcard price rise: How much will London train, tube and bus fare costs go up next year?, 11<sup>th</sup> November 2014

<sup>4</sup> FirstPost, Monthly railway ticket for Mumbai local trains may get more expensive, says report, 19<sup>th</sup> January 2015

<sup>5</sup> BBC news, Beijing subway fare hike weighs on commuters, 7<sup>th</sup> January 2015

<sup>6</sup> AAA, Your Driving Costs, 2013

<sup>7</sup> Statista.com, Most popular global mobile messenger apps as of December 2014, based on number of monthly active users (in millions), December 2014

<sup>8</sup> Skype Blog, Thanks for Making Skype a Part of Your Daily Lives – 2 Billion Minutes a Day!, 3<sup>rd</sup> April 2014

Cloud based solutions, which allow users from different locations to use the same tools as office based workers are also increasingly becoming the norm. In Australia for example, The Australian Communications and Media Authority (ACMA), estimates that 44% of SMEs are currently using cloud technologies and that larger firms are even bigger users<sup>10</sup>. The ability to access documents or software stored in the Cloud is certainly playing an important role in helping businesses enable cost-effective remote working although security concerns remain.



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Aside from the security of sensitive documents, senior management are generally welcoming of remote management initiatives as remote working has been proven by a number of studies to be more productive and cost-effective for businesses: Stanford University, for example, found that remote workers are 13% more productive, take fewer sick days and benefit from a quieter working environment. Research by Stanford University and CTrip, a Chinese travel website, confirmed this outlook as it found that when call centre employees were allowed to work from home they actually put in more hours<sup>11</sup>.

However, remote working remains synonymous with home working for far too many businesses leaving workers to set up their own space, maintain it and take out any relevant insurance or health and safety measures. Businesses do not realise that these makeshift offices could turn into a liability as the legislation of many countries states that employee safety is the employer's responsibility when they are carrying out work tasks regardless of location. In the UK for example, the HSE states that the business is responsible for any accident caused by the equipment the business has supplied and suggests how to carry out a risk assessment for homeworkers<sup>12</sup>.



<sup>9</sup> Business Insider, Google+ Is Still Struggling Three Years Later, 28th June 2014

<sup>10</sup> Workpro blog, Cloud computing making remote work easier, 14th November 2014

<sup>11</sup> Forbes, Working Remotely: Does The Research Prove It Won't Work For You?, 14th May 2014

<sup>12</sup> <http://www.hse.gov.uk/pubns/indg226.pdf>

# The results

In order to provide businesses with a snapshot of existing working habits and flexible working trends against which they can benchmark themselves, Regus commissioned research canvassing over 44,000 senior managers and business owners asking them how expensive their commute is as a proportion of take-home salary, whether they work at home some of the time, and if so, what their home office set-up is like. They were also asked what the prevalent attitudes are to remote working in their sector and organisation.



# The cost of commuting

Regus is committed to monitoring trends in working habits and factors that affect worker productivity and well-being. For this reason back in 2010, and again now in 2015, Regus has commissioned a survey to analyse how expensive commuting is across the globe. Specifically, respondents were asked what proportion of their annual take-home pay they spent on commuting. This figure was then compared with the result five years ago to reveal that workers are spending almost twice as much in 2015 as they were in 2010.

Workers globally in fact report that the cost of getting to work is becoming a larger and larger slice of their monthly out-goings reaching 5% of their salary, compared to only 3% in 2010. In South Africa, Brazil, France, India and Mexico this hike has reached 6% and unfortunately does not appear to be linked to investment in infrastructure making commuting faster or easier. Regus research last year in fact revealed that commuting is also taking longer than ever before reaching 2.5 minutes each way and that in Brazil and India specifically, it is taking a full 8 minutes more per journey<sup>13</sup>.

<sup>13</sup> Regus, Work, sweet work, September 2014

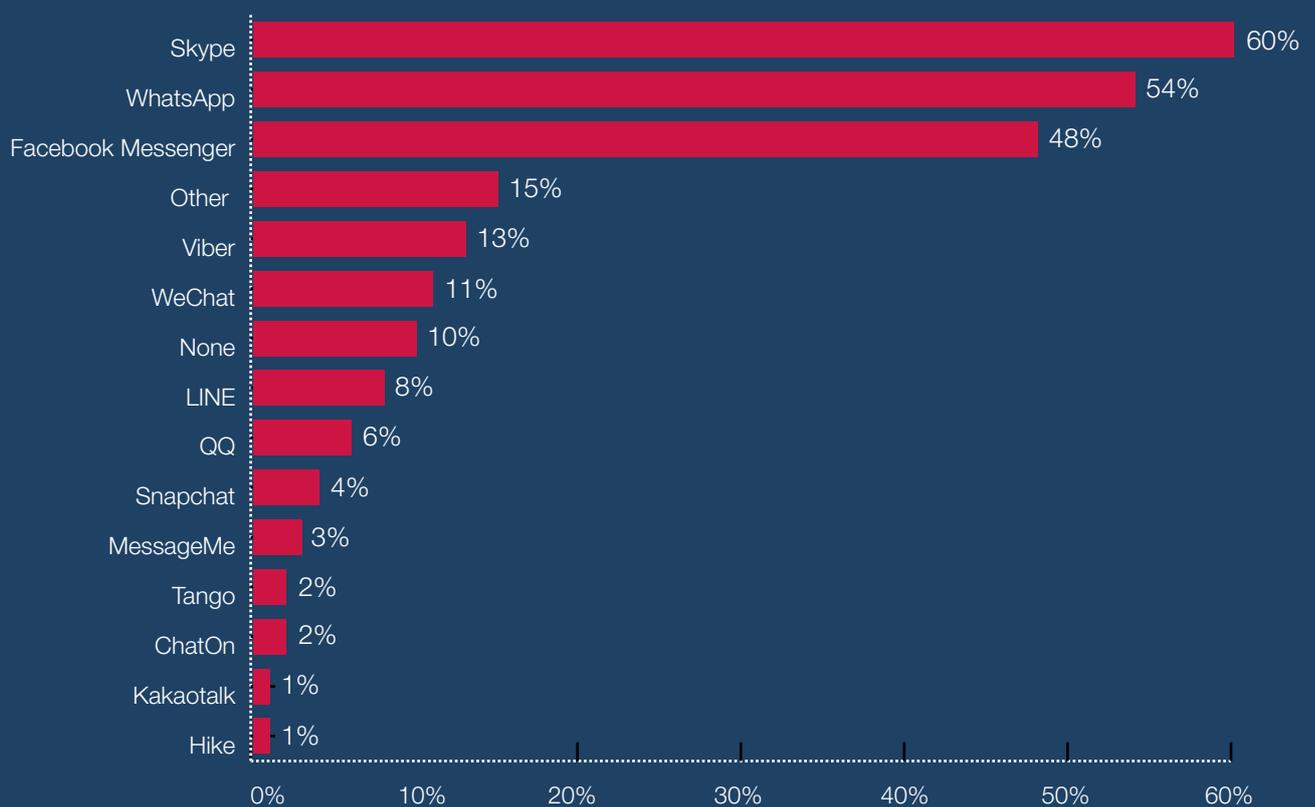
Figure 1: Cost of commute as proportion of yearly take-home salary



# Home working tools

It is hardly surprising, given how expensive and time consuming commuting has become, that more and more professionals are working outside the main office at least some of the time. Whether they are catching up on emails from a busy train or working from home, they are undoubtedly fuelling the take-up of remote working tools. Research by the University of California revealed that 26% of remote workers find that making themselves immediately responsive when working remotely<sup>14</sup> helps them get noticed while working remotely and one of the most common and wide-spread tools for this is certainly Instant Messaging. This survey reports that it has become so ubiquitous that 90% of workers use at least one IM tool a month.

Figure 2: Most used communication tools globally

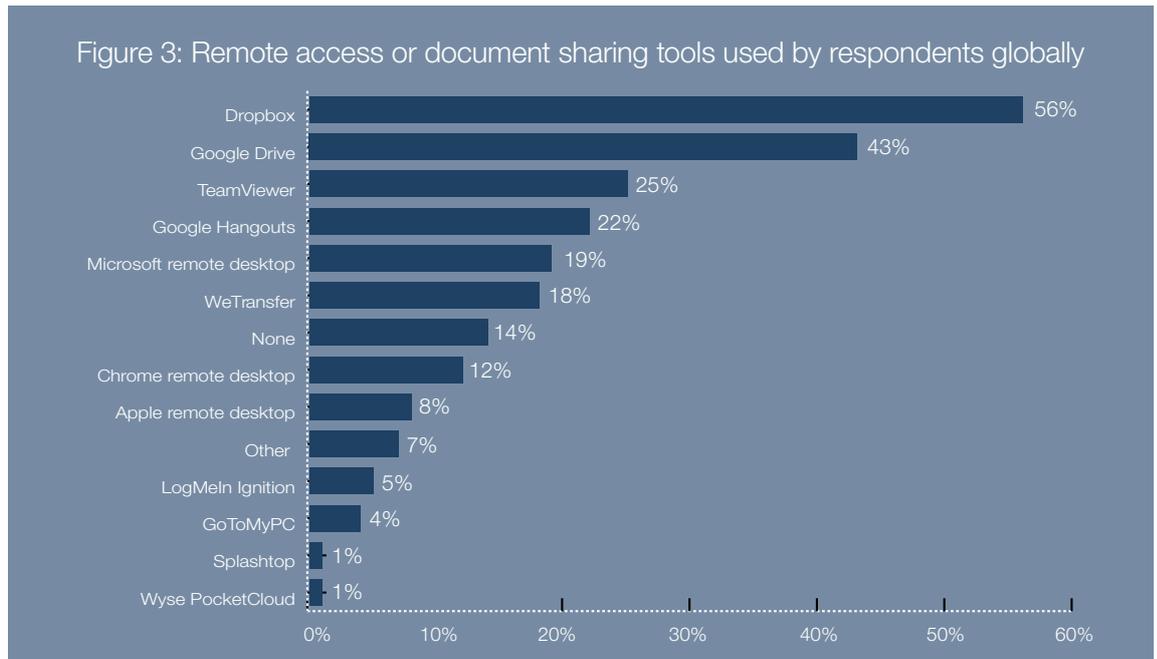


In order to provide a snapshot of the most used and popular apps used when working on-the-go, Regus asked workers to identify communications tools such as VoIP, conferencing and IM applications they had used in the previous month. They were also asked which tools they had used to share documents or access remote desktops in the same period. The research found that by far the most popular VoIP Messaging applications are Skype followed by Facebook Messenger and Viber, while WhatsApp is by far the most used Instant Messaging app for smartphone. Other tools anecdotally mentioned were: Lync, Blackberry Messenger, Slack, Yammer and Google Hangouts.

<sup>14</sup> London Business School, Want to get promoted Stay at your desk, 31st August 2012

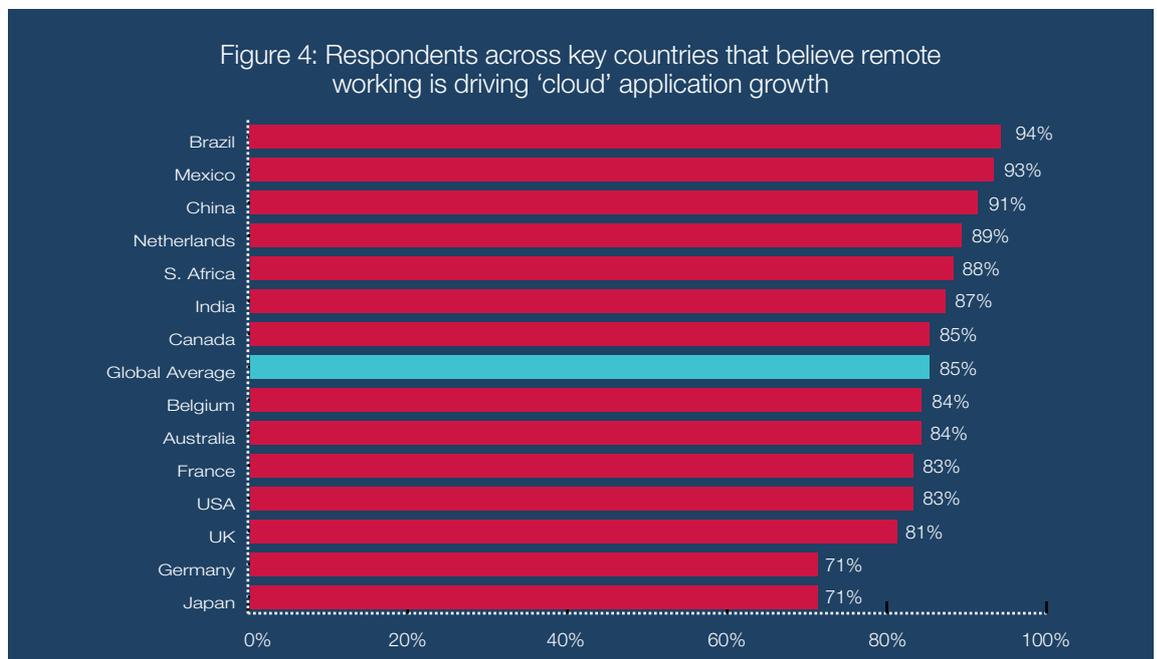
The sharing of documents, however, rather than communications, is seen as one of the biggest hurdles to remote working. With more people carrying out tasks while outside the main office there has been a real proliferation of tools aimed at making it easier for people to access documents and remote desktops or servers. Research shows that the most popular tools on this front are Dropbox (56%), Google Drive (43%) and TeamViewer (25%). Respondents also anecdotally quoted Citrix ShareFile, GoToMeeting and Join.me.

Figure 3: Remote access or document sharing tools used by respondents globally



Respondents also confirmed that remote working is strongly driving take up of 'cloud' applications that can be accessed anywhere at a lower cost for businesses (85%). Interestingly, countries leading on this front appear to be Brazil, Mexico and China, while it may be that security concerns are holding back Germany and Japan a little. Nevertheless even here 71% of respondents confirm there is a close correlation between remote working and the development of "cloud" applications.

Figure 4: Respondents across key countries that believe remote working is driving 'cloud' application growth



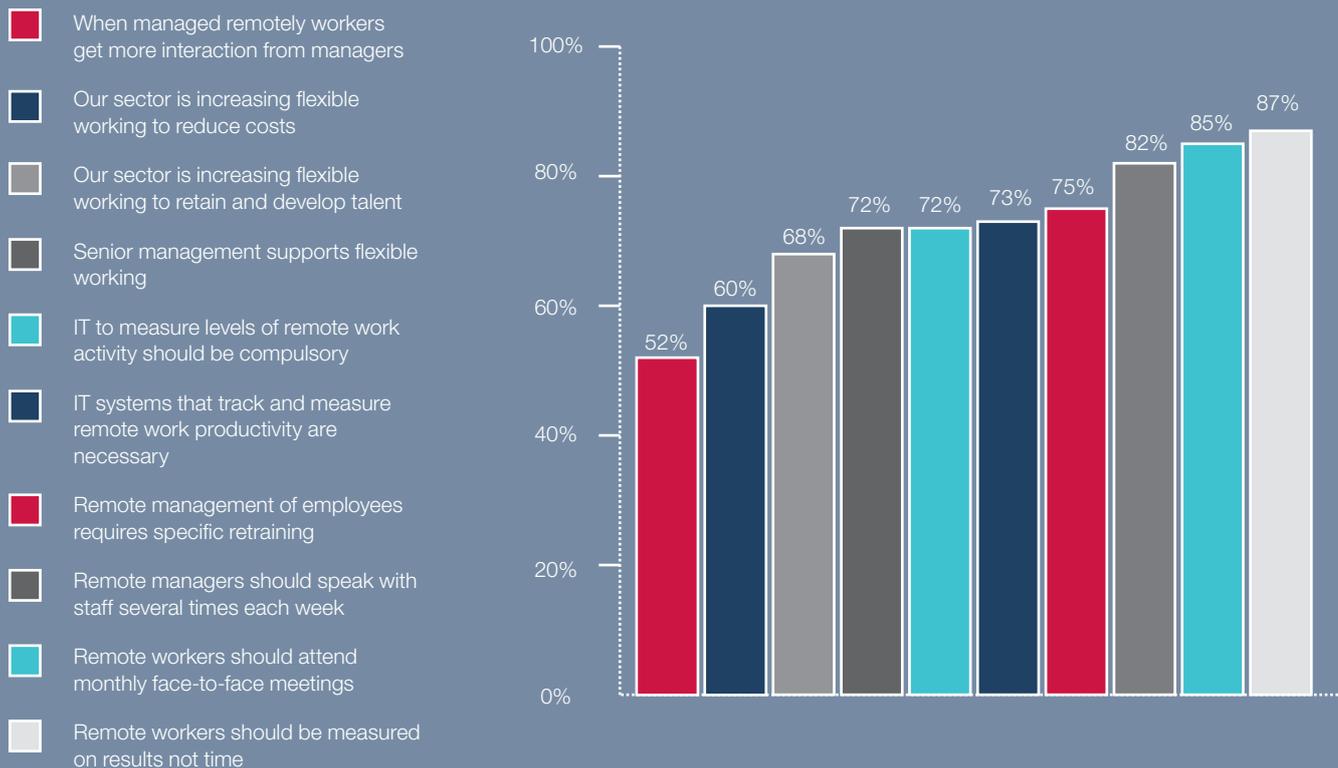
# Remote managers

The increase in flexible working tools is of course stimulated by the demand for solutions that enable secure, efficient work outside the traditional office setting, but also by the need to make remote working more acceptable to managers who initially were wary of separating their teams even if only for some of the time. Now, as the benefits of flexible working have become common knowledge, workers globally confirm that senior management is supportive of flexible working in their business (72%). In addition to this, respondents confirm that their sector is moving increasingly towards making a greater use of remote working in order to attract and retain top talent (68%).

However, respondents agree that successful remote management relies on a number of specific measures; for example respondents say that it requires specific training for managers (75%), that remote managers should speak to their staff several times each week (82%) should attend monthly face-to-face meetings with their line managers (85%). These last two measures are evidently important in ensuring that a lively relationship with the team is maintained and that remote workers do not get overlooked for promotion, a risk reported by the London Business School which found that homeworkers received fewer promotions and smaller pay rises<sup>15</sup>.

<sup>15</sup>The Economist, People who work from home are less likely to be promoted, 13th October 2012

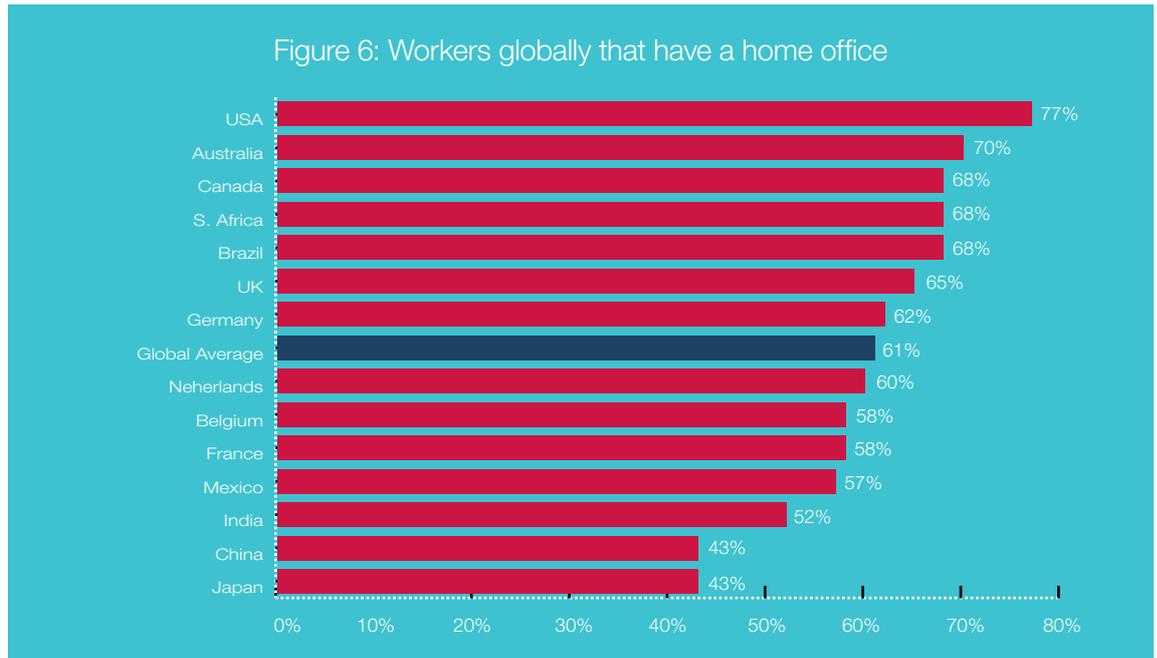
Figure 5: Attitudes to remote worker management



# The deal on homeworking

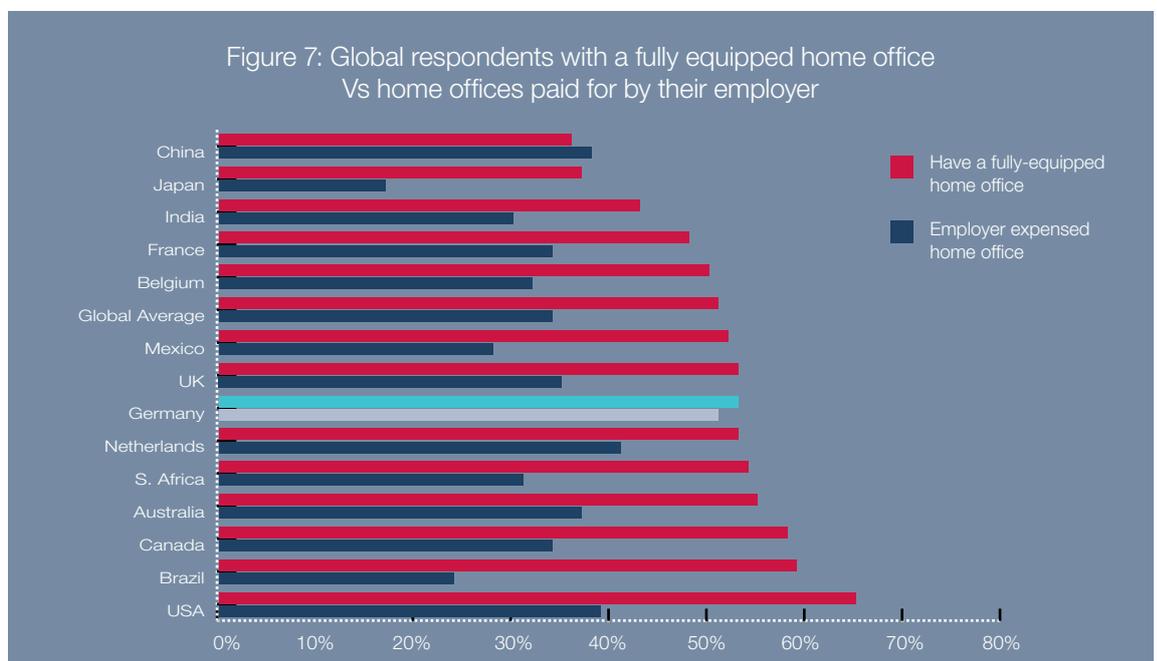
The survey also analysed the prevalence of home working and in exactly what conditions this is carried out and found that while 61% of workers globally say they have a home office, only half (51%) report this is a fully functional and well equipped professional space. Research carried out by Regus in 2012 revealed that makeshift home office arrangements often do not provide workers with the necessary works surface (21%) and, more importantly force them into uncomfortable positions for long periods of time (20%) with the risk of causing repetitive strain injury and discomfort<sup>16</sup>.

Figure 6: Workers globally that have a home office



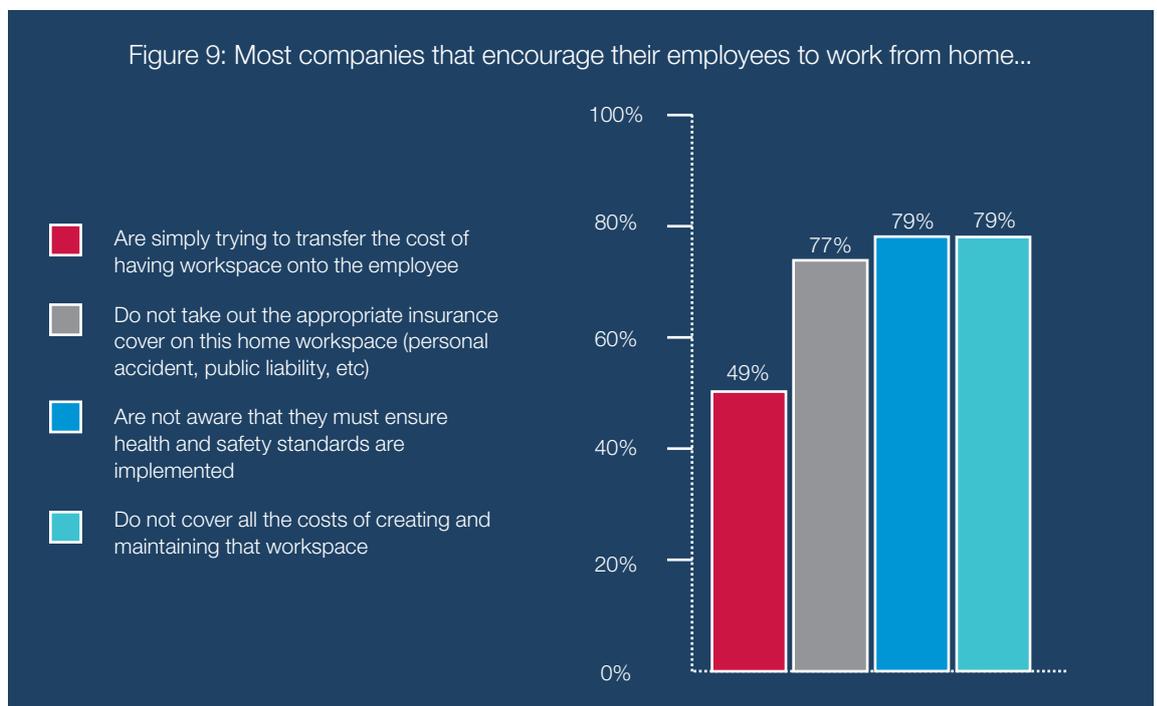
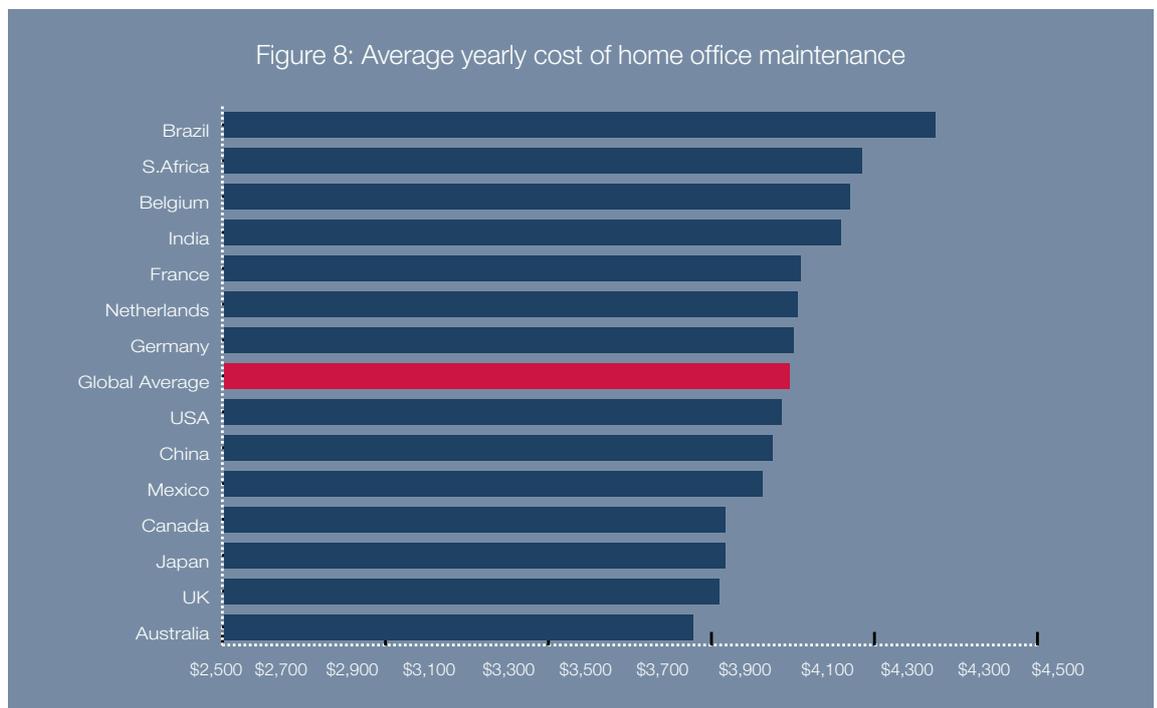
Among workers who have a home office, only 34% report that the investment to fit out and equip this space has been made by employers rather than by the worker. When businesses are footing the bill and setting up a professional space, which respondents report can take as much as a whole monthly salary, it is reported they are still saving as much as \$3400 a year or equivalent on running costs.

Figure 7: Global respondents with a fully equipped home office Vs home offices paid for by their employer



<sup>16</sup> Regus, The hidden perils of home working, November 2012

Nevertheless, this saving may turn into a red-herring, given that 79% of respondents think that companies that encourage their employees to work from home are not aware that they must ensure health and safety standards are implemented and 77% that they do not take out the appropriate insurance cover on this home workspace. To achieve this relatively small saving, businesses could be incurring in all sorts of higher expenses by not regulating the environment their staff works from when away from the main office. A small investment in providing workers with access to fully equipped workspaces closer to home could help firms provide a fully compliant environment for flexible workers, saving staff money and protecting the business from potential legal action.



# Conclusion

It is disheartening to find that commuting is getting worse the world over as it is becoming more expensive and taking longer than ever. Businesses that are attuned with the needs of their workers and savvy to ways of attracting prospective staff, are offering workers more flexible working as a way of reducing commuting and of increasing productivity. As more and more workers spend time working out of the office, and with Millennials driving the demand for remote working,<sup>17</sup> a growing number of remote working tools and applications are also taking over on the market. In fact, thanks to tools such as Skype, WhatsApp, WeChat and Google Hangouts, workers can stay in touch with their colleagues, desktops and servers wherever they choose to work.

As remote working becomes easier to carry out effectively, professionals from all sectors agree that businesses in their market are increasingly using flexible working to attract and retain talented employees. Senior management is encouraging remote working, although it is generally believed that specific management training and regular face-to-face and telephone contact is required to achieve maximum efficiency.

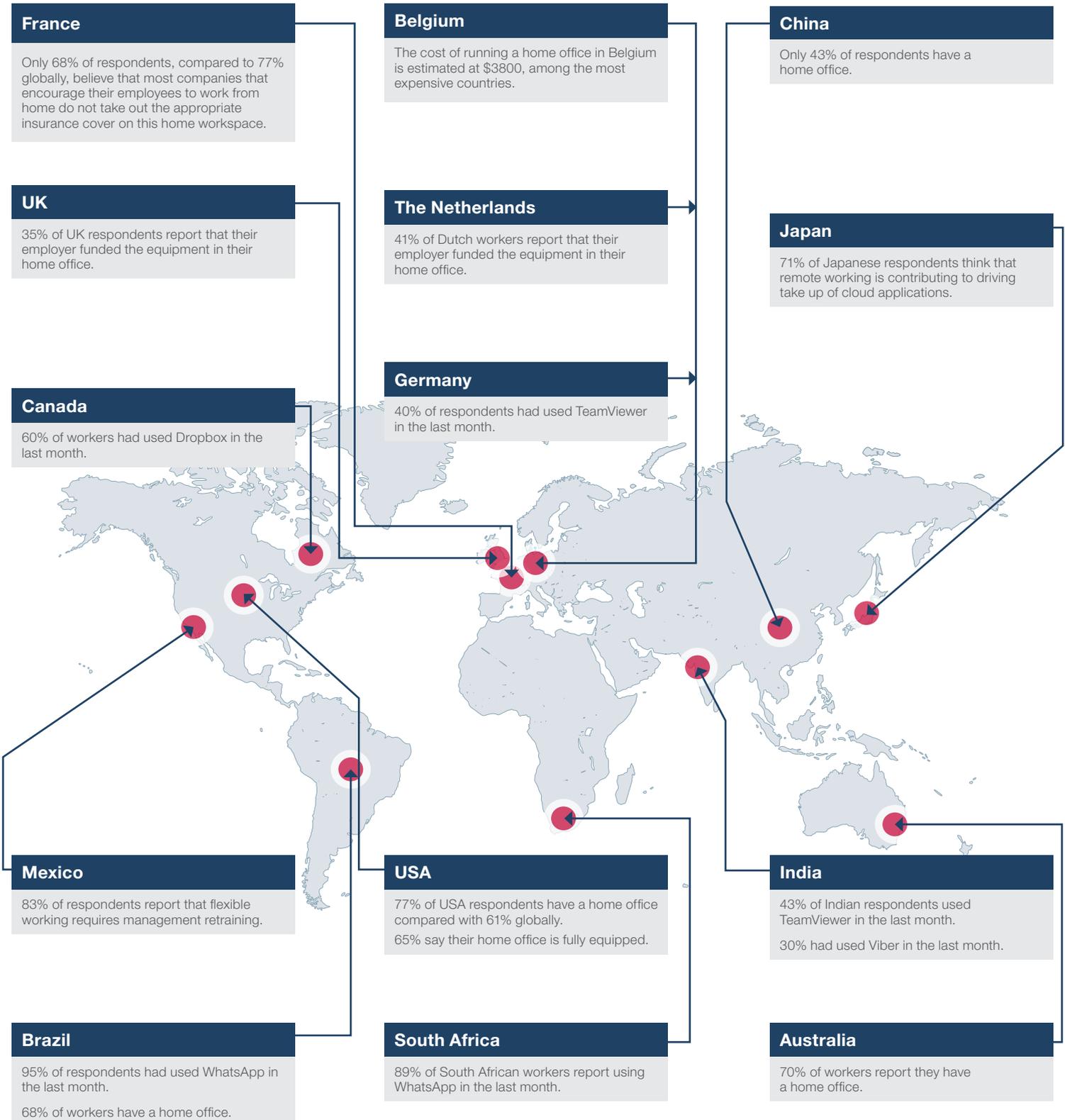
While many firms are happy to allow workers to carry out their duties from home, at least some of the time, only half of home offices are properly equipped and the financial onus of setting up this location is usually left up to the worker. These makeshift workspaces are often not conducive to productive work and generally are not health and safety compliant opening up businesses to legal risks in case of accident or injury. By providing workers with the option to work from fully equipped professional locations closer to home, businesses can deliver the flexible working promise and avoid hefty sanctions.

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<sup>17</sup>Forbes, 10 ways Millennials are creating the future of work, 16th December 2013



# Country highlights



# Methodology

Over 44,000 business respondents from 100 countries were interviewed via an online survey during January 2015. These were sourced from Regus' global contacts database of 2 million business-people worldwide which is highly representative of senior managers and owners in business across the globe. Respondents were asked what proportion of their yearly take-home salary commuting represented and whether or not they are flexible workers. Respondents were also asked whether they have a home office and their views on the legalities, cost of set up and running of such a space. They were also asked what remote working tools they had used in the last month.

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

[mindmetreresearch.com](http://mindmetreresearch.com)

Respondents were asked which environments and times of the day saw them at their most productive and how their working habits have changed.

# 44,000

business respondents  
interviewed



# 100

countries

# About Regus

Regus is the global workspace provider.

Its network of more than 2,300 business centres in 104 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: [regus.com](http://regus.com)

