



Annual Flexible Working Research Report

The Key to Competitive Advantage for the UK's SMBs?

A report into flexible working practices amongst 1200 office-based SMBs in the United Kingdom, by oneDrum.

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1. Executive Summary

In November 2009, oneDrum commissioned a survey of more than 1200¹ office-based small and medium businesses (SMBs) in the UK to find out about flexible working practices, what was driving remote working and what was holding it back.

The survey results highlighted that businesses are failing to recognise the link between productivity, innovation and competitive advantage.

The research also revealed that many SMBs do not allow their staff to work from home because of poor access to documents and/or technology, suggesting that the plethora of remote working and collaboration tools on the market are not meeting the needs of UK businesses.

Jasper Westaway, CEO of oneDrum, comments: "The UK's SMBs will lose competitive advantage if they do not streamline work processes to allow their staff time to think creatively and strategically. A more productive workforce is much more likely to be innovative than one which is struggling to complete the basic requirements of their job roles on a day-to-day basis."

Westaway claims that remote working can increase productivity in a number of ways, including:

- Giving your businesses access to a larger and more varied workforce (i.e. including those that would find it difficult to travel to a place of work every day)
- Allowing staff to dedicate a greater proportion of the working day to value-added activity (less time spent travelling)
- Enabling staff to concentrate on thought-intensive tasks and creating output (without the distractions inherent with most office environments)
- Empowering staff to plan their workload and segment their working day in a way that suits them and their own working style.

¹ Opinion Matters surveyed 606 employees and 610 employers between 03/11/09 and 16/11/09. All respondents worked for office-based businesses with less than 250 employees.

2. Research Methodology

Opinion Matters surveyed 606 employees and 610 employers between 3rd November 2009 and 16th November 2009. All respondents worked for office-based businesses with less than 250 employees.

Questions for employees

1. How often do you work from home?
2. Do you find yourself working from home more this year than last year?
3. Regardless of your company's policy, how much of your job do you feel you could do from home/remotely as opposed to from the office?
4. On a scale of one to five, how would you rate your productivity in the following situations:
 - When working from the office
 - When I have a good work-life balance
 - When working from home/remotely
 - When I have flexible working hours.
5. Why do you / would you like to have the option to work from home?

Questions for employers

1. Does your company engage in a flexible working scheme that allows people to work from home?
2. How often are employees within your company allowed to work from home?
3. Are employees allowed to work from home more this year than last year?
4. Why do you think your company has / should have a work from home policy?
5. Why does your company not allow staff to work from home?

3. The Key Findings

The home provides a productive work environment...

Contrary to the popular belief that home workers are faced with too many distractions and temptations to get their job done effectively, **more than 80% of employees surveyed feel that they can indeed work productively from home.**

Not a single respondent in this anonymous survey indicated that their motivation for working from home was to avoid their managers' watchful eye so they could have a lazy day. In fact, one of the top reasons given for wanting to work from home was 'I can use the time I'd usually spend travelling to get extra work done'. Respondents also stated that fewer distractions at home make them more productive and produce higher quality work.

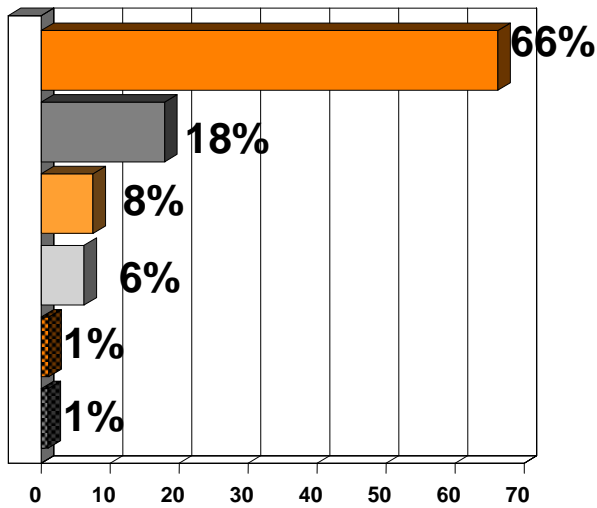
However, the majority (55%) of employers interviewed failed to recognise increased productivity as a driver for implementing flexible working policies.

There is a disconnect between policy and practice

Employers and employees alike seem to recognise that flexible working is important, but there remains a disconnect between policy and practice:

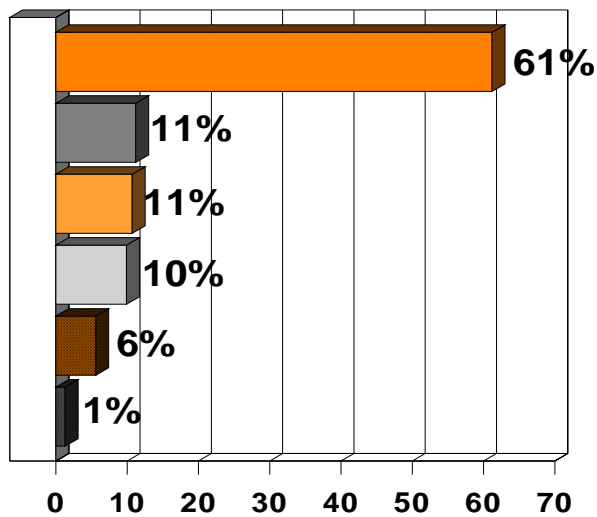
- 75% of employees feel they could do at least some of their work from home (and 33% could do all or most of their work remotely)
- Almost three quarters (72%) of employers have a flexible working scheme that allows staff to work from home and the majority of those believe that the scheme is effective
- Yet, 61% of employees interviewed never or rarely do work from home.

Does your company engage in a flexible work scheme that allows staff to work from home?



- Yes, I believe it is a good scheme
- No, and I don't think we should have one
- No, but I think we should have one
- Yes, but I don't think it's effective
- No, but we plan to implement one in the next 6 months
- No, we used to but it was revoked

Do you ever work from home?



- Never / hardly ever
- Most days / whenever I / they war
- About once per week
- About once per month
- Everyday
- Less than once a month

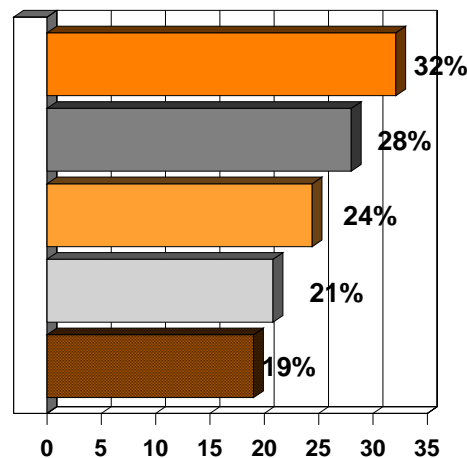
Remote working is on the increase, but technology is creating a bottle neck...

One quarter (24%) of employees interviewed stated that they found themselves working from home more this year than they did last year. If this trend were extrapolated, then **in less than five years we could see 100% of employees of office based SMBs in the UK working from home at least part of the time.**

However, one quarter (25%) of employers do not have a flexible working policy in place and 5% said that they had actually reduced the level of remote working they allow. Despite the perception that companies do not allow staff to work from home due to a lack of trust in employees, the top reasons given for not allowing staff to work from home were:

- Our staff need access to company documents that aren't accessible outside of the office
- We / they do not have the necessary technology in place.

Why does your company not allow staff to work from home?



- Our staff need access to company documents that aren't accessible outside of the office
- We / they do not have the necessary technology in place
- We do not believe employees will be as productive
- Other (please specify)
- Our staff work in close-knit teams who need to communicate with one another regularly

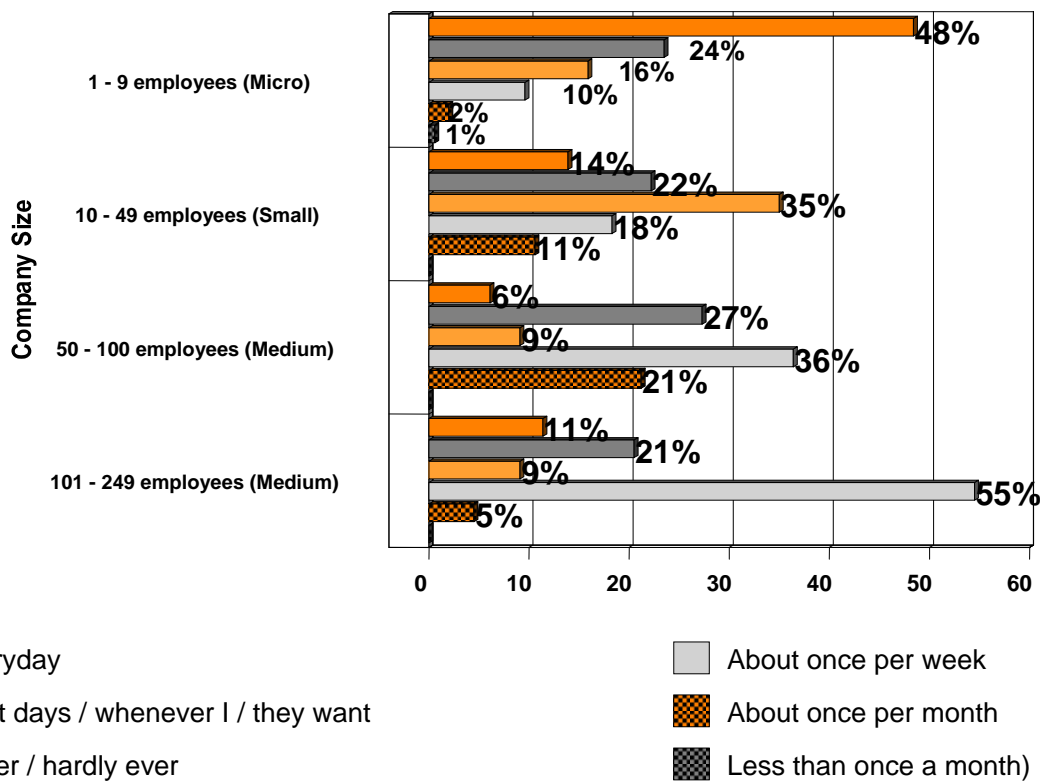


There are so many technologies in the market that claim to make remote working and collaboration easy, but these statistics suggest that they are not meeting the needs of the UK's SMBs.

Size matters...

- Micro companies of 1 to 9 employees are most likely to have a flexible working scheme and think it is a good idea (72%)
- Employees of micro companies are most likely to work from home (50%)
- Employees of companies with 101 to 249 employees are most likely to never or hardly ever work from home
- Companies with 101 to 249 employees are far more likely to allow staff to work from home about once per week than smaller companies:

How often are your staff allowed to work from home?



- Those working for smaller companies are more likely to be able to do all of their work remotely than those working for larger companies



- The top motivation for deploying a flexible working policy depends on the size of the company:
 - 1-9 employees: employee morale and motivation
 - 10 to 49 employees: employee productivity
 - 50 to 100 employees: work-life balance.

Location, location, location

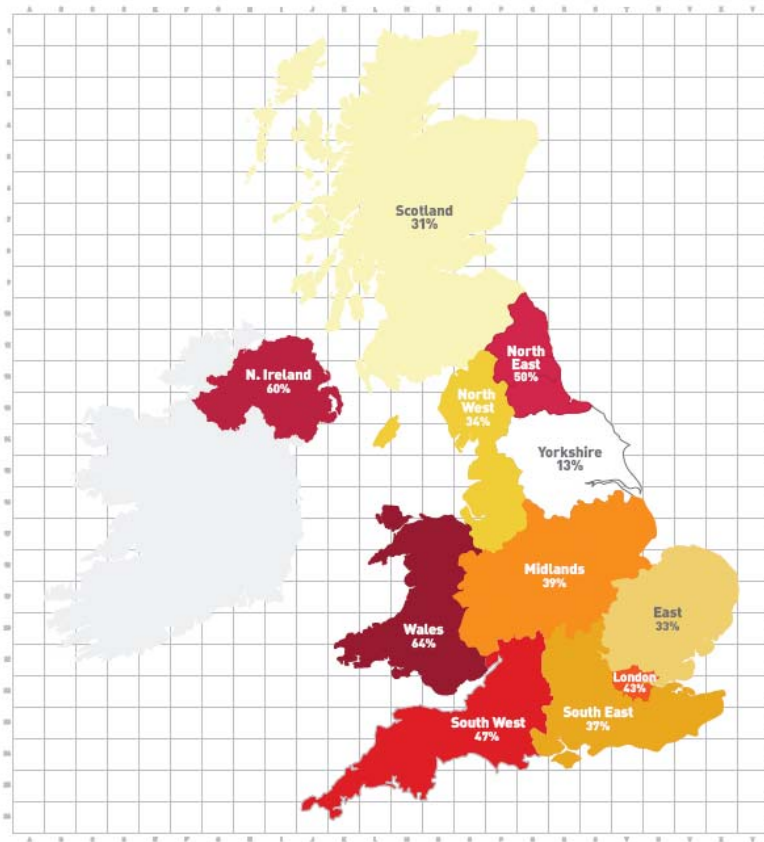
- The residents of Wales are most likely to work from home (64%) and the most likely to feel they can do at least some of their work from home (93%)
- Those in the East of England are most likely to feel they can do all of their work remotely
- Companies in Yorkshire are least likely to deploy flexible working policies (30%) and most likely to have revoked home working privileges. As a result, 80% of employees never or hardly ever work from home
- Employers in the North East (77.8%) and South East (78.2%) are most likely to have a flexible working scheme in place and believe that it is effective
- None of the respondents in Wales, Scotland or Northern Ireland work from home every day
- There is a disconnect between the level of home working employers permit and the level of home working that takes place in all regions:
 - 64.7% of employers in the East allow their staff to work from home every day or most days, yet only 16.5% do
 - Employers in the North East and South West are most likely to allow their staff to work from home every day or most days (70.3% for both)

Region	Percentage of employers who allow staff to work from home every day or most days	Percentage of employees who work from home every day or most days
East	64.7	16.5
London	48.1	21.5
Midlands	54.7	9.8
North East	70.3	22.5
North West	47.3	17.1
Northern Ireland	68.8	0
Scotland	30.4	8.2
South East	61.9	23.7
South West	70.3	22.6
Wales	50	14.3
Yorkshire	45	6.5

- Employees in Northern Ireland are most likely to have worked from home more in 2009 than they did in 2008

- Employees in Wales are most likely to have reduced the amount of home working they do
- Employers in Northern Ireland (60%) and the Midlands (58.3%) are most likely to prevent staff from working from home because they do not have the necessary technology in place
- Employers in the Northern Ireland (100%), the North West (50%) and Yorkshire (50%) are most likely to prevent staff from working from home because they need access to documents that aren't accessible outside of the office.

UK SMB flexible working hot spots*



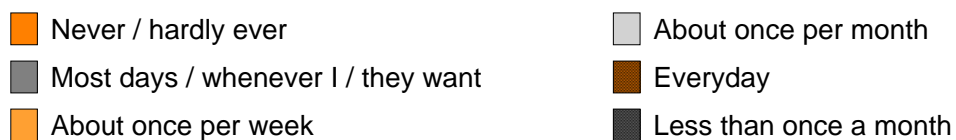
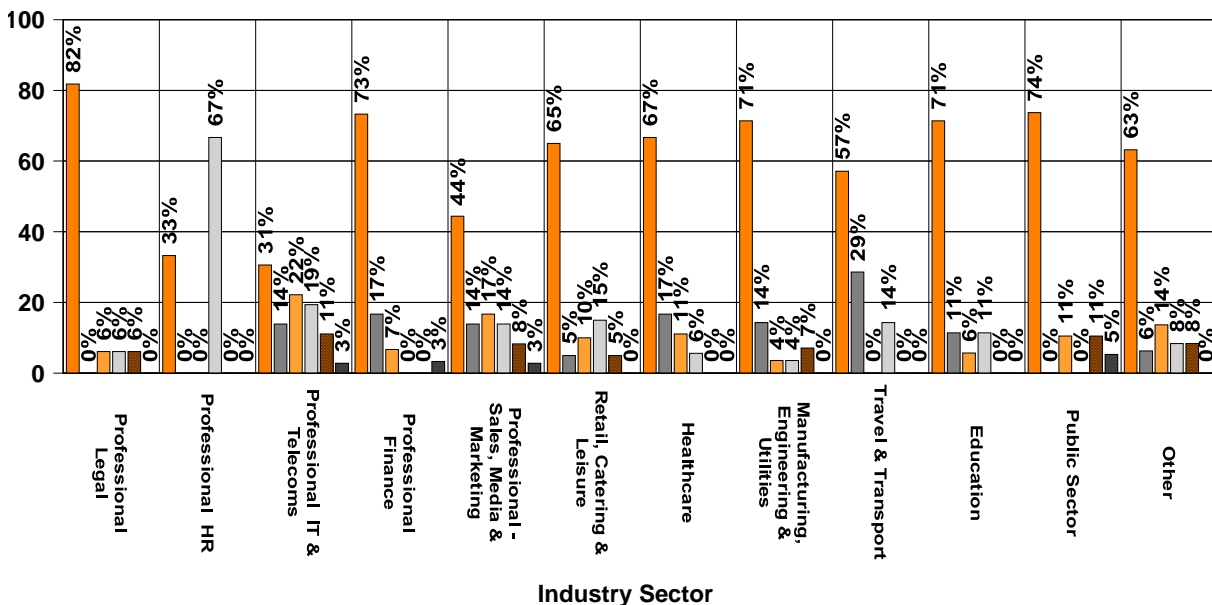
*Percentage of small business office workers who work from home at least some of the time



Sector specifics

- The legal and HR sectors are most likely to have effective flexible working schemes that allow staff to work from home (100% of respondents in both sectors), followed by IT and Telecoms (76%), sales, marketing and media (75%)
- The public sector is least likely to deploy effective flexible working schemes (31%) and most likely to have revoked a scheme (23%)
- One third of HR professionals never work from home but two thirds work from home about once per month

Do you ever work from home?

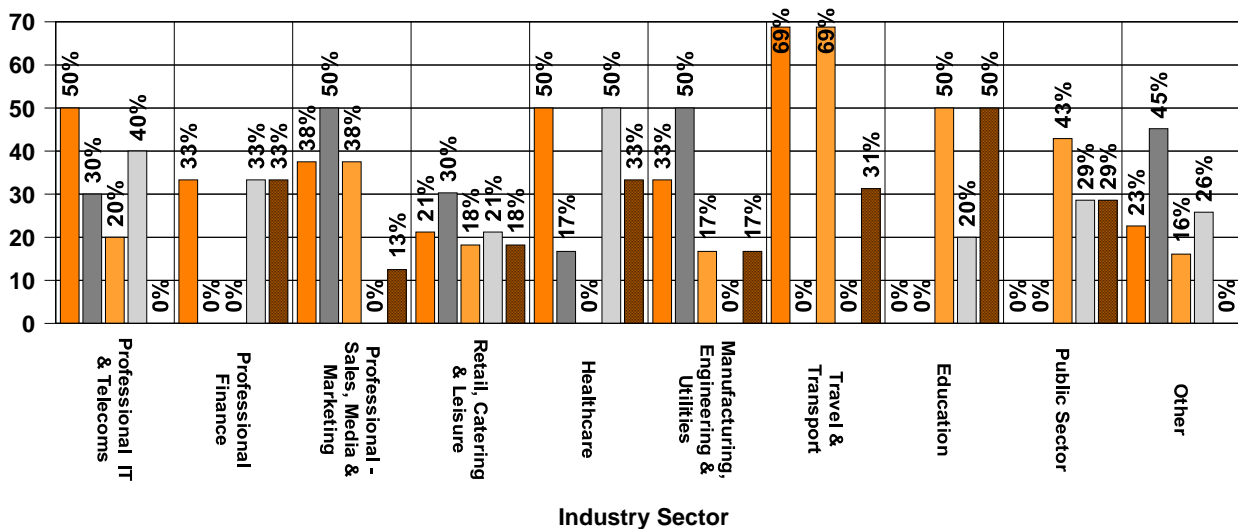


- Employers in the legal sector are more likely to have allowed their staff to work from home more in 2009 than they did in 2008 (60.8% compared to an average of 37% across all other sectors) but employees in this sector are most likely to say that they never/hardly ever work from home (82%)
- Almost all (94.4%) of respondents working in sales, media and marketing feel that they could do at least some of their work

remotely and more than half (58.4%) feel that they could do all or most of their work remotely

- 76.7% of those working in the financial sector feel they could do at least some of their work remotely but only 23% feel they could do all or most of their work remotely
- 81% of employers in the legal sector cited increased employee productivity as a reason for allowing staff to work from home, compared with just 27% for the financial sector
- At least half of employers in the IT & telecommunications, healthcare and travel & transport sectors don't allow their staff to work from home because they need access to company documents not accessible outside of the office

Why does your company not allow staff to work from home?



- Our staff need access to company documents that aren't accessible outside of the office
- We / they do not have the necessary technology in place
- We do not believe employees will be as productive
- Other (please specify)
- Our staff work in close-knit teams who need to communicate with one another regularly



4. Notes to Editors

Editors are free to print any graph or table found within this report, providing that the source is duly referenced.

The following resources are also available upon request from the oneDrum team at Racepoint Group (onedrumuk@racepointgroup.com or +44(0)20 8752 3207):

- Further breakdown of research findings by region, company size, and industry sector
- A map depicting the prevalence of home working by region
- Telephone interviews with:
 - Jasper Westaway, CEO of oneDrum
 - Phil Flaxton, CEO of WorkWise UK
 - Graham Jones, Internet Psychologist.