

CASE STUDIES

TELEWORK BOOSTS PRODUCTIVITY FOR BRITISH TELECOM

If it boosts productivity for British Telecom (BT), the Automobile Association (AA) and Microsoft, there must be something behind the trend for remote working. Peter Bartram finds out why some staff, who hardly ever go to the office, are getting more work done.

Your car breaks down on the Motorway while on the way to an important meeting. So you call the breakdown service. The phone is answered in the spare bedroom of a modest semi-detached house in Cheadle, a suburb of Manchester. Welcome to the AA, the nation's premier motoring organization.

For seven years, the AA has been employing homeworkers to deal with breakdown calls. According to Kevin Horgan, the AA's manager of call-handling teleworking, it started as a small experimental operation because a call centre was shutting in the City of Leeds and the company didn't want to lose experienced staff.

It has proved such a success that the AA has expanded the operation to more than 150 "remote" workers in clusters around Manchester, Leeds and Newcastle. If you break down, odds are your call will go to one of them rather than a call centre. Now the AA is piloting another project to expand its remote workforce.

You can almost hear the grumblings from the Board's traditionalist Directors: wouldn't work here. But the notion that workers can only be managed if they're chained to their desks is going the same way as the Dodo, explains Garsten Sorensen, a senior lecturer in information systems at the London School of Economics. Sorensen has just published a paper, *The Future Role of Trust in Work: the key success factor for mobile productivity*, which argues that companies can no longer define the workplace as a specific office or workstation.

"Decentralised work is about focusing on the goals and not the process of playing," says Sorensen. But for that to work effectively, employers and employees must trust each other. Employers show their trust, says Sorensen, by not trying to monitor remote employees every minute of the day.

"If you don't trust your employees, you're going to use all sorts of wrong technologies to monitor every step they take," says Sorensen. In return, remote employees, who fear they're not trusted, will spend much of their working day bombarding their boss with unnecessary emails and text messages just to show they're out there working hard.

The danger is that employers will resort to Big Brother technologies, such as tracking people's movements through their mobile phones. Although there are some legitimate business applications for the technology, Sorensen argues: "In the wrong hands, it can turn into a deadly weapon where it fosters an incredible environment of mistrust. One of the first things that needs to happen in many companies is to renegotiate the idea of privacy and surveillance."

Horgan agrees that trust and reliability are at the heart of any successful remote working project. For the AA, finding people who possess both qualities starts with recruitment. The company uses psychometric testing and role-play exercises. Then it monitors potential remote workers during the three-to-six month training and induction period when they are working from an AA office. "We don't expect them to be late for work," emphasizes Horgan.

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Specialist managers run teams of up to 18 remote workers, holding performance reviews at their homes or in the office. “I’m looking for people with a strong management style and good communication skills,” says Morgan, “who can go into somebody’s home and manage that individual well.”

The AA is not the only company to see advantages in homeworking. BT, for instance, has found that a growing number of the best recruits are looking for more flexibility in their working lives. “A lot of the people we were trying to attract were saying they wanted flexibility and that it was even more important than the salary or terms and conditions we were offering,” recalls Patricia Vaz, BT south-east regional director and one of the moving spirits behind the company’s remote-working policy. “We needed to make sure we could win the war for talent-not just by attracting people, but by then keeping them.”

Around 10,000 of BT’s 110,000 staff are now remote workers, with as many as 500 more signing up for the option every year. A further 60,000 staff are “nomadic”, spending some time working from home, and some on the road or in the office. Directors who think productivity slumps if you allow people to work from the comfort of their own home should take a look at BT’s experience to date. Figures vary, but remote workers are generally found to be up to 20 per cent more productive than when they worked in the office.

Other companies report a similar phenomenon. One reason is that homeworkers tend not to stop work on the dot of 5.30pm. Because they choose their own hours, they are more focused when they are actually working. “We don’t worry too much if they’re hanging out the washing at 10am because they might well still be working at 6pm,” says Vaz.

A key lesson at BT and other companies, that have succeeded with remote working, is that there needs to be a shift away from an office-centric culture. “We had to change absolutely the way we monitored the value people contribute,” says Vaz. “If somebody wants to work remotely, the first thing their manager has to do is decide whether they can define the job by output rather than input. It’s not easy.”

At BT, that sometimes meant going back to job descriptions and rewriting them. “You have to be able to measure people’s output in a way which defines whether they are good, bad or indifferent,” says Vaz. “As long as you can do that, you are less worried about whether or not you can see the sweat dripping off their brows.”

But, as BT and others can attest, defining jobs in output terms requires some subtle thinking. In a BT example, it wasn’t enough to count the number of repairs a service engineer completed each day. It was necessary to monitor how many of those required a rework in the days or weeks that followed. So output measures need to be a mixture of quantitative and qualitative-and that may mean changing information systems to collect focused performance data.

Vaz agrees with Morgan that managing remote workers also requires special skills. “You need to move away from the authoritarian manager of the past to the kind of manager almost everybody needs nowadays-somebody who is prepared to enable their workforce, give them the kind of confidence and direction they need, and then trust them to be creative about how they deliver results. It is certainly a million miles away from the management style that requires you to be there for long hours just for the sake of being there,” she says.

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Mike Pryke Smith, partner business manager in the information worker group at Microsoft, where around half of the 2,000 UK workforce are either part- or full-time remote workers, also believes that culture change is key to making it work. “Trust and empowerment are important,” says Smith.

“Microsoft employees are objective-based rather than time based. We’re judged on the results we produce rather than the time we spend in the office.” One feature of the way Microsoft manages its remote workers is a twice-yearly review in which managers judge how far each employee has achieved his or her objectives. “But managers are also looking at how the employee has achieved those objectives,” says Smith. “We have strong company values around integrity, empowerment and entrepreneurial spirit, and it’s important that no worker achieves their objectives by compromising those values.”

One factor which has turbo-charged Microsoft’s move to remote working is new technology. “It’s now much easier to set up remote conferences and have meetings from PCs,” says Smith. “It’s also easier for members of a remote team to create and collaborate on documents.”

Technology is much on the mind of Ian McKeown, CIO for Nortel’s Europe, Middle East and Africa region. He’s responsible for ensuring that the 6,000 (out of 9,000) workers in the region who work some or all of the time remotely have the technology they need to do their jobs. But he admits that while technology is a critical enabler, it’s only part of a successful remote working story.

As with the others who’ve made a success of remote working, trust and culture change are at the top of Nortel’s agenda. And neither can be left to chance. “There have to be policies and procedures in place around the approaches and behaviours of people when they are teleworking or working on their own,” says McKeown.

“The policies have to cover use of the technologies and work practice—the approach management will expect workers to adhere to when they are working from home. But the policies also have to cover real estate issues—either in the office or while they are at home. And those policies must cover not just technology, but the environment they work in.” Given that, the benefits will flow.

Ninety-four per cent of Nortel’s remote workers reported productivity increases between 15 and 20 per cent. There are still directors who believe you can’t manage workers unless you can see them. But they are likely to become a dying breed.

LSE’s Sorensen is in no doubt about what’s going to make remote working successful. “UK businesses must learn to trust employees to define their own working contexts. In turn, they can ask employees to trust that measurements of performance and effective co-ordination will be applied in a fair and ethical manner.” “Once a manager has enough self-confidence to let go and trust employees, they respond and recognize they’ve been given responsibility”