Committee for Finance and Personnel

OFFICIAL REPORT
(Hansard)

Flexible Working Inquiry: Flexibility.co.uk

26 February 2014

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Members present for all or part of the proceedings:
Mr Daithí McKay (Chairperson)
Mr Dominic Bradley (Deputy Chairperson)
Mrs Judith Cochrane
Mr Leslie Cree
Mr Paul Girvan
Mr John McCallister
Mr Ian McCrea
Mr Mitchel McLaughlin
Mr Adrian McQuillan
Mr Peter Weir

Witnesses:
Mr Andy Lake   Flexibility.co.uk

The Chairperson: Members, I welcome to the meeting Andy Lake, who is the director of flexibility.co.uk. Andy, you are very welcome. Can you hear us OK?

Mr Andy Lake (Flexibility.co.uk): Yes. I can, now. Thank you very much for inviting me.

The Chairperson: Andy, I wonder whether, before we go to questions, you would give us a brief overview of your work on and involvement in flexible working, particularly the document that members have before them, which is titled 'The Way we Work: A Guide to Smart Working in Government'.

Mr Lake: Yes. I have been working in the field for nearly 20 years now. Flexibility.co.uk began life as part of a European R&D project funded under the framework programmes. The project looked at telework for people with disabilities, in remote rural areas, in the construction industry and so on. Initially, 'Flexibility' was a monthly paper journal looking at all aspects of other projects and business innovation, and it just kept on going with sponsorship from various organisations and the European Commission. Eventually, it became self-financing and was spun out as a separate company. Apart from keeping abreast of what is happening in the changing world of work and carrying out sponsored research — I will tell you a bit more about some of the current stuff later — we are also increasingly being asked to advise companies and help them to implement flexible working — also referred to as smart working or agile working — in practice.

A couple of years ago, we produced 'The Smart Working Handbook', which had sponsorship from a number of leading organisations and is still downloadable from the website. As a result of that, a number of organisations have asked for it to be customised as their internal guidance. In due course, the Cabinet Office approached me. It said that it was pretty much what it would like to do and asked

whether we could customise a version of it or talk to all the relevant Departments in the UK Government — the English Government — and get a lot of case studies. This is the version that has approval but is not yet published. A summary version is also being prepared to provide quicker guidance. I am working with a number of large organisations, such as utilities and several councils. I have also done remote training for the Iranian Civil Service. That seems quite random, but, a few years ago, it published a teleworking decree, as it saw remote working as essential to modernising its government. There is movement under way among governments of all kinds to try to modernise the way that they work. Working better with less resource is the key to what it is about.

The Chairperson: Do the Westminster policies — the Civil Service reform plan and national property controls etc — drive smart and flexible working in Whitehall Departments? Are they driving flexible working as much as they can, or do you find resistance among civil servants there? Here, we have heard civil servants make comments that indicate a resistance to going down that road.

Mr Lake: I think that there is a definite drive towards it across Departments. There is always a process of understanding exactly what it is. Everyone comes to the table with their own idea of what flexible working is from their experience. Often, people have quite a narrow view on the basis of what they have experienced. I do not mean narrow-minded, but they see it as being about work/life balance and flexible working by exception, rather than trying to get the whole organisation to be more flexible as the norm.

Departments are, as you know, quite autonomous and have their own arrangements for property, HR, procurement and technology, so it is very much the case that a set of multi-speed and diverse things are happening. The overarching drive from within Whitehall is part of the efficiency and reform programme under which this initiative sits.

One of the driving factors in government, as in many other organisations, is to reduce property costs, but it is not the only one. If you start a project from that basis, everyone becomes disaffected from the start. They feel that they are losing something, whereas the whole approach should be about how we can do things better while being less wasteful of the resources that we have acquired over the years or even centuries.

Mr Cree: Good morning, Andy. My question is one of the most obvious ones. Managing performance focuses on results and outcomes. How can that be achieved? What are the difficulties?

Mr Lake: In a sense, that is one of the most fundamental questions. When people go through this process, it is important to reflect on how they manage now. Managing performance by results, understanding what your outputs should be and understanding the outcomes that you want in the longer term are essential to all management. When I take workshops, people often say, "This is what we do anyway", but then ask, "How do you do it?". Interestingly, people in a sales role or some kind of field role tend to be much clearer on this because they are often very target driven. Many in field work do this naturally. The challenge is bringing it into a white-collar office environment where people are much more used to managing by presence. They think that, if they look over someone's shoulder or call someone into their room and have a quick chat, they are managing performance. It is partly about being more structured and breaking down activities that you think you do anyway into a series of projects with definable objectives and outcomes. There are a lot of techniques for developing that approach. Of course, certain roles, such as those of the processing variety, are much more amenable to being divided up easily, whereas someone in a social work role may feel that it is impossible, but it is not. Various councils have led the way and asked themselves how much they do and what they expect people to achieve within a certain time. One of the input measures is the amount of resource, so they get a feel for the average. I do not really like the league table and target approach. This is much more subtle and needs to be worked out as a team.

Mr Cree: As you say, some will be easier to monitor than others, Andy. For which jobs is it most difficult to monitor performance?

Mr Lake: Sometimes, in roles of a more reactive nature, certain people have to troubleshoot and deal with unexpected crises and so on. Again, it is a question of looking at the wider picture to see what one would normally expect. One key issue is that people feel that, if someone is remote, they are out of contact, but that is changing. In the current situation, if someone is not at their desk, in a meeting or visiting someone, they are, effectively, out of contact, but with new technologies, someone working from home or working in the field — working anywhere — is available through the technologies that we now use. Many organisations use Microsoft Link or similar to keep in touch. These are unified

communications mechanisms whereby you can contact through instant messaging and set up instant conference calls wherever you are. Being out of the office does not mean being out of touch. Properly managed, it means, I think, being more available than before.

Mr Cree: I guess the big problem for some managers is this: how do we know that our staff member is working all the time?

Mr Lake: That touches on a number of fundamental points. Do you want to measure someone's value to your organisation by the time that they work or by their results? Obviously, a member of staff will work for a certain of time, and, within that period, you will set objectives that will take up a certain time. However, I think that focusing on the time input rather than the productive output is part of the old world of work that we need to move away from.

The Chairperson: It kind of reminds me of politicians. You do not see them at work, but you judge them on their outcomes as opposed to monitoring them day in, day out.

Mr McQuillan: Good morning, Andy. How can we ensure that there is a commitment at the top level of any organisation to flexible working?

Mr Lake: Support at the top is crucial. I have seen quite a number of organisations start down the road of flexible working, and those at the top said the right words but did not put them into practice. That is when things start to fall apart. I will give a challenging example: if you are moving to a smart working environment and say that space will be allocated according to need rather than status, you can, for example, get rid of private offices and turn them into meeting rooms and so on, but how would a chief executive or Minister react to that? If you have people at the top who say that it is good to have people working flexibly but then get really upset and ask, "Where is everybody today?, you have a problem. They have to lead by example.

Usually, one of the first things that I do when I go into an organisation is work with senior management to raise awareness; look at what other organisations are doing; look at the issues; get buy-in; and develop a vision and a set of principles that are signed off at a high level, as you see from the handbook. That becomes a kind of touchstone for how work is organised at a lower level and how decisions are made about that.

Mr McQuillan: Thanks, Andy. Are there any lessons that we can learn from the case studies that you have carried out?

Mr Lake: Yes. One of the most important things, after getting that high-level vision, is getting the people who work in the sometimes separate fields of property, technology and HR — the people disciplines — working together as an integrated team. Quite often, I have seen people who are getting something going, but the technology people, although on the right track, have their own road map. The technology department may have a five-year strategy or a contract with an external provider, so, for them, certain things are pretty much set in stone and they will not shift on those. Although they have agreed to introduce flexible working, they want to do so in their own time. Getting everyone working together to introduce a coherent programme to support the cultural changes needed is often one of the most difficult things to achieve.

Mr McQuillan: I suppose that it is important to the whole project that that happens early on.

Mr Lake: Yes, it is. The structure and governance of the change project are quite important. It is important to have someone at a sufficiently senior level say, "Enough of this style of working; let's all do this together."

Mr D Bradley: Good morning, Andy. If a company or Department was starting afresh to implement smart or flexible working, what, in your experience, would the initial key steps be?

Mr Lake: At the back of the handbook, I set out a sample generic timeline of the steps needed. First is awareness raising and establishing the vision principles. Then, there is gathering evidence and seeing how people work now, what resources are they using, to what extent offices are occupied, what technologies are used and what the mobility needs are. After that, you need to engage the workforce in the process so that this is not something that is happening to them. We need to ask them, "If you had the right set of tools and a bit more flexibility to organise things in a way that you

think is more rational and would fit in better with your kind of life, could you do what you do better? The results that you get out of that process are quite amazing .

My experience of the public sector is that it is full of committed, intelligent, caring and creative people, who spend a lot of their time doing things that they feel are not entirely necessary. There are systems and processes through which they do things. They do them because they have always been done, or because they are worried about stepping out of line or being held accountable to various people for doing something wrong. They know that things can be improved. So part of the way to make a success of this is to engage people's creativity and energy in redesigning the way in which they work. I go through with them a process that I call the "can test", which challenges assumptions of necessity. I ask them why they do something at all and why they do it in a certain place or at a particular time. We then look at how it can be done in a way that is much lighter on resources and so on. People come up with some quite empowering answers. However, part of the process of reaching that point is getting managers to trust their staff to work in a way that offers a bit more choice about where, when and how they work. They can do that if they are happy to manage by results.

Mr D Bradley: You described the more traditional workplace setting and how it is managed "by presence" as opposed, I suppose, to management at a distance. In the traditional setting, one would think that such management makes it easier to avoid fragmentation, isolation, loss of team spirit and, in some cases, a threat to the work/life balance. How do you ensure that those elements are not part of the smart or flexible working plan?

Mr Lake: You are right to point out that there are some dangers. Your focus could be entirely on homeworking, for example, which our surveys of organisations show that most people do not want to do. If you ask people whether they would like to work at home, you find that those who say that they would want to do so for one or two days a week. Only a very small number want to work three to five days a week from home, even though it can, sometimes, be an efficient way to organise things. One has to be careful not to set up arrangements whereby people are artificially fragmented and dispersed. In a normal kind of flexible/smart working arrangement, people see one other more often than they had imagined, or perhaps feared.

When a team is together, the idea is to have team spirit. However, office structures, with ranks of desks, are not very well suited to collaboration. Spaces for collaboration, such as a break-out space, a project room or a formal meeting room, where people can get together and to which they have good access, are often lacking in government offices. So, by having people share desks, because desks are often underused, and having a range of different settings, people are more able to go to the kind of places that are appropriate for the collaboration that builds team spirit.

There are techniques for managing more disperse teams. I do not think of a distributed team merely as the people who are out in the field; it is everybody who is in that team. Regardless of where you work, you are part of the one team, and you are all distributed. You have to learn to work more with the new technologies and rethink how meetings are conducted. We often find that people complain of a meetings culture: they spend half their time arranging meetings. How can you start to deconstruct meetings and do things in a different way? Take, for example, never having a meeting to share information — share the information online beforehand. I am sure that all of you have been to meetings at which you heard information for the first time. You cannot make a decision on it, so you arrange another meeting. You sit in on some meetings for an hour, two hours or three hours just for the 10 minutes that are relevant to you. It is about thinking about how you can use the new technology more creatively to call somebody in, remotely, for the 10 minutes that they need to be there. Those are the kinds of things that can help to change the way that teams work.

Mr D Bradley: Thank you very much, Andy.

Mr Mitchel McLaughlin: Good morning, Andy. Thank you very much. The question of change management when moving from traditional working practices and existing portfolio of accommodation to the default position of open space is reflected in your document. Is it always possible to retrofit existing buildings, or is it your experience that, sometimes, we have to look for alternative accommodation and dispense with some of the existing accommodation?

Mr Lake: That can be a choice. Sorry, I am hearing a slight echo when I speak, so I am tripping up a bit with my own words.

Mr Mitchel McLaughlin: You have to be careful with your words.

Mr Lake: It is often not possible to retrofit historical buildings because you cannot make the internal changes needed. However, Whitehall has done some creative things with some of the older buildings there. They use what were private or small team offices as meeting rooms, project rooms and so on. It is often very difficult to deal with many of the offices built between the 1960s and 1990s because they do not have the wiring and so on that is needed. In such cases, it can be better to get out of them and go to somewhere more purpose-built. There are a lot of great examples of purpose-built buildings. The environment is quite exciting for people to work in, and the buildings are more suited to the new ways of working.

Mr Mitchel McLaughlin: We have had some limited experience of smart working here in the North. There are significant factors involved here, such as institutional resistance and workforce resentment of, say, the open-plan concepts, and, as such, those difficulties have been hard to programme out.

Does experience require that we should start with the best exemplar that we have to demonstrate that it works and delivers greater efficiencies, output and, I suppose, competitiveness, depending on the type of work environment, and then convince the managers who have yet to be convinced that investment in bespoke building design might be required instead of going through phased refurbishment?

Mr Lake: I think that that is a good idea. Visiting places that are doing it well can be a first step. Setting up some kind of model office in an existing building that shows the layouts and facilities that people would have and getting some teams to fast-track the new ways of working can be very influential.

Mr Mitchel McLaughlin: Workplace culture is a significant issue, particularly in the Civil Service, where there tends to be career longevity, with people, on leaving education, working in the same type of environment for perhaps decades. Have you found that to be a significant problem to overcome?

Mr Lake: In some organisations. People talk a lot about the different generations of the workforce and about the new generations coming through being more au fait with new technologies and being much happier to work and become friends with people whom they do not see daily. Although I think that that is true, it has not been my experience that the older workforce is necessarily resistant. A lot of the people driving some of the changes are people in their mid-50s — such as me — to retirement age and even beyond, and the people developing the new technologies are often older as well.

Familiarity is one of the hardest cultural things to get over. Flexible working and smart working are not all about remote working. They take other forms as well. With people increasingly working beyond retirement age and wanting to have phased retirement and the like, other kinds of flexibility can be appealing.

We have done surveys on how much people want particular kinds of flexible working and found that those who want part-time or reduced-hours working the most tend to be the over-45s rather than younger parents, which is what one might assume. I think that that is because parents probably already have the part-time working that they want. Therefore, the ways in which to address different kinds of change in different parts of the working population are quite an important component.

Mr Mitchel McLaughlin: You argue that the evidence for smart working as demonstrated by its outputs should overcome any reservations or resistance to the step change.

Mr Lake: Yes, I think so. To be fair, a lot of resistance has been identified among, in particular, middle managers and team leaders. They are often in the position in which, having done a professional job well for years, they feel that they have not had training in managing change. An ideal project will have a central resource that will go out and work with the people who have to be at the sharp end of change, in order to help them through the practical changes that they will be looking at and help them design new ways of working. That resource will be in place to support them as they get those new practices bedded in.

The 'Field of Dreams' approach, whereby you build it and they will come, does not really work. I always think about a number of projects that built a platform for flexible working, with a new working environment and new technologies, but then it did not quite happen. That is when, perhaps late in the day, organisations call in someone like me to help with the cultural change, because they forgot that bit. Having that culture change in the change management process is vital.

Mr Mitchel McLaughlin: I think that we have learnt that first lesson ourselves through experience. Thank you very much.

Mrs Cochrane: I am interested specifically in the potential for sharing workspaces across different Departments, local government bodies and other public bodies. How much of that has gone on in GB so far? Are other benefits associated with buildings being better utilised other than reduced costs? Is there any evidence of government starting to work less in silos because there is interaction at times, even informally, between people from different Departments?

Mr Lake: Very much so. Desk sharing is one of the biggest fears, because it really attacks something that is quite emotionally central to people. On one level, it is about territory. People think, "This is my territory, and you are taking my desk away", or "You are taking our storage away", or something like that. However, it can also be felt like an attack on identity. People think, "This is where I have my work personality" or "This is my team and the people with whom I associate". Therefore, it is important to recreate a team identity in the new guise. Desk sharing is becoming almost ubiquitous in the UK public sector. In central government, it is known by various names, such as "non-territorial working". Pretty much throughout local government, it is either there or on its way.

Does it have the advantages that you mention? I think that the case studies show that it has many advantages. Obviously, using space more effectively is quite important. In the case studies, only around 40% of desks are being used on average during the working day — between 9.00 am and 5.00 pm, not counting lunchtime. Those are the kind of figures that we are seeing. That is an enormous amount of waste. It is resource that could be spent on something else. People are persuaded by those kinds of arguments when they see the evidence. The booklet from the Department for Culture, Media and Sport (DCMS) is on how it is using its new project areas. Those are very good for bringing together and getting team identity from people who come in from a variety of different Departments.

I am sure that you have many cases in many Departments and throughout local government of teams being dispersed across multiple sites. One of the wins that you often get from a project when you move to that kind of working is being able to bring people to a single base, even if they do not work there all the time. That is a big bonus for many managers, and for the teams themselves.

Mr Girvan: Thank you, Andy, for being here. I have not necessarily bought into the whole flexible-working approach. I see it as a skivers charter in some way. However, I believe in the smarter-working aspect, for those who have the ability to do it.

What mechanisms are there to ensure that all the technologies are secure and safe when being used in remote settings? How can things be married to ensure that that happens?

Mr Lake: That is quite an interesting one. Government deals with very sensitive information. The Cabinet Office has been working on new definitions of different security levels. Therefore, it is a question of finding forms of working and technology appropriate to the security needs. Some things might be too sensitive to take off the site, so that can sometimes be used as an objection to smarter working as a whole.

It is a question of finding the proportionate response. The Whitehall advice is that it is a question of managing risk, not blocking everything that you might do.

It is also quite interesting that one of the pioneers of flexible working and smart working is the Government Communications Headquarters (GCHQ). When you think about it, intelligence organisations and the military constantly take very sensitive information all around the place. Therefore, the techniques are out there. It is just a question of how we do something in a white-collar office environment that we already know how to do.

Mr Girvan: That can sometimes be seen as a reason not to do it. Some organisations will simply say that the security risks are too great. By that, I mean the risks to data security. Therefore, they do not offer the opportunity, because it seems like too much work to try to deliver it. Have you encountered any of that resistance?

Mr Lake: I have. I do not know that I should mention specifics. I know of one government organisation that has moved quite substantially towards smarter working. However, one element of it has not as yet. Its thinking is, "We have to deal with very difficult and sensitive public security issues, so we will continue to work in our traditional ways for the moment and look at the appropriate solutions

for us". It is very resistant to sharing space with other parts of the organisation. I can see the wisdom in that when it comes to sharing the regular places where people work, where things may be overheard, but it is now sharing some common areas — some of the other activity-based work settings that I mentioned. You can take people along at their own speed, but there may be occasions on which you genuinely just cannot do it.

The Chairperson: As I mentioned earlier, senior officials in the Department of Finance and Personnel have a number of concerns about flexible working. Can you give us a quick view on three of their concerns? First, they are concerned that too much flexibility can have an adverse impact on business arrangements; secondly, that a formalised home-working policy risks creating a sense of entitlement and inflexibility on the part of employees; and, thirdly, that informal, ad hoc arrangements where line managers exercise discretion is preferable.

Mr Lake: That is very interesting. To some extent, I agree with all those statements, based on how flexible working has been done so far. The process whereby somebody applies for a flexible-working arrangement that gets set in stone — that is an exception from normal working — means that you cannot construct a strategy on that basis. You are working from the basis of a default norm of 9.00 am to 5.00 pm working in the office being how you do business, and then one person is to have one alternative arrangement and someone else a different alternative arrangement. All of that adds up to complexity and, to my mind, a bit of incoherence. It can also lead to some discriminatory practices, because one line manager will accept one thing, but another line manager will not accept the same. There could be two people sitting next to each other, one with caring responsibilities and one without, and the former gets some kind of flexibility, which is seen as a benefit.

The proper approach is to move forward, try to get away from the default, traditional norm and think how, in the new world of work that is emerging, with more-flexible possibilities for where people work, we can create something that works for our team, with people working in different ways at different times rather than something being nailed down as a permanent contractual arrangement.

The Chairperson: Finally, the Committee is looking at the issue of the number of public service workers' sick days across our various Departments, as it is a concern. A number of areas need to be considered, and page 40 of your report refers to healthy working. It mentions the sick days lost, unhealthy working environments and stress. Having sick family members or sick children in a household can also have an impact. Is there recognition that flexible working can be part of the public health agenda? Obviously, workers with more time have more time to be healthy. One big issue that we all face at the minute is the increased health spending projected over the next 10, 20 and 30 years. For example, diabetes rates are going up quite considerably across the North, year on year. Can healthy working be a key part of the agenda?

Mr Lake: It can. Quite a number of studies link flexible working to better health outcomes. In particular, it can reduce stress and have beneficial effects for people who have problems with blood pressure and the like. Some studies indicate that the forms of flexible working that give greater autonomy to the person are most effective for reducing stress. That is something that ties in with the culture of trust, which I mentioned, and the feeling of being empowered rather than feeling that what you are doing is in some way different from the norm and may be causing problems for other people in the office. Involving empowerment is also quite important.

One of the other things I find interesting from a policy point of view is that the most dangerous thing that you will do in your working day — unless you are a soldier, policeman, miner, fireman or something like that — is travel to and from work. That does not really come into the figures somehow. It does not count as a work-related accident if you are injured or killed going to or from work. I strongly associate reductions in commuting, which is also a source of stress, with a health agenda.

The Chairperson: Andy, that is all from us for now. Thank you very much for your time. It has been a very productive session and will go some way to improving our final report.

Mr Lake: Thank you for inviting me. I wish you well in your endeavours.

The Chairperson: All the best. Goodbye.