

Shed dated notions of the workplace: they may be costing you money and keeping you from attracting tomorrow's talent.

## thegoods

- Increase your organizational agility and save money.
- Redesign office environments to increase work flow and collaboration.
- Mobility options and appealing work spaces will help you attract and retain talent.
- Become a preferred employer and avoid the looming labor shortage.



# getti

by kari belanger

The evidence is mounting: Organizations embracing a nimbler, more flexible model of the workplace have a distinct competitive advantage over dated Industrial-Age work environments. And in order to compete in tomorrow's talent market, embracing a workforce that can work anytime, anywhere is essential for corporate survival.

The case for a new nimbler model of the workplace is simple and convincing: it makes business sense, according to Drs. Charles Grantham and James Ware, co-founders and executive producers of the Work Design Collaborative, a think tank for the future of work. Grantham and Ware have identified six primary reasons organizations should be rushing to implement alternative workforce strategies:

- Reduced basic workforce support costs
- Increased workforce productivity
- Increased attraction and retention of talent
- Increased organizational agility
- Reduced business risk of disruption from terrorism or natural disaster
- Reduced traffic congestion, air pollution and environmental impact

"To date, every time we've used the ROI Calculator it shows very dramatic gains from moving to a distributed work

wouldn't do it?" said Grantham in a recent interview.

And they know what they're talking about. Grantham and Ware have helped clients shave 30 to 40 percent off real estate costs, save 27 to 45 percent in total workforce support operating costs, and consistently increase workforce productivity 15 to 18 percent.

In the media, Cisco Systems and Sun Microsystems reported savings in the hundreds of millions by implementing forward-thinking, alternative workplace strategies. It's perplexing to Grantham and Ware that executives have rushed to cut staff, cut travel, to cut every discretionary expense imaginable but they are not racing to implement agility into their organizations, "That's not the way to get to the future, let alone survive," they note in a recent newsletter.

#### **Save big, perform better**

Seeing the potential for huge cost savings, one forward-thinking organization approached Grantham and Ware for an injection of agility when creating their 2010 vision.

Three years ago, executives at SCAN Health Plan, the fourth largest not-for-

# ngnimbler

environment; the Internal Rate of Return of these investments is anywhere from 25 to 70 percent and more," Grantham and Ware stated in a white paper entitled, *How Come Distributed Work is Still the Next Big Thing?*

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profit Medicare Advantage HMO in the U.S., wanted to save on real estate costs, attract and retain talent and address work-life balance. Grantham and Ware suggested more mobility by enabling employees to work anytime, anywhere, and to reassess how the organization used space.

Since then, SCAN Health Plan has enabled 15 percent (about 200) of its employees to work from home two to four days per week, realizing a return on investment of over

40 percent and winning the International Facility Management Association (IFMA) Orange County Award for Excellence for the project. “This year alone the budget was cut significantly, and we will save five to seven million over seven years,” said Diane Coles, Director of Workplace Services, and recipient of the prestigious IFMA George Graves Award for Facility Management Achievement for spearheading this project. “Now, we can focus our savings on health care for our members.”

Embracing a more flexible work environment also cut provisioning costs by 38 percent and provisioning time from 12 weeks to three days. But looking back, executives were skeptical at first, noted Coles. “They had lots of concerns, such as ‘If I can’t see the employees how do I know they’re working?’” For hesitant executives, Coles let the numbers do the talking, “The key is the metrics,” she said.

Coles explained poor performance is more visible now than ever with metrics-driven productivity data, “People could walk around and pretend to be busy in front of the boss in an office setting. You can’t fool anyone anymore with performance metrics.”

Overall, employee productivity has increased 18 percent since adopting a more flexible work environment. However, she cautions before employees begin working from home you must establish a baseline for measuring productivity accurately and reliably.

Even for Coles, who bought into the idea of alternative workplace strategies from the beginning, the results of organizational flexibility were surprising, “It turned out better than I expected. Performance at home is higher than expected. Employees are collaborating more from home than in the office—it’s counter-intuitive, but it’s happening.” An increased perception of connectivity is something Grantham and Ware are also observing at other flexible workplaces, but they are quick to point out that for some kinds of communication and problem solving there is no substitute for face-to-face interaction and same-time, same-place work.

### Lose the cubicle

But worker mobility is only part of the story for SCAN Health Plan’s search for a more nimble work environment. “Some CEOs are starting to realize if they want people to come into their offices, or join

their organizations, they’d better make the office an attractive place to be,” said Ware. “Companies are now rethinking the way they use space, they are turning workplaces into collaborative spaces. Now small private offices are like residences—not every room is the same and they must be attractive and productive—it’s good business.”

Redesigning workplaces into shared spaces and teaming areas, as well as adding cafés and ‘touchdown’ areas has increased work flow and created an environment of freedom and collaboration for employees at SCAN Health Plan. Tables, files and bookcases are all freestanding, nothing is affixed to walls,

work spaces and mobility options for employees have helped. Before injecting flexibility into the organization Coles says it was difficult to attract certain employee groups, especially when other organizations were already offering work-from-home programs. In the past, an employee moving out-of-state meant the loss of that valuable trained worker; now employees can move around the country and ‘touchdown’ at other offices. “One employee works from home in Arizona, but his department is based in Long Beach, California—and it works. Technology is untethering people from their desks,” said Coles.

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CHARLES GRANTHAM

and employees can choose from different sizes and styles of tables, chairs and desks and arrange them all in a way that makes the employee feel the most productive.

“We’re losing the cubicle,” said Coles. “Our village concept can be turned into meeting rooms on a dime.” It’s a win-win situation because the employees are much happier and the company saves money, she noted.

Coles wants SCAN Health Plan to be an employer of choice and the redesigned

Coles identified early on a crisis beginning to unfold across the globe. And possibly the most compelling reason for embracing a new nimble model of the workplace—the war for talent.

### Finders keepers

Becoming a preferred employer may be essential to your survival.

“If you’re not thinking about where your talent is coming from in the next five

“Companies are now rethinking the way they use space, they are turning workplaces into collaborative spaces.”

JAMES WARE

years you're going to be in trouble,” said Grantham. “The war for talent is over: talent won.”

Baby boomers are moving out of the workforce and the cohort coming up next is much smaller. “There’s going to be a real shortage of talent. So organizations need flexibility to attract labor in a seller’s market,” said Ware. “If the baby boomers decide to stay at work for phased-in-retirement they are not going to want to commute.” This attitude echoes the sentiments of workers moving in to replace the baby boomers, Generation X and Y.

Take twenty-something Matthew Sadler, whose attitude toward work and life generally reflects his cohort, Generation Y, “We focus on living a good life or what we perceive as a good life, rather than having a good job.” Comfortable in his Jersey Shore environment with his close-knit group of friends and family, Sadler takes full advantage of the diverse cultural experiences, urban environment and conveniences on offer. When Virginia-based Vanderschoot, the world’s largest flower bulb company, wanted his marketing expertise and experience Sadler was not willing to relocate. But Vanderschoot did not want to miss out on the opportunity to hire

the best person for the job, so Sadler became one of the company’s first ‘nomads’—a global worker who carries everything he needs to do his work with him.

When not in his home office, Sadler can be found working on the road while visiting clients, or at the corporate office in Chesapeake, VA, one to two days per month. He notes he’s also worked from coffee shops, hotel rooms, airports and even his car. Sadler feels strongly that mobility has affected his productivity, “I am 10 times more productive and I have complete autonomy over my work. Working from home has made me improve as an employee and has improved the quality of my work because I can focus and do more.” Sadler’s friends are just a little envious about his flexible work environment, but the biggest benefit here is how Sadler feels about his

job, “It’s a very comfortable environment. I’m very happy.” Vanderschoot is happy too: they’ve extended his contract by two years.

As Grantham points out, happy employees are engaged employees, “Workers feel a regained sense of control over their life. This leads to an increase in job satisfaction and, in turn, an increased sense of engagement with the company.”

Corporations are using whatever manner they can to find a way to keep and retain talent, notes Grantham. Job sharing, compressed workweeks, sabbaticals and phased-in-retirement plans are all playing a key role for organizations to find creative ways to accommodate workers.

With an impending shortage of talent, increasing real estate, energy and environmental costs, can you afford not to be flexible? [rop](#)

## hand-off

Want to lead the emerging trend of transforming your organization into a nimbler, more flexible and attractive work environment for a new decade of global prosperity? Drs. Charles Grantham and James Ware, co-founders and executive producers of the Work Design Collaborative and co-authors of *Corporate Agility: A Revolutionary New Model for Competing in a Flat World*, offer some specific steps to take:

- Devise a business case by considering what business challenges your organization is facing—what’s important to your senior executives today? Which of the benefits of distributed work holds the most promise—the biggest bang—for your organization? Once you are clear about your business priorities, think seriously about whether a distributed work approach would help solve those problems, enable your strategy, or otherwise strengthen your position in the marketplace.
- Assess how your organization is currently working by looking in detail at where people are spending time, how often employees work from home (or elsewhere) and what tools they are presently using.
- Conduct three important analytic exercises: each one is designed to deepen your understanding of how distributed work will affect your organization and your workforce.
  - 1) What are the economic and organizational opportunities a transformation to distributed work offers? Assess the effect on the organization’s operations both financially and in terms of staffing levels, technology requirements and human resources programs and policies.
  - 2) Which jobs and people could be distributed? Many knowledge-based jobs can be moved into part-time or full-time distributed work environments.
  - 3) Determine if your organization is ready for a change and capable of achieving the changes necessary to move into a distributed work program.



Today's Special

People-first  
Leadership

Step aside employee engagement. There's a more satisfying concept on the menu: employee enrichment.

by **leslie vryenhoek**

## thegoods

- For long-term success provide people-first leadership by serving those you lead.
- Employee enrichment considers the whole lives of employees, not just their work lives.
- Actively valuing employees drives profits.
- Internal communication feeds a culture of appreciation and connection.