

TOMORROW'S LEADERS

Managing Teams Remotely



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Prepared by City & Guilds and the Institute of Leadership & Management (ILM) in conjunction with Peter Thomson, Future Work Forum, Henley Management Centre

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1. Introduction

Today's workplace is changing fast with flexible and remote working becoming an increasing reality for more employees each year. Without doubt, this trend is set to continue with significant implications for leaders and how they effectively manage, communicate with and motivate their teams.

The subject matter is of substantial interest to both City & Guilds and the Institute of Leadership & Management (ILM) as specialists in raising the skills of the UK's workforce. Consequently, we commissioned the Henley Management Centre's Future Work Forum to explore whether today's leaders felt equipped to embrace flexible working and establish what skills managers required and how their roles would and should develop.

Anecdotal information had to date indicated that working practices were changing rapidly and the project findings have borne this out. More than a third of all managers surveyed (37%) already led teams that were entirely or predominantly based away from the office. Furthermore, there was clear consensus that team members are far more likely to work remotely in 2007 than they were five years ago, and that all employees should be able to request flexible working.

Our findings indicated that whilst managers were becoming more disposed towards flexible working, the influence of policy makers and legislation was not an influential factor. An expert panel of leading managers and consultants were invited to comment on the findings and they agreed that legislation had inadvertently resulted in packaging flexible working with other employee benefit measures

In contrast, competitor advantage was one of the main reasons given by managers for supporting flexible working as three-quarters of respondents stated that flexible workers were more productive. Managers also reported a host of other benefits, from better quality results to an increase in motivation and empowerment of workers able to juggle work and home lives more creatively.

Nevertheless, despite strong managerial support for new ways of working, managers admitted that they felt ill-equipped to deal with the day-to-day reality of managing remote teams. Almost half of respondents said that managers were unprepared for supervising flexible teams, and only a quarter had undergone specific training for managing remotely. In particular, anxiety around communication skills had been singled out and more support identified for developing better ways of binding teams together.

By charting current practice, and managers' opinions on flexible working, we hope to identify the skills required by current and future leaders. Our research used quantitative techniques to benchmark attitudes and ways of working, then turned to detailed interviews and a panel of experts to explore these themes further. Case studies throughout this report offer snapshots of how managers have already successfully incorporated flexible working into their own day-to-day operations, illustrating how the practice can be embedded into organisations of all shapes and sizes.

If the leaders of tomorrow are to succeed in working in a more distributed and virtual environment, it is critical that they learn the lessons today on how they will have to manage teams remotely. The key question raised in this report is how can managers prepare themselves for working in a very different environment to the one that they are accustomed to.

Chris Humphries CBE
Director General, City & Guilds

Kim Parish
**Chief Executive, The Institute of
Leadership & Management**

2. Executive summary

The *Tomorrow's Leaders* report paints a powerful picture of how managers are responding to remote and flexible working. Using an extensive survey of nearly 200 managers across the UK as our starting point, we then spoke to managers, management consultants and training specialists in depth, pinpointing common views around changing working practices, and identifying how managers themselves were adapting to the new structures.

In the first section, we explore managers' views on how flexible and remote working can positively contribute to the performance and motivation of their own teams. Whilst the benefits of a better work-life balance feature prominently, managers are also surprisingly emphatic about the clear bottom-line gains to be made, in terms of improved productivity and cost savings.

However, despite strong agreement on the advantages of overseeing dispersed, decentralised teams, there are clear practical barriers preventing wider managerial take-up of flexible and remote working. In the second part of this report, we outline some of the most common obstacles faced by senior staff, ranging from lack of HR guidance and specific training support, right through to inadequate IT systems. We also reveal how managers may unconsciously be discouraging their teams from effective flexible and remote working – claiming to support these working patterns in theory but failing to update their own styles to make them a real success.

Strikingly, almost half of the respondents claimed that managers are unprepared to supervise remote teams. Having set the scene around current perceptions and practices, the third section of the study offers practical guidance and support for would-be “leaders of tomorrow”. Improving communication skills and performance review approaches are two of the recommendations, alongside explicit coaching for staff on their roles and responsibilities as a flexible or remote worker. We also emphasise the value of best practice role models – both from other organisations and within company structures, offering case study examples of how modern managers have adapted to motivate, and co-ordinate, their 21st century teams.

Finally, we provide a clear checklist for managers wishing to hone their leadership styles and prepare for an increasingly remote and flexible world. From objective setting to more formal promotion and career development processes, the study identified development points for readers, which can be used as the basis for a more formal training programme.

3. Key findings of the research

The growth of flexible working

Flexible working has grown rapidly. 73% of the respondents said that it is common in their organisation and 37% manage fully or predominantly remote teams.

- 67% of managers felt all employees should be able to request flexible working.
- Only 13% of those surveyed said that legislation had encouraged them to introduce flexible working, implying that they would have done it anyway.

The benefits of flexible working

- 55% of respondents agreed that flexible working helps with recruitment.
- 74% of participants agree or strongly agree that flexible working is more productive. Only 2% disagree with this view.
- As well as productivity, significant cost savings can also be gained from flexible working with 60% of survey respondents supporting this view.
- Reduced absenteeism was also identified as a product of flexible working with 71% of managers agreeing with this benefit.
- Flexible workers were agreed to be less stressed by 58% of managers.

The barriers to flexible working

- A large proportion (42%) of our sample did not have HR policies to support flexible working. Even fewer have specific guidelines for flexible working and only 24% had themselves received any training on how to handle remote/flexible staff.
- IT was frequently mentioned as a barrier to wider uptake of flexible working. Only 22% told us that their employers invest heavily in appropriate working technology.
- 50% believe that they are not exploiting networking technology to the full – with under 20% using audio conferencing and instant messaging, and only 10% using video conferencing.
- 20% of managers fear remote workers may miss out on promotion opportunities
- 35% of all managers surveyed think they need to develop better communications skills, rising to 39% amongst managers of remote teams.

Managing flexible working

- Almost half of our respondents agreed that managers are not prepared for flexible working .
- The survey showed that the majority of managers feel competent at managing people, although a surprising one in ten (13%) admitted that were not fully up to the job.
- 92% of the managers in our survey said that it was easy to manage people who are self motivated and 90% of them said that they trust employees to manage themselves.
- However, 29% of managers said that they need to monitor their employees' progress closely which indicates that they do not trust them to manage themselves.
- 72% of managers claimed to manage by results and 80% claim to reward people for getting the job done. However, when asked to rate the statement "Loyal employees work long hours", a small majority agreed, which undermined the results measurement approach.

4. Change and its impact on managers and leaders

The transition from 20th to 21st century has been accompanied by some major shifts in society, which have had a significant impact on the way that people in the UK and western economies view the role of work in their lives.

Against the backdrop of a relatively stable political climate and labour market, technological, social, financial and environmental factors have mobilised millions to re-examine their own working practices, and have shaped a new generation of workers who positively expect their careers to map around their own personal needs and circumstances. Regardless of age, today's workers are fast adapting to the notion of flexible and remote working practices.

In the UK there has been a significant increase in the number of part-time jobs and flexible working has moved from being an exceptional situation to a legal right for some parents. Data from *Tomorrow's Leaders* supports the fact that flexible working has grown rapidly. 73% of the respondents said that it is common in their organisation – a similarly high proportion to the recent British Chambers of Commerce survey which indicated 90% of SMEs are offering flexible working to at least some their employees¹.

These changes in the labour market were reflected in the response to our survey with 55% of respondents agreeing that flexible working helps with recruitment. And our managers believe that it is not just professional employees or parents and carers who should be given the right to choose when and where they work - 67% say that all employees should be able to request flexible working.

Again, respondents are reflecting wider commercial trends. Products and services are now delivered in a 24/7 marketplace which often means that work needs to be done around the clock. It is no longer just information based industries that are adopting flexible working – customer pressures are forcing other sectors, such as retail, to offer extended hours and non-standard working patterns.

4.i New climate

Our managers appear to understand the new climate in which they are operating, but *Tomorrow's Leaders* suggests that they are not yet flexing their working styles to fit this fast-emerging labour market. Despite the rapid change from the Industrial Age of the 20th century to the Information Age of the 21st century, organisations and firms are still lagging behind.

The expectations of work/life balance are now radically different from that of the previous generation but many managers are continuing with their usual working practices as if nothing has changed. For example, most organisations still offer contracts of employment with rigid terms, based on the assumption that work has to be done at a fixed time and place. Our professional cultures are still built on 'presenteeism' and long hours. People seen to be working late in the office and

¹ Work and Life: how business is striking the right balance, British Chambers of Commerce, April 2007

putting in many hours of overtime have generally been perceived to be loyal dedicated employees while those who work shorter hours are often considered to be 'slackers'.

Over the last 50 years, motivation theory has shown us that given the right encouragement and support, most people can be very productive through self-motivation. They do not need to be forced and cajoled into doing work if they can see that it has some purpose and there is some reward (financial and non-financial) as a result.

In practice, this rewards people who take a long time to get the job done and does not reward more productive employees. We have fallen into the mistaken assumption that visibility equals success. We reward input not results. One of the major early challenges of the 21st century is therefore to improve the management of results by measuring and rewarding productivity.

4.ii Transformative effect of information technology

A second imperative is to keep pace with the transformative effect of information technology. We have already seen a revolution in the way that businesses are run, creating whole new markets, improving communications dramatically and giving people freedom to control their working lives in ways previously impossible.

The development of the internet as a communications medium has revolutionised the relationship between customer and supplier in many markets, given birth to new areas of commerce and facilitated the introduction of virtual organisations spread across the world. An increasing number of new employees have never known a world without instant messaging, mobiles and web cams, and are surprised when these technologies are not extensively used in the business environment. They find email is universal but video is hardly ever used. People still appear to be prepared to travel long distances to meet face-to-face instead of substituting technology.

However, half of our managers (50%) do not feel they use this networking technology effectively, with only 22% having invested heavily in remote working infrastructures. While layering new technology onto old working practices can lead to poor work-life balance - email and mobile phones interrupting evenings, weekends and even holidays – our managers will need to find a way to use these new communication tools to get the best out of their increasingly mobile, increasingly flexible, teams.

All our measures show that managers seem to be in the right place, mentally at least, to take on the challenge of remote and flexible leadership. However, we believe this is yet to make a meaningful impact on their working practices. With day-to-day micro supervision made impossible by the advent of flexible and remote working, it is time for managers to become leaders, exploiting the new distributed and virtual environment, rather than ignoring it.

5. Business benefits and barriers

The *Tomorrow's Leaders* project showed that managers are surprising evangelical about the benefits of remote and flexible working. However, our research also identified institutional and personal barriers that make it more difficult to manage flexible teams.

By charting current practice, and managers' opinions on flexible working, we hope to identify the skills required by current and future leaders. Our research used quantitative techniques to benchmark attitudes and ways of working, then turned to detailed interviews and a panel of experts to explore these themes further. Case studies throughout this report offer snapshots of how managers have already successfully incorporated flexible working into their own day-to-day operations, illustrating how the practice can be embedded into organisations of all shapes and sizes.

Flexible working

The term 'flexible working' can be viewed as an all embracing label referring to a variety of flexible working practices particularly in relation to practices around the dimensions of time, location, pattern of working and contractual status. Research presented to the Future Work Forum in 1994² suggested two types of flexibility: traditional and newer forms.

It could certainly be argued that the newer forms include home working, working from client offices or on-site, from an internet café or managed offices, on the move or from hotels, compressed hours, freelancing or contracting. More traditional flexible working is commonly regarded as including part-time working, fieldwork, job-sharing and flexitime, all forms of work flexibility which have been with us for some time.³

5.i Business benefits

Soft benefits

Flexible working has traditionally been seen as a way for employees to improve their work-life balance and therefore to help to attract and retain staff. The *Tomorrow's Leaders* project identified that more than half of managers agree that it is an important tool in recruitment, and only 4% disagreed with the premise that flexible working provides employees with a better home life.

More recently, flexible working has been associated with the assimilation back into the workforce of mothers returning from maternity leave, encouraged by legislation.

However, the fact that social change is seen to be driving the demand for flexible working often hides the fact that it provides a range of benefits for employers. Legislation in the UK giving employees the right to request flexible working is promoted as ‘family friendly’ and is therefore often not seen as ‘employer friendly’.

There was strong feeling amongst the expert panel that the business benefits are being overlooked and that many organisations treat flexible working purely as an employee benefit. Only 13% of those we surveyed said that legislation had encouraged them to introduce flexible working, implying that they would have done it anyway. There are stronger drivers than work-life balance shown by the survey, including recruitment, productivity and cost saving. We have termed these hard benefits.

Rebecca Reece
Tax and Treasury Manager
McDonalds UK

Rebecca manages McDonalds UK’s taxes from her home in Bath, while her team are based in the company’s head quarters in London. Her line manager, the Vice President of Finance is also based in London. Six years ago, Rebecca moved to Bath when her husband accepted a job offer from a company based there. At the time, remote working was not common within McDonalds and Rebecca was one of the first to make the move. The management team at McDonalds believed flexible working was the future and in order to attract and retain the best people, McDonalds wanted to provide the best possible benefits for its staff.

“Over the past six years, I have noticed a change in the attitude of the company towards flexible working. More people now work from home to some extent, although not in an official capacity. During the first two years I did feel a need to demonstrate to everyone in London that I was working hard, and would find myself answering the phone at any time of the day or evening, and responding to emails as soon as they arrived in my in-box. I am more relaxed now, as I know my manager trusts me to get the job done. We have regular face-to-face meetings to update each other on current work issues, and to provide feedback on how things are going. People do still occasionally joke about the amount of daytime television I must watch!”

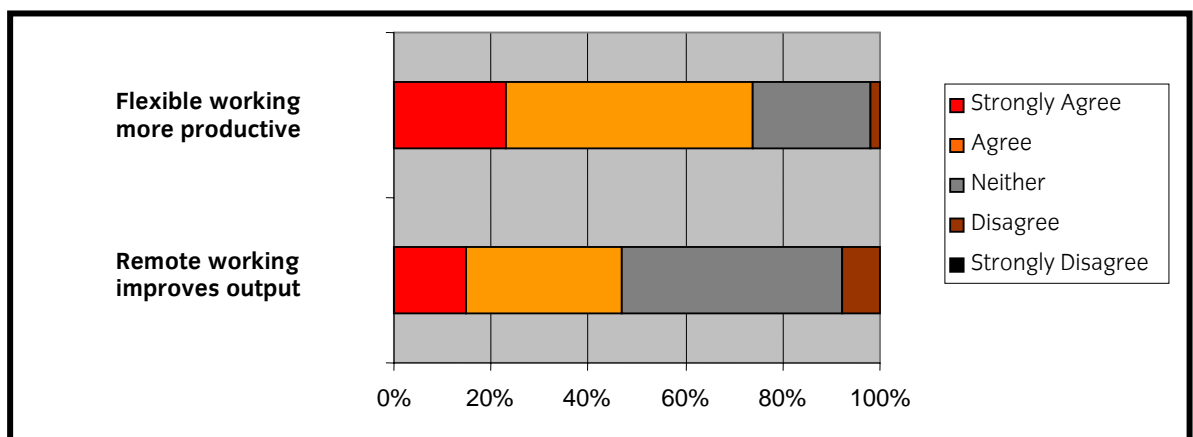
How to lead rather than manage:

- Make sure you switch off your computer at the end of the day. It is very easy to keep working, to feel you have to prove your commitment. If you work hard, people will recognise your efforts.
- Plan the time you are spending in the office. Plan your meetings and make you spend as much time as possible with your staff when you can. Always set time aside to just have a chat.
- Invest in your IT set-up at home. Make sure you have access to your server and an excellent internet connection. Without the right set-up, remote working is simply impossible.

Hard benefits

As flexible and remote working have become more common, managers have realised that there are several significant benefits other than recruitment and retention of staff.

Productivity gains are now regularly being reported by employers and this research strongly supports this view. 74% of the survey participants agree or strongly agree that flexible working is more productive and only 2% disagree with this view. There is similar agreement regarding the results benefits of remote working, although a higher percentage of respondents were undecided.



As well as productivity, significant cost savings can also be gained from flexible working with 60% of survey respondents supporting this view. The expert panel identified savings in office space as a major driver for many organisations, along with reduced relocation costs. This research has identified reduced absenteeism as a product of flexible working with 71% of managers agreeing with this benefit. They also agree that employees are less stressed (58%) which supports the panel's view that heightened awareness of stress is a driver for flexible working.

5.ii Business barriers

Although this research project identified widespread support for flexible and remote working, it has also pinpointed some significant barriers that prevent organisations and individual managers from welcoming it with open arms.

Absence of supportive policies/guidelines

A large proportion of our sample did not have HR policies which supported flexible working. While 58% of organisations do have positive guidelines around flexible working this leaves 42% who do not (or who may but these are not visible to managers.) Even fewer have specific guidelines for flexible working.

Lynne Oliver
External consultant for
The Institute of Leadership
& Management

Lynne acts as a strategic advisor on quality and improvement matters to the Institute of Leadership & Management as well as City & Guilds. While managing a team of 30 employees based around the UK, Lynne also oversees a network of 400 external verifiers and examiners.

'For a business to employ a remote management structure there has to be internal senior buy in. The head of the organisation must believe remote working structures are viable and actively champion them within the business. As the manager of my consultancy, I have successfully taken on this role and we have recently undergone a restructuring exercise in order to encourage remote working as much as possible. For me, the business return is self evident. Remote working is cost effective, environmentally friendly and efficient.'

How to lead rather than manage:

- **Always meet your deadlines** - this may seem obvious, but if you aren't co-located with your employees, it is absolutely essential that you send the right message regarding key performance targets. By never missing a deadline, you will set the right precedent.
- **Pay attention to the detail** - needless to say, if people can't read your body language, they can easily misinterpret your message. This is especially true of emails; always think twice before sending messages in a hurry.
- **Encourage trust** - you must trust your team and ensure they trust you. Set aside time for coaching and mentoring to ensure you build this depth of relationship.

As our panel commented, without board-level buy-in managers may not have the discretion to introduce flexible working even if they think it is appropriate. There was a strong sense that flexible working was not taken seriously by managers, and was instead marginalised as an employee benefit.

This was particularly true in organisations that had a 'control' culture which is typified by the traditional Finance Director who is only interested in ensuring that numbers balance in the short term and may not see the potential return on flexible working as an investment.

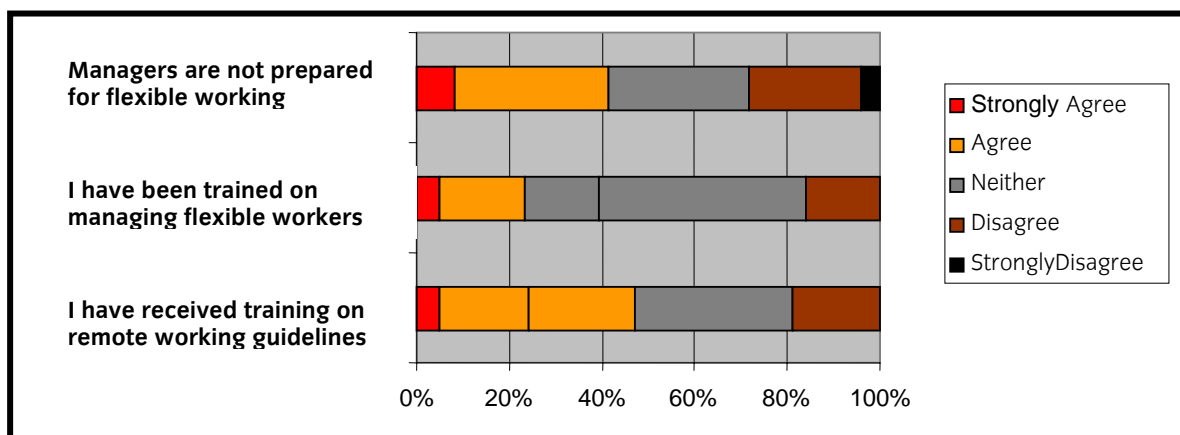
There was also a suggestion that UK and US businesses tended to be run by accountants and might be more reluctant to embrace new working patterns compared with continental Europe. As one member of the panel put it: “Sometimes Chief Executives have to have the guts to persuade the shareholders to accept that this is a long term investment.”

Technology

During the course of the *Tomorrow’s Leaders* project, IT was frequently mentioned as a barrier to wider uptake of flexible working. Only 22% of respondents told us that their employers invest heavily in appropriate working. A higher percentage of respondents (62%) did however say that their IT supports remote working. It seems in many cases the infrastructure is in place but people may not be using it properly. Only 50% believe that they are not exploiting networking technology to the full – with only 20% using audio conferencing, 15% instant messaging, and under 10% using video conferencing to keep in touch with their employees.

Lack of training

The survey showed that the majority of managers (71%) feel competent at managing people, although a surprising one in ten (11%) admitted that were not up to the job. However, almost half of our respondents (41%) also agreed that they are not prepared for flexible working – a feeling supported by the lack of guidelines, and the fact that only 24% have had any training for managing flexible workers.



Lack of personal experience

With little guidance or coaching for managers, it is not surprising that certain myths about flexible and remote working persist. New working practices will often challenge conventional thinking and therefore create barriers in organisations that are resistant to change. In risk-averse cultures where managers fear the loss of control over their staff, reluctance to trialling remote working is likely.

One of the objectives of this *Tomorrow’s Leaders* project was to see if there are any significant differences between managers who work at the same location as their employees and those who have remote employees.

In general, those who already preside over remote teams are more resilient about the impact this shift in structure has on their day-to-day lives. They do not believe that remote workers are difficult to manage, or that they require extra time or effort to motivate. In fact, their experience tells them that their remote staff are more likely to put in extra hours, although during less conventional periods. By contrast, those with no experience, had the largest doubts about the problems that flexible working might create.

Remote managers

It may seem self-evident that managers without experience in leading remote or flexible teams fear the loss of control, and need to keep in touch with employees to check up on them. In some cases this comes from a lack of experience or confidence in their own ability which may indicate a need for specific management training. It certainly indicates the need to spread the benefits of good practice, creating more champions through case studies, pilots, internal communications, coaching and mentoring. This report examines what measures are available.

	Remote managers	Static managers
Remote workers are likely to overwork	47% agreed	22% agreed
Teamwork is more difficult for remote managers	29% agreed	55% agreed
Remote workers are more difficult to manage	55% disagreed	38% disagreed

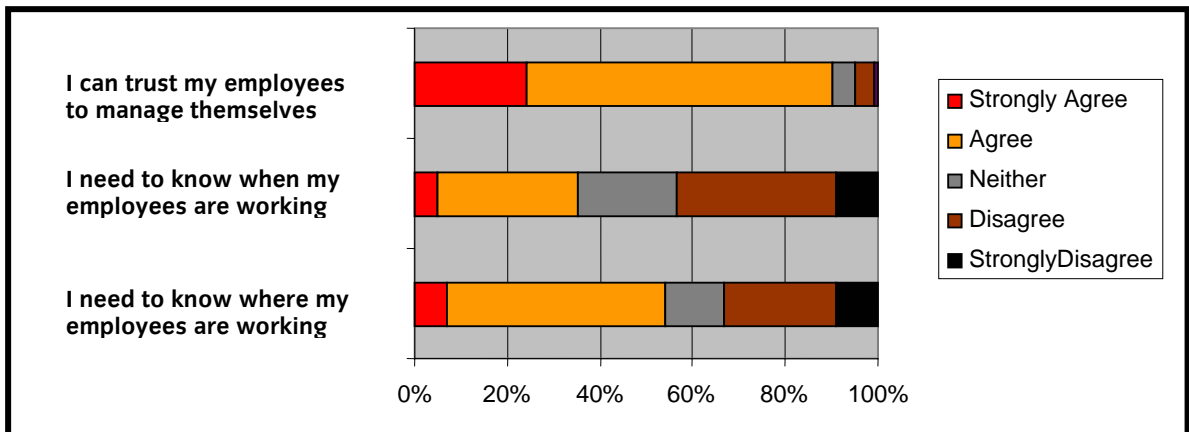
Old habits die hard...

The final significant challenge for the leaders of tomorrow has a less tangible quality than the absence of specific guidelines or the lack of specific technologies.

During the course of our research, we encountered a tension between cultural acceptance of flexible working, and the introduction of working practices that might make it a reality. There appears to be a gap between what managers say they believe and how they act.

92% of the managers in our survey said that it was easy to manage people who are self motivated and 90% of them said that they trust employees to manage themselves.

However, despite these claims, our managers do not seem to consistently allow employees the freedom to define the way they work. While most respondents to the survey do not need to talk to their employees on a daily basis, a significant percentage (35%) need to know when and where their employees are working. 29% also said that they need to monitor their employees progress closely which indicates that they do not trust them to manage themselves.



An example was given to the expert panel of a finance manager who said he trusted his employees but when asked if they could work from home, refused. He said he could trust them if he could see them because then he knew they were working.

Managing by output

In order to facilitate remote working, managers must be able to set goals for their employees and manage by outputs, not hours on the clock. This reassures them work is being done without having to micro-manage and watch over their staff. However, this in itself can be a stumbling block as managers do not have the processes in place for measuring results and therefore have no idea if an employee is getting the work done or not.

Managers responding to our survey did not appear to have this problem as 72% of them claim to manage by outputs and 80% claim to reward people for getting the job done. However, when asked to rate the statement “Loyal employees work long hours”, a significant proportion (37%) agreed, which undermined the output measurement approach.

Equally, if remote workers are generally rated to be more productive, why do 20% of managers believe that remote workers are missing out on promotion opportunities? This sort of disconnect must be resolved if future leaders are to make the very most of the teams available to them.

Ralph Adams
International Hub Manager
City & Guilds

He manages four regional offices (Dubai, Jamaica, Dublin and Hungary). While based in London, Ralph visits each team at least twice a year. He also regularly visits clients, travelling widely from Cyprus to Brazil. Ralph's team manages all commercial activity for City & Guilds, promoting their qualifications in the Americas, Caribbean, Europe and the Middle East.

'Remote working is essential for our business and brings significant benefits. If we were to centralise our team, we would lose a wealth of local cultural knowledge, which is essential to building trust and relationships within our various markets.

It is important that all the staff who report to me know they can always reach me via email or on the mobile. As my teams are in different time zones around the world, I like to be available to them 24/7, during their office hours, as and when they need me'

How to lead rather than manage:

- **Invest in your recruitment process** - if you recruit staff who can't stick to agreed plans, people who need constant day-to-day management and whom you can't trust, you will never be able to manage remotely. Building psychometric testing into the recruitment process adds value and ensures you have the right people around you.
- **Prioritise coaching** - through effective one-to-one coaching, a good leader should aim to empower their staff to make decisions and have confidence in their own abilities. It is essential you recognise that we all make mistakes, and use these as opportunities to learn and develop rather than blame.
- **Encourage peer-to-peer communications** - if you want your staff to feel part of a team, you have to encourage them to communicate and share knowledge. Copy them into emails and encourage them to answer each other's questions.
- **Socialise as much as possible** - whenever and wherever you visit your teams, take them all out, treating them to something they want to do, whether that's ice-cream and coffee in Hungary or bowling and a pint in Dublin. It is essential you get to know all your staff and treat them equally.

6. The skills needed by our leaders of tomorrow

It is clear from this and other research that some managers are having difficulty implementing flexible and remote working. This is not an admission of failure on the part of today's managers. Tomorrow's leaders have not emerged, fully-formed, into the 21st century working world. Many will have started their careers in earlier decades, and will need specific training and support to adjust to emerging working practices.

Just as there were some clearly defined issues facing the would-be leader of tomorrow, so too are there key measures which will go some way towards addressing the flexible management skills gap, providing the foundations for wider uptake in the future. As well as needing training, advice and coaching to help them through the learning process, they also need a supportive culture and the right infrastructure.

None of the competences mentioned are unique to the management of flexible or remote working but they are now more crucial to the conduct of successful business than ever before.

Priority tools for tomorrow's leaders – at a glance

Survey respondents were asked to list the skills they could improve in order to manage remote employees more effectively. Their wishlist follows below:

- Effective use of IT
- Communication skills
- Time management
- Objective setting
- Coaching

Starting off on the right foot

Recruitment

Managers of flexible workers need to be able to select people appropriately for the jobs involved. If people are working remotely from their manager it is important that they are able to perform their work without close supervision. Therefore, an understanding of the competencies needed for successful flexible work is a key part of the selection process. Also necessary is establishing a clear agreement with the employee about the mode of working so there are no misunderstandings about when and where they need to be available.

Ashley Nicholls
Head of Markets, Sales and Clients
for BDO Stoy Hayward's Southern Region

Ashley joined BDO Stoy Hayward a year ago and manages a team of seven sales and marketing professionals and is responsible for 27 partners and 350 staff across the south east of England Based in Epsom, Ashley works out of three offices in the Southern Region and travels regularly to London.

When Ashley started at BDO Stoy Hayward she was provided with a Blackberry, laptop and mobile phone and taught how to use BDO Stoy Hayward's remote server. Ashley introduced Monday meetings for her team, providing them with the opportunity for one-to-ones. She now works at home every Friday and divides her time equally between the three offices in the region and London.

"There are so many companies who don't have a nine to five culture; it's just the way everything is moving. We all have busy lives and it's great to be able to schedule work around our lives and not the other way around. Flexible working is definitely the future." says Ashley.

How to lead rather than manage:

Be disciplined with your diary. Clients will always be your priority but try not to cancel your internal meetings. Regular face-to-face meetings provide your staff with the opportunity to raise concerns and your clients will definitely benefit in the long run.

Work smartly with the technology you have available. For example, Blackberry's don't pick up attachments easily, so include as much content as possible within the body of the email.

Objective setting

In order to manage remote and flexible work effectively managers need to focus on measuring results and not rely on checking that people are present. They need the competences associated with setting clear objectives, planning workload and monitoring progress.

If managers have good tools to evaluate new working practices they will feel more comfortable in implementing them. Cost benefit analysis will show them how it can make their lives easier and supportive policies and procedures will help. But overcoming poor management and instilling confidence and trust needs a concerted training and development effort. Although 60% of the survey respondents may have had general management training, only 24% have had any training for managing flexible workers.

Learning the long-distance language – communication skills

Communication skills

Communication skills are self-evidently critical to the management of remote workers.

35% of all managers surveyed think they need to develop better communications skills, rising to 39% amongst managers of remote teams. This was despite the fact that 94% of managers said they know their employees well.

Clearly, this anxiety around interpersonal skills feeds off the lack of face-to-face contact. Managers need to be attuned to the emotional and professional cues delivered to them over the phone and email, through the delivery of deadlines and to other signs from their employees. Managers need to be able to listen to both what their people say, and what they do not, in order to build a relationship at a distance.

Equally, the generation gap may play into difficulties in relations between managers and employees. The differences between younger and more mature members of staff are exemplified and exacerbated by their IT skills. Managers who have spent much of their working life without today's technologies may have difficulties relating to younger employees from the 'Skype Generation' who are used to using text messaging, video conferencing and other social computing media to keep in touch.

Bill Hendry
Training Manager and NVQ Controller
South West Water

Bill provides training for over 1,600 South West Water employees, managing a team of two, plus a network of 30 training providers across the South West region.

The team provides a range of training and qualifications for South West Water employees, from technical to management qualifications, including a three day course on how to manage remote workers. Bill himself works remotely, spending half his time in the office and the remainder at home.

'Remote working is essential for our business model. It simply wouldn't be financially viable to provide in-house trainers across the South West. This way we can provide quality training for all our employees while keeping the margins as low as possible. South West Water has invested heavily in remote working systems including PDAs and vehicle tracking systems, and despite this, remote working is still the most financially viable option for our business.

I manage my team through all the obvious channels, via telephone and email and monthly meetings. The most important factor in ensuring remote teams work however, are the people, not the systems. It is essential that I have the right staff working for me. Anyone looking for daily managerial direction is going to encounter problems. All my staff have the ability to and are empowered to get the job done, making their own decisions where appropriate.'

How to lead rather than manage:

- **Stay in contact** - make sure you are phoning your staff on a regular basis, just to see how they are and how they are doing. If you ever get to the point where you are contacting them only when you need to pull them up on their performance, something has gone wrong.
- **Empower your staff** - give all your staff the confidence to make their own decisions and ensure they understand that mistakes are allowed.

Specific training and coaching on flexible working

Managers need to be able to support their employees as they change their working patterns and ensure they have the right skills to work as remote or flexible employees.

Some of this can be done through formal training although little appears to be done at the moment with only 26% of the survey respondents saying that they provide specific training for remote employees.

Coaching skills are therefore critical for managers to ensure these new ways of working are implemented successfully. 89% of managers said that they already provide coaching for their people so the right foundation is in place.

IT skills

Up-to-date technology skills are essential in today's environment of electronic communications. Managers are predominantly using email and the phone to keep in touch with employees. Only 20% use audio conferencing, 15% use instant messaging, and 9% use video conferencing. This is probably as much due to the lack of knowledge of the potential of these tools as the availability of the technology.

Assertiveness

Assertiveness was also identified as a key competence, both in handling employees effectively and also in implementing flexible working when other people may be sceptical about its suitability. Being prepared to innovate and try new things is also important as it is too easy for managers to choose the safe option of the status quo and not change work patterns at all.

Relevant best practice

According to our expert panel, managers should be encouraged to visit other organisations or different departments in their own organisation to see how flexible working operates in practice. Meeting some real remote or flexible workers might also be useful. Small scale pilots will allow them to test the waters and collect learning. Communicating success stories through the corporate communications channels is another way of spreading the word but there is no better example than senior people actively demonstrating the required behaviours and values.

Senior role models

Although managers need to take ownership for their own development, there is also a need for senior support.

Our panel of experts positioned the management development process as part of a culture change programme as it has to be integrated into the organisational environment. They noted that running training for managers on how to handle remote workers on its own does not help them to deal with the potential cultural conflict. A senior manager should be seen as a visible champion of flexible working and promote the concept as a conscious strategic plan not a reaction to current employee pressure. As one panel member put it: "They need the campaigning spirit. They need the Billy Graham of flexible working."

7. Conclusions and Implications

In order to get managers to trust their employees, empower them and delegate responsibility to them, they need to be developed as leaders not managers. They need to be able to set the direction for their employees and then give them the responsibility to get the job done however they wish. Managers who spend their time telling employees how to do their jobs in detail will always have difficulty with letting go and implementing any form of flexible or remote working.

Managers generally appear to have had some management training but this has not been designed for a flexible or remote working environment. They agree they are not well prepared and would like help in IT and communications in particular. They also need to improve their competence in planning and organising work, measuring and rewarding results, teambuilding and interpersonal skills. These can be done through formal training sessions but need to be reinforced by the organisation as a whole through senior champions, case studies, internal communications, coaching and mentoring.

A challenging environment

It is clear that flexible working is here to stay and is growing rapidly. Remote working, both from home and on the move, is also expanding, fuelled by the availability of mobile technology. In a tight labour market there will continue to be stiff competition for skilled employees and employers who are not offering flexible working will lose out. As managers overcome their reluctance to try new work patterns and recognise the business benefits they will have a greater need for support and development. This environment can be challenging to less experienced managers who will be tempted to stick with the easy option of conventional work patterns. In the words of one of the panel members “Flexible working is still seen by many managers as a threat rather than an opportunity”. If however the managers of today are to become the leaders of tomorrow they have no choice but to embrace this change and show that it is the key to successful management in the 21st century.

8. Advice and tips for managers and organisations – recommendations for managing a flexible workforce

1 Learn to manage risk

Flexible working will require tomorrow's leaders to relax their grip on staff. Managers must rely on staff to get the job done and monitor results rather than being obsessed with the monitoring of how and when tasks are completed.

In order to take calculated risks, we must ensure we understand the job we are asking employees to do and whether the individual has the skills to complete the allotted task. We must also learn to coach staff so they understand what the business is asking of them. And if the calculated risk does not pay off, we must be prepared to intervene quickly when people aren't coping.

2 Performance measurement

As identified in this report, tomorrow's leaders must manage by outputs, not through inputs and *presenteeism*. However, outputs are often harder to measure. In a call centre for example, it is easy to measure the number of calls an operator takes. It is less difficult to measure the quality and success rate of those calls.

As managers of flexible workforces, we must develop meaningful measures of success that capture the qualitative outputs of our staff. In addition, we must carefully define exactly what we are asking for.

3 Think about how you communicate

Without the benefit of face-to-face meetings and physical body language, communication skills become critical. Whether via email, on the phone or video conferencing, managers must think carefully about how their messages are received and interpreted.

We must take the time to review our emails and not make calls in a hurry. We must always listen to our staff and ensure that when we do meet face-to-face, we maximise these opportunities. We need to get the most out of each meeting ensuring our staff feel their opinions are heard and taken on board. And for the sake of better communication, we should also get to know our teams as individuals, building in opportunities to socialise with them.

4 Think about HR

The standardisation of HR practices is the traditional method of ensuring equality in the work place. If for example, all employees work within the same pay scale, with the same benefits entitlements, then equality is assured. Flexible working, however, rips up the rule book, as remote employees work different hours, in different locations for different rewards.

These days, your HR policies need to flex to fit flexible workers. We must revisit HR practices within our teams and develop processes around career planning and appraisals, which ensure remote employees receive all the same opportunities as co-located staff.

Grant Cullen
Management Development Trainer
Circle Anglia

“Circle Anglia was formed in July 2005 from the merger of two well established housing groups – Circle 33 and Anglia. We manage over 27,000 properties across London, Hertfordshire, Bedfordshire, Cambridgeshire, Norfolk, Suffolk and Essex.

As a result of our rapid expansion and the challenges it created we identified the need to provide 250 junior and middle managers with training and development support. Historically, little or no training had been provided for our managers who, in many cases, had learnt how to manage by default.

As our managers work remotely across a wide geographical area, we needed to provide cost effective training that minimised employee time away from the job. We also wanted to ensure employees bought in to the programme by providing recognition and accreditation for their achievements.

Circle Anglia has worked with Bespoke Training, an ILM accredited centre to develop a leadership development programme. In partnership we produced a unique e-learning management programme called Aspire. This programme helps to develop critical management standards and, since Aspire is web-based, delegates can study at their own pace, at a time of their choosing. Such flexibility allows delegates to fit the learning around their job. To ensure that the learnings from Aspire are applied in the workplace it was also decided to run a series of regionally based training workshops on topics such as leadership and performance management.

On successful completion of their programme, managers will gain the ILM Level 2 Introductory Certificate in Team Leading. The training has proved an enormous success, demonstrated by just some of the feedback below:

“The course gave me a real understanding of what coaching is and how it fits into my role as a manager. I have a much better understanding of how people respond to different situations, questions and approaches and am more equipped to motivate and encourage my staff to achieve their goals.” Leanne Baxter, Training and Employment Manager for Old Ford Housing Association

“This training has really helped to improve my performance as a manager. I am a more efficient, more effective manager and am more able to motivate and progress my staff.” Faye Fennell, Support Co-ordinator for EPIC

5 If you have them, confront your technology skills deficits

A large percentage of senior managers lack the technology skills to manage a remote team, and subsequently feel threatened and afraid of exposing these skills deficits to their staff. This is particularly relevant for Information and Communication Technology (ICT) skills, which have, more often than not, been mastered by more junior colleagues.

If we are to successfully manage remote teams, we must overcome this fear and confront our own training needs. One-to-one coaching sessions can be particularly useful, ensuring a safe environment to develop skills.

9. Research Methodology

The leaders of the future are the middle managers of today who, as demonstrated through this research, are experiencing the change from static to flexible working and are adapting to it with differing degrees of success.

We have therefore set out to identify how these managers of teams are working with their people and what skills they need to do this effectively. We have looked at the differences between managers of remote workers and those who are co-located with their teams to see if there is a significant difference in the way they work and their attitude towards flexible working.

For the purposes of this investigation, the project team defined flexible working as methods of working which encompassed:

- **Mobile working.** Employees who, while having a permanent base, moved from one location to another on a regular basis in order to carry out their work. Examples of this type of working include sales people who regularly visit prospective and existing clients, and utility workers who are regularly out on the road repairing such things as telecommunications equipment.
- **Flexible working.** This includes the more conventional meanings of the term such as flexible working hours, being able to work part time, and occasionally from home. Many employees in a wide range of industries have access to this kind of working particularly 'information workers' who perform professional and administrative work which does not involve a direct face-to-face service.
- **Remote working.** Employees who, for all or some of the time, work remotely from their manager. This category could include permanent home workers, those who work for prolonged spells from client premises or those who work on company premises different from those of their manager. An example of this kind of working is those who manage pubs and restaurants as part of a chain – the pub manager perhaps lives on the premises but their manager works out of a company office centrally located.

These definitions were not given to the survey participants who were left to use their own interpretation of 'flexible working' and 'remote working'.

9.i Research Philosophy / Design

In order to test the hypothesis that managers of flexible workers manage in different ways and have different competences when compared to managers of conventional workers, it was decided to collect data in two ways to build up a complete picture. A questionnaire was designed which asked for the views of managers towards flexible and remote working and also asked about the way they manage their teams (see Appendix 3). To add to this, the first pass of the results were tested on an expert panel of managers and experts who had informed views on the subject.

9.ii The Research Instruments

The questionnaire collected demographic data on the participants in order to cut the sample in a variety of ways during the analysis. It then consisted of 64 statements with which the respondent had a 5 point scale (Likert) to respond from Strongly Disagree to Strongly Agree. Finally there were two open ended questions to get the respondents to identify the techniques they use with remote employees and the skills they could improve when managing them. The questionnaire was publicised through the Future Work Forum, the Henley Alumni network and through the ILM membership.

The panel were presented with the initial results of the research and invited to comment. To provide structure they were presented with 12 questions and asked to respond initially by writing on cards which were then displayed on the wall for the other participants to read. These cards were collected at the end of the session and an audio recording was also taken of the event. These were analysed to produce the conclusions from this discussion.

10. Appendices

Appendix 1 – References

- *“Changes in Working Trends Over the Last Decade”, McOrmond T, Labour Market Division, Office for National Statistics*
- *Labour Market 2002 ONS, 25 February 2004*
- *Labour Market Trends, volume 111 No. 10, pp9 ONS published on 17 October 2003*
Authors: Angelika Hibbett, Nigel Meager
- *Facilities Innovation Programme, “Flexible Working UK Survey 2003”*
- *The Status of Telework in the Federal Government – Report to Congress”, United States Office of Personnel Management, 2003*
- *“Work-Life Balance” DTI, February 2005*

Appendix 2 – Panel members

Peter Thomson - Peter is the Director of the Future Work Forum at Henley Management College which he has run for the last 15 years.

Charlotte Gascoigne - Charlotte is Chair of Trustees for Working Families and until recently was a senior consultant with Flexworks.

Tony Wareing - Tony is a Director of Wisework Ltd and was previously was at Amersham International where he was responsible for world-wide organisation and management development activities.

Shirley Borrett - Shirley is the Development Director of the Telework Association and has experience of implementing flexible working when she worked in organisational change at Digital Equipment.

Paul Turner - Paul has had a 37 year career with BP, mostly spent in consultant and managerial roles in HR and Learning & Development expatriated to Abu Dhabi, Greece, Indonesia, Azerbaijan, Angola and South Africa.

David Fisher - David was until very recently the Human Resources and Development Director with BDO Stoy Hayward. His experience includes working for corporate organisations in engineering and food retailing and has spent the past 15 years working in professional partnerships in people development roles.

Mark Thomas - Mark is Managing Director, Word Association Limited, award winning employer of home based workers.

Richard Ephraim - Richard has 25 years general management experience including marketing, finance and operations with 16 of them in senior HR roles. He has particular expertise of introducing worktime flexibility in organisations.

Chido Ikeyina - Chido is Director of Pointica Consulting, providing advice on People, Space and Technology.

Jane Cilia - Jane is the Workforce Planning Manager at Oxfordshire County Council.

Also in attendance on behalf of the sponsors of the research were:

Hannah Windross - Blue Rubicon, **Matt Adcock** - ILM and

Oksana Higglesden - City & Guilds.

Appendix 3 – Data collection instrument

Introduction		
Leaders in the 21st Century are faced with rapidly changing employee work patterns. The introduction of flexible working and the use of IT to support remote/mobile employment means there is much less 'hands on' people management. This research looks at the way managers communicate with their employees in this changing environment and the skills they need to do this effectively.		
1. Name		
2. Age		
3. Organisation		
4. In which sector is your company i.e. (retail, automotive, manufacturing etc.)		
5. Where are you based? Please Tick		
a. Outside UK		
b. Scotland		
c. Northern Ireland		
d. Wales		
e. North West England		
f. North East England		
g. Yorkshire and Humberside		
h. East Midlands		
i. West Midlands		
j. South East England		
k. South West England		
l. East Anglia		
m. London		
6. Current Role		
7. How long have you been in this role?	Years	Months
8. How long have you worked for the organisation?	Years	Months
9. Do you manage people outside the UK?		
10. If so, which countries are they in?		
11. Do you have degree level qualification?		
12. Are you a member of a professional institute?		
13. Where are the people you directly manage located?		
a. All in the same location as me		
b. Mostly the same place as me and some remote		
c. About half with me and half remote		
d. More than half remote from me		
e. All in a different location from me		
14. How often do you have a face-to-face team meeting with your direct reports?		
a. 5 times a month or more		
b. 4 times a month		
c. 3 times a month		
d. twice a month		
e. once a month		
f. every 2 months		
g. every 3 months		
h. less than quarterly		
15. Are the people in your team working remotely more than they were five years ago?		

Appendix 4 – Data tables

All items to be rated on a 1-5 likert scale (1=Strongly disagree to 5 = strongly agree)		Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1	Flexible working is common in my organisation	1	2	3	4	5
2	People who work for me have flexible patterns of work	1	2	3	4	5
3	I personally work flexibly	1	2	3	4	5
4	People who work for me sometimes work from home	1	2	3	4	5
5	I often work from home	1	2	3	4	5
6	People who work flexibly are more productive	1	2	3	4	5
7	People who work flexibly have a better home life	1	2	3	4	5
8	People who work flexibly have less absenteeism	1	2	3	4	5
9	People who work flexibly are less stressed	1	2	3	4	5
10	Remote working improves output	1	2	3	4	5
11	Flexible workers are likely to slack	1	2	3	4	5
12	I manage my people based on their outputs	1	2	3	4	5
13	I know my people well	1	2	3	4	5
14	Senior jobs cannot be part time	1	2	3	4	5
15	Remote workers lose out on promotion	1	2	3	4	5
16	Remote workers miss out on social activities	1	2	3	4	5
17	Remote working is difficult to manage	1	2	3	4	5
18	Remote workers are likely to overwork	1	2	3	4	5
19	I reward people for getting the job done	1	2	3	4	5
20	Loyal employees work long hours	1	2	3	4	5
21	Teamworking is difficult for remote workers	1	2	3	4	5
22	It is more difficult to know how a remote worker is performing	1	2	3	4	5
23	I need to talk to my direct reports on a daily basis	1	2	3	4	5
24	I can trust my employees to manage themselves	1	2	3	4	5
25	I need to know when my employees are working	1	2	3	4	5
26	I need to know where my employees are working	1	2	3	4	5
27	I use email to keep in touch with my employees	1	2	3	4	5
28	I use audio conferencing to keep in touch with my employees	1	2	3	4	5
29	I use instant messaging to keep in touch with my employees	1	2	3	4	5
30	I use video conferencing to keep in touch with my employees	1	2	3	4	5
31	I use telephone calls to keep in touch with my employees	1	2	3	4	5
32	I use a blackberry to keep in touch with my employees	1	2	3	4	5
33	I provide coaching to my people	1	2	3	4	5
34	It is easy to manage people who are self motivated	1	2	3	4	5
35	Flexible working is only suitable for professional employees	1	2	3	4	5
36	We provide specific training for flexible workers	1	2	3	4	5
37	I have been trained on managing flexible workers	1	2	3	4	5
38	All employees should have a right to request flexible working	1	2	3	4	5
39	I have to work harder to motivate remote workers	1	2	3	4	5
40	I need to develop better communication skills	1	2	3	4	5
41	Remote workers take more time to manage than office-based ones	1	2	3	4	5
42	I need to monitor my employees progress closely	1	2	3	4	5
43	My organisation encourages flexible working	1	2	3	4	5
44	I am not fully competent at managing my people	1	2	3	4	5

