Work-Life Innovation
Impact on the Individual

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This paper is the fifth in a series of perspectives by the Cisco® Internet Business Solutions Group (IBSG) on the future of geographically distributed networked work, and how this approach is enabling profound changes to organizations, communities, and individuals. It continues the exploration of how technology interweaves our personal and work lives, enabling innovation within and across communities.

Introduction

A paradigm shift we call “Smart Work” has emerged and is being driven by extreme changes in approaches to work, work cultures, business architectures, premises, decision making, communications, and collaboration. Emerging technologies are enabling people to choose whether to work at home, close to where they live, or a commute away. However, society is only just beginning to recognize and develop its ability to prepare and support the individual in making such choices. Some employers have recognized the value of Smart Work to both them and their employees, and are providing the tools, services, and wherewithal to enable employees to work from any location.

Recent research shows that individuals increasingly value flexibility and freedom in terms of work location. According to the 2010 Cisco Connected World Technology Report, two-thirds of participants surveyed stated that they would choose work-location flexibility over a higher salary.1

The benefits of Smart Work to the individual include greater choice in lifestyle; increased opportunity for career development, afforded through additional time for reflection and learning; and extra time for family and for engaging in community activities. A number of challenges must be addressed, however, for Smart Work to be both accepted and effective. For example, employers must be aware of and understand the potential of Smart Work, be able to provision the infrastructure that enables working from a remote location, and create a culture of trust. Individuals must also be prepared for the discipline and focus needed when working from home or other remote locations.

This Cisco IBSG Point of View focuses on the impact of Smart Work on the individual: how his/her daily life can be fundamentally changed through the use of information and communications technology (ICT) in regard to where, when, and how work gets done, and how balance in one’s work life is altered.

1 “Cisco Connected World Technology Report,” 2010. Total participants surveyed were 2,612 end users and key decision makers in 13 countries.
Changing Work-Life Patterns

There is already some movement toward increased adoption of Smart Work. Figure 1 shows different work patterns offered by U.K. employers between 2000 and 2007.

**Figure 1.** Changes in Adoption of Flexible Working Arrangements, 2000 to 2007.

Results for 2012 might look very different, with the huge uptake of mobile technology in the workplace; increased broadband connectivity to the home; increased use of tablet PCs in developed countries and mobile phones in the developing world; and more alternatives to traveling long distances to work, such as Smart Work Centers (SWCs).

The convergence of these factors is spawning new paradigms for how and where work gets done (along with greater opportunities for choice in our personal lives), more time to innovate and learn, and more ways to balance work and life.

**Challenges to Smart Work**

Wherever work is located, there are challenges to overcome. For home workers, both time management and self-discipline are issues that deal with drawing a line between where work starts and ends, and having the discipline to focus on work tasks when home chores are also calling. Decisions on how to maintain a good work-life balance might include not using a work device after 8 p.m. or using different devices for personal activities and work.

People tend to work longer hours at home because they want to prove to their employers that they can be just as productive (it not more so) away from the office. This issue is mainly about
trust—a factor often cited as a reason for not allowing home working, but one for which individuals who are committed to the idea (rather than inclined to abuse it) will work even harder. Some employers have recognized these dilemmas and are starting to take responsibility to ensure that the opportunity afforded by technology to work away from the office does not mean that employees feel they are unable to take breaks. The latter is true especially when staff work in geographically dispersed teams across different time zones. Volkswagen in Germany is one example: the company disabled email on employees’ BlackBerry devices outside working hours as a response to fears over “burnout” syndrome. Responses thus far reportedly have been positive.²

At Cisco, where staff are given a choice about where to work, and are provided with mobility solutions—including virtual office kits comprised of a router and IP phone linked to the Cisco network, desktop video conferencing, and smartphones—70 percent of employees reported that they work from home at least one day a week.³

Additional challenges of home working are the costs of setting up a home office, finding a suitable space, and ensuring that family life is not disrupted. “Shedworking”⁴—a wider trend in home-based spaces—is one answer to the dilemma of not having sufficient home-office space. Such sheds can be set up in the backyard, for instance.

Other challenges to working from home include overcoming the feeling of isolation or ensuring that one is not left out of decision-making processes, especially if teams seldom meet in-person. Here is where proprietary work-related social media tools and others such as LinkedIn and Twitter play a vital role, while personal social networking sites like Facebook help separate work and personal life.

Impact of Smart Work

Many individuals have not had the opportunity to adopt Smart Work, as it is still in its infancy: employers may not have considered the benefits of Smart Work, such as cost savings on real estate and reduced commute times; companies may not have been in a position to provide the tools and services needed to support Smart Work; and employers may not have developed the culture of trust and enablement that Smart Work requires.

Understanding the impact of Smart Work—challenges and benefits—on the individual is explored through an illustrative two-part, day-in-the-life story about “Jay,” a family man and professional who in 2012 is not yet equipped to become a Smart Worker.

Jay lives in a suburb of a large city and works as a customer-liaison manager for a large multinational bank. Every day he leaves the house at 7 a.m. for the 75-minute commute to his office in the city. This involves a 15-minute walk to the train station to take a 30-minute mainline train ride; and then a 20-minute ride on the metro, followed by a 10-minute walk to the bank. The trains are always crowded, so there is never an opportunity for Jay to work on his laptop, and the most he can do is check email on his smartphone.

Jay deals with 20 percent of his customers over the telephone and meets the other 80 percent face-to-face in the office. He attends weekly customer-liaison manager meetings at his branch, and a national offsite meeting held monthly. He also attends training courses every six months, which are often overseas. Jay uses peer-to-peer and social networking tools to stay in touch with family and friends, and to stay abreast of his work email, but otherwise has little contact with his workplace.

In Jay’s world, life without Smart Work tools leads to a loss of both worker productivity and personal freedom due to time spent commuting and traveling.

Later in this paper (beginning on page 10), we illustrate how Smart Work can have a positive impact on Jay’s life five years from now.

**Work-Life Balance in a Smart Work Environment**

Technology enables individuals to take more control over how they manage the many facets of their lives, making use of Smart Work to achieve work-life balance.

“Work-Life Balance’ is meant to articulate the desire of all individuals—not just those with families or caring responsibilities—to achieve a ‘balance’ between their paid work and their life outside work whatever their life involves, from childcare and housework to leisure or self-development.”

The Work Foundation

As discussed earlier, employees seeking work today demand more than just a salary. According to the 2010 Cisco Connected World Technology Report, 60 percent of respondents believed that they did not need to be in the office to be productive and efficient, while 66 percent said that they would accept a lower-paying job with more work flexibility than a higher-paying job with less flexibility. Flexibility is not just about being able to manage one’s weekly work hours. It is also about mobility—being able to work from virtually any location, anytime.

Many employers now support demands for flexibility in both work and life by providing tools and services that allow employees to choose where to work. For example, Cisco, in fiscal year 2010, addressed the issue of work-life balance after being faced with a number of challenges, including:

- Decreased productivity and increased stress caused by long commute times
- Continued need to source global talent—the best potential employees may not live near a Cisco office or may be unable to relocate
- The need to minimize unnecessary travel to reduce environmental impact and address sustainability

To address these challenges, Cisco adopted a flexible policy that enables a significant degree of telecommuting based on job requirements and manager approval. The policy includes

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communications and collaboration tools that allow employees to work from home, or from another location such as a hotel when traveling.

Cisco later conducted an in-house survey with several thousand employees worldwide; results showed that global employees telecommuted an average of two days per week, and U.S. employees telecommuted an average 2.3 days per week. Japan was the exception, with employees telecommuting an average of 0.6 days per week, reflecting a sociocultural difference.

The survey also showed that 60 percent of time saved from telecommuting went toward working, which Cisco valued at US$320 million, while 40 percent resulted in extra time for personal pursuits. Cisco employees saved an estimated $49 million in FY10 from avoided commuting costs. Many employees cited telecommuting as a key factor in their decision to join and stay with the company.

Not all companies will have a similar telecommuting policy: there are organizations that require their employees to be present in the workplace, with some, like Google, providing a work environment that encourages and supports collaboration and team building.6

In many organizations, work increasingly involves collaboration with others who may be geographically dispersed. The Economist Intelligence Unit7 conducted research on collaboration in the workplace, surveying 394 senior executives from organizations in North America, Europe, and Asia Pacific. The results showed an increase in new ways of working that involved collaboration across organizations, geographies, and functions, and a reduction in more traditional work processes (see Figure 2).

![Figure 2. How Working Practices Have Changed.](image_url)


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Working in more distributed ways implies that the need to work from a fixed office location becomes less important for collaboration to take place, and the need for technology-based tools and services increases only so that new forms of collaboration can take place independent of time and, often, space. Collaboration tools and the benefits they provide are described in a previous paper in this series.\(^8\)

**Altering Work Patterns for Different Phases of Life**

The balance between work and leisure will vary over the phases of one’s life. Young adults usually have few family commitments and are eager to make their way in the world. For them, work takes a large chunk of their time and energy. As they progress through life, their needs and obligations will change: many will have families, and one or both partners may spend less time at work and devote more time to childcare. When it comes time for their children to leave home, the parents’ careers may once again take precedence. As individuals move toward retirement, they may choose to reduce the amount of time they work, taking a phased approach to full retirement.

The large majority of industrialized countries have statutory regulations that make it easier for individual employees to change their working hours. Laws facilitating working time adjustments—so that one can attend educational or training courses or retire gradually—are also common. In a majority of these countries, specific laws pertain to employees caring for their children or for dependent adults, and some employers allow employees with children to work reduced hours after statutory parental leave has finished, a status supported by law.\(^9\)

> “Work-life balance is being viewed more and more from a lifetime perspective in recognition that the trade-offs individuals may want to make between work and leisure will vary over their life course. The right for an employee to request reduced working hours from their employer is, in part, acknowledgment of this fact.”\(^10\)

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Institute for Employment Research

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Findings from the “Wisdom, Wealth, and Wellbeing” program in Wales\(^11\) lend further perspectives on the impact of Smart Work on the individual. For example, insights from local citizens and employers show how powerful flexibility, communities, and connections are for personal and business well-being. Other data points show that in countries such as the United Kingdom, one in seven employees now cares for family members at a distance, and only 30 percent of employers have yet to assess the practical implications of Smart Work for those employees.

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On the other hand, where employers have understood individuals’ needs and therefore fostered suitable Smart Work arrangements, a $3–$14 return on every $1 invested was realized, according to the Telework Research Network in Canada. The Research Network also estimated that “…part-time telecommuting by the 4.3 million Canadians with compatible jobs and a desire to work from home could have a bottom-line impact by more than $53 billion per year.”

There is also an environmental impact, with a recent study suggesting, “If the 5.65 million Americans who already telecommute at least once per month did so an average of once per week, it would save a total of 23 million barrels of oil each year, with employees saving $1.9 billion per year in commuting expenses.”

Innovative video and other communications options offer many possibilities. One example is Wisdom Bank. Developed in Wales, Wisdom Bank is a visual, interactive portal that helps citizens transfer their skills in productive ways, such as mentoring others in professional transition or advising students on employment opportunities. Wisdom Bank also has exploited the potential of tapping the knowledge of the 45–60 age group to promote community, support economic growth, and ensure the well-being of this demographic.

**Benefits of Smart Work**

Balancing work and life via Smart Work solutions has a number of benefits. Not least is the opportunity to arrange work more strategically around family and community not only to reduce family tensions and honor commitments, but also to pursue personal interests such as continued education, community involvement, and professional development.

**Increased Opportunities for Lifelong Learning**

Using technology to better manage one’s workload and travel less can result in more free time and energy for focusing on self-improvement. A recent report from the European Commission highlighted one of three challenges to lifelong learning as “…focusing on permanent re-skilling to enable all citizens to keep their competences updated and quickly respond and adjust to possibly fast-changing work environments.”

The report also states that there is a trend toward shorter-term, targeted, and flexible learning modules, which not only maps to the concept of Smart Work but also highlights the value of “…tapping the tacit knowledge of a team and supporting intergenerational learning.” This requires people to interact; so if they are spending less time in the workplace, new tools are needed that simulate the collaborative work experience in other ways.

Fortunately, social networking solutions are at hand, as are many video-conferencing technologies to provide both synchronous and asynchronous networking opportunities. Virtual communities of interest such as Sandbox—a global network of young innovators and leaders under 30—work hubs, hacker spaces, open data communities, and special-interest forums all...

13 “Telework: Saving Gas and Reducing Traffic from the Comfort of Your Home,” Justin Horner, National Resources Defense Council (NRDC); Mobility Choice, March 2011.
16 Ibid, pg. 12.
17 www.sandbox-network.com
provide individuals with access to learning opportunities, in addition to formal and/or award-bearing online learning modules. Physical communities such as local study groups and open-learning centers also provide opportunities for self-improvement.

These improved prospects for human capital development and the implications for personal improvement and reward can support economic development and help build a resilient society.  

**Greater Links to Community**

As urban housing becomes less affordable, city workers will need to move farther from their workplaces, lengthening commutes. However, long commutes—while potentially advantageous for both income and career prospects—can also be linked to several social problems such as isolation. A recent dissertation in Sweden observed that in relationships, the risk of separation is 40 percent higher among long-distance commuters than it is among other people.

Villages, suburbs, and towns from which people commute to work in larger cities are often deserted during the day because workers often can be away from home for more than 10 hours. As a result, the opportunities for community involvement, activity, and cohesion are diminished significantly. Newcomers find it hard to become part of the community unless they have children attending local schools and, therefore, a sense of isolation can result. Working from home or for an employer who supports flexible work hours, making use of collaboration technology and SWCs, and commuting less enables workers to manage their time to suit their personal needs and contribute more to community activities, therefore helping enhance the areas in which they live.

**Professional Development**

Smart Work tools enable people to work in an environment and in a manner that suits their needs. For example, working from home may afford someone more time to think and a more comfortable environment in which to work, thereby encouraging creativity. Because Smart Work tools enable telecommuting, people have more time for other professional pursuits, such as preparing themselves for the next step in their careers.

Smart Work also enables individuals to seek additional employment as increasing numbers of employers seek to hire contractors instead of full-time, permanent staff—especially in areas hit hard by the 2008–2009 global financial crisis. Individuals contemplating a phased retirement may want to consider working from home initially to reduce the number of hours spent commuting, and then working part-time as an alternative to sudden retirement.

**Benefits of Different Smart Work Locations**

The scenarios and examples presented in this paper illustrate the basic benefits of Smart Work. Such benefits will differ according to where Smart Work takes place.

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Home:
- Increased ability to manage one’s day and/or week to balance work with other commitments
- Reduced travel time and related expenditure, thus enabling workers to use the extra time and money for personal, family, or community activities
- Reduced carbon footprint

Smart Work Center:
- Reduced travel time and related cost
- Reduced carbon footprint
- Increased opportunity for cross-fertilization of ideas with people from other organizations; more business opportunities
- Increased socialization (isolation may occur when working from home)
- Increased opportunity for informal learning
- Increased opportunity for interactions enabled by meeting facilities and SWC cafes
- Increased access to ICT such as telepresence, video conferencing, presentation tools, and video recordings, as well as faster broadband speeds

Amsterdam Bright City SWC Promotes Knowledge Sharing
In Amsterdam Bright City, a Smart Work Center in the Zuidas business district of Amsterdam, the Netherlands, users are encouraged to take part in knowledge sharing and the cross-pollination of ideas. There are breakfast meetings for start-ups, and an emphasis on the value of ensuring both a sense of community and a convergence of working and learning.21

Office:
- Enhanced visibility (being noticed and at the locus of control)
- Increased opportunities for informal learning
- Ensured access to high-end telepresence facilities

The Future of Smart Work
Now that we’ve elaborated on some of the benefits of Smart Work, let’s see how Smart Work could impact Jay in 2017. Jay still lives in the suburbs, but his days have changed. He now has a home office with an IP phone, which has the same extension as his work-office phone. He goes to a local gym early each morning. By 7:45 a.m., he is home, has breakfast, and is ready to start work at 8:30 a.m. He checks his email and calls customers with whom he has scheduled meetings. At 10 a.m., he goes to the local SWC, which is a 15-minute walk and also close to the train station. He pre-books a telepresence room at the SWC for 90 minutes, where he has virtual meetings with four clients calling in from either another SWC near their homes or from the bank’s telepresence facility. After his meetings, Jay grabs a sandwich from the SWC coffee shop and chats with some neighbors also working there. Jay also speaks with another Smart Work user

21 http://www.amsterdambrightcity.nl/
and discovers that she is working on an interesting project related to his job. He plans to follow up with her later to see if they can help each other.

After lunch, Jay has a weekly team meeting, so he goes home and logs in to a Cisco WebEx® conferencing session (he enjoys being home when the children return from school). Afterward, he prepares dinner and resumes working.

Jay travels to the office once a month to meet with co-workers and attend a telepresence session with other work colleagues around the country. Some of his customers want to continue meeting face-to-face; he arranges most of those appointments on the days when he is in the office so that he has to travel to the city only once a week.

Jay no longer spends a week out of the country at training courses. Instead, he has occasional two-day, face-to-face training sessions, which involve an overnight stay, but most of the time he studies his courses online. He uses video conferencing, virtual meeting rooms, and other communication and collaboration tools to work with peers on group assignments or to discuss work-related topics and training courses. Jay can attend these sessions either at a local SWC or in the office via telepresence.

Now that Jay no longer spends so much time away from home, he has enrolled in further training, and is now undertaking a leadership course to accelerate his career. He receives mentoring via Cisco WebEx, telephone, or video conferencing, depending on his needs.

Three times a week, Jay collects the children from school and now has more time to attend their scholastic events, such as sports and concerts.

In this scenario, work is increasingly embedded into other aspects of daily life, with traditional lines between personal and work time becoming less distinct. Learning is closely linked to work opportunities, and Smart Work is transforming the business world, driving innovation.

This illustration not only shows the benefits of Smart Work to the employee, but also to the entrepreneur. If Jay had been an entrepreneur, his business reach and investment sourcing would have moved beyond local and national boundaries to more global opportunities. He would most likely have global business partners and employees, with ideas and participation increasingly generated online. Furthermore, Jay’s costs of doing business would also be lower and more flexible through newer developments such as cloud services.

**Next Steps**

For Smart Work to take hold and become the norm, there must be a system that prepares people for such cultural change. The current education system in many countries is not geared toward self-discipline and intrinsic motivation. It is not just employers’ responsibility to provide Smart Work infrastructure—the formal education system must teach people how to develop skills for self-motivation, decision making, and critical thinking, which will help them become productive Smart Workers. Therefore, policymakers must consider education redesign to prepare individuals for the new demands brought about by Smart Work. They should ask the following questions:

- Which characteristics must an individual have to thrive and succeed in a Smart Work environment?
• Which changes must be made to the education system to ensure that individuals can acquire the skills and knowledge needed to adapt to and succeed in a Smart Work environment?

• How well are employees prepared today for Smart Work in the future? What are the requirements for education and training, and how are they delivered and accessed?

• What is the role of managers in ensuring that a team of dispersed workers is on task, motivated, and able to maintain a feeling of belonging and self-worth? How do managers ensure that their teams meet regularly (virtually or in-person) to maintain morale?

• Which educational imperatives are needed to help individuals manage their personal relationships and time, productively and harmoniously?

• How will individuals be supported in using the network to improve their skills, given the extra time Smart Work provides? Can “just-in-time” learning opportunities be provided through technology-enabled solutions?

• Which social networking technologies will provide the level of support and connectedness needed to enable effective Smart Work, wherever it takes place?

• How can individuals learn to manage their time better when work and personal time increasingly merge?

• What about service industries where physical presence is essential and Smart Work is not an option? Which provisions can be made for affordable housing and transportation close to the workplace for workers who commute to large urban centers, thus ensuring that they, too, have opportunities to balance work and personal time?

• How are the needs and expectations of different generations met, such as those of baby boomers and Millennials?

• Where are the most economically viable and socially suitable places to build SWCs? How is evidence gathered and measured on whether less travel time increases workers’ leisure time and contributes to a healthy lifestyle? Is there evidence that less travel will result in reductions in—and less drain on—health resources, preventative medicine, and so on?

• How are issues of equity addressed in regions where Internet access is slow, expensive, or simply not available?

Conclusion

The scenarios and examples in this paper provide answers and solutions to some of these questions. In examining the challenges of—and questioning the rationale for—locating its workforce in offices around the world, Cisco analyzed employee feedback regarding travel to the workplace and came up with a number of solutions to help them achieve work-life balance.

Amsterdam is one city at the forefront of setting up SWCs, and Volkswagen’s solution for avoiding employee burnout suggests that there are ways to develop both government and organizational policies to make Smart Work possible, and to help people achieve the work-life balance they want, at whichever stage of life.

For Jay, time with his family is valued and is now more achievable through a change in his work location. For those at the end of their working careers, there are other reasons for Smart Work, and these factors have been taken into account in the Wisdom, Wealth, and Wellbeing project in Torfaen, Wales.
Both young people embarking on their careers and college/university graduates who expect to work autonomously, manage their time, work in diverse teams, and collaborate with local and global peers will want jobs that allow for flexible working. This new generation of workers may choose to live in a vibrant and upcoming neighborhood close to a university science park that has a Smart Work Center on campus. They will expect to engage in lifelong learning because they understand that job requirements and skills will constantly change and evolve. They may find that a number of universities use the local SWC as a learning hub where workshops are held with fellow students and/or classes are conducted via telepresence. They might also use an SWC as a networking opportunity for exploring future careers. They will employ Smart Work Centers for networking opportunities and perhaps to find a way to set up a small business, alone or with friends or colleagues, as their knowledge and experience develops.

Smart Work will quickly become the norm for future generations, and they will choose employers who support it. Expectations for work-life balance that once eluded prior generations will become a reality.

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Further perspectives on Work-Life Innovation are provided at:
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