



Overhauling a culture of 'presenteeism' at work





Executive summary

We all know today's young professionals are tomorrow's business leaders.

Growing up as digital natives – with a unique experience of harnessing the latest technology and using it to improve their performance at work – their skill-sets have the potential to put the UK on the brink of becoming a true technological leader and innovator.

However, our progress in enabling the next generation of digital leaders is being delayed. Our research shows that as a nation, our brightest young people are restricted by outdated working cultures and policies that stifle growth and development.

This trend can best be summarised as a brewing culture of 'presenteeism' amongst businesses here in the UK.

Traditionally this term refers to those who choose to work while sick or unwell. But this definition has now widened to encompass a generation of young people who feel they are forced to fake the extent of their workloads in order to win favour with their superiors.

Our extensive research with UK office workers – disclosed in this report - has revealed that 'presenteeism' now accounts for those who feel the process of working long hours at their desk is the principle way to secure career progression and positive endorsements from senior stakeholders at work.

The drivers of this negative trend include economic uncertainty, pressure for profit and high levels of youth unemployment. But we cannot continue to allow

these external trends to damage moral and working standards in British businesses.

As a company that is passionate about how technology can transform working environments, supporting modern ways of working and enabling individual workstyles to flourish, we hope this research sheds light on the key learnings for employers if they are to harness the potential in their leaders of the future.

Marking the launch of Ricoh UK's Growth Through Workstyle Innovation campaign – based on this research, we have developed industry recommendations to help employers ensure their younger employees reach their full potential today. From embracing technology to working closer with the government, only by making a commitment for positive change can the UK can achieve its economic and digital potential.

Phil Keoghan, Chief Executive Officer, Ricoh UK

Freeing young professionals from a culture of 'presenteeism'

The term 'presenteeism' has traditionally referred to those who choose to work while sick or unwell, through fear of being disregarded as someone who's 'always off' or perhaps doesn't have what is considered as the 'right' level of commitment to their job role.

While this issue is still prevalent in UK businesses, we believe its drivers - economic uncertainty, pressure from managers, high levels of youth unemployment, among others - have widened the definition to incorporate a culture of fear which is damaging morale in British businesses.

Our research - disclosed in this paper - has revealed that 'presenteeism' also now accounts for those who feel the process of working long hours at their desk is the principle way to secure positive endorsements from senior stakeholders at work.

As a company that is passionate about how

YouGov research has revealed that nearly half of 18-26 year-olds believe their bosses favour staff that work beyond their contracted hours

technology can transform working environments, supporting modern ways of working and enabling individual workstyles to flourish, we wanted to learn how office cultures are preventing workers from reaching their full potential.

So how have we reached this conclusion?

It is nearly two years to the day that the UK government announced new legislation to grant every employee the statutory right to request flexible working after 26 weeks' employment¹. Whether defining their place of work, type of contract or even working hours, the government set the path to truly putting employees in the driving seat to define their workstyle.

However, despite the good intentions of this policy, many businesses have been slow to implement tech-enabled working and offer employees the opportunity to work from anywhere, at any time via any device.

This delayed adoption of flexible working initiatives has the largest impact on young professionals, many of whom are well-versed in digital technologies and devices such as smartphones and tablet computers. As digital natives, this age group has grown accustomed to consuming content and completing tasks through digital channels - whether at home or 'on the go'. In fact, 16-24s spend nearly five hours a week accessing the internet in locations other than their home or place of work

– more than double the national average² (4.6 hours vs. 2.2).

Recent research from the Centre for Economics and Business Research³ has championed the wider benefits of tech-enabled working. The report predicted that greater flexible working could add £11.5 billion annually to the UK economy, suggesting that flexible working allowances could save UK workers £7.1 billion in reduced

commuting costs and over half a billion hours spent travelling.

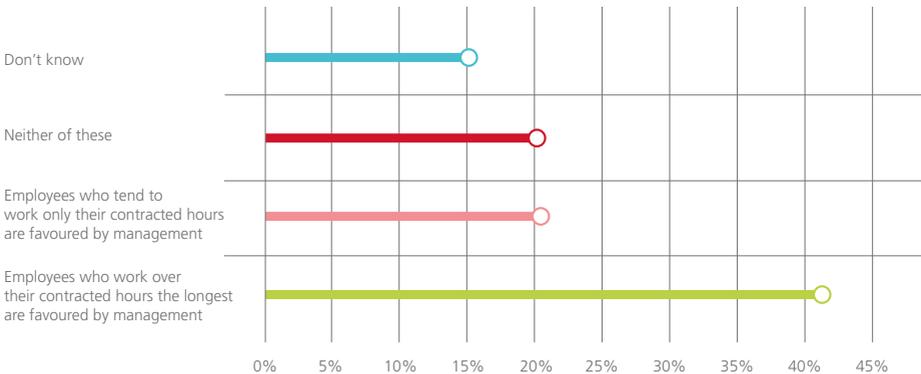
It also claimed that these working cultures have the potential to encourage the economically inactive or unemployed individuals to return to work, potentially boosting GDP by up to 4.7 per cent.

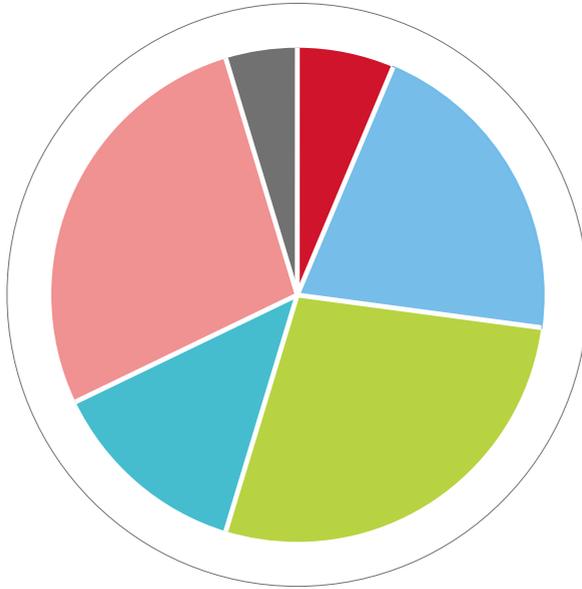
Yet, many companies are still out of sync. Our research - carried out by YouGov - has revealed that nearly half

(41 per cent) of young professionals (aged 18-26) believe their bosses still favour staff that work beyond their contracted hours in the office, regardless of the results of their labour.

This is a startling statistic that reveals just how impeded employees still feel by today's outdated working culture – in which individuals are rewarded by old-fashioned metrics such as how long they've been 'clocked in' as

Generally speaking which ONE of the following best describes your current workplace?





How often, if at all, do you stay in the office for longer than your contracted hours in order to appear to be working harder?

opposed to the output and quality of their work.

Young professionals already face a significant challenge to secure meaningful employment: In the three months between December and February 2016, there were 627,000 young people

unemployed in the UK⁴, representing nearly 14 per cent of 16-24 year-olds. 111,000 of those had been out of work for over 12 months.

As a nation, we face significant economic, cultural and social challenges that restrict

our potential to foster growth and success from the next generation of professionals. However, getting young people into meaningful employment is only the first step. We must then ensure that our working environments are optimised in order to

support them to perform to the best of their ability.

However, our research has revealed that 1.2 million 18-26 year-olds have admitted to 'faking' the extent of their workloads by staying late at the office beyond their contracted hours, in order to secure positive feedback from senior stakeholders. This figure represents over two thirds (67 per cent) of young professionals in the UK.

It is this type of culture that is at odds with the way most young professionals are geared up to work, with our

workplaces not reflective of modern environments and out of touch with emerging technology trends.

With young professionals eager to impress and move up the career ladder at speed, they are likely to naturally seek the most productive and innovative method of completing tasks. Having grown up

in the digital era, this culture of embracing technology to enhance productivity appears to be locking horns with more traditional workstyles. Only by educating employers can we unlock our next generation of leaders from the shackles of a 'presenteeist' culture at work and truly foster innovation and positive change.

1.2 million 18-26 year-olds have admitted to faking their workloads by staying late at the office beyond their contracted hours

Analogue workspaces in the digital age

It has been regularly referenced that getting onto the career ladder is one of the toughest challenges for next generation today. With the numbers of young people currently out of work, both businesses and the government must continue to collaborate to tackle this significant problem.

But as we have already made clear in this report, getting into work is only the beginning of this process. Fostering future economic growth and individual prosperity requires organisations to invest in the development and skills of their workforces – providing adequate training, support and review processes to guide employees through their career.

The UK is on the cusp of a digital revolution, with superfast broadband set to reach 10 million homes and businesses by 2020⁵ - and competition on technology is set to dominate the agenda, both in terms of providing

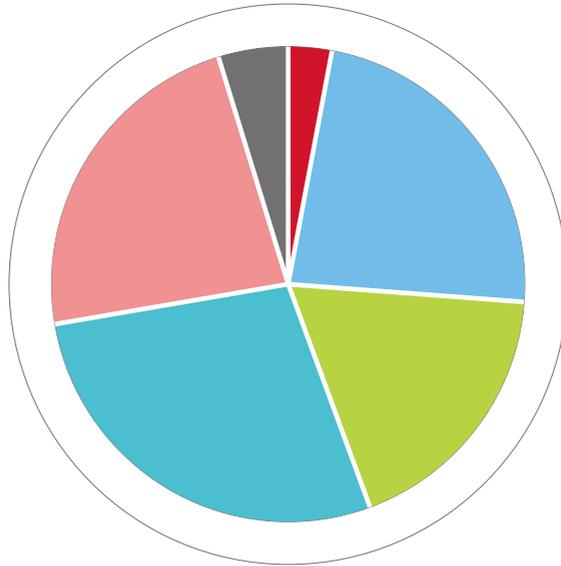
services but also to attract talent.

However, our research revealed that nearly two in five (39 per cent) young professionals believe regularly working away from the office could damage their career progression. Whereas, at Ricoh with the right technology to enable

productivity we believe this perception should be reversed.

If our employees can perform their role without wasting time and placing additional harm on the environment - through unnecessarily travelling - then why should we deny them of that opportunity?

In fact, our research revealed that nearly two in five (39 per cent) young professionals believe working away from the office could damage their career progression



To what extent, do you agree with the below statement: 'Regularly working away from the office could damage my career progression.'

It is this analogue and outdated culture that stifles innovation, rather than harnessing it, and the old saying that 'good ideas breed in the coffee shop and die in the boardroom' has never felt more apparent.

A recent global study from Vodafone found that some 75 per cent

of businesses worldwide now have a form of tech-enabled working policy⁶ in place, with eight out of ten of those reporting significant improvements in productivity.

With senior employees clearly beginning to acknowledge the benefits of building a flexible workforce, there seems to

be a significant disparity between the sentiments of business leaders and that of the young workers on the 'front line'.

As the research suggests, a significant proportion of organisations appear to have adopted tech-enabled working in some form or another. However, our

research reveals young professionals clearly believe there is more to be done. They have therefore called on the government to educate employers on: the business benefits of flexible working (58 per cent), their staff's rights for working anywhere (39 per cent) and their

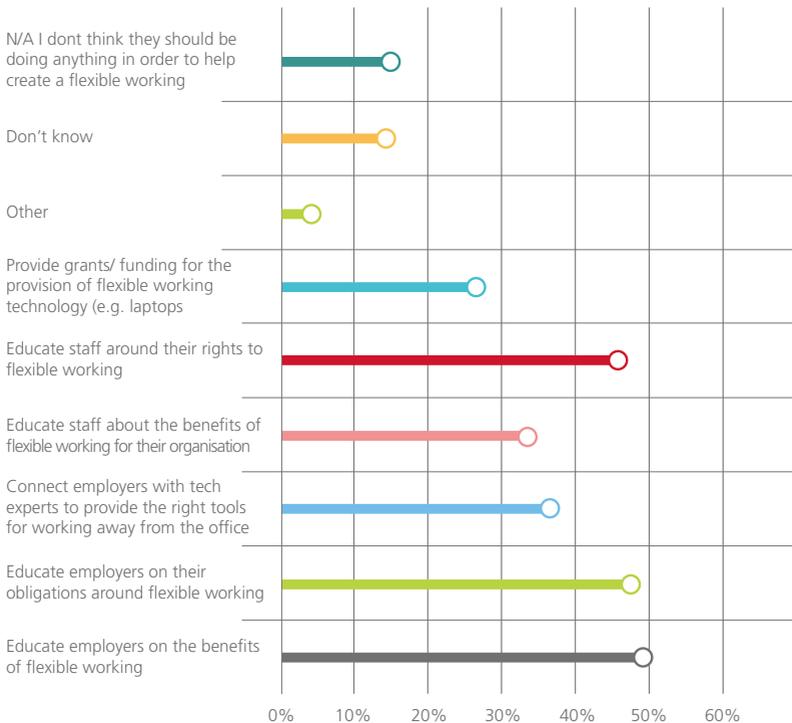
employer obligations (49 per cent) to provide access to this style of work.

It is clear that businesses have not fully recognised the bottom-line value of tech-enabled working, with many claiming to provide flexible working benefits, yet these

have not been felt by 'front line' staff.

Addressing young professionals' calls for education around their rights, the current process for requesting flexible working appears convoluted. The government requests

Which, if any, of the following do you think the UK Government should do in order to help employers create a flexible working culture?



that employers must deal with all flexible working requests in a 'reasonable manner', assessing the advantages and disadvantages of the application, holding a meeting to discuss the request with the employee and offering an appeal process if it isn't granted⁷. The government also states that employers have up to three months to consider this request before making a decision, and must also then dictate specific changes of the terms and conditions of the employee's contract once they have been agreed.

It is precisely this kind of 'red tape' that could make a flexible workstyle

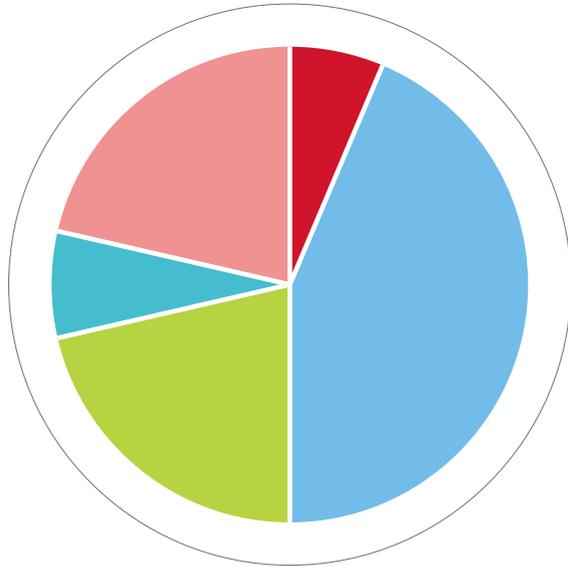
seem so inaccessible to young workers. Having to draft and submit a formal written request, and arranging internal meetings, can be time-consuming - putting a drain on the kind of innovative working cultures this government is trying to help stimulate.

The government has worked hard to implement this legislation in an attempt to provide a springboard for employees to improve their performance and quality of life. While employers have seemingly made allowances to ensure this is formally 'available' to staff, our research suggests that there are still cultural stigmas that

remain in place that are blocking its pathway to those most in need.

Today young people enter the workplace with significant experience of communicating and working across different channels. This includes using multiple devices and harnessing the potential of technology to enable improved productivity and deliver high quality work. Employers must be proactive to build future-proofed tech-enabled working policies that harness their young workforce's digital skills and expertise, embracing a 'working anywhere' culture to create more enjoyable and productive workplaces.

Bridging the gap between employers and the government



How well, if at all, do you think the UK Government is performing to enable flexible working in organisations?

Recent research from the Confederation of British Industry (CBI) has suggested a digital divide is opening up across the British economy, with just over half (55 per cent) of “pioneer” firms adopting digital technologies and processes, while the other half (45 per cent) are falling behind⁸.

The research reveals that despite the UK taking the top position globally for e-commerce and fifth place for the availability of technology, it ranks only fourteenth in the world for company - level adoption of digital technology, with many companies struggling to digitise their businesses at

the rate of peers in other countries.

Our research reinforces these shocking findings. With a plethora of locations, devices and ways of working available to us - and technology available to seamlessly support this – companies still appear reluctant to

embrace such potential, even rewarding those that persist with outdated and draconian performance measures.

Young professionals believe the government should do more to intervene and play a leading role in bridging this digital gap. Our research has revealed that 30 per cent of young professionals believe the government is performing poorly in its efforts to help people work flexibly.

The CBI's research cites a combination of connectivity challenges and security

concerns as barriers to digital adoption, but predominantly organisations claim to be hindered by a lack of appropriate skills inside their business and an unclear return on investment.

It is these two final assertions from business leaders that require further unpacking. Businesses would be wise to leverage their young professionals' digital skills and expertise, providing them with the opportunity to lead on training more senior members of staff that may not class themselves as digital 'natives'.

This will not only provide the opportunity to up-skill additional members of the team, but it is also likely to result in the young generation feeling more motivated and engaged, as their expertise has been acknowledged and put into practice.

In terms of an unclear return on investment, companies need only to look at examples such as Blockbuster Video, Comet or MWC to understand the consequences of failing to invest in digital skills and strategies. Consumers want instant access to content and services from anywhere, using the device or their choice, and young workers are no different when it comes to completing important tasks.

Our research showed that, young professionals appear to understand

Our research has revealed that 30 per cent of young professionals believe the government is performing poorly in its efforts to help people work flexibly

the importance of this relationship between digital skills and success, with nearly half (47 per cent) calling for the government to connect employers with technology experts and a third (31 per cent) calling for it to provide grants and funding for the provision of the technology to enable a more flexible workforce.

At Ricoh, we don't just help other organisations improve their mechanisms and workstyles: we practice exactly what we preach, investing in a tech-enabled workstyle in which our employees can hot-desk, reduce travelling and ease the burden on unnecessary

and harmful process. So we know first-hand the benefit technology plays to harness innovation and improve productivity.

It is not only technology that will help businesses adopt a more digital approach, with a cultural change of mind-set key to ensuring it reaches all echelons of an organisation. From a CEO that understands the role of social media, to a CIO that appreciates the value of equipping staff to work anywhere, digital change can only truly be implemented when driven by leaders.

By combining strong leadership and government support,

businesses can empower their staff to deliver high quality work in their own style, growing in their roles as they progress through their careers.

With the next generation of young professionals coming up through the ranks, now is the time for businesses to address the digital divide, placing the emphasis on staff outputs and productivity rather than being present at work. These two key topics interlink throughout organisations, as digital skills are a key enabler of productivity, and building a culture in which these skills can develop and flourish is the key to business growth and success.

Conclusions and recommendations

1. Overhaul this culture of 'presenteeism' in the workplace and focus on developing future leaders

Our young professionals represent the future of the workforce. As the most likely diaspora to walk into their first role as digital natives, we should pledge to harness their skills, leveraging their expertise to support economic and cultural prosperity.

We all have our own individual workstyles. Some of us like to ensure our work, home and social lives are completely separated, but with the introduction of new technologies, these distinctions are increasingly blurred. Typically, it is young workers that are most comfortable with these convergences. By embracing a culture in which the onus is placed on outputs and delivery of work, rather than being present in the office, young professionals would be happier, more motivated and would benefit from an improved work / life balance.

2. Work closely with the government to ensure that the technology is made available to staff, streamlining the flexible working process

Two years on from UK government announcing the decision to grant every employee the statutory right to request flexible working, young professionals have raised fresh questions regarding how far organisations have actually come since then.

The government's current advice to employees on applying for flexible working requires significant time commitments from both employees and senior staff alike, which is likely to result in reduced numbers of staff going through with the procedure. We are therefore calling for the government and business

community to work together to streamline this process, cutting the red tape where possible and clearly identifying what type of flexible working requires formal written approval.

3. Embrace technology which can help develop secure and seamless working conditions, wherever staff are located

Fostering a culture whereby working from anywhere is widely accepted is a significant step for many organisations to take. However, without the right technology to underpin this development, staff could be left without access to important information, or worse, put the organisation at risk of critical data-theft.

With that in mind, enterprises must work with technology experts to deliver digital transformation - enabling secure innovation and positive change, bringing significant benefits to all elements of the company.

Citations

Page 6

¹ ACAS (2014): The right to request flexible working

Page 7

² Ofcom (2016): Adults' media use and attitudes

³ Centre for Economics and Business Research (2014): Impacts of a flexible working culture

Page 8

⁴ House of Commons library (2016): Youth unemployment statistics

Page 11

⁵ BT (2016): Openreach expands ultrafast fibre plans

Page 12

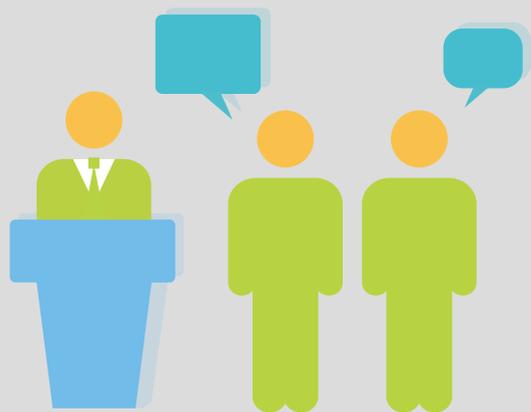
⁶ Vodafone (2015): Guide to Flexible Working

Page 14

⁷ GOV.UK: Flexible working

Page 16

⁸ CBI (2016): Digital divide among UK business is holding back the economy



RICOH
imagine. change.