Facebook's Palo Alto headquarters has chill zones, where staff can play Guitar Hero on the Xbox 360 or catch up on a quick game of chess.

Photos: Emily Shur/Gallery Stock

Nice house, *nobody home*

As people work less in the office, the way in which organizations operate is changing fundamentally. Will this benefit smaller companies? How should big corporations respond? ***Professor Alexi Marmot, an expert in workplace strategy,*** *shares her insights*

Alexi, you're one of the masterminds behind IBM's flexible office structure and have more than 20 years of experience shaping the new world of work. Can you give us a quick rundown on how work life has changed in recent times?
Management gurus ponder the end of long-term employment security, the need for portfolio careers, the end of job specifications (people just know what work needs to be done), the relative shortage of young workers due to demographic change, employment equality, the need to work way beyond conventional retirement age, the growth of technology, and so on.

Meanwhile legislation introduced in response to political demands, employee availability, and the concept of human capital has introduced many forms of flexible working. This is especially important as a way of balancing work life with childcare or care for the elderly. Flexible employment contracts cover a wide range of different assumptions about the time and place associated with work. Perhaps the most prevalent arrangement is outsourcing or offshoring, in which the work of whole departments within a large company is transferred to another organization, possibly in a country far away.
Does this increasingly mobile and flexible way of working benefit smaller

REPORT: THE FUTURE OF WORK

"The vast infrastructure of large firms ***can now be mimicked by intelligent networks of people*** *working alone or within formal companies"*

companies? Can they – by using freelancers, modern technology, and falling transaction costs – do things that in the past only large corporations could do?
There is no question that IT developments empower new entrants to the world of work. Indeed the stories of recent start-up companies like Google, Skype, Facebook, and Twitter are all about bright young kids forging an idea, developing software, becoming billionaires, creating new verbs – such as "tweet" or "google" – and supplanting conventional methods of work, how we access information, and how we think.
The vast infrastructure of large firms can now be mimicked by intelligent networks of people working alone or within formal companies. Technology costs continue to plummet while delivering more power, faster processing, and access to hitherto undreamed of quantities of information. Search engines identify what we need to know in milliseconds. Branding and marketing your service via an impressive website to attract customers is no longer difficult or expensive. The overhead cost of an office is unnecessary if work can be done from home or from a third location and sold anywhere in the global market. This suggests that micro firms can follow, and probably beat, the giants through competitive advantage and cost savings.

So small is now beautiful?
Not necessarily. Because at the same time, a multitude of new laws and regulations stop all but large, well-established companies from being allowed to operate. Excellent motivations lie behind the new tyranny of procurement. The vision of open trade across international boundaries has created the monstrous European procurement system that demands open advertisement across all EU countries for almost all government purchases. This adds more time and effort to the process of winning work. Only the very largest firms can bear the cost of tendering and only they stand a chance of meeting all the procurement criteria. For example, only large firms can afford the time needed to gain accreditation for the environmental performance or quality management that is increasingly requested. Brave clients are needed to risk buying from small new players.

Is there a perfect size for a corporation today?
Perfect size? No way, let a multitude of corporation sizes bloom. New micro-sized entrants together with gigantic mature companies can, and do, flourish in the global economy. One change is the hollowing out of the center, leaving nano-firms and gigantic corporations at the two ends of the size spectrum. Most industries are characterized by a small number of dominant players, oligopolies that may sometimes exert too much control over their markets and customers. Petroleum, banking, accounting, pharmaceuticals, and car manufacturers all have their giants built up over many years of organic growth and acquisition. The challenge for the giants is to act like the nano-players by being quick to act, innovative, light on bureaucracy, treating all employees as valued individuals, and letting all customers feel they are respected.

How does the trend towards open innovation and mass collaboration transform corporate structures?
Arguably, open innovation beyond corporate walls is the death of the company as we know it. Intellectual property ownership, on which so many organizations flourish, is impossible to control in an open innovation environment. Problems within the recording, publishing, and newspaper industries bear witness to this. Open innovation within a company can work well as long as the people with the best ideas are rewarded.

What else must big corporations do to respond to the new world of work?
Forward-thinking companies such as BP and IBM have long understood the competitive advantages of providing their staff with some flexibility regarding contracts, time, and place of work. In this way, they can retain skilled and loyal employees who otherwise might need to leave due to changing jobs or personal circumstances such as moving house, or having children.
The necessary infrastructure for doing so consists of combining the offerings of HR, IT, and Estates, as well as agreeing what is needed with business managers, organizing effective management of change, and monitoring the resultant effects on staff, on customers, and on the business. Effective line management is essential for this to work. Managers must ensure that their team members are producing by results and not by being present, and managers need to trust their team members.
By separating the job people do from the concept of a permanent place in which to do it, it is possible to strike a balance between the needs of the individual employee and the needs of the company.

But how can any organization function if its employees are scattered all over the globe, working in airport lounges, cafés, and from home?
Data drawn from tens of thousands of office employees shows that, at the busiest times of the year, most people are not at their desks about 63% of the working day and are not present in the office building for about 46% of the day. This is one of the reasons that telecommunications companies first invented voicemail, and that fixed handsets have become irrelevant compared to mobile phones that actually reach the person and not the desk. In other words, most office work is in fact about working in virtual teams that are rarely together in time and place.

What does this mean for our idea of the typical workplace?
The results can be unusual. Corporate buildings can be filled with people working for many different departments and with people from outsourced firms who need to be present, for example, to operate IT or the facility itself. People not employed directly by the organization can transmit corporate culture and image.

How should managers deal with this?
The solution is to schedule regular meetings, allow attendance by teleconference and videoconference, use many forms of media to communicate – email, instant messaging, telephone, text, websites, social networking – and above all, ensure all team members know what they have to do, by when and to what standard.

Interview **Markus Albers**

Alexi Marmot
Biography

Alexi Marmot is Professor of Facility and Environment Management, Vice Dean of Teaching and Learning, and Head of School at the Bartlett School of Graduate Studies, University College London. She is also a visiting professor at Sheffield Hallam University. Alexi established AMA Alexi Marmot Associates in 1990 to help organizations make the best use of their buildings by applying evidence-based design. Her clients include large multinational corporations, government and educational bodies, non-profit organizations including the Bill and Melinda Gates Foundation, British Airways, BBC, BP, HSBC, IBM, Morgan Stanley, Nationwide, and WWF, and many colleges and universities.