

British Telecom (BT)

The company

Sector	Transport and communications
Location	Throughout the UK
Turnover	£18.5million in 2003-4
Profit	£2.016million in 2003-4

The workforce

Number of employees	87,325 in the UK (March 2005)
Percentage women	22%
Percentage from ethnic minorities	9%
Percentage disabled	2%
Natural attrition	2.8%
Percentage of women returning to work after maternity leave	93%

The challenge

Ensuring that BT's workforce best delivers its telecommunications, internet and IT services locally, nationally and internationally to millions of diverse and increasingly demanding customers. Technology alone is no longer able to offer competitive advantage. The quality of BT's staff – the way they behave with customers and their motivation - is the only sustainable differentiator in today's markets.

Most people have responsibilities for others, children or elderly, disabled or sick, family or friends. With an ageing UK population these demands on our people will increase while the recruitment pool is reducing and expecting better work-life balance.

The response

BT has harnessed communications technology to transform the way the company runs, moving from a more static, site-based workforce to an 'e-BT' of employees who work flexibly and/or from home. Equipping people with access to the information necessary to do their jobs seems obvious, but prior to 'eBT' much of the information was not available to people where they were working. Often engineers had to leave customer premises to find the information they needed, wasting time and decreasing customer satisfaction. Providing employees with online, real time, access to information and training not only increased productivity, it also increased sales, customer satisfaction and enables flexible working.

To meet increasingly demanding and varied customer expectations BT has to be more and more agile as a company. To achieve this BT applies the same flexible thinking to its people and the demands on them. BT now has over 9,000 home workers, nearly 500 job sharers and more than 5,000 part-time workers.

BT has used its own technological products and services to make this change: BT Broadband is used by employees at home, in the office, on customer premises or while travelling. 70% of BT's training is delivered on-line (253,000 course completions in the last year) to employees at work or home.

BT has changed processes and attitudes to enable flexibility. Managers are encouraged to agree flexible working requests, performance focus has shifted to outputs and extensive information and support facilities are provided through the 'Achieving the Balance' intranet site.

Business benefits

- More talented workforce:
 - Surveys show that people want to work for companies with a sound work-life balance ethos, so BT can draw from a wide talent pool
 - Flexible working attracts and retains people often under-represented in UK workforce such as disabled people, lone parents and carers.
- More flexible and responsive workforce
- Improved retention:
 - natural attrition is now only 2.8% pa,
 - 98% of women return to BT after maternity leave
 - flexible working over the last 2 years has helped retain 1000 people.
- Reduced absenteeism:
 - BT Homeworkers average just 3 days a year sickness absence.
 - Absenteeism rate is 20% below the UK average.
- Increased productivity:
 - BT's 'Self Motivated Team' project involving around 6000 employees and associates rewards output rather than attendance – participants now work fewer hours and are more productive
 - Over 9,000 BT employees now work from home with productivity gains of 15-31%. Home-based call centre operators handle 20% more calls than site-based colleagues.
- Happier customers:
 - Flexible working helps BT respond to customer demand 24/7
 - Customer and employee feedback shows improvements - customer dissatisfaction down 22% in last year, home based employees are 7% happier than site-based colleagues.
- Reduced costs
 - The annual cost to support an office-based worker in central London is around £18,000. It costs less than £3,000 a year to support a homeworker. On average each homeworker saves BT £6000 a year.
 - Improved retention saves c£5m a year on recruitment and induction.

In practice

Marcia works in Systems and Solutions and took up homeworking last year. She says: "I've been home working for eight months and it's wonderful. It fits around my children. I'm a lone parent with a teenager and I felt I needed more presence at home. I needed to keep an eye on things. I've also got two young children at school and I'm a school governor as well. I'm able to fit in all my commitments around my work. I work better at home. I now log on to my computer at 7.45am each day, whereas I would have been at my desk at ten. I work harder and longer at home. I also don't shout at the children as much!"

Richard coaches customer service engineers: "I have two children aged five and seven and I'm getting married this year to my partner who also has two children. Childcare issues are incredibly important to me and so flexibility is paramount. I also had a heart attack last year, so I need to keep my stress levels as low as possible. Flexible working means that I don't have to worry about my children, I am not stressed at all in the way I was in the past. I know that I can work at home when I need to. In fact I work harder at home. Flexible working has been brilliant."

Chris runs a Directories Team and is a long-term flexible worker. She says: "Flexible working is very good. I have been doing it for eight years. I have a son who is 14 and I am a lone parent. When I need to I can work from 9.45am until 3.15pm, which is brilliant. I then work earlier or later on other days to make up my 144 hours a month. Since I started flexible working I've been promoted and I'm progressing in the

company. So it's great!"

Tony is a customer service engineer who now works his full hours over four days. He says: "Working a four-day week allows me to go to my son's school plays and be a proper parent. I win because I get the time off when it's needed and the company benefits because they get engineers in general to work a longer day and complete tasks considered unfeasible in the past."

UK challenges

The way people work is rapidly changing and for many employees is now completely different to how they worked only a few years ago. The UK workforce is one of the most flexible in the world and is adapting to the new environment. Most employers claim to have some form of flexible employment policies, but these can only 'live' if attitudes are flexible. The UK challenge is to overcome set attitudes, particularly of managers. Making the business as well the social case for flexible working is important to this and BT's ['Flexibility Pays' brochure](#) may help.

The future

With the increase in lone parenting (possibly 25% by 2010), more and more couples depending on both people earning, the growing needs for elder care and the overall population changes, employers need to be increasingly open and creative in their employment practices. If they are not they will neither attract nor keep the people and skills they need. BT recognises that to be successful, it must continue to maximise their staff's freedom to work where and when it suits both the business and the people - focusing on outputs and contribution and much less on location, hierarchy and time.