**White Paper**

**Employers update – Financial impact of homeworking and organisational design. -** March 2021

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INTRODUCTION

This briefing paper suggests interesting employment trends and suggestions for employers to explore.

Homeworking had been with us since 2020. Those companies who have taken advantage of the home working trend have reported significant financial benefits. The banking industry seemed very pleased with the financial saving in 2020, as reported in the world Banking forum.

What are the financial benefits – this paper explains the practical and economic advantages that can be expected.

WORKING FROM HOME

First some basic facts about Home workers;

\* Home works are shown to have put in a full extra days work each month

\* Home workers have less time off sick

\* Home works enable employers to scale down the size of their premises

\* Homeworkers are cheaper to employ and require modified appropriate contracts of employment

\* Homework require less supervision and management

\* Home workers; U.Y.O. is the trend for I.T. Using Your equipment to do your job. This equipment includes computers, phones, printers and office furniture explicitly. Apples excellent profit results 27.1.2021 reflected the massive increase in the sale of laptops.

\* Homeworkers will significantly reduce the x2 operating factor in organisations.

\* Its been reported that 1 in 5 jobs globally can be done from home.

\* UK workers have increased their working week by almost 25% and, along with employees in the Netherlands, are logging off at 8pm.

CALCULATING THE FINANCIAL BENEFIT OF HOME WORKERS.

It's a trend that's unlikely to stop. Mark Zuckerberg was quoting that up to 50% of Facebook staff will end up working from home. It seems from data to date most companies will have 35% home working in the first year. How to calculate the financial benefit.

We will use our testbed company and our standard proven figures.

Total ESUC per hour £46.00

People in the company 3000

PWD – unadjusted 226

The assumption that 35% of the employees will work from home

People working from home 35% Of 3000 = 1050

Added value from extra productivity

8 hours x 12 months x ESUC £46 x 1050 employees = **£4,636,800.00**

*The assumption as you probably don't want 100800 extra hours of productivity. You can resize the organisation accordingly.*

Looking at our sample company, the average employee works for 1560 hours a year. Divide the extra hours 100800 by 1560 and you get an approximate staff saving of **64 people.** This is quite a conservative figure.

The other factor will be that the 1050 employees will vastly reduce the employment factor figure from **2** to an estimated **1.2,** giving substantial additional savings.

Homeworking will reduce the amount of management significantly – replaced with a self - help type of support.

ACCOMMODATION COSTS

With a rapidly reducing workforce organisation, redesigning will be needed. This and home working will, without doubt, reduce significantly the amount of space required in the workplace. In 2021 HSBC announced that it would be reducing its office space by 40% as part of its necessary restructuring program.

In a separate survey, the I.O.D found over 50% of UK directors were planning to reduce office space in 2021.

Energy company Halliburton Co said it intends to close more than 100 facilities. It’s a worldwide trend and accelerating.

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