

## **New forms of employment ICT-based mobile work, Norway**

### **Case study 33: Hewlett-Packard Norway**

*Commuting long distances to work in Norway is very common. Hewlett-Packard Norway has gradually been implementing mobile work to increase its attractiveness as a workplace and to counter the problem of limited office space.*

### **Introduction**

Mobile work is one of several new practices spreading throughout the European labour market. A study of employment conditions in Norway concluded that companies were undergoing much faster reorganisation and repositioning compared with previous years. Several studies noted continual changes in some companies' structure, internal organisation, external environment and the use of new technologies (Grimsmo and Hilsen, 2000; Torvatn and Molden, 2001). These changes were particularly prominent in knowledge-intensive industries, such as financial services and ICT.

Norway is geographically elongated and has a low population density. Long commutes to work are very common, especially in rural areas. Recent studies (Ministry of Local Government and Modernisation, 2011) have identified mobile work in knowledge-intensive firms as a new potential driver for economic growth. Workers living far away from work who get the opportunity to work on a more flexible and mobile basis increase their employability without having to relocate. This also allows employees to live in more rural areas with fewer job opportunities. The same report points out that the workers do not necessarily work from the company's office, but also perform their duties from home, or while travelling on the train. Norwegian policies applied towards rural areas are a direct result of long traditions of social democratic equalisation. The 2013 action plan for regional development sets a key priority on developing location-independent jobs (Ministry of Local Government and Modernisation, 2013).

As stated in the *New forms of employment* overview report, mobile work in this study is defined as work that is mainly conducted away from an employer's premises, with strong dependency on ICT, such as mobile phones and tablets (Eurofound, 2015). It goes beyond the sort of work traditionally performed outside the office, such as sales or maintenance. A recent Norwegian employers' poll on mobile work estimated that 62% of the companies made all their working documents accessible to their employees outside their premises via mobile devices, such as laptops, tablets or mobile phones (Nordialog, undated). The same survey showed that 91% of companies provided workers with mobile devices.

In this study, the Norway-based branch of the Hewlett-Packard Development Company (HP), a global technology company, has been selected to exemplify mobile work in Norway. This company was selected based on its high scores in global employment rankings, meaning that it uses flexible work organisation practices (Great Places to Work, 2013). A year before the survey,

the company's HR representative claimed that the firm's technology and new ways of mobile work were key to attracting new workers. Furthermore, HP management has participated in public debates on flexible work (Finansavisen, 2014). This case study is based on desk research on mobile work in Norway, and five interviews conducted in January 2014. These were with representatives of a labour union, the Ministry of Work, HP Norway's HR department and a male and a female employee, one of whom was more senior and more experienced than the other.

## **General characteristics of HP Norway**

In Norway, mobile working is relatively new. Under this arrangement, an employee can work from a number of possible locations inside or outside the country, without perceiving such work as a business trip. Traditionally mobile jobs such as travelling salesmen are excluded from this definition.

HP is an US company with its head office in California. The company delivers infrastructure, services, computers, and writing solutions. HP opened in Norway in 1967; its office here is mostly autonomous and has its own CEO. The head office is at IT Fornebu in the municipality of Bærum, just outside of Oslo. The company has 369 employees nationally, and in 2011 had a turnover of around NOK 4.33 billion (€5.15 billion) (HP Norway, 2012). Even though the company's main focus is to offer HP products to Norwegian customers, HP Norway is also one of the key suppliers of ICT in the country, and has especially strong positions in the oil, gas and petroleum, healthcare and ICT sectors. Employees at HP Norway are distributors, negotiators, consultants, international relations experts, sales staff and customer service operators. Some 25% of the team is female. The absence rate is approximately 2.6% of the local working hours. According to the firm's annual reports (2009, 2010 and 2011), this percentage has been stable for the past three years. The Norwegian branch has a works council, which is obligatory under Norwegian law in a firm with more than 50 employees. According to HP management, the works council gave exclusively positive feedback when some employees first tested mobile work, and there have been no associated problems for the council to discuss as this working method has become more common.

Since 2005, HP's global structures have been restructured to meet changing market needs more efficiently. The restructuring process will, according to company press releases, mean redundancy for about 34,000 workers worldwide. This is about 11% of its 317,500 workers. A HP executive said that 7,000 of these jobs will be cut in Europe, but it is still not clear whether any employees in Norway will be affected.

In the past few years, the ICT sector in Norway has experienced falling revenues due to increased competition. In 2008, HP Norway was forced to cut back from 410 to 367 employees. Since then, the firm's financial situation has slowly stabilised (HP Norway, 2012). Anita Krohn Traaseth, who took over as CEO of HP Norway in 2012, set a new strategy for dealing with the changing markets. According to the firm's strategic documents, HP Norway has three new objectives:

- being the most visible ICT partner in Norway;
- becoming the best workplace in Norway by the end of 2015;
- achieving 10% growth compared with the previous year.

## **Design and implementation process**

To achieve its second strategic objective of becoming the best work place in Norway by the end of 2015, HP Norway has been introducing flexible and mobile work modes. Although the HR representative described the process as formal and specific, she could not provide examples of how the modes were planned and implemented. The employees, however, described the implementation of mobile work as a more informal and gradual process, being more a change in the firm culture than its structure. The company management believes flexible work should allow

its employees to combine work and family responsibilities better. Consequently, the employees can arrive or leave the office whenever they want and work from any location outside the office. According to the interviewed employees, the company has a highly trust-oriented and independent working culture. Since 2008, HP employees have been increasingly using mobile devices for working purposes. Rough estimates from the staff showed that 80% of employees were performing some kind of mobile work. For example, the employees answer emails away from the office or divide their work day, spending some time at the office and the rest at home or at a café. The most common form of mobile working is to work shorter days at the office, by arriving late and leaving early, and then 'log in' again later in the evening from home or another chosen place. The extent of mobile work varies between the different departments and professions within the company. Managers, consultants, negotiators and sales people tend to be the most mobile. There were no reported differences between different genders and age groups in embracing mobile work. All groups were described as equally eligible.

HP Norway found the road towards flexibility and mobile work more difficult than did its parent company. Before moving its central office from Oslo to an ICT-knowledge park in IT Fornebu, the company had too little office space for its employees. Even after restructuring the firm, there was only enough office space for about 75% of staff. According to the interviewed employees, this led to a new, flexible way of working that did not require fixed offices. Instead of working from the office, staff could perform their tasks using internet-based services, such as being able to store data using cloud technology. As long as employees had access to the internet they could work from any location and still get access to the company databases and intranets. Flexible and mobile work is said to have increased during this time, and spread among the employees.

The interviewed employees said the introduction of mobile work was rather informal. They were never explicitly told by management or section leaders to work off the premises. Even though the employees themselves could choose whether to switch to mobile working, they felt that they were expected to be available through mobile devices, whether at home, in the car or on vacation. These expectations increased when the employees were provided with company mobile phones and computers.

According to the company's HR representatives, mobile and flexible work modes were tested before their actual implementation. Previously, only a small proportion of all employees, mostly senior management, were allowed to work outside the office. In this way, they could test innovative solutions and decide whether they should be streamed to the rest of the employees.

## **Working method, processes and procedures**

Answering emails, finishing projects and taking calls from customers and clients are the tasks performed most frequently during mobile working. These tasks are common to employees working in management, sales, consulting and negotiating. As far as is known, no training is organised for mobile workers.

All the necessary equipment, such as laptops, mobile phones and sometimes tablets, necessary for working away from the office, is provided by the company. In most cases, the equipment is also manufactured by HP itself. HP Norway also supplies the required software to use cloud-based servers and Virtual Private Network (VPN) services. In addition, the company also pays all the associated bills for mobile and internet services.

The introduction of more flexible and mobile work settings was gradual and rather informal. The employees were never told to work away from the office, but management always facilitated the opportunity to work elsewhere if there was a need or a will. Company employees said that mobile work was something they could choose. For example, one employee highlighted the opportunity to work from the train on his way to the main office in the morning, instead of spending time driving and being stuck in traffic. An interviewed employee also felt that the flexibility of

working mobile gave him the opportunity to leave the office early in the afternoon in time to pick up his children from the kindergarten and still be able to finish his work on time or answer emails later in the evening. On the other hand, some informants felt that they were expected to work this way.

As mentioned above, the company's working culture is based on trust and respect between management and employees. Consequently, the company does not monitor the amount of time each employee spends working in the office in comparison with other locations. Also, there are very few other administrative restrictions. Rather than focusing on time or location, the company management process is built on expectations and meeting goals. According to the HR representative, the best way to monitor the quality and efficiency of an employee's work is by looking at results. In HP Norway, each employee sets his or her own goals in collaboration with a senior manager. Consequently, in order for the mobile work practice to work well, the employees must be clear about their weekly goals and tasks. For this reason, the HR representative highlighted the importance of having one or two fixed and mandatory internal meetings a week, to ensure that the employees set their own goals for the next week and are aware of what is happening within the company. For employees, in turn, it is also important to know that their work and its results are acknowledged and appreciated.

Most employees in HP Norway have individual contracts, which are also negotiated individually. Generally, they specify a 37.5 hour working week, as set out in the Norwegian Labour Code (Ministry of Labour, 2006). The law also obliges management to provide a safe and healthy work environment, which also applies if the worker works from home, other premises or from abroad. As several HP workers often work outside the office on a more permanent basis, they can choose to include it in their employment contracts, obliging the company to pay for items such as an ergonomic desk or a chair. If workers choose to work somewhere other than their home or office, the firm has no control over whether they are in a secure and healthy environment.

Workers' contracts do not specify an exact working schedule. The HR director said it was common practice to have flexible working hours which, in most cases, are organised by the workers themselves, according to their needs. For example, one of the employees described a situation where she had an important customer meeting on a Monday. She felt that it suited her best to prepare for this the day before, on Sunday; this meant that she would then work one day less during the week, to keep within the regulated amount of hours. This case also exemplifies how HP's workers tend to combine mobile work with flexible working hours.

All interviewed employees who were engaged in mobile working said they had the same social and pension rights and insurance as the other employees. According to the Director General Officer from the Ministry of Labour and the interviewed labour union representative, this is common practice among Norwegian firms whose employees carry out mobile working.

There are no guidelines for companies using ICT-based mobile work practices in Norway. Also, the interviewed representatives from the Ministry of Labour and the union could not name any restrictions on mobile work in the Norwegian Labour Law. However, both interviewees expressed their concerns about the long-term consequences of mobile work.

## **External support**

The company did not receive or look for any support in planning and implementing the ICT-based mobile work practices. The impression given was that they did not feel the need to seek this kind of help.

## **Outcomes**

### **Positive outcomes and effects**

Norway measures the effectiveness of its staff by comparing their results with their goals. However, this type of evaluation measures individual outcomes and gives little room for comparison between workers. As a result, there is no data allowing one to assess whether mobile work has positive or negative effects on employees' effectiveness.

Employees view mobile work very favourably. Some believe it makes them more efficient. Several respondents said the ability to manage their time allowed them to be more productive and would also increase their employability, as they could adjust the work time and place based on their own needs. For example, mobile work reduced their commuting time as they could travel during the less busy periods, thus having more time for work. The employees also felt that having the freedom to select their place of work was an indication of trust, which motivated them to be efficient, innovative and creative. One employee also said that the flexibility to work wherever she wanted allowed her to be always up to date. She also felt that she did not have to go through a vast amount of pressing tasks as she regularly sorted out the most important tasks and set the required procedures in place whilst she was outside the premises. This gave her an opportunity to work with fewer interruptions and be more focused than in the office.

Another positive outcome of mobile work is the increased availability and accessibility of the employee to the employer, customer or client. This has made employees more service-minded towards customers and clients, being able to respond to a call whenever a client needs them. They can also offer a quicker response time to urgent matters. The monitoring of overtime work in HP is based on its staff's own reports, with employees being paid for any time worked over the 37.5 hour limit. However, increased availability can be associated with certain risks, which are discussed in the following section.

The flexibility that comes with mobile work was also much appreciated. One of the employees interviewed describes how he came to appreciate the flexibility inherent in his mobile work when his priorities shifted towards his young family. He values the independence of mobile work, being able to work from the train, a cabin in the woods, or while staying home with his children. This was one of the key reasons he has stayed with Hewlett-Packard.

Mobile work also provides certain benefits to the company. The interviewed HR representative believed that flexibility and autonomy motivates and fosters innovation among employees. She noted that other companies could increase their revenues by letting their employees be more self-regulating and mobile. For example, when working with partners overseas in a different time zone, one is often required to take calls outside normal office hours, and outside office premises. In such cases, mobile work and flexible work arrangements become very useful.

According to some interviewees, mobile work can also reduce the need for sick leave. According to interviewed employees, the incentive for taking a sick day or staying at home with a cold is much lower if one instead could work from home while ill. One employee explained that they would rather stay at home drinking tea and getting better, while at the same time being able to answer important mails and finishing reports. However, the sick leave rate has been stable at around 2% to 2.6% of the annual working days from 2009 to 2013 according to the company annual reports (HP Norway, 2012). While this is considerably lower than the Norwegian average of 6%, there is no evidence that the implementation of mobile work has had any impact in this regard.

### **Negative outcomes and effects**

Several employees noted that increased work flexibility and irregular work hours have disadvantages; for instance, in blurring the line between leisure and work. One employee

experienced increased stress levels due to not being able to fully relax at home or while on vacation, but always feeling responsible for the work tasks that needed to be finished.

Another negative effect mentioned by some employees was the poor sharing of information and knowledge among staff, since most of them worked irregular hours and from different places. Being outside the office for longer periods of time can lead to employees missing important information (personal or work-related), which is not always circulated online. The employees felt that this was particularly noticeable in exchanges of informal information, such as an announcement of a pregnancy or a fellow worker landing a big contract.

Another disadvantage mentioned was that managers see their team members less often. According to one informant, if a manager needs greater control over the team, mobile work might not be the most appropriate working method, as it requires a high degree of trust. According to sections 2 and 3 of the Norwegian Labour Code (Ministry of Labour, 2006), employees have the right to influence their own working conditions, by giving feedback to their manager on the company's efforts to ensure a healthy and safe environment:

*Employees shall participate in the enterprise's formulation, implementation and monitoring of systematic health, environment and safety. Employees shall participate in organising the safety and environmental work in the business and will actively participate in the implementation of measures being put in place to create a good and safe working environment.*

The employer is obliged by law to take the employees' contributions into account. If employees are to spend less time at the office headquarters due to mobile work, a possible risk is that they would not have, or take advantage of, the opportunity to influence the firm's efforts to improve health, the environment and safety. This was a danger which was especially stressed by the union representative and the Director General Officer from the Ministry of Labour. Both underlined the importance of socialisation in the workplace, and feared the possibility of weakened labour rights if the workers spent less time in the office near a supervisor or a manager to whom they could express any objections. The union representative and the Director General Officer from the Ministry of Labour were worried that if mobile work continues to expand the limits of where and when workers can be at work, this could also weaken the workers' rights in the labour market. Nevertheless, the risk could be reduced by keeping in regular contact by phone and email, and by having regular meetings to update the employees and the management on each other's performances.

The Director General Officer from the Ministry of Labour also argued that employees might become less loyal to the company if they spent less time at the office, because they would feel excluded from the company culture. This potential outcome was, however, not confirmed in the interviews with the employees.

## **Strengths and weaknesses**

In the following section, the strengths and weaknesses as discussed above are listed by the stakeholders interviewed: the employees, the HR representative and the government official and the representative from the labour union.

### **Strengths**

#### *Employees*

The informants shared a very favourable view of mobile work, and cited several positive effects.

- They believe themselves to be more efficient, as they can plan their time according to their individual needs.
- Self-management and autonomy are perceived as a sign of trust from the management, making them feel motivated and inspired.
- The employees felt that working mobile meant that they could do a better job, and that they could always attend the needs of their firm and clients.
- Flexibility in working arrangements allows them to combine family and working responsibilities better.
- There are no requirements for specific skills to work mobile, which would implicitly disqualify specific groups of employees.
- The introduction of mobile work has made the firm more attractive for workers.
- Senior managers have fewer conflicts with other employees, especially issues of disciplinary kind, as the employee's working time no longer needs to be monitored. For example, since the employees do not have to be at the office at a certain time, the supervisor avoids having to discipline workers arriving late.
- Increased availability of employees gives the company better customer care and has a positive influence in other areas. The employees provide faster responses to questions from their managers, and pressing tasks get their attention sooner.
- Employees have higher inner motivation making them perform better, which often manifests in financial and market gains.
- Mobile work could reduce the need for office space, and therefore save overhead costs.

### *Labour market*

- Mobile work helps to integrate various groups of people into the labour market who otherwise might have difficulties. For example, it allows older employees, who would otherwise retire, to work longer and may allow people having trouble fitting into a standardised working culture to keep their job. Employees said that mobile work increases their employability, as they can adjust the work time and place according to their own needs.
- Mobile work facilitates reconciliation between work and family life. For example, single mothers can easily pick up their children from school and still be able to take important calls later in the evening.
- It helps to employ people living in remote rural areas.

## **Weaknesses**

### *Employees*

- Being 'always available' is blurring the line between relaxation and work, potentially making the workers stressed and anxious.
- They emphasise the importance of the workplace for sharing work-related information and as a social meeting point.

### *Company*

- The firm, as emphasised above, must be willing to delegate responsibility to workers to carry out tasks from other places other than the office. The downside could be less control for the management over the workers and the tasks that are to be done. The tasks must also be of the

kind that can be achieved individually; if they are better suited to teamwork, then mobile working might not be the ideal solution, according to some informants.

- The less time employees spend at the office, the more they miss formal and informal information and do not fully engage in the company culture. This could reduce loyalty and adherence to the company's policies, goals and culture.
- Employees working away from the office could be more difficult to manage.
- The company must provide the necessary equipment for the workers, meaning expensive computers, phones and laptops. The firm also needs to provide some kind of software to enable the mobile work (VPN, cloud services), which also could become costly.

### *Labour market*

Employees who spend less time at their workplace could have problems expressing their needs and demands about working space and work organisation. This kind of problem could mount, becoming a weakness for the labour market generally. As previously discussed, informants were worried that the increased mobile work could eventually weaken the workers' right to influence their environment, meaning a more fragile position for the worker in the labour market.

## **Future plans**

Both the interviewed HR representative and the two employees were eager to see more mobile work as part of their working day.

According to the HR representative, the Norwegian labour market has still not fully reached the potential of mobile work and there is a need to focus more on the framework for mobile working in the further strategy processes. Company strategies from 2015 will reflect this need. Apart from this, the company has no further plans regarding mobile work.

## **Commentary**

As this study confirms, the Norwegian labour market has undergone a tremendous change with the rise of knowledge-intensive industries, restructuring and the challenge to traditional working methods. In a labour market that is characterised by constant competition and search for talent, HP Norway has chosen to implement mobile work to increase its attractiveness to higher educated and experienced employees and to cope with limited office space.

Most of the people interviewed for this study, including the union representative and the Director General Officer from the Ministry of Labour, were positive about the introduction and implementation of mobile work. Norway employees find mobile work satisfying, despite some potentially negative outcomes.

Previous studies have shown that increased satisfaction with one's work and workplace has various positive outcomes. The study by Virke and Ennova (2013) showed that satisfied employees increased company turnover and lowered the number of sick leave days. The results of this case study, to some degree, support these findings, as HP Norway has fewer days of sickness absence, on average, than other Norwegian firms. Annual turnover has also improved since mobile work was introduced, but there is not enough data to establish any link.

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