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Nine out of ten (89%) employees believe flexible working is key to boosting productivity levels

- HSBC research reveals flexible working is more likely to increase worker productivity than financial incentives
- Regions where flexible working is more popular, such as London and the South-East, are also the most productive, with London's output per hour 32% higher than the national average
- Productivity levels are highest in the professional services sector, where 36% of employees benefit from flexible working whilst productivity levels in the retail, hospitality and leisure sector are among the lowest where flexible working is less of an option

Data published today by HSBC reveal that flexible and remote working are more likely to motivate staff and ultimately increase workplace productivity than financial incentives.

A study of British businesses and employees found that nine in ten employees surveyed (89%) consider flexible working to be a key motivator to their productivity levels within the workplace – a view shared equally among male and female employees (87% and 90% respectively) – and more so than financial incentives (77%). Alongside this, 81% of workers who can work remotely believe this opportunity helps them to improve their productivity, making a clear link between flexible working cultures and increased business productivity levels.

Regions where flexible working is more popular, such as London (where 30% of workers have the option) and the South East (32%), generally see the highest levels of productivity in the UK (where productivity, as defined by the ONS, is calculated as output per worker or output per hour worked). In contrast, only 18% of employees in Wales, where productivity levels are lower, are offered the opportunity to work flexible hours – suggesting that companies providing a better work life balance may be paving the way for a more productive workforce as employees feel more motivated.

The most productive sector – the professional services industry – is the most likely to offer employees flexible hours, with 36% of professional services employees saying it is available to them. Whereas, in the retail, hospitality and leisure industry, where one in four workers (24%) are not offered benefits or perks of any kind (including flexible working), productivity is lowest. In Q2 2017 output per hour stood at just £23.00 in this sector (significantly lower than the national average of £32.20) while the sector with the highest output per hour, professional services, had an average of £68.10 per hour.

The study also highlights a disparity between the working style options employees believe to be most motivating and those that they are offered – as the vast majority of employees who are currently offered flexible working believe it motivates them, yet less than a third (30%) of business offer it. The deficit is most apparent in the

manufacturing industry where nearly all employees currently offered the benefit (91%) believe the opportunity to work more flexibly would improve their motivation and productivity at work, yet less than a quarter (23%) have the option.

Far from being an attitude associated only with younger workers, flexible working is valued most by 35-44 year olds of whom 59% value the opportunity 'a great deal', compared to just 47% of millennials (under 35s).

Suggesting cash isn't always king, good workplace culture was cited as being crucial to improving workplace productivity, while more than half of employees (53%) believe work they find interesting boosts their productivity levels.

Furthermore, almost one on five (18%) employees cite poor work life balance as a reason for leaving their last job – a problem many companies could address with flexible working.

Amanda Murphy, Head of Commercial Banking at HSBC UK said: "Our research shows that for an overwhelming number of workers, a more flexible way of working is more motivating than financial incentives. Today's workforce wants a better balance between their work and home lives and companies that are recognising and making provision for this are creating happier and more productive workplaces, which in turn is translating to the bottom line."

Becks Beere Managing Director of Avec UK, a design, product development & manufacturer, said: "As a mum of four, I understand the pressure to balance work and home life without having to compromise on career progression or the overall productivity of the business. For this reason I make sure Avec has a strong and supportive flexible working culture.

"The wellbeing of our employees is the most important thing to us, so we have a number of informal flexible working arrangements in place to help our employees balance their commitments both inside and outside work. Not only does this help create a better environment, it shows our employees that we value and care for them, which helps contribute towards a more motivated and engaged workplace. And it seems to be working for us – in the last year we have more than doubled our turnover, with further significant growth already planned into 2018 and onwards. If businesses focus on looking after their employees, they are more likely to be motivated, happier and loyal to the company – which has a strong impact on their output."

Dorset-based Avec designs, manufactures and sells stationery, craft, gift, skincare and homeware products for big name retailers across the UK – including John Lewis, Aldi and Dunelm as well as Europe, North America and Australia.

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***Unless otherwise stated, all data was provided by the Centre for Economic and Business Research (Cebr) and consumer / business surveys conducted by**

YouGov, in October 2017. Further details of sample size and supporting sources can be found in the methodology outlined below

The latest ONS release showed that there were 32.1 million workers in the UK during the June – August period:
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/october2017>

Notes to Editors

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HSBC Holdings plc

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from approximately 3,900 offices in 67 countries and territories in our geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of \$2,526bn at 30 September 2017, HSBC is one of the world's largest banking and financial services organisations.

About Cebr

The Centre for Economics and Business Research is an independent consultancy with a reputation for sound business advice based on thorough and insightful research. Since 1992, Cebr has been at the forefront of business and public interest research. They provide analysis, forecasts and strategic advice to major UK and multinational companies, financial institutions, government departments and agencies and trade bodies. For further information about Cebr please visit www.cebr.com.

Research methodology

If not stated otherwise, we used the ONS measure for productivity defined as output per hour in £. The survey results are based on two separate YouGov questionnaires, one aimed at decision makers and one aimed at employees. The results do not necessarily imply causation. For the “professional services” sector, we used the SIC 2007 codes J,K,L,M,O,P and Q. For the “Retail and Hospitality” sector we used SIC 2007 codes G and I.

About the YouGov research

All figures relevant to business surveying, unless otherwise stated, are from YouGov Plc. Total sample size was 1027 senior decision makers in small businesses. Fieldwork was undertaken between 25th September - 5th October 2017. The survey was carried out online. The figures have been weighted and are representative of British business size.

All figures relevant to employee surveying, unless otherwise stated, are from YouGov Plc. Total sample size was 2006 employees. Fieldwork was undertaken between 29th September - 3rd October 2017. The survey was carried out online. The figures have been weighted and are representative of British business size.

Ends/all