RESEARCH ON FLEXIBLE LOCATION STRATEGIES – POTENTIAL IMPLICATIONS FOR RURAL DEVELOPMENT

CERCETARE ASUPRA STRATEGIILOR DE AMPLASARE FLEXIBILĂ - IMPLICAȚII POTEN□IALE PENTRU DEZVOLTAREA RURALĂ

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Abstract: *This article is an excerpt of the primary data resulted from my research of how companies use technology and, specifically, information and communication technologies (ICTs). All this was highlighted in relation with their geographical development. Among the conclusions, we have mentioned the idea of how companies should be encouraged to conceptualize the ease with which they can locate their branches wherever, including smaller towns or villages.*

Key words: *rural development, ICTs, location, SMEs, research*

INTRODUCTION

With the financial crisis taking its toll around the world since about 2008, gasoline prices on the rise in most countries due to increased demand and the instability of autocracies and teocracies in most OPEC countries, both companies and employees began looking for lower transportation related costs in their operation. Some alternatives started then being implemented, such as transit subsidies, carpooling with other colleagues or other means through which the employees would commute to the company's HQ. The one other major alternative that was heavily researched and put into practice (either through careful strategy and planing or through the natural course of action of using the ICTs): telecommuting or telework (the later is the EU preffered term for the subject).

An added push for this new alternative was found in the higher costs with office spaces (see the case of Eastern Europe and other "newly

discovered" real estate *Meccas* – at least, till a certain moment during the crisis).

The proliferation of high-speed, broadband Internet connectivity and the existance of smartphones and PDAs also occurred during the last few years and has also helped telework become a well accepted and, sometimes, desired way of working for many companies and individuals worldwide.

And last, but surely not the least, people started appreciating more and more a better balance between personal life and working time.

MATERIAL AND METHOD

The methodology includes primary data resulted from personal research. We have mostly used quantitative tools and data, to add volume to the perceptions which already resulted through some 1 on 1 interviews with managing directors of companies – that being the bulk of the qualitative information. We've presented some data on the population in the tables below:

Table 1.

Size of company - number of employees

Size of company	**Percentage**
0-10	22%
10-50	14%
50-300	22%
300-1000	11%
>1000	32%

Table 2.

Activity domain of the company

Activity domain of the company	**Percentage**
Translation services	5%
IT/High-tech/software	30%
Design/Digital	2%
Marketing/PR/Communications	12%
NGOs	5%
Telecommunications	5%
Banking and finance; insurance	8%
Other professional services	33%

In table 3 we have presented the geographical spread of respondents. Instead of presenting each country, we have chosen looking at the continents they represent.

Table 3.

Location of respondents

Continent	Percentage
Europe	**78.1%**
Asia	**9.6%**
America	**12.3%**

Amongst countries, Romania is, obviously, the best represented territory, accounting for 29% of respondents.

Getting into the questions directed at revealing practices and perceptions related to the use of ICTs and its impact on location strategies, we have highlighted a few questions and the statistics built upon the answers to these.

Table 4.

Do you have colleagues working (constantly) away from firm's headquarters (offices)? * (those working from home, teleworking/remote-working)

Option	Percentage
Yes	74%
No	16%
No, but the firm takes this option into consideration	10%

We can notice how a large majority of companies have employees who work, with a certain degree of regularity we have not gotten into researching now, sometimes, away from company headquarters or offices.

Another question worth presenting conclusions for is about the means of communication (Table 5). We have looked at how the past few years have seen a shift from the fixed-line phone and fax model of communication of firms with their branches/offices and business partners (clients, suppliers, the Administration) to a much more diversified way of keeping in touch. Mobile phones are used by 77% of those polled in their business communication, versus only 18% still using regular/snail mail or the 27% who still operate a faxing machine. A tremendous change compared to 5-10 years ago; one which could favor flexible location strategies and teleworking.

Table 5.

Communication with other branches and with customers is achieved through: * (multiple choices allowed, hence the total being over 100%)

Means of communication	**Percentage**
Traditional phone systems - fixed lines (ex: Romtelecom, ATT, France Telecom)	73%
Mobile phone lines (ex: Vodafone, Orange, O2)	77%
Internet based phone/ VoIP (ex: Skype, Viber)	55%
Email	96%
Fax	27%
Regular/snail mail	18%
Text messages (SMS)	15%
Other	12%

Eurostat (2012) through Table 6, below, provides reference statistics on a much larger target population; this data can be used to interpret the results of my personal PhD level research.

Table 6.

Percentage of persons employed working part of their time away from enterprise premises and accessing enterprise's IT systems from there

GEO/TIME	2004	2005	2006
European Union (27 countries)	35	44	47
European Union (15 countries)	42	50	53
Euro area	41	44	47
Bulgaria	22	19	26
Czech Republic	7	10	27
Denmark	75	77	80
Germany	48	54	61
Italy	28	33	20
Hungary	2	9	1
Poland	9	8	16
Romania	0	N/A	24
Slovenia	29	39	55
Sweden	71	71	72
United Kingdom	N/A	65	71
Norway	67	66	77

Source: Eurostat, 2012 (Last update 06.03.12 Extracted on 23.03.12)

RESULTS AND DISCUSSIONS

We have identified a few trends in our research. People seem to, generally, be quite happy with the option of working from home for their companies, if this option does not cost them dearly in their pay slip at the end of each month. The proportion in this area is a telling 2:1.

Table 7.

If you were offered a choice between the two options below which would you choose?

Choice	**Percentage**
Bigger salary (flexibility about the location from where you work is not so important)	64%
Flexibility in working from home (you would give up on a higher salary)	36%

But what are some of the main benefits of technology in day to day work?

Table 8.

Main benefits of the Information and Communications Technologies (ICTs) in your company's activity are: * (You can select multiple choices)

Benefit	**Percentage**
Provides a better quality of work	71%
Work becomes faster	89%
It offers all employees, regardless of location, easy access to common data (eg via the Intranet, Google docs)	84%
The possibility of reducing the number of employees	22%
Greater job satisfaction for employees	33%
Makes the company a more attractive employer	40%
A policy to protect the environment more effectively (lower consumption of paper, fewer visits to customers by car/airplane)	53%
Being able to work away from firm offices	71%

A large portion of the population polled (71%) tells us that flexibility vis-à-vis location is indeed one of the benefits. 84% also tell us that easy access to centralized data, from any point in the world (connected to the Internet/phone line) is another of the clear pluses which come to mind when analyzing the role of technology.

CONCLUSIONS

This article presents a small excerpt of the data which we gathered and analyzed. Some of the conclusions have been verified through applying a regression function. In its 7th iteration, it appears as in the table 9.

Table 9.

Regression – the influencing factors in flexible location

Regression Statistics	
Multiple R	0.48726
R Square	0.237422
Adjusted R Square	0.199294
Standard Error	0.614296

	Coefficients	Standard Error	t Stat
Intercept	1.760587	0.291572	6.03
(x1) Location of firm branches	-0.10328	0.07562	-1.36
(x5) Employees working remotely/ teleworking, etc.	0.235006	0.094582	2.48
(x7) Proportion of clients attracted through the Internet	0.22098	0.06623	3.33
(x8)Number of employees:	0.204219	0.059157	3.45

One thing we can see is that many companies already use multiple locations in their activity, whether for research, production or sales activity. More firms should be encouraged by the Chambers of Commerce or national and local authorities to conceptualize the ease with which they can locate their facilities anywhere, including smaller towns or villages, thus providing a chance for rural preservation and/or development.

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