

TELEWORKING - ACHIEVING THE BUSINESS BENEFITS

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Teleworking is increasingly attracting the attention of large companies. Surveys suggest that between 10%-15% of them have some employees who telework, with indications that this number will double within the next few years.

Yet could this be another false dawn? In the early 1980s the widely acclaimed initiatives of Rank Xerox, F International and ICL failed to spark a widespread adoption of these new working practices. Today, though, the tough business climate coupled with advances in computers and telecommunications are apparently creating the right ingredients for a significant uptake of teleworking by large companies. But will it happen? A survey recently completed by Management Technology Associates for the Institute of Management shows that the *majority* of managers do not expect within the next five years to have any of *their* staff teleworking!

Therefore, for teleworking to happen on a wider scale companies must have evidence of bottom line benefits, and their managers must believe that it is an appropriate way for their staff to work. This article explores these important issues.

A Response to Business Challenges

Businesses today are in a highly competitive world. There are pressures on costs, of which office costs and people related costs represent significant proportions, especially in the service sector. In addition, the need to meet ever changing customer demands calls for increased organisational flexibility and better ways of working. Typical responses to these challenges are 'downsizing' and contracting out non-core activities. These directly reduce personnel costs and increase flexibility. What has not happened to date is a comparable response towards reducing office overheads and increasing space flexibility. It is here that teleworking, when part of a broader flexible working programme (that also includes flexible offices and flexible forms of employment contract) can play an important role.

This is the approach adopted by Digital, one of the pioneers of the recent upsurge in corporate teleworking. Teleworking came about as a direct consequence of its strategic planning process. A human resources response to business challenges was needed and that led to a flexible working programme. A key part of this programme was the 'flexible office', where the usual dedicated spaces for employees were redesigned to permit groups to share facilities including desks. Hence Digital's Basingtoke office, The Crescent, has 450 desks, but acts as a 'virtual office' to over 700 employees, many of whom telework.

Teleworking means taking work to the worker rather than vice versa. Today's technology that collapses the effects of time and distance makes this increasingly easy and economically viable. We are entering an era of *location independent work*, where a worker can do work for an employer or client the other side of the world. This poses a threat to office based jobs in high wage economies. The pressure is therefore on

organisations to think creatively about where and when work takes place. Figure 1 shows the positioning of some of these different ways of working plotted on time/location axes. This reinforces the key strategic message that telework should be seen as just one aspect of the flexible competitive organisation of the future.

The Business Benefits

The business benefits of teleworking are now much better understood than they were a few years ago. While specific benefits will depend on an organisation's cost structure and specific business context, the following business benefits have been measured in many cases:

- Cost savings in office space
- Improved customer service
- Productivity improvements (20-40% are typical)
- Employee retention and motivation (employees can remain working if their family moves or their firm relocates)
- Organisation flexibility
- Out of hours cover, 'round the clock' service

There are also benefits to individuals and society in general. Some that have been widely mentioned include adaptation to individual domestic and lifestyle needs, less 'travel hassle' and reduced rush hour pollution. One factor not to be overlooked, is that the introduction of teleworking often focuses on work flow and work management issues that have previously been neglected. Thus, it is not uncommon that communications in a group that includes teleworkers actually improves, despite the difficulties of the group being dispersed.

The Obstacles to Teleworking

Despite the opportunities afforded by location independent work and the proven business benefits listed above, few large organisations have yet instigated formal telework programmes. In my experience the reasons for this fall into four main categories.

Lack of Appreciation of the Business Benefits and Strategic Necessity - Many companies have not yet understood the implications of the 'global workplace'. Also they seek 'proof' of benefits. Yet many of the most successful early teleworking implementations were not fully cost-justified in advance. As with many innovations there were often hidden costs, but equally unanticipated benefits. Today these benefits are much more clearly understood by those who have taken this leap.

Inappropriate Technology - Extending the corporate network into 'insecure' homes is often seen as a problem. However, with proper planning and procedures this is not a major stumbling block as one government agency has proved to its satisfaction. Other problems concern helping end-users making appropriate choices from the plethora of computer and communications technology available. Too often in the corporate environment, there is a 'standard package' that the information systems department will support. Outside that the user is on their own. With increasing IT literacy and

more tools to help users make decisions, this dependency on the corporate IS department is diminishing. Overall, the lack of suitable technology (even ISDN) is not the barrier it once was. What is important is that work flows must be optimised for the new working arrangements, and that technology must effectively packaged, documented and supported with user training and 'help desks'.

Social and Psychological Concerns - These are another obstacle raised by those who have got used to working in an office environment but have not experienced working at home. One concern often mentioned is the 'isolation' of the home environment with its lack of social contact. Recent research from the EC sponsored research project PATRA (Psychological Aspects of Teleworking in Rural Areas), being managed from Swansea University, shows this to be less of a concern among teleworkers than other might believe. Some are happy socialising in 'Cyberspace' (across the electronic network). Others find new opportunities to socialise in their local community. However, they do need the right level of face to face contact with their work colleagues and manager, and this must be properly addressed.

Management and Organisational Issues - The fourth barrier, and the one hinted at in the introduction is the need for management attitudes to change, particularly among middle managers. This, in the opinion of many, represent the single most important hurdle to overcome. Traditional organisation hierarchies engender cultures built around position, status and control. Teleworking needs a culture of delegation, autonomy and empowerment in which to thrive. Workers must not be told how to carry out tasks but have the authority and responsibility for planning and monitoring their own work. Many middle managers feel uncomfortable about not seeing and closely supervising their workers. There needs to be a shift from management by input (hours at work) to management by output (managing by results).

These issues, like many of the other problems that arise in this category, are symptoms of poor management 'systems' and the organisation of work. These include not having people around to cope with unexpected changes in workload. On the other hand, a teleworker doing concentrated work at home is generally much more productive than a worker in the office who is constantly interrupted or confronted with changing demands. Teleworking requires a basic rethink of some key aspects of work management - assigning and changing work priorities, communication and message routing, handling information, support services.

Successful Implementation

None of the above barriers are insuperable. In fact, a well managed flexible work programme should address them all. Organisations, such as Mercury, who have implemented teleworking schemes, for both themselves and their customers, insist on introducing telework as a professional managed project of change management. The project team will be multi-disciplined to cover business, technology and human and organisation aspects of implementation. In addition they will use internal and external experts in many specialist areas - culture assessment, business analysis, work flow, telecommunications infrastructure, home equipment, legal, health and safety issues, management and team development etc. External facilitators are brought in to run workshops the prepare and manage changes to work arrangements.

What are the ingredients for successful teleworking? My own experience suggests that successful implementations consistently feature the following as critical success factors.

1. Senior management have a deep understanding of their business environment, including cost drivers and the business opportunities afforded by location independent work.
2. Teleworking is viewed, not as a point solution, but rather as part of an overall flexible working and human resource response to those business drivers.
3. Teleworking is not about people working full-time from home or telecentres. It is about working in the most appropriate environments for the tasks in hand. Successful teleworkers may spend only one or two days a week at home.
4. As in any other major strategic change, a successful programme needs a business champion. Having a senior director themselves participating as a teleworker gives added bite.
5. Employees are actively involved in decision making from the outset. Teleworking should not be imposed on individuals without their consent. Incentives are used, not threats.
6. There is an environment where creative thinking about better ways of working is encouraged. Unorthodox ideas are encouraged.
7. They start small and grow. They encourage experimentation. The most successful schemes, such as Digital's, started with a number of small pilot projects.
8. External advisers and facilitators are used to provide objectivity.
9. There is active recording and learning. Expectations, achievements, problems, lessons are reviewed regularly both during and after implementation.
10. Finally, they never consider the programme complete. There are always opportunities for continual improvement and adjustment to the changing needs of employers and the marketplace.

The Way Ahead

The evolution of teleworking is currently at an interesting juncture. On the one hand, we have the large organisations with difficult challenges, and where teleworking could be of immense benefit, but is not yet widely adopted. On the other hand, there are a growing number of individual who want to telework. Also, telecottages and rural development agencies have potential or actual teleworkers seeking work.

Having been an active shaper and participant in teleworking in the corporate environment, and now running a small business as part of a network from my home, I

now realise the gaps that need to be bridged. We need market mechanisms (electronic networks?) to bridge the gap between supply and demand. We also need to bridge the culture gap by encouraging more forward looking and flexible arrangements by organisations, and a more commercial and marketing orientation by the telecottage movement. Working together, I believe there are benefits to be gained all round, and I hope this article has pointed to some of the ways to achieve them.

Figure 1 - Flexible Work Alternatives over Time and Space

		PLACE of WORK		
		Fixed	Remote	Flexible
TIME	Fixed or Synchronous	Conventional Office	Dispersed teams Remote back-office Telecentres Telecottages	Variable location Mobile working
	Flexible	Flexi-time Job share Desk sharing	Geographically separated	Totally flexible working - location & time independence

About the Author

David Skyrme is a management systems consultant. This article was written under the auspices of Management Technology Associates. Formerly David was UK Strategy Planning Manager for Digital Equipment Corporation, a role that led to the adoption of teleworking as an important plank of Digital's human resource strategy.