

TELEWORK FOR EMPLOYEES AND BUSINESSES

This paper responds to the above Consultation Paper.

Summary

My own experience in the area of teleworking is that the range of benefits is increasing but organisations are still at the level of 'allowing' rather than 'encouraging' it to take place. Until employers actively promote teleworking there will be little progress made in this crucial aspect of flexible working practices. There are enormous gains to be made for all stakeholders once the impediments have been overcome. However, teleworking needs to be seen as one of a range of new ways of working that are essential to the success of businesses in the future. It is not a stand alone activity.

It has to be integrated with other initiatives in the area of employment flexibility.

At present, teleworking typically comprises a series of ad hoc arrangements between managers and their staff as a reactive response to the staff's request. It is usually informal, sometimes off the record, and considered as a staff privilege that can be easily withdrawn.

It must be moved to become a proactive solution to newly recognised problems and opportunities.

The nomenclature used in the area does not help. Terms like 'teleworking', 'family friendly' and 'work/life balance' are too soft in today's hard nosed business environment. 'Teleworking' is seen as an IT issue and 'family friendly' is relegated to a junior project in Human Resources.

Flexible ways of working, like flexible employment contracts and flexible benefits, must be put on the agenda for strategy meetings with the Chief Executive, who must champion the implementation.

Previously the impediments were primarily technology and security. These hurdles are progressively being overcome and the main problems now lie in the people areas of management ability, human resources and interpersonal issues.

Changes in working practice demand changes in management practice and too few managers yet have the skills or the attitudes for the changes.

The ATAC Consultation Paper is an excellent study of the history and current state of teleworking. These notes add a few comments to that paper and then focus on what appear to be the key factors to successful implementation.

timrussell

My background

I began teleworking myself in the early 1970s when I was working for a small management and training consultancy situated in Central London and I was living in the Home Counties, 80km away. When I established my own consultancy in 1979 I ran it from a home office. Now, with the development of technology, I operate from wherever I happen to be in the world. My Australian company, Training Advances Pty Ltd, is officially located in my home office in Perth, though I spend at least eight months each year travelling and working in countries from the UK and Europe, throughout Asia to Australasia. I can work from client's offices, hotel business centres, hotel bedrooms, Internet Cafés, rented offices and public libraries. Currently I am resisting working from aircraft, though this is now technically possible as email and Internet access is becoming available.

My client companies never know where I am, nor are they particularly interested, but all contact is handled within a maximum of 24 hours and usually within six.

In 2000 I was awarded the "Certificate in Managing Adaptability in Business: Teleworking" by the City University, London as part of a European Union funded project to study teleworking. It also gave me the opportunity to consult with Jack Nilles, one of the pioneers of teleworking in the United States. His seminal book, "Managing Telework" published by Wiley in 1998 has started many people on the path of setting up teleworking.

My work now includes advising organisations in "New Ways of Working" which covers flexible working arrangements of all forms.

Comments on the Consultation Paper

The ATAC Consultation Paper really is a thorough analysis of the current state of play and the point about the difficulty of definition leading to difficulty of international comparisons is well taken.

Reasons for teleworking

The reasons and benefits of teleworking for the individual, the organisation and society depend upon different circumstances. One of the early drivers in California was the introduction of an air quality law where employers were fined if their staff failed to achieve certain average vehicle ridership levels.

Flexibility for child care arrangements has become an issue in some cases and, I suspect, that flexibility for elder care arrangements will become an increasing factor as the ageing population continues ageing and middle aged workers will have some obligations to their octogenarian parents. These eighty and even ninety plus year olds will be fit enough to live in their own homes but need regular visiting. Governments will be encouraging this practice to limit the load on care homes and nursing for the aged.

timrussell

Flexible working could be a contributor to saving rural Australia. With farming in decline, people are migrating to the cities for work leading to an under-utilisation of local facilities and an inevitable withering of the communities.

Unemployment levels are at record lows and the skills shortage is limiting the growth of some companies and some industries. Demographic changes of falling birth rates and longer lives will necessitate the retention of skilled workers beyond normal traditional retirement ages. This is for the benefit of the business that will not want to lose a good, and well and expensively trained worker just because their birth certificate shows a certain age. It is also for the benefit of the individual who will want to keep working for achievement, social and financial reasons. And it is good for the nation as it is eventually being admitted in most Western countries that a pensions crisis is imminent.

These older workers, together with the increasing number of Australian 'down shifters' are starting to demand more flexible working practices in terms of time, location and rewards. Disabled workers who might find traditional working arrangements limit their contribution will also be able to return to, or enter, the workforce.

The recent boom in house prices has made some transfers and re-location of key staff interstate prohibitively expensive. Parents with children of a certain age do not want to uproot those children from schools, particularly with different states operating different educational curricula. Of two working partners, one may not want to leave their job to follow the other to another city.

Teleworking is one of the flexible new ways of working that can relieve many of these difficulties.

Employee and employer benefits

It has always been difficult to quantify the benefits of teleworking in financial terms. Protagonists often quote savings on employee travel. This is not always valid, though, for people who work from home half the week and attend the office the other half. An annual travel season ticket is still probably cheaper than buying individual daily tickets and it is significantly more convenient. Travel time is also rarely costed in dollars by the teleworker unless it is a lost opportunity cost where other earnings could have been made.

Employers tend not to sell off proportions of their office space nor reduce their overheads when they do introduce teleworking. Staff still need a desk when they attend the office, though various forms of 'hot desking' have been tried. Utilities bills and business rates remain the same and service departments, like Human Resources, keep the same staff complement. There is an advantage, however, where the company can increase the workforce without increasing office space and overheads.

The issues of higher productivity, higher retention rates, lower recruitment and training costs and lower medical leave produce significantly greater savings that even the most pedantic accountant would find hard to refute.

The key factors to successful implementation

The old Industrial Age management system, where employees all travelled to arrive at the factory at the same time for the switching on of the big machine and then all returned home when the machine was switched off, is clearly no longer relevant in the Information Age. Now staff sit in front of small screens and it is as easy to send the information to their desk at home or a satellite location as it is to send it to their desk in an office complex.

Unfortunately the old system still survives with the best operators being promoted to become supervisors (literally 'overseers') and perceiving that their role is to watch staff to ensure that they arrive on time, don't leave early and sit at their machines for the prescribed period.

Some managers still believe that staff have to be physically in the office to be counted as working. The recent figures from the UK on the number of hours staff spend surfing the Net and sending personal emails (typically two hours per person per day) suggest that some of these managers might not be correct!

Being technical experts, the supervisors can focus too much on the technical side, rather than the people side, of their work and can operate in a world of certainty and conformity to rules and regulations.

Some of them are risk averse and worry about setting a precedence on the details of insurance, OH&S, claiming expenses and unauthorised use of company equipment. It is a common fallacy that what is done for one staff member must be done for all of them. Some telework projects have even failed because agreement could not be reached about the cost of either using the worker's domestic telephone line or installing a dedicated line for company-only business.

For teleworking and flexible working practices to succeed, there needs to be a paradigm shift in the organisational thinking away from conformity and consistency of details towards flexibility and consistency of principles and values. Once the company has established its value system, it is entirely possible for managers to use their judgment and for two managers to make equally acceptable but different decisions relating to staff over teleworking. There should be no concerns about publishing these decisions, either, if they are consistent with the company's published values.

At present teleworking is still associated with the benefits to the staff member in relation to child care and work/life balance. Companies have to begin to think strategically and focus on the direct advantages to the organisation rather than view teleworking as a collection of minority issues.

timrussell

Policies and procedure guidelines need to be in place that are fair to both those able and willing to telework and those unable or unwilling to do so. These company guidelines should also cover legal, insurance and OH&S obligations.

Teleworkers should avoid being considered as either the elite or the disadvantaged members of the staff.

Managers, particularly those at the level where they will be supervising teleworkers, need to be trained in how to manage the outcomes of staff work, rather than their attendance, and in the interpersonal skills of managing from a distance. They need to be able to establish new methods of reporting with their staff, especially as, in some cases, these managers might also be teleworking.

Teleworkers need training in how to work from a distance and from home. They need to be trained in the disciplines necessary to manage themselves, their time and their family members. They also need to learn to develop new relationships with other teleworking as well as non-teleworking colleagues.

As teleworking is viewed as one aspect of flexible working practices, flexible reward systems need to be investigated. Many of the new teleworkers will be working on individual contracts of employment, suited to their personal life style needs. They will be negotiating individual contracts for hours so should also negotiate individual contracts for rewards and benefits. The concept of overtime pay could also become redundant.

Although this is changing, the main reward structures for staff are still an annual pay increment and promotion. These methods go back to the days when staff stayed with an organisation for many years, if not for life. They also tend to appoint managers from the technically most able, not necessarily the managerially most able, and reinforce the times of the supervisor/overseer. The old reward system is also usually a unilateral decision made by the management with staff being told what their rewards are to be.

As staff become increasingly more individualist and change jobs much more frequently, it is appropriate for the rewards methods to be by mutual discussion and agreement. For some employees, an extra day's leave or a car park space might be preferable to a pay rise.

In the days of large pyramid shaped enterprises, there were plenty of managerial levels and lots of promotional opportunities. It was when Human Resources spoke confidently of 'career ladders'. As companies have shed staff and flattened levels, lateral moves and 'career paths' has sneaked into the HR vocabulary. The current trend towards outsourcing and offshoring will see the end of the organisation managing the staff's career and employees will be responsible for planning their own working lives.

timrussell

There is some interesting work going on in the UK researching flexible reward systems.

Teleworking needs to be integrated with whatever other company management initiatives exist like competency frameworks, 360° feedback and performance management. It must be at the centre and not allowed to be peripheral.

Hot desking and resource allocation need to be handled carefully so that teleworkers are not made to feel like outsiders in their own company. Communications about career opportunities, social activities and general tittle tattle must be established. A web based 'water cooler' chat room might even be set up.

A useful way to ease all participants into teleworking is to use e-learning training methods to learn about how to telework. These are studied by the staff at their new place of work, wherever that might be, and can have built in performance and evaluation tests. The learning is often on-line or computer based with various support material according to the preferred learning styles of the learners. On-line learning styles instruments are also available to help people to develop their skills at learning to learn. Using performance outcomes from the training, rather than attendance at traditional training sessions, helps sceptical managers to judge the merits of distance learning and, by extension, distance working. They also enable managers to establish their role as distance coaches for their staff.

Psychometric instruments and questionnaires can also be used to help staff and managers determine their individual suitability for teleworking and other forms of flexible working. They can also determine preferred working and reporting styles. Some staff might prefer working from home, some from telework centres or satellite offices, others will always want to work in the main office. Some staff might have a preference for working daylight hours, others moonlight hours and so on. If all parties are helped to be able to share their preferences for how they work together, a more productive and a more open team can be produced.

Perhaps, above all, there must be a 'champion' within the company at a very senior level who can open doors and push and support as the circumstances demand. Once the first successes have been achieved, more converts, at lower levels will emerge, and telework practices can be cascaded through the organisation.

Facilitators of change

There are many facilitators for change involved and the key stages are essentially:

1. Establishment of a strategic reason for implementing teleworking and a sound business case to support it.
2. An understanding of the vision and values of the organisation.
3. An understanding of, and commitment to, the objectives involved in achieving the chosen form of teleworking and the implications of the plans.

timrussell

This would include an analysis of the forms of teleworking to be considered, the ICT equipment involved, the estimated costs and cost benefits, the evaluation criteria for the success of the project and the selection criteria for the participants.

4. Agreement on policy and procedures guidelines and flexible reward systems.
5. Briefing of interested staff.
6. Selection of teleworkers, non-teleworkers and managers involved.
7. Training for teleworkers, non-teleworkers and managers on:
 - what is involved in teleworking
 - the policies, procedures guidelines and reward system
 - how to telework and manage:
 - each other
 - outcomes of work
 - frequency and forms of contact and reporting
 - colleagues
 - family members and neighbours
 - any technical issues associated with the ICT equipment.
8. Evaluation against the success criteria and follow-up. It is usual to establish a pilot for a period of at least six months after which it can be evaluated, fine-tuned or, if necessary, abandoned.

I am attaching a questionnaire, 'Issues Related to Teleworking and New Ways of Working', that I use to help clients to get to grips with what they are considering.

I am currently finalising a model and a series of diagnostic instruments to help organisations to identify, and then implement, their most appropriate flexible working arrangements. The model will include understanding the company's vision and values, their objectives, their desired and actual position and those factors that will improve results for them. For those businesses that are not having as much success as they had hoped, there are remedial algorithms.

The various psychometric instruments are in place and the next phase is to produce training material to help teleworkers, non-teleworkers and managers, linked to different learning styles and available through a range of different media.

I would be happy to share all this with ATAC.

Conclusion

The time is right to push organisations to experiment with more flexible ways of working. The technology is in place and there are so many benefits for every stakeholder.

I would be delighted to support the work of the Australian Telework Advisory Committee in any ways it sees fit and look forward to supplying any further ideas or information and to following the progress made.

ISSUES RELATED TO TELEWORKING AND NEW WAYS OF WORKING

ISSUES 1

What is the company trying to achieve?

- what is the company considering?
- what is, or are, the reasons for teleworking?
- how does it fit in with other strategic initiatives?
- what definitions of teleworking are the company using?
- who will and who will not be teleworking?
- from where will they be teleworking?
- what are the success criteria?
- how will these be measured?
- what time scales are the company looking at?
- who is championing teleworking?
- is there any history of teleworking or flexible working?
- what are the existing attitudes?
- what are the 'politics' involved?

ISSUES 2

What are the 'task' factors to consider?

- what work can and what cannot be done remotely?
- what ICT equipment and facilities will be necessary?
- who will buy and own these?
- how will these be maintained and by whom?
- how will equipment failures be handled?
- what other office equipment, furniture and materials will the teleworker need?
- who will buy and own these?
- how will running costs and domestic office overheads be calculated and paid for?
- how will managers manage teleworking and non-teleworking staff?
- what will be the reporting mechanisms?
- how will communication take place?
- what skills will managers need and how will they gain them?
- how will teleworking be advertised and 'sold'?
- how will teleworkers be selected?
- how will teleworkers be appraised?
- how will the rewards/compensation be structured?
- what skills will teleworkers and non-teleworkers need and how will they gain them?
- how will training needs be identified and met?
- how will any overtime be calculated and paid?

ISSUES 3

What are the 'socio-emotional' factors?

- what will be the impact on staff who do telework?
- what will be the impact on staff who do not?
- how will teamwork be set up and maintained?
- how will isolation be prevented?
- how will teleworkers' career aspirations be protected?
- how will development needs be identified and met?
- how will communication take place?
- how will loyalty be maintained?

ISSUES 4

Financial concerns

- what will all this cost?
- what will be the returns?
- when will these returns become visible?
- when will it be appropriate to start reducing office space and overheads?
- what expenses will be involved?
- what exactly will the company pay for and what will the teleworker pay for?

ISSUES 5

HR and legal concerns

- will there need to be a change in employment contract?
- what if the teleworking does not work out?
- what if the teleworker cannot cope?
- what if the teleworker's manager cannot cope?
- what if the non-teleworkers cannot cope?
- how is medical leave to be managed?
- what are the occupational health and safety issues?
- what are the employer's liabilities?
- what about legal matters?
- what about security matters?
- what about employee and equipment insurance?
- what about tax implications for the company and the teleworker?
- who will cover the teleworker's work during holidays and sickness?

Social concerns

- how will the teleworker's family cope?
- what help will be provided to tackle this?
- how will the teleworker set up their work space at home?
- who will be responsible for helping the teleworker with any domestic problems?
- what access will the teleworker's family have to the ICT equipment?

BIOGRAPHY

International management and training consultant since 1979; advising companies in three major areas: (1) training and development of managers and professional staff in interpersonal skills and organisational change; (2) training and development of those staff responsible for training; and (3) setting up customer service strategies.

Clients

Assignments for a number of significant organisations including:

Britain & Europe

Air France
Allen & Overy
Barclays and Lloyds Banks
Blockbuster Video
Britannia Airways
British Aerospace
Central Bank of Malta
Exxon Mobil
General Electric
Granada
Health and Safety Executive
HSBC
J Sainsbury
KLM
Lloyds Register of Shipping
Lombard Bank
Marks & Spencer
MidMed Bank (Malta)
National Westminster
Nokia
Peugeot
PIL (Norwegian Engineering Employers Federation)
Rolls Royce Motor Company
Standard Chartered Bank
The British Council
Uniq
Victim Support
Virgin Trains

Asia Pacific

Changi International Airport Services
Development Bank of Singapore
DHL International
Government of Brunei
HDB (Singapore)
HSBC
Panasonic
Pratt & Whitney
Singapore Airlines
Singapore Airport Terminal Services
Singapore National Employers Fed.
Skills Development Fund (Singapore)
Standard Chartered Bank
The British Council
United Overseas Bank

Australia

Australian Government Solicitor
DEST
Driver Australia
National Office for the Information Economy (NOIE)
Queensland Department of Natural Resources and Mines
Singapore Flying College
Tasmanian Department of Health and Human Services
University of Sydney

timrussell

Additional consulting roles

Extensive international experience with governmental, industrial and commercial organisations and Institutes of Management in Asia, Australasia, the Middle East and throughout Europe.

Director of Training Advances Pty Ltd. Board member of Ndarala Group.

Past employment has included Group Management Development Manager for the Berc (Ever Ready) Group of companies; Chief Training Officer for the British Association for Commercial and Industrial Education (BACIE); and chemical engineer with the Esso Petroleum Co. Ltd.

Professional Qualifications

Graduate in Psychology from Birkbeck College, University of London and in Chemical Engineering from Imperial College, University of London. Associate of City and Guilds of London Institute. Member of the Chartered Institute of Personnel and Development; the Association for Management Education and Development; the Singapore Training and Development Association and the Singapore Institute of Management.

Publications and appearances

Originator of the microskills™ system of training managers in interpersonal skills.

Effective Feedback Skills, Kogan Page; 1994 (2nd edition 1998)
Gower Handbook of Management Skills (contributor) Gower; 1998.
What's Wrong with Training, Kogan Page; (in progress)

Executive Producer on three customer care training videos.

Numerous journal articles for British, European, American, Far Eastern, Australian and New Zealand publications. Television, radio and conference appearances in the United Kingdom and Asia Pacific.

Entry in *Who's Who in the World*.

Contact details

Tim Russell & Co
112 Defoe House
Barbican
London EC2Y 8ND United Kingdom
tel: + 44 20 7638 5357

Training Advances Pty Ltd
2 Belford Road
City Beach
Western Australia 6015
tel: + 61 8 9285 0265

email: [TimRussell1 @ compuserve.com](mailto:TimRussell1@compuserve.com)