

27 May 2005

Manager, Connectivity Policy  
Department of Communications, Information Technology and the Arts  
GPO Box 2154  
Canberra ACT 2601  
Delivered via email: [telework@dcita.gov.au](mailto:telework@dcita.gov.au)

Dear Sir/Madam,

On behalf of Toshiba (Australia) Information Systems Division (ISD), I am writing to formally lodge a submission to the Australian Telework Advisory Committee (ATAC), for its review of teleworking in Australia.

Toshiba ISD, a specialist mobile computing company, first introduced the notebook computer 20 years ago to facilitate flexible working. Since then, Toshiba has been a strong advocate of teleworking, both for its own employees and in the wider economy. Teleworking has provided many benefits for our company including helping our employees to develop a better work/life balance, improved productivity and performance, and direct cost-savings.

Despite the many benefits offered by teleworking, Toshiba ISD believes that its uptake in Australia is being frustrated by a lack of awareness and understanding, and cultural factors like the prevalence of mistrust in the workplace. Industry and government have a united role to play in overcoming these barriers.

We welcome and appreciate the opportunity to be a part of ATAC's consultation process and to contribute Toshiba ISD's views and experience in this area. To this end, I would be happy to discuss our submission in person, should the ATAC find this useful. I can be contacted on (02) 9887 6583 or via email on [mwhittard@toshiba-tap.com](mailto:mwhittard@toshiba-tap.com)

Yours sincerely,



Mark Whittard  
General Manager, Australia and New Zealand  
Toshiba Information Systems Division

**Submission to the  
Australian Telework Advisory Committee  
on Teleworking**

**Toshiba Information Systems Division**

**May 2005**

**TOSHIBA**

## Introduction

Toshiba Information Systems Division (ISD) welcomes the opportunity to participate in the Australian Telework Advisory Committee's (ATAC) consultation process on teleworking. As a member of ATAC, Toshiba ISD is enthusiastic to share its views and experiences with the Australian Government on how best it can support the greater use of teleworking.

There is little conjecture that advances in information and communications technologies (ICT) have laid the groundwork for teleworking. Sophisticated hardware devices (like notebooks and personal handheld devices) running software that is specifically tailored to meet the needs of the flexible worker, and communicating over high-speed broadband networks are liberating employees to work evermore productively away from the traditional office environment. But independent research conducted for Toshiba ISD in 2004 (outlined in more detail below) shows that it requires more than technological capability to transform this into an everyday reality for the typical office worker.

While teleworking, on face value, seems a simple and straightforward proposition, there are, unfortunately, multiple factors that are inhibiting its uptake. Put succinctly, despite all of the benefits that teleworking has to offer for both the flexible worker and employer, it is a practice that is frustrated by a seemingly ubiquitous culture of distrust and negativity that pervades through many of Australia's workplaces.

Such a widely held attitude is peculiar given the changing face of Australasia's workforce. Research conducted by the respected economic think tank, Access Economics, estimates that Australasia's workforce will shrink precipitously over the next 25 years. Our workforce is also growing older with the number of people aged 55 to 64 projected to increase by more than 50 per cent over the next two decades<sup>1</sup>. The confluence of these two trends has implications at both the micro- and macro- economic level.

At a microeconomic level, employers will need to more sharply focus their efforts towards attracting and retaining talent, and to finding new ways to shore up competitive advantage. At a macroeconomic level, the outlook for continued economic performance and Australia's ability to improve upon its high standards of living will rely substantially on the nation's ability to build upon its already impressive productivity growth rates.

While not a universal panacea, telework can play a fundamental role in meeting and overcoming many of the challenges outlined above. However, unless we move beyond our cultural opposition and attain an evolved respect and trust for different styles of working, we have little hope of harnessing the many expansive benefits that teleworking has to offer. In partnership, government and industry can help to achieve this by forming strong role models for Australian employers and by raising awareness, understanding and trust through targeted public education campaigns. As one of Australia's largest employers, the Government also has an opportunity to 'lead by example' in offering teleworking to its own employees.

## About Toshiba (Australia) Information Systems Division

Toshiba's ISD is a division of Toshiba (Australia) Pty Limited, which is a wholly owned subsidiary of Toshiba Corporation, the seventh largest integrated manufacturer of electric and electronic equipment, with around 165,000 employees worldwide, and annual sales of over US\$47billion on a consolidated basis.

Australian mobile computing market leader, Toshiba ISD is unique among vendors, specialising exclusively in mobile solutions and services. A global reputation for quality has been achieved through an R&D budget roughly equal to Australia's total expenditure as a country in this area.

Since it pioneered the notebook market in 1985, Toshiba ISD has sold more than 1.25 million notebooks in Australia and New Zealand and is this year celebrating its 20<sup>th</sup> anniversary of providing market leading mobile computing solutions.

---

<sup>1</sup> Australian Government, Intergenerational Report, 2002-03 Budget Paper No. 5, available at [http://www.budget.gov.au/2002-03/bp5/html/04\\_BP5Part2.html#P9\\_47](http://www.budget.gov.au/2002-03/bp5/html/04_BP5Part2.html#P9_47)

Based on a strong culture of trust and drawing on its expertise in mobile computing, Toshiba ISD's entire workforce has the option of working flexibly and autonomously. Toshiba ISD's approach to flexible working is grounded in a performance and development system that is outcome and achievement focussed, and driven by senior management throughout the organisation.

Critically, flexible working gives Toshiba ISD's employees the freedom to tailor their work schedules to better suit personal circumstances, in essence allowing them to work in their own time, in their own space and in a way that is most conducive to optimal performance. Other employee benefits include:

- The ability for an employee to harmonise work and family commitments and enjoy personal time;
- Time savings by circumventing the trip to the office and removing the hassle and stress of dealing with traffic; and
- Giving employees an ability to choose the environment that is most conducive for work.

For Toshiba ISD, the business benefits are numerous and include:

- High morale and staff satisfaction, as evidenced by a 2003 Employee Opinion Survey showing that three quarters of Toshiba ISD's employees were 'engaged' (signifying loyalty to the company, willingness to recommend Toshiba ISD to their friends and motivation to make the company successful); and
- High staff retention rate that translates into long lengths of service – for example, approximately one fifth of Toshiba ISD's workforce have served the company for 10 years or more.

### **Why teleworking?**

Academics and business analysts agree that teleworking has enormous potential to increase employee job satisfaction and bring about direct cost savings to businesses and other organisations. Another compelling justification can be found in the productivity benefits that teleworking can bring to employers, and more widely, the national economy.

Moreover, as we move forward into the 21<sup>st</sup> Century, it has been widely noted that the Australian economy, alongside many of its counterparts in the developed world, confronts the twin complexities of a shrinking workforce that is also, in trend terms, ageing. Respected economic think tank Access Economics predicts that in the decade 2020 – 2030 an additional 1.5 million people will need to be found to sustain the current growth in the labour force<sup>2</sup>. And with the national unemployment rate currently sitting at a historic low of 5.1 per cent<sup>3</sup>, sections of the Australian economy are, for the first time in many decades, 'running dry' on skilled labour.

Given these restraints, Australia invariably faces the new and pressing question of how to sustain and build upon its economic productivity. Teleworking, can, and is, playing a critical role in incentivising workers to work more effectively and encouraging mature workers to remain or re-enter the labour force.

If there is any lingering doubt as to the importance of mature workers, this can be quickly dispelled by projections from the Australian Bureau of Statistics showing that workers aged 45 and over are the fastest growing sector in the workforce<sup>4</sup>. Separate research from Hudson Recruitment<sup>5</sup> further supports this contention, finding that a staggering 70 per cent of Australian managers would like to remain working on a part time or casual basis after retiring from full time work – ample proof that there is an enormous reserve of labour waiting to be harnessed.

---

<sup>2</sup> 'All in it together: A study undertaken for The Department of Aged Care by Access Economics' (June 200), Access Economics.

<sup>3</sup> Labour Force statistics published by the Australian Bureau of Statistics available at <http://www.abs.gov.au/ausstats/abs%40.nsf/mf/6202.0>

<sup>4</sup> Australian Bureau of Statistics, Labour Force Projections, Australia, 1999-2016 (Cat. No. 6260.0) available at <http://www.abs.gov.au>

<sup>5</sup> Hudson Recruitment, The Hudson Report (February 2004) available at [www.hudson.com](http://www.hudson.com)

At a microeconomic level, the impact of these trends is also becoming acutely clear. Confronted with a decline in the size of the workforce, many employers now have a pressing need to find new ways of maintaining the skill base. This means keeping experienced staff for longer and replenishing ranks by attracting and retaining new employees for longer periods. Additionally, many employers will also testify to the difficulty and incredible expense associated with recruiting staff. A study by Access Economics found that it can cost upwards of 150 per cent of an incumbent's annual salary to replace a lost worker<sup>6</sup>.

The upshot is that teleworking models offer an enhanced opportunity to increase the attractiveness of work positions. Viewed through this lens, it can be seen as a way to retain ageing, experienced staff who want to share time between income generation and the overarching yet simple desire to enjoy their lifestyles. This argument can also be extended to younger workers, who, like their forbearers, are increasingly grappling with work/life balance issues.

Employers also stand to achieve direct financial benefits from adopting teleworking arrangements. A 1994 study found that for every \$1 an organisation spends on flexible work or family benefits, there is a return of \$2 - \$6 through reduced absenteeism, increased motivation and higher rates of retention<sup>7</sup>. There is also much potential for additional savings to be achieved through a reduction in office space requirements and other associated overheads like company vehicle and parking costs.

*The business benefits of flexible working are...*

- Greater staff satisfaction, gratitude and loyalty.
- Retention of experienced staff.
- Recruitment cost savings.
- Increased productivity.
- Direct savings in office space requirements and associated overheads.
- Reduced company vehicle and parking costs.
- Potential to reduce spreading office illnesses and sick leave generally.
- Ability to move the office to a less central, less expensive location.
- Decreased vulnerability to and disruption from significant events (from parades and major sporting events to road closures, industrial action, and disasters).
- Reduced contributions to pollution (from staff transport requirements and office energy consumption).
- More focus upon a task or project from staff.
- Increased motivation and greater productivity.
- More effective team discussions and meetings.

*The employee benefits of flexible working are...*

- Greater freedom to manage time and tasks.
- Fewer co-worker interruptions and distractions.
- Improved efficiency and productivity.
- Greater freedom to plan around other commitments.
- Being available for family members and family life.
- Being able to balance work and domestic commitments.
- Ability to enjoy the features of the home environment.
- Fewer hours committed to the workday (time spent organising, dressing, commuting, etc) without actually working fewer hours.
- Relief from the stress of commuting.
- Relief from the expense of commuting.
- A greater sense of achievement and accomplishment.
- A sense of autonomy.

<sup>6</sup> 'All in it together: A study undertaken for The Department of Aged Care by Access Economics' (June 200), Access Economics.

<sup>7</sup> Work/Family Directions 1994 Study in the US extracted from the Australian Government Equal Opportunity for Women in the Workplace Agency website: [http://www.eowa.gov.au/About\\_EOWA.asp](http://www.eowa.gov.au/About_EOWA.asp)

## **Barriers to teleworking – Mobility and Mistrust**

Despite the many benefits that teleworking offers, independent research conducted for Toshiba ISD in 2004 demonstrates that widespread mistrust and negative perceptions of flexible arrangements form a primary barrier to uptake and implementation. While this research focussed solely on the issue of flexible working, Toshiba ISD believes that the findings are highly relevant to and can be easily extrapolated in to a teleworking context.

Known as the Mobility and Mistrust Report<sup>8</sup>, Toshiba ISD commissioned the research to explore and illustrate organisational attitudes towards flexible working. More particularly, we wanted to investigate whether organisations understood and were achieving the benefits offered by flexible working, and if not, identify and assess the obstacles that were hindering their progress. The findings of the research were both surprising and insightful.

*The report principally found that:*

- Mistrust of flexible workers is prevalent amongst Australian and New Zealand organisations: more than 50 per cent of respondents think that managers are less trusting of flexible workers and nearly 75 per cent think employees disapprove of their colleagues who sometimes work away from the office;
- Most managers (75 per cent) in non-flexible workplaces said they would be unlikely to let employees work flexibly, even though nearly 50 per cent of employees would like to, if allowed;
- A main obstacle to the uptake of flexible working is the perceived difficulty in monitoring and supervising employees, indicating scope for greater use of performance rather than attendance-based evaluation techniques in order to increase trust. Sixty five per cent of managers and 59 per cent of employees cited monitoring and supervising as a common problem;
- Most organisations do not have policies to support flexible working: only 26 percent of flexible workplaces have policies, and most of these are individual, not standard across the organisation; and
- Technology is not considered a significant impediment to flexible work practices.

### ***Outdated methods of assessing staff***

The lack of trust that Mobility and Mistrust revealed may be in part due to the use of outdated performance evaluation techniques. The difficulty in monitoring and supervising employees was the most commonly cited disadvantage of flexible working, and workers in large organisations find it particularly hard. If managers cannot see their employees are working and rely on traditional 'clock on, clock off' methods of monitoring staff performance, it correlates that they may not trust their workers. This indicates that organisations need to embrace metrics that assess workers based on performance rather than attendance.

### ***Lack of policies***

Even in those organisations with flexible workplaces, only 26 per cent provided written guidelines to personnel, and in more than a third of cases these are individual agreements with the staff member – not standard policies across the organisation. This indicates that organisations offering flexible working may not always provide the necessary support and information to managers to assist in its implementation. Also, rivalry and mistrust between employees may be fuelled if not all employees are governed by a similar guideline.

---

<sup>8</sup> The report, Mobility and Mistrust, was commissioned by Toshiba ISD and conducted by independent researcher, Sweeney Research, and surveyed 600 managers and employees across Australia and New Zealand about their attitudes towards flexible working. A full copy of the report can be found at <http://www.isd.toshiba.com.au>.

### ***Lack of advice***

Only nine per cent of respondents said that they rely on government or union directives for guidance on flexible working. Twenty three per cent of organisations rely on industry networking in order to gather information on the practice. This indicates the level of need for sharing of 'best practice' success stories and greater resources on flexible working from government and industry groups.

### ***Technology is not the issue***

The survey highlighted that technology is not a principal limitation to flexible working in organisations: only 12 per cent strongly agreed it was an issue. More employees than managers identify technology as any sort of a limitation, which correlates with the fact that managers would have a greater awareness and access to the technology available in the organisation.

### ***Increasing trend***

Mobility and Mistrust found that only 38 per cent of Australian organisations (35 per cent of New Zealand organisations) currently have flexible workplaces, yet 39 per cent of personnel in non-flexible workplaces have jobs that can be undertaken flexibly. A majority of respondents feel that flexible working is an increasing trend (85 per cent overall), however the finding that most managers would not let staff work flexibly even if the organisation let them, indicates that there is still a need for education and training into how to manage flexible workers and a need to communicate the benefits more effectively.

### ***Small business versus mobility***

Unsurprisingly, Mobility and Mistrust also found that large organisations are more likely to have flexible workplace arrangements than smaller companies. Some 45 per cent of large organisations in Australia and 41 per cent in New Zealand offer the practice, versus 33 per cent and 25 per cent of small-to-medium businesses (SMBs) respectively.

Employees in larger organisations are also more likely to work flexibly if they have the option. Eighty three per cent of workers in Australian large companies and 72 per cent in New Zealand large firms worked flexibly during the previous six months, where allowed. These figures were more than a third higher than those in SMBs in both countries (54 per cent and 63 per cent respectively).

### **The role of industry in encouraging and guiding flexible working**

Following the publication of the Mobility and Mistrust report, Toshiba ISD began to explore ways in which the barriers to flexible working could best be overcome. Our conclusion was that an industry-wide approach was vital.

To this end, Toshiba ISD established the Flexible Working Special Interest Group (SIG), an entity whose purpose is to provide leadership in the development of flexible workplaces, and to create a network of flexible workplace experts and resources. Its overall aim is to assist organisations to improve business outcomes through the successful implementation of flexible working, thereby assisting employees achieve greater work/life balance.

To date, 17 prominent Australian and New Zealand businesses and industry groups including Westpac, IAG, the Business Council of Australia, Cisco, Pfizer and Telstra, have joined the Toshiba Flexible Working SIG.

Relevantly, the Toshiba Flexible Working SIG will shortly publish a Management Guide to Flexible Working, providing practical advice, guidelines and best-practice case studies on why and how to implement flexible working. Toshiba ISD will happily provide ATAC with a copy of this guide when it becomes available.

## The role of government

### Key recommendations:

- The Federal Government could become a 'teleworking role model' by developing and implementing flexible working models, Australian Public Service employment policies, and best practice benchmarks.
- The Government can further support the case for teleworking by raising awareness, understanding and trust through targeted public education campaigns.

The role of government in encouraging teleworking is equally important to that of industry. With approximately 132,000 employees<sup>9</sup>, the Federal Government, for example, is one of the largest and most diverse employers in Australia. Like its counterparts in the private sector, the Federal Government also shares many of the challenges brought about by an ageing workforce and an increasingly competitive labour market. Speaking at the Annual Government Business Conference, Lynelle Briggs, Commissioner of the Australian Public Service Commission, said: "We are facing serious workforce planning challenges. Our workforce is ageing. The labour market is tight. It is contracting as a result of demographic change... There are already skill shortages and these are likely to expand..."

"We must become a more attractive employer, and this means we must be confident about our culture and what it means to be a public servant in Australia in the 21<sup>st</sup> century. We need to look forward, think strategically about the future, and target the best, the most capable people and the most talented leaders, while at the same time looking to maintain the diversity of our workforce," said Commissioner Briggs<sup>10</sup>.

As it strives to overcome these challenges, Toshiba ISD hopes that the Government will give serious consideration to adopting telework arrangements as a way of both incentivising its workforce, and attracting and retaining skilled employees. Having already established ATAC, Toshiba ISD also believes that there is scope for the Federal Government to become a 'teleworking role model' by developing and implementing flexible working models, Australian Public Service employment policies, and best practice benchmarks.

As well as encouraging by example, Toshiba ISD believes that the Government can further support the case for teleworking by raising awareness, understanding and trust through targeted public education campaigns. Such an initiative, in concert with the Toshiba Flexible Working SIG Management Guide, would provide a point of resource and guidance for organisations looking to implement flexible working arrangements and assist in counteracting widely-held misgivings on teleworking. In this sense, Toshiba ISD believes that the Government could use its unique position to 'mainstream' the concept of teleworking, both by educating industry about the cost and productivity benefits available to individual organisations, and by promoting awareness and demand for the practice amongst Australian workers.

### Conclusion

It is clear that Australia's workforce is in a state of flux. As the labour market tightens and becomes more competitive, teleworking offers employers a point of difference in attracting and retaining skilled employees. By equal measure, it also offers employees a way of striking a better work/life balance. Nevertheless, while technology is breaking down the traditional boundaries of the office, human factors, disappointingly, are frustrating the adoption of teleworking arrangements. A concerted and collaborative approach by industry and government can help to turn the 'tide of opinion' and build trust, in the process laying a foundation for Australian workplaces to reap the benefits of flexibility.

<sup>9</sup> Australian Public Service Commission, State of the Public Service Report 2003-04, <http://www.apsc.gov.au/stateoftheservice/0304/index.html#>

<sup>10</sup> Commissioner Lynelle Briggs speaking at the Annual Government Business Conference on The Future of the Australian Public Service, Gold Coast, 20 May 2005, <http://www.apsc.gov.au/media/briggs200505.htm>