Working from Home – a Convenience or hindering organizations in becoming a community?

Mani vannan
School of Management, SRM University, India

Valliammal M
Research Scholar, Bhrathiyar University, Asst. Prof. SRM University B-School, Chennai, India

Abstract
Today the Information Technology companies the fore-runners of the concepts of ‘Tele-commuting’, ‘Work from Home’ etc. with increasing number of employees opting for working permanently in same manner. This study explores the various dimensions of the impact of such a employee engagement model on the organization as a community. Focus is on employees of a physical organization who opt to work away from the physical organization as the term ‘Home based worker’ may refer to many workers who may be part of an organization. While the employees of organization are finding such remote work arrangements very attractive due to various reasons like cost and time required for travel etc., the organizations also are finding the arrangements financially attractive due to lower cost of facilities, maintenance etc. We find that the indirect cost of the impact of such work arrangements on the organization culture to be more important. There are likely impacts on the organizational knowledge management as well. Since the concept of virtual organization is more a recent import in to the Indian corporate from the United States of America, the study also involves the recent research on the impact of virtual organization on the organization as a community structure.

Key Words: “Work from Home”, Community structure, Knowledge Management

Introduction
Many people have long been working from home in India. We mean 'work' in the economic sense of being paid for the service or production of goods at home. Many cottage enterprises still follow the same mould in their day to day execution, the corner idly vending woman at her home is an immediate example that comes to our mind. In the organized employment market also the employee may take work home either voluntarily or involuntarily to finish off something urgent. This also is an old phenomenon. Until the late-1990s the term 'Work from Home' in India is usually associated with those workaholics who carried their work to home during their holidays or weekends. It is only in the last decade the concept began to be appreciated as an option for employees mainly in the Information Technology (IT) sector. Even now most of the other industry professionals do not have the luxury to plan such a working day at home, except may be during some emergency. It is only since the advent of the Information and Tele-Communication revolution we had been seeing real time work being done from home by employees i.e. using the communication facilities, employees being able to work on a common task at the same time from home and a physical office. This is being permitted, primarily in the Information Technology sector on a temporary basis from time to time to allow the worker to overcome some personal emergencies like caring for the young etc. The duration might be ranging from a few hours to a few weeks. However the phenomenon of a pure 'Work from Home Employee' is one where the employee is engaged in working for the organization on a permanent basis and works only out of his/her home with occasional visits to the physical office. This work pattern is being hailed as the new organization 'The Virtual Organization'. (Olga, SICS).

Before we go further, let us clarify that the concept of home based worker, in its dictionary definition will normally include all types of commercial work that gets performed at home, including freelancing and cottage industries types of work. However for the subject of this article we will go by the definition of wikipedia (www.wikipedia.org ) on Telecommuting namely 'Telecommuting is a work arrangement in which employees enjoy flexibility in working location and hours. In other words, the daily commute to a central place of work is replaced by telecommunication links.’ We will be using the terminologies of 'Work From Home', 'Work at Home' and 'Telecommuting' interchangeably and to mean the same concept of work arrangement.

Considering that there are so many variations of flex-work options including telecommuting, flexi-schedules, reduced working hours, non-traditional work hours, compressed work week, job sharing, annualized work hours, results oriented work schedules, flex locations and satellite options, both employer and employee are probably spoilt for choice. Within the same work arrangement also, there are variations of the arrangement based on the duration of the arrangement namely; Working from Home on a partial basis or on a permanent basis. We will consider the employees of organization who will be working remotely (from home or in any other mode) as the subjects for this study.
Looking at the organization also we find many dimensions of the entity - as a physical entity or as a conceptual entity in one plane. The organization also could be thought of as a community, a social setting that consists of individuals, contributed by the individuals and also contributing back to the same individuals as well.

This study will explore the effects of the permanent work arrangement of telecommuting of such employees on the organization as a community. As a community evolves in terms of culture and shared learning over a period of time, so is the expectation from the organization as a community as well. This exploratory study, through the research on earlier studies on the similar subject will try to understand the various types of impacts the phenomenon of telecommuting is likely to have on the effectiveness of the community concept of organization.

The study aims at identifying some of the effects identified by the previous research so as to focus future studies on the same as we go ahead. We also aim to caution the management of those companies promoting Working From Home on a permanent basis on these effects so as to enable them to be forewarned and make contingent measures to manage the risks involved.

**Review of Literature:**

The concept of Telecommuting was first implemented in the United States of America (again in the IT sector) and the word was coined with the experiments on telecommuting (The Telecommunications-Transportation Tradeoff by Jack Niles et al., 1976). The concept then took wings to other countries including the European countries, focused still in the IT sector. Hence our study is also influenced by the numerous studies already conducted in this sphere at the United States of America as well.

Remember organizational cultural, and the idea of building strong cultures to achieve competitive advantage (e.g., Kotter and Heskett, 1992; O’Reilly, 1989)? Remember Theory Z and William Ouchi’s (1981) argument that description of possible organizing arrangements was incomplete? Ouchi maintained that in addition to achieving coordination and control through market-like mechanisms such as prices and contracts on the one hand, and hierarchies or bureaucracies on the other, there was yet another way of organizing and managing employees, and that was through clan-like relationships among people (e.g., Ouchi and Jaeger, 1978), characterized by high levels of trust and stability.

Gittell’s (2003) description of Southwest Airlines is consistent with the idea of achieving coordinating through interpersonal trust and mutual adjustment of behavior (Thompson, 1967). Gittell argued that Southwest’s extraordinary level of productivity and performance has come through high levels of coordination and control achieved through interpersonal relationships rather than simply relying on either formal mechanisms or incentives.

Remember Japanese management, with its emphasis on the total inclusion of people in the company and long-term, even lifetime, employment, and the corollary idea that employees were important stakeholders in enterprises with claims equivalent in their importance to those of shareholders (e.g., Aoki, 1988)? These ideas and management practices associated with their implementation seem to have fallen by the wayside, at least in most IT organizations if they were to engage people in a remote working fashion. As Cappelli (1999) has nicely shown, instead of building closer, more communal-like relationships with their workforce, over the past couple of decades most organizations practicing a major part of work force not physically together have moved systematically to more market-like, distant, and transactional relationships with their people.

The absence of much sense of community in most organizations is quite real and quite important for understanding the evolution of work in IT organizations, the relationship between organizations and their people, and the attitudes and beliefs of the workforce.

One consequence of the trend away from communal relationships toward more arms-length, market-like transactions between organizations and their employees has been less trust and psychological attachment between employees and their employers. The evidence about job dissatisfaction, distrust, and disengagement is pervasive, as many surveys and studies from a number of industrialized countries tell the same tale: job satisfaction, employee engagement, and trust in management are all low and declining. One survey by The Discovery Group reported that 52 percent of employees don’t believe the information they receive from senior management (Katcher, 2004). A survey of the U.S. workforce found that one in six workers said they have withheld a suggestion about improving work efficiency, and fewer than 40% trust their company to keep its promises (Princeton Survey Research Associates, 1994). A 2003 survey by Korn Ferry found that 62% of global executives are unhappy with their current position of employment (Korn Ferry, 2003). A Conference Board survey of 5,000 U.S. households conducted in August, 2004, found that 67% of workers do not identify with or feel motivated to drive their employer’s business goals, one quarter are just showing up to collect a pay check, and almost half feel disconnected from their employers (Conference Board, 2005).

Nor is this phenomenon confined to the United States. For instance, the Gallup organization “found that 80 percent of British workers lack commitment to their job, with a quarter of those being ‘actively disengaged’” (Deloitte Research, 2004:4).

**Virtual Organizations in India:**

India is no stranger to flex-jobs. Such jobs have been in vogue since the late nineties. Today, Leading companies in software, outsourcing, finance, retail, banking, marketing, manufacturing, education, media and almost every other major business field offer some form of flexibility. Most even have an array of options you can choose from.

In the corporate India the following companies have formulated their 'Work From Home' policies and have thus embarked on the journey towards becoming a virtual organisation (Express Computer, March 24, 2008).
Among the Multi-national companies the prominent ones are:

1. IBM India Private Ltd.
2. Accenture Services Private Ltd.
3. Cisco India Private Ltd.
4. Unisys India Private Ltd.
5. KPMG India
6. Genpact India Private Ltd. (Formerly GE Financial Services)

And some of the Indian companies are:

1. Aan Informatics Private Ltd.
2. Sai BPO Services Ltd.
3. Datamatics Technologies

Most views expressed by the company spokesmen had been on the technical challenges of telecommuting rather than on the effect on organization culture. There seem to be no concern yet on the loss of trust in such a work culture. We thought of using the following list to measure the extent of effect of work from home on the organization culture on a qualitative basis.

Helping employees in need
- Formal/informal face to face groupings for informal knowledge sharing
- Employee Benefits and Assistance
- Recreational facilities or health club membership
- Company Sponsored Social Events
- Games and sports teams and leagues
- Celebrations of accomplishments and milestones
- Presence of informal teams and clans
- Peer networks

Conclusion and recommendations:

The fore mentioned research works show that encouraging workers to work alone and away from the work group by allowing them to work from home is likely to impact the organizational culture of sharing and trust building. The erosion of trust is likely to reduce employee contribution to organization also in the long run.

Here are some of the issues that the employer should consider before implementing any flex work program:

- What are the benefits of implementing a flex-work program?
- Does the arrangement support the organization's key goals such as productivity, cost effectiveness and timely delivery?
- Is the job flex-friendly?
- Does the company have the infrastructure and technology needed to successfully deploy flex-work arrangements?
- Is the individual's work style and history compatible with the requirements and demands of flex-work?
- Is there a valid process to measure and establish results, accountability and productivity?
- How will the organization take care of the training and development needs of flex-workers?
- What levels of communication and feedback need to be established to ensure optimum performance of flex-workers?
- Can the company revert back to its normal style of working with minimal expenditure and disturbance in the event the flex-program does not take off as expected?

Employees need to consider the following aspects:

- Is your work style and job suited for flexibility?
- Are the sacrifices you have to make worth the benefits you receive? Remember, people who opt for flex jobs usually receive lower pay and little benefits, lose out on in-house training and are often passed over for promotion and development opportunities.
- Is job security guaranteed?
- How are you going to keep your training and skills updated?
- Will you be able to integrate into the mainstream later?

Both employer and employee should have complete understanding of the terms, conditions and demands of the flex-work arrangements before jumping into the fray. And these aspects have to be properly documented for the benefit of all concerned.

A pilot plan involving a small sample from the workforce will enable the organization to test the suitability of the plan, which can then be implemented in phases or in one go. We recommend that instead of adopting the pattern of 'Work from Home' in the current form which majorly fulfils only the employee to work at his/her convenience, try to incorporate some amount of social interaction also in the policy. This may mean some amount of face to face contacts by limited travel. Organizations also can explore using technology tools to have remote social networking like the Facebook, Twitter and Video messaging etc.

References
[5] Express Computer, (March 24, 2008), Telecommuting;The way forward?


***