TELEWORK AND ITS IMPACT ON WORKING PERFORMANCE

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Abstract

Modern age and application of information and communication technologies in working environment has constituted new sort of work arrangement, called telework, which brings many benefits for both employer and employees. Although in the whole world telework is getting more and more popular, in Slovakia it is still quite a new phenomenon. Slovak employers aren’t sufficiently informed about advantages of telework or they aren’t confident that the enterprise can profit from its application. This report is expression how application of telework can enhance productivity and reduce cost of the enterprises.

Keywords: telework, work performance, management, ICT, flexibility, work-life balance, employee, productivity

1 INTRODUCTION

Majority of enterprises have to struggle with changeable surroundings. This competition requires besides the ability to be flexible, quick and innovative also knowledge how to use working time effectively.

In recent time the flexible work arrangements, including telework, seem to be one option how to fulfill all these requirements. This new approach in organizing working time enables employers not only to organize labour resources more in line with the varying needs of customers but also enhances performance of employees through improved staff motivation and productivity.

2 TELEWORK

Telework is a type of work arrangement that enables employee to work at home or at another agreed place using information and communication technologies (ICT) for communication with employer.
Telework can be described by following features:
- Employment contract
- Using of ICT
- Independence from location
- Working – time flexibility

Telework is defined in the amended Labour Code, which came into force on 1 September 2007, as employment relationship between employee and employer declared by the employment contract. With some exceptions, the labour legislation generally provides the same rights for teleworkers as for other employees. [1]

The main feature of telework is using of ICT during working time. It distinguishes telework from others kinds of home-work.

Telework can be applied only on activities, which are independent from location. That means that activity doesn’t have to be carried out at the employer’s main office. Suitable positions for telework are for example writer, accountant, programmer, economist, consultant, designer and so on.

Teleworker manages the organization of his/her working time within the framework of applicable legislation, collective agreements and company rules. It allows employee to make balance between family and working life. [2]

3 WORK PERFORMANCE

It is difficult to identify and quantify exactly relationship between work performance and work arrangement, because each case is specific. To avoid this problem, case studies oriented on research of mentioned relationship are based on a variety of national and organizational perspectives.

Economic impacts of telework were researched in the project of European Communities, called the Sustel. Methodology used in this project measures work performance by changes in productivity, creativity and quality of work and by total output.

![Figure 1](image-url) *Figure 1 Forms of performance improvement [4]*
3.1 Telework impact on better work performance

To obtain various views of teleworkers and managers who have experienced this new type of work arrangement with teleworkers, several studies have been conducted. A majority of respondents in all the surveys felt that their work performance had improved in recent years. Most also felt that teleworking had made a contribution to this improvement, with 32-76% feeling that it had a major contribution.

The Sustel project has brought together seven different kinds of organization from five countries, Denmark, Germany, Italy, Netherlands, and the United Kingdom (UK). The following table compares performance improvement between these countries. The performance improvement is percentually evaluated for each form of performance improvement.

<table>
<thead>
<tr>
<th>Form of Performance Improvement</th>
<th>Denmark</th>
<th>Germany</th>
<th>Italy</th>
<th>Netherlands</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher productivity</td>
<td>63.8%</td>
<td>80.9%</td>
<td>65.4%</td>
<td>69.6%</td>
<td>60.1%</td>
</tr>
<tr>
<td>Better Quality of Work</td>
<td>68.1%</td>
<td>66.2%</td>
<td>76.9%</td>
<td>65.2%</td>
<td>56.9%</td>
</tr>
<tr>
<td>Higher Total Output</td>
<td>21.3%</td>
<td>42.6%</td>
<td>46.2%</td>
<td>34.8%</td>
<td>50.5%</td>
</tr>
<tr>
<td>More Creative Work</td>
<td>2.1%</td>
<td>29.4%</td>
<td>26.9%</td>
<td>30.4%</td>
<td>28.7%</td>
</tr>
<tr>
<td>Other Effects on Performance</td>
<td>-</td>
<td>5.9%</td>
<td>-</td>
<td>4.3%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

4 CAUSES OF BETTER WORK PERFORMANCE

Each form of performance improvement can be caused by many impacts. Productivity increases because of reduced absenteeism and better concentration of employees. The main source of higher total output are cost savings, because saved resources can be relocated to others company interests. Enhanced quality and creativity of work is caused by higher motivation of employees and their increased work satisfaction (figure 2).
Figure 2 Causes of better work performance [3]

4.1 Reduced absenteeism

Telework allows employees to overcome problems with reaching work. The main reasons of employees’ absenteeism are illness of adults or children and travel disruption. Although in many cases they are able to work at home. Following table shows that majority of responded employees confirmed that they could be able to work at home during their absence.

<table>
<thead>
<tr>
<th></th>
<th>Denmark</th>
<th>Germany</th>
<th>Italy</th>
<th>Netherlands</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>46,8 %</td>
<td>30,9 %</td>
<td>80,8 %</td>
<td>91,3 %</td>
<td>73,7 %</td>
</tr>
<tr>
<td>No</td>
<td>53,2 %</td>
<td>69,1 %</td>
<td>19,2 %</td>
<td>8,7 %</td>
<td>26,3 %</td>
</tr>
</tbody>
</table>

4.2 Better concentration of employees

Typical work arrangement is forcing everyone to work roughly the same timetable, while a flexible telework approach can mean individual freedom to stop and start according to higher efficiency. Each individual has a personal daily rhythm. Some are more lively and creative in the early morning, some late at night. Telework allows employees to manage their working time according to their personal needs. Besides, they avoid the interruptions of an office environment.

4.3 Higher motivation

Employees are more motivated to work by telework, because greater autonomy and flexibility in work planning enables them to improve their work-life balance. People can easily optimize their work and non-work requirements. For example they
can more easily participate in home responsibilities such as ferrying children, shopping etc.

### 4.4 Increased satisfaction

Majority of employees understand a possibility to work at home as the signal of trust and confidence. They feel more satisfied by more independent work styles. Others employees feel satisfaction when they can remain in their jobs in situations, when they must otherwise leave. For example when the family moves because of a job change by another family member who works in a non-telework company or during maternity leave.

### 4.5 Cost savings

The main savings are in operating costs, recruiting costs and overtime costs. Companies adopting telework achieve reductions in total office occupancy. Employer doesn’t have to arrange so many working places, equip them and he doesn’t have to pay for energies and rent premises.

In some circumstances recruitment costs can also be reduced. On one hand all cost associated with relocation of staff can be eliminated and on the other hand telework decreases level of employees fluctuation.

Teleworkers are paid only for their results. It means that employer doesn’t have to pay for time, when employee is chatting, phoning or talking with colleagues. They aren’t paid for overtimes either. Customer services can be extended beyond the working day or the working week without the costs of overtime payments or the need for staff to work at unsocial hours.

### 5 POSSIBLE DRAWBACKS

As with any new technology or technique, telework can yield benefits only when it is applied in the right circumstances and in the right way. Before running successful telework program many issues have to be considered. Main aspects that have to be analyzed in detail are personality of employee, character of work task, abilities of management and suitability of employee’s home environment.

Not every employee is able to work through telework. Working at home requires personal motivation. For people, who are not self starters and need external discipline, normal work arrangement is more appropriate. Also newcomers benefit greatly from working in team or with leading person. Some people also feel social exclusion, when they work at home.

Many employees have not suitable environment for telework. The most common problems are small apartment, noisy children or neighbors. In these conditions even the most motivated individual could have problems focusing on working tasks.
Application of telework requires changes in management systems and cultures. Managers should be capable to lead and manage at a distance. They also should have faith in their staff’s commitment.

Not every task is best performed in a distributed, self managing environment. There are many tasks, which require close interaction of working team members. Synergy effect of closely supervised teams in this case is irreplaceable. Some tasks can’t be fulfilled in home environment, because require special equipment or working tools. However at many working position are some task with clerical character, which could be done in distributed environment. That’s why detailed analyze of each activity should precede application of telework.

6 CONCLUSION

This contribution presents telework as new type of work arrangement, which can yield many benefits for employers and can have also positive effect on work performance. Research made in enterprises from different countries using telework confirmed, that this working form reduce employee’s absenteeism, enhance concentration, motivation and satisfaction of employees and also curtail cost in many spheres. However management of enterprise should thoroughly consider many aspects before its applications. Home based telework isn’t appropriate for everyone and for every task. For reaching appointed goals concept of management and way of leading employees should be changed too.

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REFERENCES