



Making the most of new ways of working

The **Eclipse Internet**
white paper on teleworking

May 2007



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Introduction

Most people leave their homes every morning, get into their cars or make for public transport for the journey to work, then spend the day working with colleagues in an office. It's a way of working we're familiar with. And it seems – usually – to work well.

But there are other ways of working. Thanks to technological advances – thanks particularly to the coming of broadband and the promise of even faster low-cost telecommunications links in the years ahead – businesses now don't necessarily need to have all their employees working together at a centralised site. Rather than arranging for people to move themselves each morning and evening to and from the office, why not simply arrange to move the work?

We've left behind the days when a company's key business information would be carefully stored away in ledgers or in banks of filing cabinets, physically occupying space in the head office. Nowadays, even the smallest business will have their business data stored electronically – and what this means is that these key records are potentially accessible from anywhere. Whilst ferrying paper records about can be slow and complicated, moving electronic data around the country, or indeed around the world, is instantaneous and very cheap.

This report is about the slow revolution which is already well under way in British business. It's about using electronic communications as a tool, to enable work to be undertaken at a distance. It's about what has traditionally been known as teleworking, though other terms are also in use. Some people talk of 'e-working', some of remote working, some of distributed working. Some people avoid terminology like this altogether: they simply say that modern technology enables a range of ways of flexible working for a range of different work situations, and the key thing is for businesses to embrace the solutions that work best for them.

Whatever you choose to call it, the idea of teleworking has taken off – though perhaps not in the way that the very early writers on the subject foresaw. The futurologists, and some of the journalists who popularised their ideas, thought that technology would change the way we all work in an extremely radical way: millions relocating, cities emptying, the countryside full of émigré e-workers all online and at work. The message then was clear: the twenty-first century was going to be goodbye Hackney, hello Orkney.

The reality has been different. But, just to avoid any residual misunderstandings, let's clear some myths out of the way straight away:

1. teleworking doesn't have to mean working from home
2. teleworking doesn't have to mean full time working away from the workplace
3. teleworking doesn't have to mean all your employees suddenly leaving the workplace
4. teleworking doesn't have to mean relocating your business to the other end of the country
5. teleworking doesn't mean that your employees will start spending all their working time doing the gardening
6. teleworking doesn't have to be just for technology companies

What teleworking does mean is making use of technology in innovative ways, substituting face-to-face working with distance working, with the aim of making your staff more productive and your business more competitive. Put like this, teleworking is already an established feature in many of Britain's larger companies and public sector organisations – so there's no longer the 'early adopter' risk of trying something new and things going badly wrong. In fact, official data from the Office for National Statistics (ONS) suggest that three million or more people regularly undertake some or all of their work by teleworking.

The UK's Office for National Statistics has been monitoring the number of people teleworking each year in recent years, with the numbers increasing significantly year by year. The headline figure has grown three-fold since 1997, when approximately one million people were classified in this way. The ONS breaks down the headline figures in various ways, distinguishing for example between those people who mainly work from home (about 470,000), those who work from various locations but use home as a base (925,000), and those who occasionally work from home (1.8m).

What is apparent from the ONS data is that teleworking isn't, for most people, an all-or-nothing arrangement. The majority of employees who telework do so for only part of their working week, on average for about one and a half days a week.



Ways of teleworking

There are several well-established ways of working which fall under the generic term of teleworking.

1. Working at home.

Let's start here, since much early writing about telework suggested that our homes would become our workplaces.

That's happened for a total of about half a million working Britons, who work primarily at home and do so by taking advantage of information and communication technologies. A wide range of occupations is represented, which we can categorise broadly as 'knowledge' work. Included in the list, for example, are architects, researchers, business consultants, software designers and engineers, graphic designers, editorial and PR specialists, and other suppliers of business services of different kinds. Many senior executives and managers also use their home as a work base more occasionally – it's so much easier, for example, to focus on a business report that needs writing from a desk at home rather than from the hurly-burly of the office environment.

However, it's not only higher-value jobs which can be undertaken from home. A number of British companies have arranged for call centre agents to handle calls from their homes, for example. Modern contact centre technology allows incoming and outgoing calls to be automatically transferred to available agents – and these agents can as readily be at home as in a large, purpose-built call centre. Among companies who have tried out home-based call centre working are National Express (coach bookings), BT (customer service calls) and the AA (motorists' breakdown calls).

2. Working from home.

As well as people actually working in their homes, there are also many hundreds of thousands more for whom their home is their work base. Sales representatives, out on the road visiting clients, can exchange sales data with their head offices from their homes at the start or finish of the day's work, without necessarily having to return to their company's premises.

Field engineers can also get their day's instructions remotely, as they finish breakfast at home. Yorkshire Water, for example, no longer calls its engineers together at the start of the day to allocate duties – it's all done electronically, straight to their laptops.

3. Working from telecentres and business centres.

The idea of the neighbourhood telecentre or 'telecottage' (small-scale workplaces, equipped with high-spec computing equipment and fast telecommunications links, close to people's homes and available for teleworking staff to use as needed) attracted considerable attention in the early years of the internet, and many rural communities in Britain saw such centres established. Now that broadband is available to almost everyone in their homes, there's less incentive for dedicated telecentres. Nevertheless, some communities still have successful neighbourhood bases where teleworkers can drop in for the facilities they need.

The Telework Association currently lists fourteen telework centres in Britain, ranging from Tottenham, north London, to Llangedwyn, Powys. To be listed, these centres must offer public access to computers and other IT equipment, provide training facilities, and supply services to assist other businesses.

There are also numerous commercial business centres available, hiring out everything from a workstation base for casual use for an hour or two to fully equipped office suites. Airport terminals, hotels and motorway service stations have their business centres available for on-the-move workers wanting to touch base.

5. Hot-desking and touch-down centres.

Look around a typical office, and the chances are that many desks will be unoccupied. For companies whose staff work out and about, is it really appropriate to provide every employee with their own dedicated office workstation? Increasingly, businesses are looking to hot-desking and to communal touch-down centre solutions, to provide the facilities staff need when they're actually back in the office.

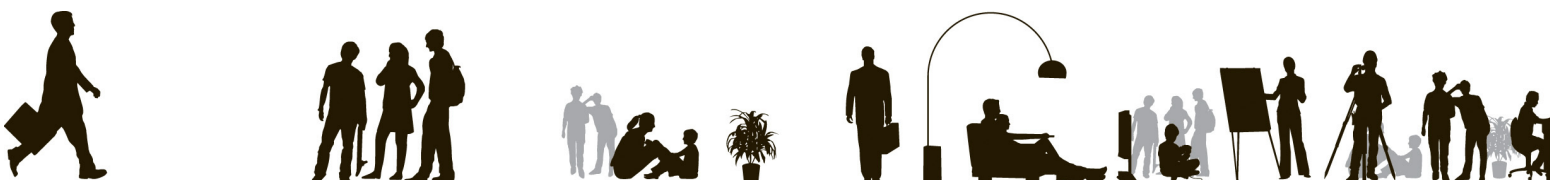
Some companies and organisations have also established small, satellite touch-down centres, to provide a work location for staff living away from the head office or out working on the road. Surrey County Council, for example, has experimented with this idea, so that its staff don't need to fight their way through the traffic to county hall in Kingston to be able to link up with the council's computer networks.

5. Moving the business.

Sometimes the radical solution really will be the right one. Thanks to high-speed telecommunications, businesses – particularly those providing services rather than goods – may well now be able to operate away from where their clients and suppliers are geographically based. Upping sticks and relocating, whilst disruptive in the short term, may ultimately be beneficial: choose an area where labour costs and overheads are lower, and profitability can increase. So, too, incidentally, can the quality of life of managers and staff.

An efficient use of information and communication technology means that relatively small businesses can develop a national, or even global, sales strategy. Your website becomes your shop window. Your customers need not even know where you happen to be based geographically.

Some new start-ups are going a step further, establishing themselves as 'virtual companies', without a physical head office of any kind. These businesses include various kinds of professional partnerships, where the partners collaborate with each other while living hundreds, or thousands, of miles apart. Broadband communication facilitates not only email and data transfer, but also instant messaging and audio and video conferencing.



The business benefits

Give all these options, the task for a company director or senior executive is to think strategically about the most appropriate ways to harness communications technology to ensure that the work gets done in the most efficient way.

Businesses which have already embraced teleworking techniques claim a number of benefits.

1. Increased productivity.

Companies which permit employees to telework generally report higher levels of productivity. This can often be attributed simply to the fact that there are fewer distractions when working away from the office environment: fewer interruptions from colleagues, less noise and, perhaps too, less opportunity for gossip round the water cooler. Time-consuming, but apparently essential, meetings may suddenly seem less necessary when staff are working remotely.

A number of academic studies have suggested that productivity gains can vary from 10 per cent up to as much as 60 per cent. The AA, in its management of home-based call centre staff, worked on the basis that they were at least 50 per cent more productive in terms of calls taken than their centre-based colleagues.

Companies thinking of introducing a telework programme should be seeking productivity gains which are sustainable in the longer-term, not just a quick one-off gain. Some benefits from teleworking may not continue beyond the short-term without other changes also being made, for example to management supervision or to training provision.

2. Flexibility.

A workforce which is not tied to a centralised office environment is likely to be a more flexible workforce. Home-based workers, for example, may be more prepared to work extra shifts at short notice, or to start and stop work as needed to fit in with peaks and troughs in workloads. Teleworking means that employees can be available during problem times and emergencies, for example during freak weather conditions when commuting to work is not possible.

3. Staff recruitment and retention.

Teleworking allows a company to widen the geographical pool from which it seeks to recruit new workers. There may be a shortage of workers with the right skills or experience in your area – but there may well be people available and exactly right for you in another part of the country.

The Outer Hebrides claims that, whilst it is geographically remote, its people are among the best-educated and well-trained in Britain. The Work Global project there has for many years been promoting the Western Isles as a destination for contact centres and teleworking.

Appropriate use of teleworking can also result in increased staff retention, as valuable employees who would otherwise have to relocate to another area, for family reasons or because of the work of their partner or spouse, can remain in their current position.

4. Lower rates of absenteeism

Companies which have embraced teleworking programmes often claim that their absenteeism rates decline as a consequence. It's not just that staff who are under the weather may be more inclined to put in a day's work if they're working from home rather than having to drag themselves through the morning rush hour – or that winter colds no longer go the rounds of the whole staff. It's also that the flexibility which teleworking implies may encourage a healthier lifestyle for the individuals who practise it, a good example of work/life balance working for the benefit of all.

5. Reduced overheads.

Teleworking offers businesses a way to tackle the burden of property costs. Providing individual workstations for each employee can be an expensive matter, if all the costs associated with office property and equipment are taken into account.

The annual Total Office Cost Survey (TOCS) from Actium Consulting seeks to calculate the average cost of providing office space per employee, taking into account property rent, rates, fit-out costs, furniture, insurance, maintenance, security, cleaning, utilities, energy, telephone costs and other necessary expenditure, on the basis of one workstation per 10 square metres. The 2007 TOCS survey found that workstation costs range from a high of £14,778 in London's West End to about £4600 in Preston, with an average for the fifty UK locations surveyed of £6,422.

As mentioned already, teleworking also provides a way of migrating work from higher-cost to lower-cost parts of the country. This practice is sometimes nicknamed 'homeshoring', a domestic version of the growing trend towards offshoring.

The Salvation Army has been quick to embrace the advantages of technology for its workers. It is headquartered in London, where 150 of its employees are based, but around twenty-five senior officers of the organisation are able regularly to telework from their homes, thanks to the installation in 2004 of virtual private network (VPN) connections.

All home-based officers have direct access to the charity's computer network, to the Lotus Notes service used for information sharing and email, and also to the telephone network, in exactly the same way as they would if they were sitting in the organisation's London office.



Benefits for employees

Properly planned and managed, the introduction of teleworking can bring benefits both to the employer and for their employees.

1. Saving time and money.

There's nothing more wasteful, for the individual and for the wider economy as well, of spending unnecessary time on the daily commute to and from work. Yet as our roads and public transport networks have been getting more congested, inevitably the time spent commuting has increased.

According to the Office for National Statistics, more than one in five of us spend upwards of half an hour travelling to work, and about one in twenty spends more than an hour on the commute. For the South East region, perhaps not surprisingly, the number of people undertaking long commutes increases: the Labour Force Survey found that 7.4% of employees and self-employed people spent more than an hour getting to work. And, of course, the same journey has to be repeated in reverse at the day's end.

Teleworking can also save money. Staff who work part-time or full-time from their homes, for example, tend to economise not only on travel costs but also on their work clothes budget and lunch expenses.

The Telework Association and the RAC, in a joint promotion in 2002, estimated the true costs of commuting, focusing on a white-collar worker living in Didcot and working in London. They found that, when car parking charges and the cost of running a car were added to the rail season ticket cost, the total cost of the journey to and from work came out at £6640 pounds a year.

2. Balancing work and home life.

Work/life balance has become the elusive goal which we all are seeking to realise. Used sensibly, teleworking arrangements can make this easier for individuals to achieve.

It's the flexibility inherent in the concept which helps. Parents with young children can have the opportunity to tailor their hours of working, to enable them perhaps on special occasions to go to school assemblies or to prizegivings. A child's appointment at the doctor's no longer has to mean half a day's leave.

An arrangement to move, on a part- or full-time basis, to a form of teleworking may be an appropriate solution to a request by a parent for flexible working. Since 2003, under employment law parents of children under six (or disabled children under 18) have the right to apply to work flexibly, and employers are obliged to consider such requests seriously.

This is not to say that parents can combine work with childcare: clearly, during working time employers have the right to expect 100 per cent commitment from their employees, wherever they happen to be physically working.

3. Finding or retaining work.

If teleworking can help businesses by widening the opportunities for recruitment and retaining existing staff, it can also help individual employees in maintaining and developing their careers.

In some instances, companies have initiated telework programmes specifically at the request of an existing member of staff who is relocating to a new part of the country, often because of a partner's job move. Changing towns doesn't necessarily mean these days that you have to change jobs as well – just arrange for the work to come to you instead.

Teleworking can widen the job options of people who, by necessity or choice, are living in more remote rural areas and where conventional work opportunities are inevitably limited. (Just check out, however, that the telecommunications facilities will be suitable for your needs: unfortunately some sparsely populated parts of Britain are still waiting for broadband to become available).

Teleworking can also help people with mobility difficulties or with other disabilities which make it hard to work from conventional offices. Disability organisations warn, however, that this should not be used as an excuse by employers for not providing accessible premises or as a way of marginalising workers with disabilities.



The wider benefits

Businesses know that they have to be profitable to survive. This is, literally, the bottom line. In recent years, however, an increasing number of companies have begun to look more broadly at the implications of the way they operate, to take into account the social and environmental as well as the economic consequences of their trading activity.

It's this which is encouraging more and more businesses to put in place positive measures to assert their corporate social responsibility, for example by taking steps to operate on a carbon neutral basis.

Sometimes apparently simple measures can make a difference: putting in place recycling facilities in the office, or developing an energy policy which ensures that computer equipment is turned off rather than being left in stand-by mode can directly help reduce a company's carbon footprint. The fact that it can also save money is an added bonus.

Making better use of telecommunications by encouraging forms of teleworking is another step that's easy to take. There are a number of potential benefits to the economy, and to the whole community, to be had.

1. Transport substitution.

The introduction of a simple policy which permits teleworking, even if it's on an informal or ad-hoc basis, can potentially help your staff cut down on the number of commuting journeys to and from work they have to take and the travel they do in work time.

In the United States, the talk for many years has been of 'telecommuting' being used to replace conventional commuting, reducing the number of cars on the roads in particularly congested urban areas, such as those around Los Angeles.

Early research carried out in the 1990s by the City of Los Angeles Telecommuting Project suggested that there were 15,000 people in the city who could telework from home: if they all did so, the researchers calculated that annual air pollution could fall by over six million pounds (2720 metric tonnes) of carbon monoxide and 1.2 million pounds (540 tonnes) of unburned hydrocarbons.

In Norway, similar research was carried out on the possible implications of telework for travel reduction in the Oslo and Bergen areas. Although the reductions foreseen were not numerically large (three to six per cent savings in car journeys were anticipated), the effect on traffic congestion and air pollution was seen as potentially significant.

In the UK, a number of research organisations and public sector bodies have explored the effect of teleworking on transport usage. Hertfordshire County Council, for example, analysed the effect of allowing its trading standards staff to work flexibly, using their homes as a base. The council reported that in-work travel time had reduced by 10 per cent, with the numbers of work miles claimed by staff down by between five and eight per cent. Personal miles undertaken by staff also fell. Surrey County Council also reported a significant fall in car journeys undertaken by staff who used a pilot telecentre operating in Epsom.

Nevertheless, the issue is perhaps slightly more complicated than these reports might seem to suggest, since the introduction of teleworking may also create new journeys. For example, the use of home-based call centre agents may require a team leader to travel to each of their homes in order to undertake annual assessment interviews or one-to-one sessions. A dispersed workforce may have to travel considerable distances on the occasions when it's considered desirable to bring work teams physically together.

The generally accepted view, therefore, is that the introduction of teleworking by itself achieves modest, rather than spectacular, reductions in overall traffic levels.

Andy Lake, a Cambridge-based consultant on telework implementation in businesses and public sector organisations, has weighed up the empirical data on links between telework and transport substitution. He concludes, "On balance there is cause for seeing teleworking as a positive force for reducing traffic, as long as one does not expect too much. It is not a magic wand. However, it should be seen as one instrument of policy in the new transport agenda."

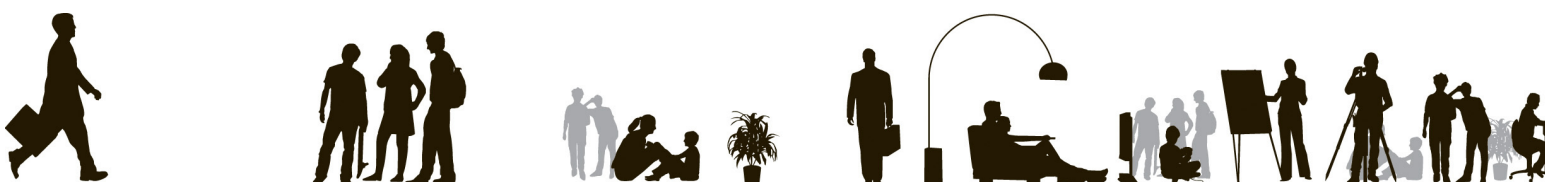
2. Energy saving.

Can teleworking also help to cut energy usage? Over a number of years a series of projects have explored this area of research, and the conclusions seem, in broad terms, to be positive. One EU-funded project, for example, compared the energy usage in a conventional office with that in a domestic office and found that working at home could consume up to 80 per cent less energy. The savings come partly from the fact that office lights are typically left on all night, to enable cleaners and security staff to undertake their work.

3. Economic regeneration in remote or disadvantaged areas.

Industrialisation was accompanied by a massive shift in Britain's population away from rural and towards urban areas. The end result has been that the more remote parts of our country have generally suffered economically.

Teleworking potentially can help redress the balance and many rural areas have seized the opportunity they have been presented with. It helps to have high-speed telecommunications links available, and there have been successful campaigns in several rural areas in Britain to persuade BT to open up small local exchanges for broadband. Once equipped in this way, even relatively isolated communities have their own direct slip-road on to the information superhighway.



Getting it right: the challenges to businesses of introducing teleworking

So far, we've focused on the potential benefits which different types of teleworking arrangement can bring: advantages for the business, advantages for individual workers, and benefits too for society at large. But of course there can be drawbacks, too. As with any new concept in business, there are right and wrong ways of bringing about change, and the challenge for directors and senior executives is to ensure that the process of change is managed effectively.

1. Planning and piloting the introduction of teleworking.

It's probably a relatively straightforward matter to allow a trusted member of staff to have the occasional day working from home, for example to work on a report. But whilst informal arrangements are fine for ad-hoc teleworking, they are unlikely to be adequate for a longer-term, more significant shift towards teleworking.

Companies in Britain with formalised telework programmes have normally developed them through a detailed period of planning, piloting and roll-out. Typically the first stage is to bring together a telework project planning team, with representatives of key departments. When the Nationwide building society first began its home-working programme, for example, it set up a project team headed by a member of staff from corporate HR and including, among others, colleagues with responsibility for technology issues, property management and health and safety. A representative from the company's staff union was also involved.

When first introducing home-based working, the Nationwide distinguished between informal and formal arrangements. In the former case, employees were contracted to work from an office base, but were able from time to time to undertake particular pieces of work at home. Formal home-working, by contrast, was a contractual arrangement. For workers based at home in this way, undertaking all or the majority of their work away from colleagues, the Nationwide undertook to provide technology support. Employees were normally contractually required to attend essential meetings and training, by travelling to an office or other location. The Nationwide also introduced contracts where employees were jointly based at home and the office.

Most larger companies have chosen to pilot teleworking with small groups of employees before making this way of working available more widely to staff. A formal review after, say, twelve months, allows staff performance to be monitored, lessons to be learned and mistakes corrected.

2. The management relationship.

The relationship between a line manager and their member of staff is clearly likely to change if the individual worker begins to work remotely. It's superficially so much easier for a manager to keep an eye on how someone is performing if they are, literally, within line of sight. How can you adequately manage someone who may be tens or hundreds of miles away? What if they're out in the garden or walking the dog when they should be hard at work?

The answer is that managing teleworking is likely to involve a mind-set change, a shift away from simply monitoring the hours that someone works and instead focusing on their outcomes and results. In an economy which is increasingly information-centred and heavily dependent on human capital, such an approach links in directly with modern management practice: the aim is to encourage smart work rather than more work.

A successful telework programme inevitably depends on high levels of trust. The evidence from companies who have successfully instituted teleworking arrangements is that the worker who is trusted is more likely to repay that trust through loyalty and commitment.

Perhaps not surprisingly, such an approach can be challenging for middle and junior managers, for whom teleworking can represent a threatening change from the accustomed ways of doing things. Reports from several organisations which have successfully introduced teleworking suggest that it is this group of staff who are most resistant to the idea – and who therefore have to be won over and convinced that it can work. Any company or organisation introducing a telework programme will need to spend as much time preparing line managers for the change as preparing the potential teleworkers themselves.

3. Keeping a sense of the company culture.

Every business and every workplace has its own distinctive feel, and new members of staff quickly pick up the culture of their company just from talking to other staff and from the day-to-day working environment.

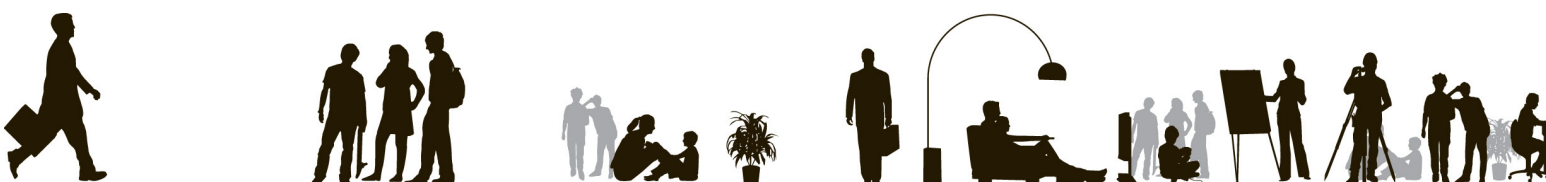
Conveying a company culture, and ensuring buy-in from staff to the principles by which a company is trying to operate, can be trickier where employees are geographically dispersed. It's particularly challenging when recruiting new staff with no prior experience of working for the company directly to a teleworking post.

There are ways in which technology can help here: company intranets can become both a formal and informal channel of communication, and some businesses encourage line managers and staff to keep closely in touch through instant messaging. Audio and video conferencing, now cheap and easy to arrange using broadband links, can help. But actual physical meetings of work teams are also likely to be necessary, if teleworkers are not to slip away into a semi-detached relationship with their employer. Many teleworking programmes schedule in regular times when teleworkers are required to come and work at the company's own offices. Many firms also arrange informal social events for teleworking staff, too.

4. Avoiding compulsion.

If new ways of working are to benefit both company and individual, it makes sense if possible to introduce the arrangements by agreement. As the Department of Trade and Industry's (DTI) Telework Guidance booklet (to which both the Confederation of British Industry and Trades Union Congress gave endorsement) puts it, "As with most initiatives, teleworking is best introduced on the basis of consensus. Someone forced to telework is unlikely to be as motivated or productive as someone who does so willingly".

What this means in practice is that individual employees should have the right to accept or decline an offer to move to a form of teleworking. Similarly, employers have the right to accept or decline a request to telework which is made by an employee (though employers will need to bear in mind that – as mentioned earlier – parents now have the right to request flexible working).



Teleworking is not subject to a formal European Directive, but it has been covered by a voluntary Framework Agreement which was agreed by representatives of employers and trade union bodies in Europe in 2002 and which is designed to encourage good practice in all the EU member states.

The Framework Agreement stresses the need to avoid compulsion: "Telework is voluntary for the worker and the employer concerned," it states, adding "Teleworking may be required as part of a worker's initial job description or it may be engaged in as a voluntary agreement subsequently... If telework is not part of the initial job description, and the employer makes an offer of telework the worker may accept or refuse this offer... A worker refusal to opt for telework is not, as such, a reason for terminating the employment relationship or changing the terms and conditions of employment of that worker."

Where possible, it is usually considered good practice for employers to allow teleworking staff the 'right to return' to a more conventional work environment, on request. Home circumstances may change, or teleworkers may find that they begin to miss the camaraderie of the office environment. However, it won't always be possible to accommodate staff requests: sometimes the introduction of teleworking is linked to the closure or relocation of a company's previous office premises.

5. Thinking health and safety.

The fact that a member of staff may be working away from employer premises doesn't affect the employer's health and safety responsibilities towards them. Most of the Regulations made under the Health and Safety at Work Act 1974 apply to homeworkers as well as to employees working in their company's premises.

The Health and Safety Executive has produced a useful twelve-page booklet *Homeworking*, specifically covering this area of law. Among other things, the HSE points out that employers should complete a risk assessment to identify any hazards facing home-based staff. It may be necessary, therefore, for employers to have the right to visit their employees' homes for this purpose – and if so, this is something which needs to be formally set out in a telework agreement or in the member of staff's employment contract. It's often also appropriate to encourage home-based employees themselves to undertake a self-administered risk assessment.

The standard safety regulations on the use of computer screens ('display screen equipment') apply equally to staff who are teleworking. There's a particular risk that home-based workers may try to get by with inappropriate domestic furniture, and that as a consequence they may be more prone to repetitive strain injuries. Where employees are contractually working from home, it is highly advisable for companies to provide appropriate office desks and chairs.

Overuse of laptops by workers who are teleworking on the move is also a potential risk. One possible solution can be to encourage employees, when they are using their laptops in a fixed location, to connect up full-size keyboards and separate monitors.

Finally, there have been concerns that members of staff who telework alone for long periods of time may be at risk from problems of isolation and loneliness. Measures to ensure that teleworking staff are adequately integrated into the company life and culture can also help protect their mental well-being.

6. Keeping data secure.

All types of teleworking operate on the basis that staff who are geographically remote can nevertheless access company information and databases. This means that the particular risks to the integrity of computer systems associated with remote access to networks need to be addressed.

Companies should make sure that teleworking staff know that they are not allowed to have extra software installed – or to let others use their work machines. (Home-based teleworkers may need to remind any children in the house that their computer is not there as a games machine!).

There are also data protection issues to bear in mind. As the DTI Telework Guidance report puts it, “Employers and teleworkers should be careful to ensure that other household members should not have access to personal data... It is important to consider if appropriate security measures are in place, such as dealing with secure document waste and the locking of the home office/computer.”

7. Money matters.

By teleworking away from the office, staff may be saving their employer some of the costs of running an office – but on the other hand, they may be incurring additional expenses of their own. Home-based workers, for instance, may have to pay higher energy bills or replace their carpets and furniture more often.

Some employers choose to recognise this, at least for staff who are contractually required to telework, by making an additional payment to them, typically of a few hundred pounds a year. Other employers do not make such payments, maintaining that telework is likely to leave individuals benefiting financially (though it is normal practice for companies to pay the cost of an extra dedicated phone line).

The tax treatment of any employer payments made for teleworking, or of additional costs met by the employee, has recently been clarified by the Inland Revenue. The usual rule for claimable employee expenses is that they must be incurred ‘wholly and exclusively’ in the performance of their work duties. For teleworking staff who meet this condition, the Inland Revenue will allow a deduction against tax of £2 a week (£104 a year) without the need for detailed record-keeping. Deductions above this amount do require record-keeping, and some expenses (rent, council tax, mortgage repayments and household insurance) are not eligible.

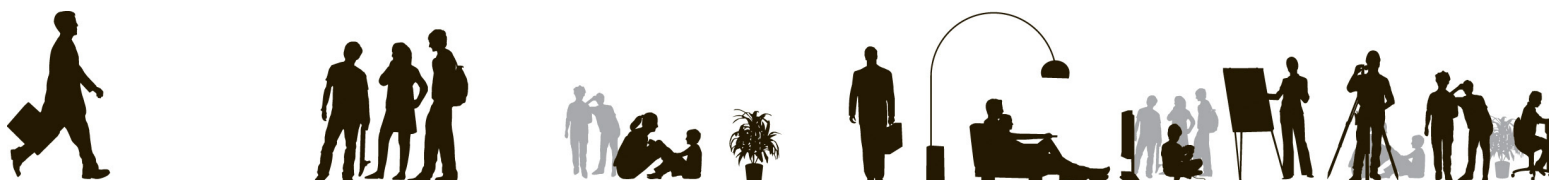
More information for businesses about the tax treatment of telework can be found in the DTI Telework Guidance publication.

8. Putting matters on a formal basis.

Many companies are happy to allow particular members of staff to work at home on an occasional basis to undertake particular tasks, and arrangements like this generally work well on the basis of trust.

For more regularised teleworking arrangements, this sort of informality is likely to be inadequate. This is particularly the case if there is an intention to change the place of work for a member of staff from that stated in their employment contract.

Longer-term teleworking, therefore, is best arranged through a formal Telework Agreement, which both employer and employee agree to and sign. Some advice on the issues to be covered in the agreement can be found in the DTI Telework Guidance booklet and more detailed information (as well as a draft telework agreement) is available in the Teleworking Handbook, produced by the Telework Association and now in its fourth edition.



Telework and technology

We've left questions about the technology itself to the end of this report, for a good reason. As in other aspects of business life, it's important to use information and communication technologies (ICT) as a tool – as a servant, not a master. What's most important is to keep the focus on the business uses and values of new ways of working, not on the technology which makes it possible.

Nevertheless, teleworking is not possible without modern information and communications technology. Although teleworking first began to be discussed long before the internet, in the days when email was only in its infancy and large brick-like modems ferried data backwards and forwards at speeds of just 300 bits per second, it is the rapid introduction of broadband in recent years which has allowed this way of working to really take off. Compared with those pioneering days, companies initiating teleworking today have it relatively easy.

It remains important, however, to ensure that you have the technical capabilities and back-up you need, and in this respect the relationship with the selected broadband provider/ internet service provider (ISP) is a key one. The right technical solutions for teleworking will vary from company to company: some, for example, may find the entry-level broadband services adequate, others will require options which allow for significant uploading as well as downloading of data. Wifi and wireless options also need considering.

It's important, too, to make sure that adequate security features are in place. Some companies who have staff working away from the office will choose to install a private DSL service, integrating remote access directly with existing network security features such as firewalls. In other cases, standard broadband services will be perfectly adequate, though security still needs to be a central concern.

With technology changing so quickly, it's also important to put in place solutions which can be upgraded easily and painlessly when the time arrives. Again, a good ISP will be able to work closely with its business clients, to help them anticipate their future telecommunications needs.

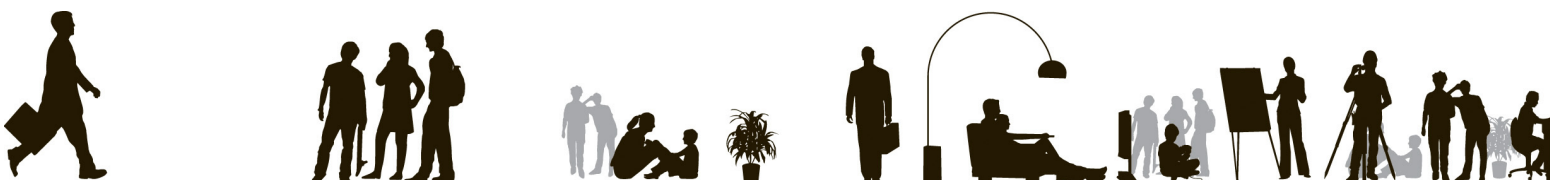
Conclusion

Talk to some of the large blue-chip organisations or major public sector organisations which have successfully instituted teleworking programmes, and you may well get the sense that there's nothing much to say: the pioneering days are past, and remote working arrangements using ICT are now taken for granted, as part of the mainstream way of life. Certainly, companies such as IBM or BT already have more than a decade of telework experience behind them.

Small and medium sized businesses, for very good reasons, may have been a little more cautious in their use of teleworking. After all, the work involved in establishing a telework pilot and monitoring its results are easier for large employers with sizeable HR departments than for SMEs.

But the message now is that it really isn't difficult to implement new ways of working. Whether informally and in an ad-hoc way or through a more formal telework programme, there are considerable business benefits to be gained from using technology to get work done wherever workers happen to be.

Companies implementing forms of distance working will want to know that this makes commercial sense. But it's not just profitability which can be improved: there's evidence that employees' job satisfaction goes up, and – as we've seen – there are potentially significant benefits for society as a whole. That's got to be worth something.



Appendix: some initial resources

The Future Work Forum, run by Henley Management College, has for more than fifteen years been the principal arena for businesses implementing new ways of working to meet informally and share experiences. Seminars are held regularly. Website: <http://www.henleymc.ac.uk/henleyres03.nsf/pages/fwf>

The Telework Association is even longer established, and has both individuals and businesses as members. The Association's Teleworking Handbook is the best single resource on the subject. Published by A&C Black (£14.99), it is available free to Telework Association members. Website: <http://www.telework.org.uk>

Telework Guidance, from the DTI (in partnership with the CBI and TUC) can be downloaded from <http://www.dti.gov.uk/files/file27456.pdf>

The Health and Safety Executive guide Homeworking can be downloaded from <http://www.hse.gov.uk/pubns/indg226.pdf>

The European Framework Agreement on telework can be downloaded from http://ec.europa.eu/employment_social/news/2002/oct/teleworking_agreement_en.pdf

Finally, two websites with much useful material (including case studies) are:
<http://www.andrewbibby.com/telework>
<http://www.flexibility.co.uk>