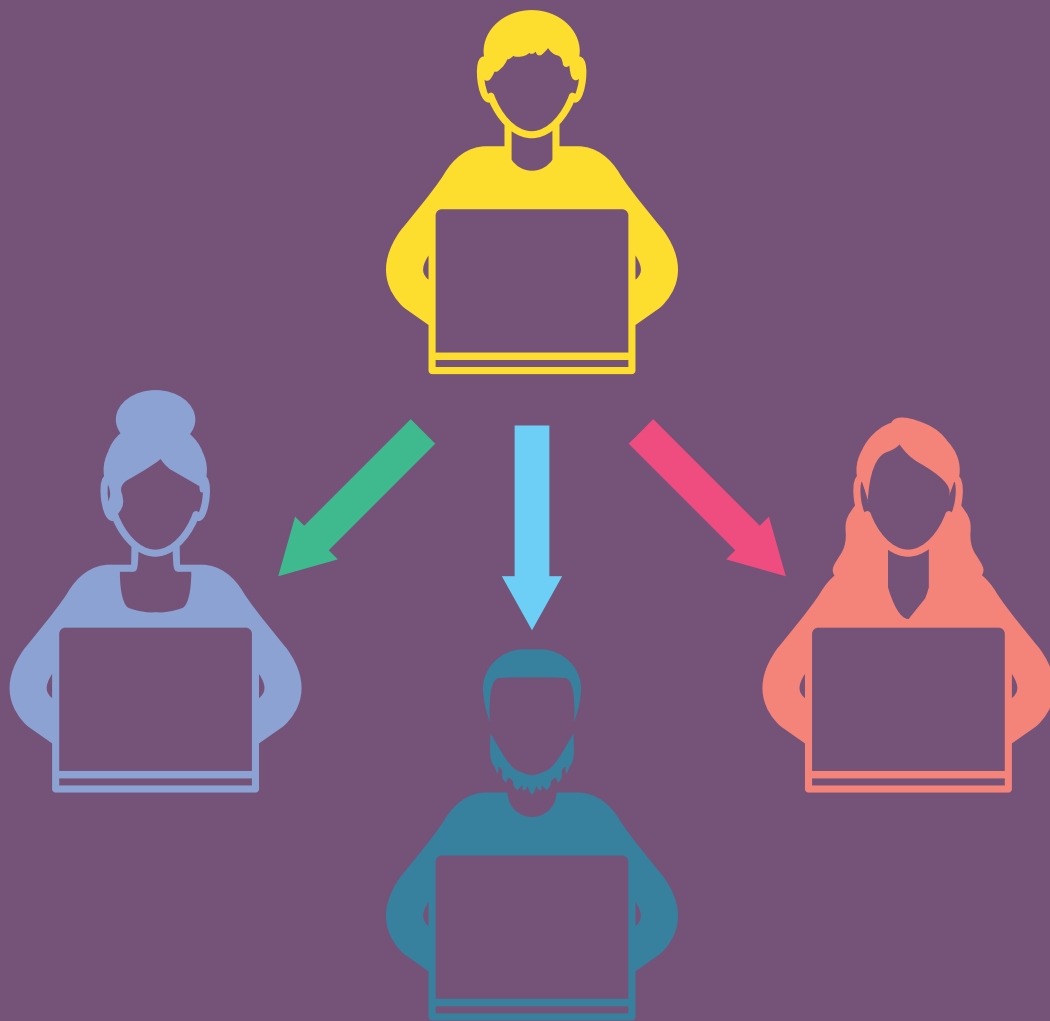


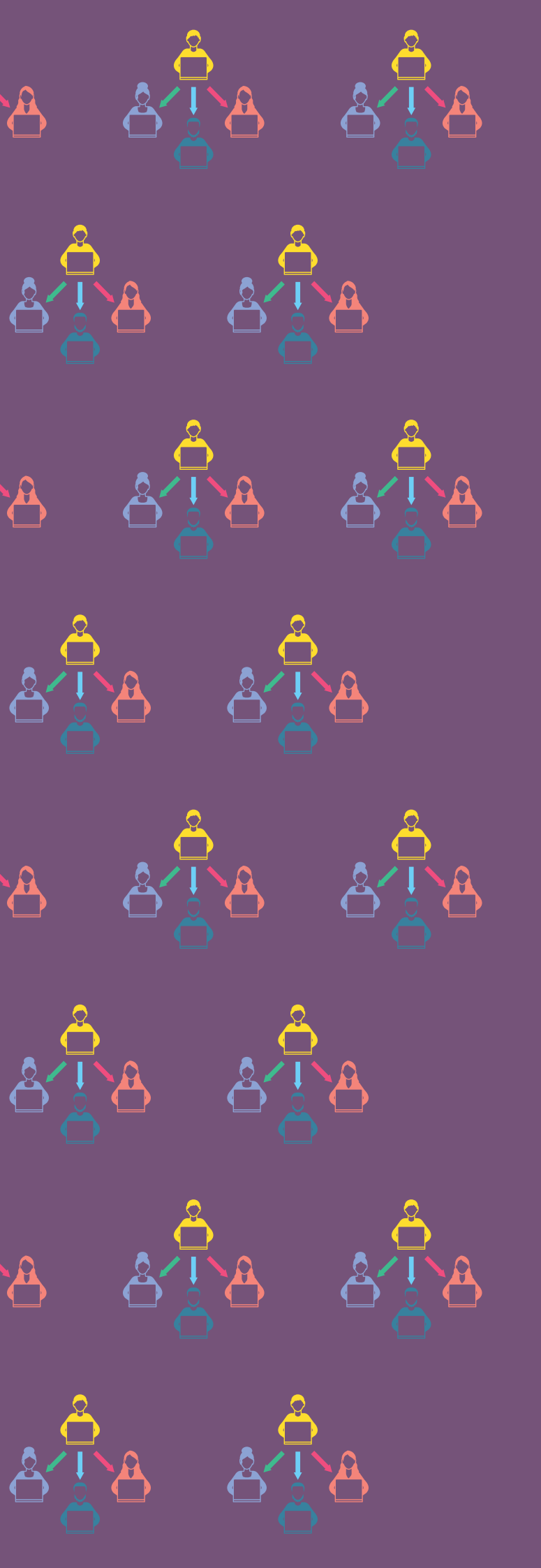
WHITEPAPER

REMOTE WORKING



**Gordon Institute
of Business Science**
University of Pretoria

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GIBS

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GIBS

AUTHORS



ALET ERASMUS
GIBS RESEARCH ASSOCIATE

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Abstract

Flexitime, flexi-place work is well-established among professionals, consultants, and managers. However, during 2020's global COVID-19 pandemic, remote working swiftly emerged as the only viable option to keep companies going. Employers assisted employees on all levels in their organisations in setting up workable home offices within a short period. Evidence of workers' devotion, a spontaneous fragmentation of work into smaller, easier-to-manage units, and workers' appreciation of increased time and location flexibility have paved the way for remote working becoming a more permanent option in the future. This paper presents a review of literature and worldwide research to explicate the beginnings of teleworking, the adoption of remote working by major international companies over time, and related experiences during the pandemic locally. Attention is devoted to why some American companies have reverted to more traditional office settings. This paper proposes a cautious reconfiguration of business in the future under C-suite leadership and the guidance of human resource management specialists.

Keywords



Definition of remote working

This paper acknowledges “e-working” as a location-independent option where workers travel elsewhere to conduct business, but largely attends to the principles of “teleworking”/remote working, where workers are allowed to perform their duties anytime, and anywhere, using the relevant technologies to facilitate flexible working practices (Mears, 2007).

Progression over time

The trend “to work here, there, or anywhere” emerged in the United States in the 1980s as a solution to traffic congestion and saving on expensive office space. Many employers chose to invest in technology so that certain employees could work at home while travelling to clients, or even at clients' premises (Hardill & Green, 2003). Over time, the phenomenon was driven by cultural changes, as employees progressively demanded greater flexibility to obtain a better work-life balance (Hunter, 2019). Currently, the situation is that up to 68% of millennials who were expected to form approximately half of the global workforce in 2020 do not want to work fixed hours in a traditional office setting (Abboud, 2020; Wilkie, 2017). This is largely supported by major advances in digital technology that allow employees greater temporal and locational flexibility, facilitating a multidimensional fragmentation of work (Donnelly & Johns, 2020). When COVID-19 was declared a global pandemic in 2020, countries had to shut down businesses and institutions almost overnight to protect the safety of their people. Subsequently, remote working, which was largely relevant among professionals and those in managerial positions at the time, presented itself as the only viable solution to keep institutions and businesses operational and avoid employees getting infected. Reflecting on experiences during the year, remote working has proved itself to be a useful alternative with multiple advantages, although much could still be done to improve how companies deal with alternative working arrangements.



Theories to explain the growth in remote working

Different theories can be used to justify the increase in remote working. However, these models are not mutually exclusive. Within the context of the so-called **knowledge economy**, the growth in remote working signifies an economic shift with an emphasis on the value created by educated professionals, and where the knowledge generated is less spatially bound (Wilson & Campbell, 2016). Accordingly, complex employment relationships within an organisation are spatially rearranged and juggled to provide increased temporal flexibility and individualisation of employment relationships. Along the way, work is arranged into smaller and separate work units that are easier to manage (Donnelly & Johns, 2020). This theory presumes that “knowledge work” is not linear, and that it requires a 24/7 rather than a typical nine-to-five approach (Hardill & Green, 2003). Formal working hours in a company are arranged to accommodate relevant role players’ needs, which may differ from one day or project to the next.

The **flexible firm** model admits that, under similar circumstances, not all workers perform optimally at the same time of the day (Hardill & Green, 2003). Therefore, different parts of a company are distinguished to optimise working time in the best interest of the business (Wilson & Campbell, 2016). Accordingly, workers can devote time to their duties when it suits them best, irrespective of the time of day.

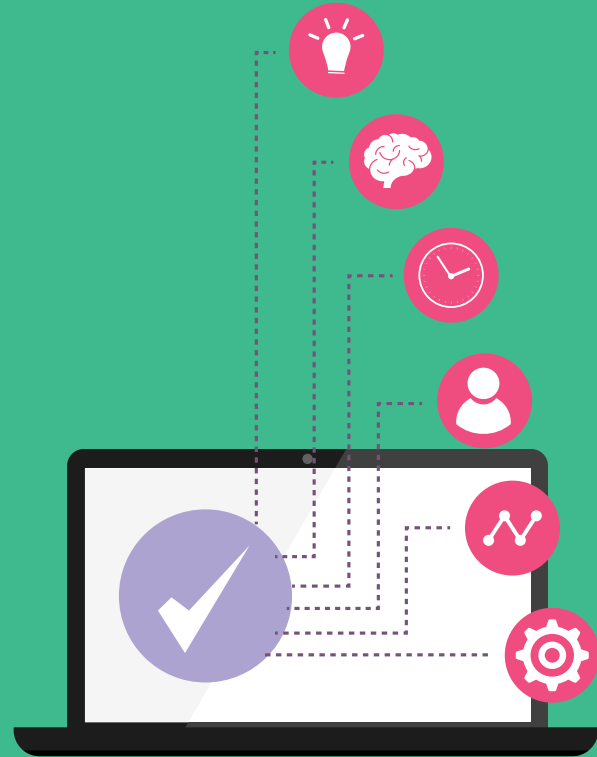
The theory of **organisational adaptation** considers societal changes and the increased diversity of the labour market

that requires an occasional revision of employment practices (Goodstein, 1994), even to expand the pool of people involved in certain projects or employed at a particular company or institution. It is proposed that employers rely strongly on technology to detach work from place and, where possible and as required, even include additional workers and specialists in certain fields on a part-time basis (Felstead & Henseke, 2017; Hardill & Green, 2003).

Organisational theorists claim that, in terms of **social exchange theory**, employees are willing to make sacrifices and work harder and longer hours to enjoy the privilege of working off-site, to save time and costs on commuting, and to avoid critique from colleagues at the office (Dimitrova, 2003). However, the privilege of remote working may come with a price tag for overcommitted workers subjected to external stressors caused by excessive work demands. Consequently, remote working or working from home (WFH) may imply considerable personal effort that does not necessarily result in high reward (Grant, Wallace, & Spurgeon, 2013).

In reality, a professional’s work situation could be described in terms of the assumptions of the knowledge economy, while the decision to work remotely could be that of a flexible firm and even organisational adaptation to optimise the skills of certain parts of the workforce. Eventually, remote working could be assimilated as part of social exchange theory.

Advantages of remote working



Working remotely or WFH has various advantages. Some of these advantages are outlined in the points below.

- Research across five leading European countries produced undeniable evidence that flexible working hours and remote working leads to **improved productivity**, as remote workers are inclined to put in more extensive work effort and work more effectively (intensive work effort) (Felstead & Henseke, 2017; Smith, 2020).
- **Long-term health benefits** are derived from lower stress levels when employees have the opportunity and manage to juggle the complexity of work and personal needs (Cook, 2019; Hunter, 2019). This was particularly relevant during the COVID-19 pandemic, when schools, tertiary institutions, children day-care centres, and businesses closed down abruptly and parents had to cope with everyone being at home.
- Due to advances in digital technology, employees benefit from **greater temporal and locational flexibilities** that reduce the financial costs of relocation when someone is appointed in a new position, especially in the case of short-term appointments. The opportunity to work remotely makes it easier to accommodate the needs of all family members who may be well-established in terms of their schools, jobs, and other responsibilities (Donnelly & Johns, 2020).
- As part of “organisational adaptation” (Goodstein, 1994), the flexibility associated with remote working makes it possible to **involve a larger pool of people** in certain projects at a company or institution at a specific point in time to improve the quality and productivity of outputs in everyone’s best interest (Rysavy & Michalak, 2020).
- Remote workers **become more empowered and confident** in using an array of technological tools to collaborate remotely with confidence (Abboud, 2020).
- Remote working enables a **multidimensional fragmentation of work** into smaller work units that are easier to manage (Donnelly & Johns, 2020). At the same time, the managing skills within these smaller cohorts are improved to the benefit of employees, who might otherwise not have had the opportunity to take the lead.
- Apart from time savings, employees who work from home save considerably on commuting/travelling costs and parking (Choo, 2002). Nowadays, employees are even enticed by insurance companies that are prepared to reduce car insurance when consumers travel less.

Disadvantages of remote working



Admittedly, remote working presented itself as a welcome solution to cope with COVID-19-related challenges. However, the negative implications of remote working should be noted and attended to for future implementation.

- People with varying roles and in various positions within an organisation have **different levels of access and flexibility** when working remotely, such as clerical/administrative people compared to managerial/professional workers. This concerns the types and levels of access to technology and the related resources required to perform their duties well. The unexpected lockdown due to the COVID-19 pandemic in 2020 pressurised people on all levels – including junior personnel and those who had never done so – to unexpectedly start WFH. Presented with this unfamiliar scenario, many realised that the available working space in their homes and the resources, including proper ergonomic office furniture, were not optimal in terms of expected performance and productivity. As a guideline, Nickson and Siddons (2004) proposed that a person who works from home for three or more days per week should have a decent office set-up with the relevant technologies, such as uninterrupted Internet access, and privacy.
- The complex reconfiguration of role players in an organisation during a period of compulsory remote working – as was the case in 2020 – may, unfortunately, result in a firm-centric approach with an **unfair commodification of workers**, during which the interest of organisations is prioritised in the value chain, chasing company goals and deadlines (Donnelly & Johns, 2020). All the while, parts of the workforce may feel overwhelmed and could be struggling to cope with inadequate infrastructure in the absence of hands-on personal support (Smith, 2020).
- Research has shown that people in higher-paid positions, such as managers, professionals, and consultants, can work remotely more easily, while most employees in lower-income jobs cannot. Unavoidably, **perceptions of inequality** may cause discontent. For example, during the COVID-19 pandemic, parts of the workforce that had to work on-site were more exposed to infection than colleagues who could work remotely (Smith, 2020).
- Lack of personal interaction among colleagues may cause **reduced stimulation** in the long run, causing frustration and making it more challenging to resolve unexpected challenges, thus delaying work progress (Hunter, 2019).
- **Not all workers are equally suited to work remotely**. For some, it may be overwhelming to manage their work-life balance in such a situation, especially younger, inexperienced employees and students at entry levels of their graduate studies who mostly perform better amid the buzz of a team. In some cases, a critical mass of a workforce or research team should work on-site to keep team communication alive (Grant et al., 2013; Hunter, 2019).
- Although employees generally appreciate the advantages of more flexibility and autonomy when working remotely, the scenario may eventually take a psychological toll on them because **increased organisational commitment and work intensification may cause “burnout”**. Complaints about an inability “to switch off” and blurred work-life boundaries due to expectations of an “always-on” and “always available” culture are not unusual (Hunter, 2019; Smith, 2020).
- Psychological well-being is jeopardised when the **boundaries between remote workers’ work and private lives begin to collapse**. An example of this is when their family members perceive them to be working around the clock, seven days a week, or when their family members perceive them to be absent although they are at home. Moreover, workers’ family time is often interrupted by short-notice, “after-hours” meetings (Grant et al., 2013).
- Remote workers, especially young employees, do not necessarily have **suitable, designated study areas** in their homes where they can work focused and privately. Apart from jeopardising workers’ performance because they have to cope with noise and might have to move around in their home frequently, the situation may infringe on the privacy of the organisation (Grant et al., 2013).
- Remote working can **isolate people and affect their careers negatively** – for instance, when limited or no opportunity exists for face-to-face interaction with colleagues merely for a social conversation or a talk with a role model, supervisor, or someone who one trusts and respects (Hardill & Green, 2003). In reply to an article regarding WFH, MichaelfromKlerksdorp (2020) commented, ““If you’re one of those working from home, and is stuck in a small room ... without much window space... you are going to go NUTS... Secondly... psychologists will be in high demand”.
- **Home offices can become very lonely spaces** and, over time, companies might lose valuable qualities that are difficult to measure, which home offices sadly cannot make up for, such as the energetic buzz of colleagues discussing matters of the day or a “corporate cohesiveness/identity/team spirit/staff sense of belonging” (MichaelfromKlerksdorp, 2020).
- Flexible diaries may make it **difficult to align colleagues’ work schedules** when arranging meetings. A decision on how to deal with it should be made in time to prevent frustration (Hardill & Green, 2003).



Implications worth noting

The consequences of remote working differ across disciplines, as well as for different positions within an organisation, and affect organisations on multiple levels.

- Remote working is not feasible where face-to-face interaction is required (e.g., in medical professions, retail, and where employees are still inexperienced and in training). The workload of senior personnel could increase incrementally if junior staff struggle to cope remotely. A senior administrative officer at GIBS recently commented on her experience of 2020:

My admin assistant was a bit concerned as to how she would cope with working from home. She was constantly worried about what would happen if she wasn't able to connect to Wi-Fi and not being able to do her work for the day. She struggled a lot when it came to juggling her time between work life and home life. Her toddler wanted constant attention during the day, so we made arrangements for her to work hours that would help her balance her work/home life. I was unable to hand over urgent work to her as and when it was required. This resulted in an increase in my workload, which I needed to adapt to.

- WFH has implications for **ethical organisational practice**. It may infringe employees' rights concerning what is perceived as a fair number of working hours, availability, and the balancing of work and family responsibilities (Sullivan, 2012). Workers should not be "held hostage" by the so-called privilege of temporal flexibility and savings on commuting (Donnelly & Johns, 2020).
- **Architects and city and town planners** will have to revisit the concept that major companies are strategically located alongside major highways, or in busy city centres, where they can conveniently flaunt their signage on impressive buildings to boost their image (Hardill & Green, 2003). Therefore, the traditional idea of office space is being challenged as many companies are doing away with dedicated office spaces and rather assigning office facilities as a resource that is allocated on an as-needed basis – this is called "hotelling", or "just-in-time" or "non-territorial" offices.

- **Smaller construction companies** are expected to boom, as many homeowners might want to reconfigure their homes to incorporate a designated office/study/working space that they can furnish and equip as required (Smith, 2020).
- For multiple reasons, including the possibility of hacking, it might not be a good idea to allow employees to **access highly sensitive information** from their home computers (Abboud, 2020). The **security risk** associated with remote working should take precedence before an organisation approves an employee's remote working. Measures and passwords should be put in place to ensure that a company's information and data are secure. Furthermore, the presence of children in a home who might want to share a computer could have disastrous consequences (Abboud, 2020).
- Company equipment like computers should be protected, clearly stipulating how any loss in the case of burglary and theft will be dealt with. Insurance is another complication if a company's assets are scattered in various locations (Nickson & Siddons, 2004, p. 23).

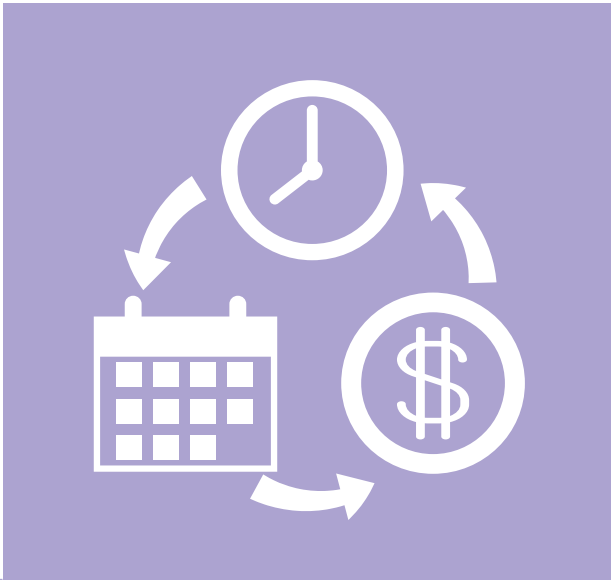
Consequently, **labour practitioners** suggest a recontextualisation of the basic principles of human resource management (HRM), in cooperation with the leadership of an organisation, to protect everyone's interests (Donnelly & Johns, 2020; Nickson & Siddons, 2004).

Top tips for working remotely

The advantages of remote working can be optimised to benefit all role players. For instance:

- **Projects need to be managed well** to ensure that the quality of work done remotely or the productivity of those who are still working on-site are not compromised (Hunter, 2019).
- **Face-to-face interaction among co-workers** should be encouraged through accessible video-centric systems, supplemented by scheduled on-site meetings, because it is always more acceptable to collaborate with someone you have met in person (Smith, 2020).
- **A multilayered approach, in the form of short, scheduled weekly or biweekly video or teleconferencing meetings**, is useful to manage teams, to keep members motivated and informed, and to share progress reports. These discussions should be limited to relevant topics, allowing messages and voice comments rather than an interruption of discussions. Individual meetings can be scheduled to clarify issues that are not relevant to all (Hunter, 2019).

The way forward



- **Managers have to set clear expectations for remote working.** Such a psychological contract will build trust and ensure that employees truly benefit from remote working and do not become isolated (Grant et al., 2013; Rysavy & Michalak, 2020), particularly when deliverables are not tangible (Grant et al., 2013).
- **The technological capabilities of some remote workers might need to be upskilled** because remote networking and collaboration may be more challenging for some (Rysavy & Michalak, 2020; Smith, 2020).
- **A “community mindset” that provides evidence of managers’ interest in employees** is encouraged. This entails regular check-ins about the progress of ongoing projects, workload, general well-being concerning work and personal life, and performance. There is ample evidence that workers’ well-being may start deteriorating when their detachment to colleagues is prolonged (Smith, 2020).
- **Companies should invest in technology** that will enhance work performance and effective communication among colleagues, especially when in-person meetings are not possible (Abboud, 2020; Rysavy & Michalak, 2020).
- “Office rules” based on “normal” office rules should be put in place to **respect remote workers’ privacy** (Rysavy & Michalak, 2020).
- Remote working **should not become synonymous with increased working hours**, particularly for administrative people (Rysavy & Michalak, 2020).

Globally, companies are likely to remember 2020 for the radical changes in the workplace, whereby a “spatial revolution” of the traditional office environment caused it to lose its spatial fixity (Felstead & Henseke, 2017). It is noteworthy that remote working had to be implemented on a very short notice worldwide to deal with the threats of the COVID-19 pandemic. Workers’ resilience and willingness to adapt during the time are commendable, as are the initiatives of the leadership of companies and organisations to remain in control. Important lessons were learnt, including that the status quo of how the workplace was structured before the pandemic will certainly never be the norm again.

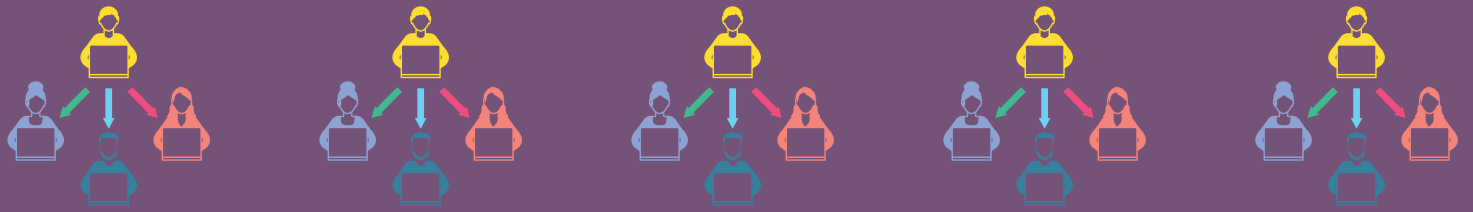
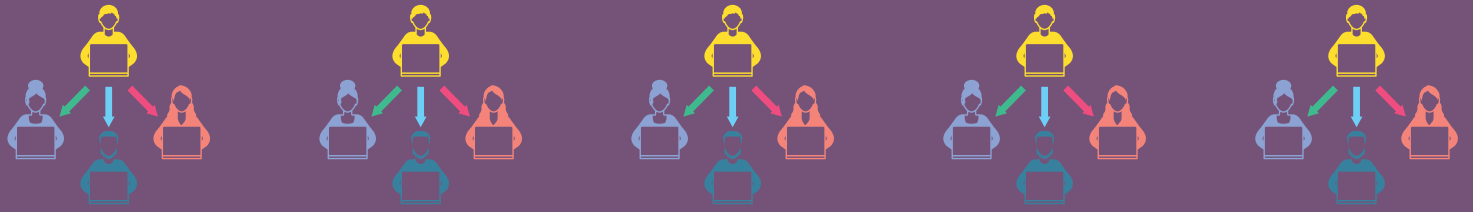
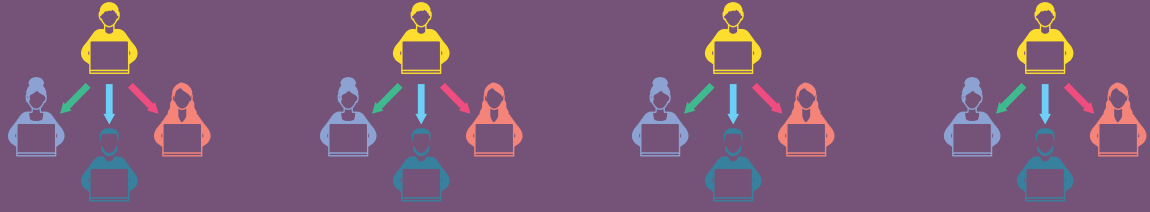
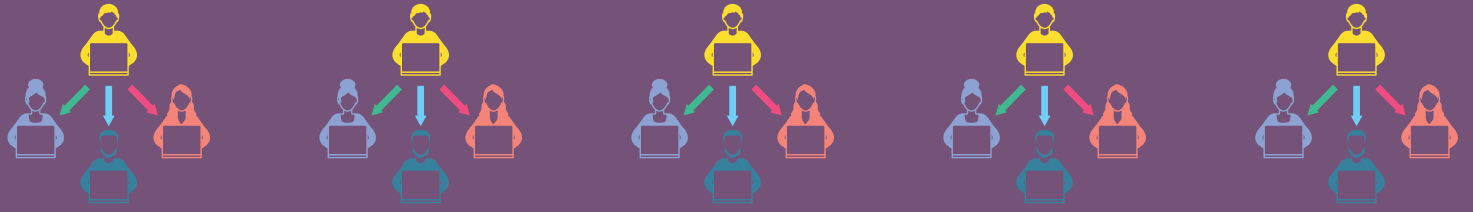
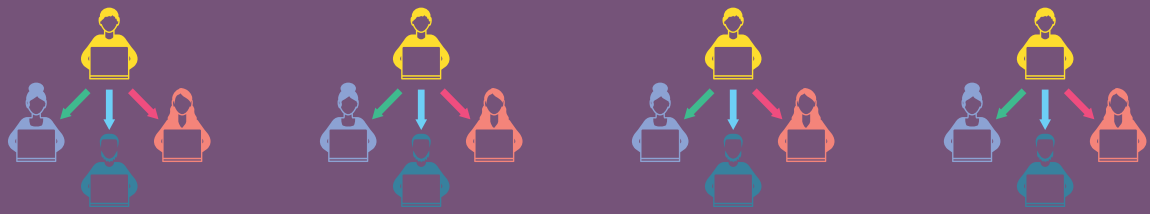
Nevertheless, any decisions concerning the prospects of remote working should be made cautiously to contemplate what is best for a particular organisation and even within its divisions. The benefits of remote working are undeniable for both the employer and employees. It extends beyond increased productivity, financial savings on office space and commuting, lower staff turnover, and psychological benefits achieved when workers manage to balance their work and personal lives. In many cases, concerns related to privacy, security, suitable infrastructure, and insurance are not insurmountable and could be resolved. However, a red flag was raised as evidence emerged that several major companies, such as Hewlett-Packard, Yahoo, and Best Buy, which seemed very successful at the implementation of remote working for more than a decade, intentionally chose to revert to on-site business (Wilkie, 2017). At the core of these companies’ decisions was the realisation of their oversight of the value of personal, face-to-face interaction and networking among colleagues during office hours.

Reflecting on what happened at major companies in the past, a decision to withdraw the possibility of remote working entirely can cause irrevocable disruption and dismay among workers. This might confront employees with the impossible decision of disrupting their families and relocating closer to the office, or having to deal with commuting and all the associated expenses or to face termination. According to the 2015 AfterCollege (2015) Career Insight Survey, 68% of graduates wanted jobs where they could work remotely. Furthermore, millennials, who made up approximately half of the global workforce in 2020, typically do not want to work fixed hours in a traditional office setting. On the contrary, C-suite leaders of all ages seem to feel more in control when employees are on-site and they can keep an eye on the business and interact as they wish (Meister & Mulcahy, 2016; Wilkie, 2017). Therefore, to prevent catastrophic consequences when working conditions are revised after a while, a balance needs to be struck and compromises made, involving HRM, to ensure that decisions about the future of remote working are feasible in the long term.

There is no “one-size-fits-all” solution to direct companies’ decisions on the way forward, apart from a reminder that not all positions are fit to be dealt with remotely, that not all workers are equally suited for remote work, and that remote work should entail a certain number of hours on-site to foster collegial interaction and ensure that the culture of engagement within a company is secure (Hesseldahl, 2013; Wilkie, 2017). Undoubtedly, 2020 has elevated the speed at which remote working as an option in the workplace has soared to the top of organisations’ agendas and there is no turning back.

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Gordon Institute of Business Science

University of Pretoria

26 Melville Road, Illovo, Johannesburg
P O Box 787602, Sandton, South Africa, 2146
011 771 4000 | Acumen@gibs.co.za