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Agile but fragile: The changing face of UK homeworking – what works best for whom?

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Homeworking in Britain is on the up – new figures released by the ONS in June 2014 show that homeworkers total 4.2 million, constituting 13.9% of the national workforce, a growth of 2.8 percentage points since records began in 1998[1.]

Much of this is accounted for by self-employed people, but 1.4 million work from home as employees. In the shadow of recession, when flexible working arrangements tend to fare poorly, British employers are continuing to offer homeworking in increasing numbers.

The manifold benefits of such an arrangement are often cited: fewer distractions supposedly means improved performance, whilst higher levels of autonomy and control and more scope for flexible, family-friendly working gives rise to better job satisfaction and engagement.

But not everyone is so convinced. Dissenting voices have raised the issue of trust and played on well-worn assumptions about what unsupervised staff do or don't get up to when they are away from the office. But are these fears unfounded?

The Acas research upon which this paper is based, describes homeworking as "an arrangement in which employees perform their usual job-related tasks at home rather than in a central workplace, and do so for a regular portion of their work schedule, using electronic media to communicate with others both inside and outside the organisation".

This paper focuses on Acas' experience of homeworking. Acas employees might be largely characterised as 'office workers'. The paper does not discuss what is often called 'traditional homeworking', such as forms of manufacturing carried out solely at home.

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And, if homeworking is here to stay, what does that mean for productivity? Moreover, what works best, not just for employers – but for those staff doing the homeworking themselves?

The rise of homeworking in the shadow of recession

June 2014 saw Acas issue new guidance for employers and employees on homeworking – partly off the back of a recent study undertaken on its behalf by researchers from London School of Economics (LSE)[2]. The focal point of the research was data collected among Acas' own staff, to evaluate homeworking practices within an organisation that is a longstanding user of this particular flexible working practice: approximately 11% of Acas staff are officially designated as 'homeworkers' and when LSE surveyed the entire organisation, 46% of respondents confirmed that they work from home on a regular basis.

And Acas is far from inimitable in allowing its people to work at or from home: according to the just-published 2011 Workplace Employment Relations Study (WERS)[3], 30% of British employers now offer homeworking to at least some of their employees; an increase since the 2004 WERS, when 25% of workplaces did so. Such a rise is all the more striking given that provision of other forms of flexible working arrangements *fell* during this same period (the percentage of workplaces offering job sharing decreased from 26% to 16% and those offering reduced hours decreased from 61% to 56%). It is also worth keeping in mind that this period was marred by an economic downturn; so how is it that homeworking as a practice was able to maintain its appeal to employers?

One can certainly see the allure of this form of flexible working: homeworking is often associated with increased productivity in both academic and practitioner literatures. And the assumed benefits extend well beyond mere productivity: the new LSE research found that Acas' homeworkers – especially those who homework in a moderate fashion rather than exclusively – have higher levels of job satisfaction, job engagement and lower levels of burnout, largely owing to the the greater autonomy and control they perceive having in their jobs. For the employer meanwhile, aside from the debatable productivity gains, benefits cited in the latest Acas guidance include: reduced overheads; a wider choice when hiring; a more diverse workforce; a reputation as a flexible employer, and even 'going green'[4].

A new orthodoxy or a tenuous arrangement?

And yet, despite these benefits, and even in our increasingly connected world where the home office might *seem* like a new orthodoxy, the death of office-based work can be overstated. Although a third of workplaces offer homeworking, this leaves two-thirds that do not and many of us still conform to something approaching the office 9-5. Moreover, there have been some notable cases recently suggesting that homeworking arrangements may in fact be a little more tenuous than we think: the LSE study for Acas included five comparative case studies of organisations which had been recognised in the media as leaders in flexible working practices at the time of selection in 2012. By the time of the publication in 2013, three of the five organisations had scaled back or altered their homeworking provision; in one case drastically so.

More striking are the prominent examples of major US corporations performing an about-turn on their old homeworking policies. In November 2013, eight months after making headlines for banning its staff from working at home, the American multinational Internet corporation Yahoo! sounded a triumphal note about its decision; employee engagement and product launches were now said to be up[5]; self-declared vindication of the company's earlier logic that "*speed*

and quality are often sacrificed when we work from home"[6]. Nor are Yahoo alone: IT corporation Hewlett-Packard was recently reported by the digital arm of the Wall Street Journal to have encouraged staff to effect at least a diminution of their homeworking; a policy shift justified on the basis that "*HP needs all hands on deck… we now need to build a stronger culture of engagement and collaboration and the more employees we get into the office the better company we will be*"[7].

It would be premature to infer some wider trend based on a brace of isolated cases, but might the rise of homeworking have been overstated? And even without generalising from the discrete experiences of two US tech. companies, it is important to note that both companies rowed back on homeworking partly in reaction to well-publicised market share and revenue falls. Put bluntly, homeworking, whilst agreeable during a period of boom, was seen as incompatible with the new push for productivity during a time of bust. This taps into a long-running debate about the relative productivity (or lack of) of homeworking. Similarly, both companies inferred a causal link between office-based work and staff who are engaged and work collaboratively – two further characteristic themes of the homeworking debate. These three debates are nothing new: Yahoo and HP might be said to have opened up a fissure that was already there, but one that nevertheless warrants reconsideration.

The homeworking-productivity link
The debate about worker productivity and performance is the longest running and the most charged, with the popular perception of homeworking as the refuge of the skiver still pervasive. It seems that many employers still worry that a loss of direct control over employee work patterns will result in a lapse in commitment or discipline. A 2011 report commissioned by the Confederation of British Industry (CBI) found that that around a third of UK companies feared that an extension of the right to request flexible working arrangements to all employees would have a negative impact on productivity[8]. In fact, the notion that home workers are less productive than traditional office-based ones is heavily disputed by the overwhelming majority of commentators, who recognise that homeworking is often associated with increased productivity. Productivity gains are often attributed to the potential for homeworkers to choose working hours more convenient to their lifestyles and to their personal peak hours of efficiency, and a stronger focus on achieving results instead of on being physically present in the workplace. A second explanatory mechanism underlying the homeworking-productivity link is the lack of office-related distractions present in the home setting. As the great American poet Robert Frost once observed: "The brain is a wonderful organ; it starts working the moment you get up in the morning and does not stop until you get into the office".

But perhaps the most fundamental explanation for increased productivity as a result of homeworking is based on the frequent finding that homeworkers put in longer hours when working at home. By eliminating or reducing commuting time to an office, homeworkers have extra time available to them, and may choose to spend this time engaged in work activities. Taken to its extreme this gives rise to the so-called phenomenon of 'overworking' – the idea being that that those who work from home tend to overcompensate for their not being in the office by being particularly focused and driven, taking accountability of their own performance and doing 'whatever it takes' to get the job done at home. This overcompensation might amount to as much as an additional 24 days per year of extra working hours per homeworker, according to research by video conferencing service provider UCi2i, who polled 1,000 office employees in the UK[9]. As hyperbolic

as that might sound, this notion was supported by the LSE examination of Acas' own homeworking workforce: its survey data showed that homeworking staff were significantly more likely to work in excess of their contracted hours than their office-based colleagues. In the case of so-called 'mobile homeworkers' (those who are most peripatetic, mixing working at home, in various offices and on the road), this amounted to approx 4.5 extra hours per week (equating to c.26 days per annum).

If overworking is the reality then it is not surprising that The Agile Future Forum (AFF) – a business-to-business initiative whose stated aim is to 'provide the leadership and practical support required to increase agile working practices across UK plc' – have been unambiguous about the tangible economic benefits of workforce agility. The AFF go as far as quantifying the value currently being realised in the UK, reasoning that agile working practices – homeworking chief among them – currently generate value equivalent to 3-13% of workforce costs:

> *'Flexible' working has been too narrowly characterised as a benefit for employees and a cost for employers. This runs contrary to our experience: if implemented successfully by business leaders, workforce agility can offer sustainable business performance and engaged employees.*[10]

The optical illusion of 'productivity' and the importance of trust
But for some sceptical employers, productivity is conceived of not so much in terms of work rate or output, but simply as the physical act of being present in the office; a kind of optical illusion of productivity.

Daniel Cable, professor of organisation behaviour at London Business School has written widely on this illusion – something he calls 'passive face time'. Simply put:

the act of being seen in the workplace. Even when office-based and homeworking employees are equally productive, his research suggests that their supervisors might nevertheless evaluate them differently because of differences in their 'passive face time'. Especially in white-collar settings, the absence of passive face time is found to negatively influence the perceived fitness of employees for specific tasks such as team leadership. Conversely, simply being seen at work, *without any information about what a person is actually doing*, leads managers and co-workers to think more highly of an office-based employee. Managers make unconscious inferences about a person's character: those who are visible are credited with being responsible or dependable simply by virtue of being seen in normal office hours; those who are also visible *outside* normal hours fare better still and are likely to be unconsciously judged as being committed or dedicated as well. Meanwhile, the homeworker receives neither positive judgement, simply by dint of his or her non-visibility. The result: i) lower performance evaluations and ii) fewer promotions. In other words, to quote Cable: 'showing your face at work matters'[11].

Traditional managerial attitudes about employees needing to be *seen* to be considered productive have long been found by research to be the greatest barrier to homeworking success. 'Trust' rightly dominates the literature on effective management of homeworkers and the new Acas guidance is surely right to assert that *"A lack of trust has been found to be the greatest barrier to achieving successful homeworking."* And yet, managing homeworkers *does* represent a special challenge for managers, especially those who prefer to engage in direct supervision of their staff. The LSE study found that in Acas, where homeworking arrangements are well-embedded, managers tend to rate well on trust, with a considerable majority of Acas staff confirming that their relationship with Acas is based on mutual trust. And yet

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even the Acas experience goes *part way* to validating the argument, mentioned earlier, that homeworkers suffer for lack of 'passive face time'.

In an attempt to go beyond self-reports of performance, LSE examined supervisor perceptions of homeworker performance, examining end-of-year performance scores across working patterns. Here, the data show that there are relatively small, non-significant differences between groups of employees, with average performance slightly higher for subsets of homeworkers. But on the second question, of promotion prospects, the picture is more equivocal. The literature is clear that so-called 'professional isolation' has the potential to reduce career prospects for homeworkers. This was explored by LSE in its study of Acas employees, only a fifth of whom said that working from home had negatively impacted on their opportunity for career advancement. Interestingly, results varied a good deal according to the extent of a person's homeworking; for those who do so only part of the time, greater amounts of time spent in the office was found to yield benefits in terms of perceived career advancement opportunities. Having said that, in terms of career aspirations, employees working mostly at or from home were found to be far less likely to have the ambition and the willingness to advance in their careers and to state that having a career is important to their sense of identity. Most would like to continue the work they are currently doing on the grounds that they enjoy the work and also the flexibility that goes with it. So the extent of the professional isolation 'problem' can perhaps be overstated.

Collaboration and engagement: A blurred picture

As already mentioned, resistance to homeworking has tended to centre not just on long-running debates about the relative (non-)productivity of homeworkers, but also stems from a belief that office-based staff tend to be better engaged and more collaborative. So, is this fair?

On the question of collaboration and team working, it is difficult to find wholly in favour of homeworking. After all, there are, by definition, reduced avenues of communication open to homeworkers. Research examining the origins of manager resistance to homeworking has long identified as a key factor the perception that teamwork will suffer and there *is* evidence to support this view in jobs requiring a high degree of communication and coordination between homeworkers and their colleagues. However, when jobs involve less strict interdependence, homeworking is unlikely to produce such negative outcomes for teamwork.

In Acas, for instance, as the LSE study found, the nature of the job roles for most homeworkers are highly independent – each Acas conciliator, for instance, has his/her own caseload – and so research participants in the study voiced few concerns relating to the impact of homeworking on team performance. Moreover, at Acas, as in many organisations, homeworking has been accepted as a normative practice for several years now and schedules, communications and IT have developed to support the practice and allow for a reasonably good flow of information exchange and knowledge sharing among employees irrespective of their different working arrangements.

On the related question of engagement, the picture that emerged as part of the recent Acas research is clearer: LSE examined Acas' Civil Service People Survey scores; an annual survey of staff attitudes and experiences of work used to measure engagement among public servants. The results are clear-cut: providing flexible working arrangements contributes *positively* to employee engagement, not negatively – with homeworkers reporting *more* positive perceptions than office-based colleagues in regard to their work, their team, organisational objectives and purpose and inclusion and fair treatment.

Autonomy for all?

The picture that emerges of the 'engaged homeworker', although simplistic, is nevertheless in line with one of the more consistent findings cited in the homeworking research literature: that of increased job satisfaction among those who participate in homeworking arrangements. The conventional wisdom here is well-worn and superficially credible: homeworkers feel greater freedom and discretion over how they perform their work because they do not experience face-to-face supervision. They also have a good deal of control over the various elements of their work environment (breaks, dress code and the rest – the LSE research for Acas makes much of this). This engenders increased perceptions of autonomy for the homeworker, which, in turn, gives rise to a greater sense of job satisfaction and, alongside that, engagement. In sum: freedom connotes autonomy and autonomy breeds satisfaction and engagement!

So, does it follow that the optimal situation is therefore one where most or all staff homework most or all of the time: ought we to be striving for 'autonomy for all' in a bid to create engaged workforces? The answer to this intentionally oversimplified question is: probably not – for two core reasons. First, and most obviously, because the appropriateness of many aspects of homeworking is highly organisationally and job dependent; what suits one workplace or job role might be wholly incompatible with another, even in white-collar environments. 'Autonomy for all' might sound like a noble ideal, but the likelihood is that an absence of direct, face-to-face supervision will probably not be desirable or practicable for *all* organisations and jobs. Second, the appropriateness of many aspects of homeworking is also highly dependant on the *people* behind the jobs. There are potential drawbacks as well as advantages of homeworking at an individual as well as an organisational level. So-called 'social isolation' – the bedfellow of 'professional isolation' and a recurring theme in the homeworking research literature – can be a particular problem, with the sense of being out of touch with others in the workplace being too keenly felt by some staff whose job satisfaction and engagement requires the sort of informal interaction and emotional support found in the office. Even in Acas, where the practice is embedded, not all staff are permitted to or even want to homework regularly.

Finding the balance

If we accept as axiomatic the fact that not *all* job roles nor job holders will be suited to homeworking and that *exclusive* homeworking is not universally appropriate, the question that follows is what *is* the optimum balance between office and home? In one sense this is a futile question since any satisfactory answer will be specific to each organisation. But the question is helpful insofar as it reminds us that homeworking is an arrangement based on balance and not a binary practice, with staff being located either solely at home or entirely in an office. Indeed, Labour Force Survey data shows that relatively few UK homeworking employees - approximately 5% of the workforce - carry out *all* or even *the majority* of their work at home[12]. Far more common is homeworking on a regular, semi-regular, or ad hoc basis. Most employers expect homeworkers to be in the office upon occasion: in Acas, only a tenth of staff are officially designated as homeworkers, but homeworking is used on an ad hoc basis by a much larger number of employees.

There are conflicting views among academics about whether homeworking works best as a moderate or a 'high-intensity' activity – but the findings from the Acas study are unequivocal: without question it is those staff who homework *moderately* who show the highest levels of well-being; more so than *both* office-based workers *and* the minority of employees who work mainly or

exclusively from home. As already noted, those who homework moderately, with some days at home and some days in the office, demonstrate higher levels of job satisfaction and job engagement. Moreover, they also showed lower levels of stress and burnout. These so-called 'partial' homeworkers enjoy the benefits of homeworking – most importantly the enhanced autonomy – but *without* the personal and organisational drawbacks of doing so wholly. As with so much in life, rather than being a choice between absolutes, the answer to the homeworking question may indeed be a case of 'moderation in all things'.

END NOTES

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