ICT, virtual offices and flexible work options: marketing and implementation strategies

E.C. Hoffmann
Faculty of Management Sciences, Vaal University of Technology, Vanderbijlpark, South Africa
eh@vut.ac.za

D.V. Farrell
People Management Shared Services, Absa Headquarters, Johannesburg, South Africa
dennisf@absa.co.za

G.J. de Klerk
Faculty of Economic and Management Sciences, North West University, Potchefstroom, South Africa
onbgjdk@puk.ac.za

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**Key words**: Virtual office; telework; telecommute; flexible work options

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**1 Introduction**

This industry-commissioned research project focused on investigating the concept 'virtual office' (VO). During the course of the investigation, a new concept of work emerged that epitomizes a virtual office, namely telework and this workplace transformation offers phenomenal advantages to communities, employees and employers (Hoffmann 2000b:127). In this article the focus is on specific and selected aspects of the completed research project, namely, relevant strategies, as investigated and implemented by Absa (Farrell 2000-2002) in order to introduce telework in SA where ICT was found to effectively sustain such initiatives. A map of the ICT sector in SA, released by World Wide Worx, says that SA is fast becoming the ICT gateway to Africa. The sector emerged from 2002 with a shining reputation. A total of 77% of the 40 ICT companies that have reported results in 2002 reflects an operating profit and it is expected that this proportion will increase to 90% for the current year. This portrays a broadly healthy and profitable mainstream ICT sector in SA (Goldstuck, as quoted by Burrows 2003).

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**2 Problem statement**

The office, the *domicile* where the administrative function was traditionally performed, is fast diminishing from trade and industry. In its wake follows an information revolution generated by ICT innovations. The problem investigated aimed to identify the causes leading to this workplace transformation, the global state of affairs and whether this contemporary work option could be viable in trade and industry in SA.

Figure 1 outlines the interrelated areas of investigation included in the project against the background of a holistic model of the traditional enterprise comprising the eight well-known business functions:

**Figure 1** Holistic model of completed project
Specific objectives of this article are:

- Presenting selected research findings against the background of the international state of affairs in flexible work options, due to a lack of information in SA and restricted length of article
- Focusing on marketing and implementation strategies to introduce flexible work options in SA as implemented by Absa (Farrell 2000-2002).

3 Research design

3.1 Primary and secondary sources

Since no information on the subject was available at the inception of the study, three USA visits ensued in 1997, 1998 and 2000. During these visits, the author has discovered sources included in textbooks, newspaper and industry journals articles and international telework forum newsletters. Library databases, the Internet, electronic mail, USA secondary research results and a telework conference in Washington DC also provided valuable information. The case studies and personal communications via interviews and networking proved to be vital to the successful completion of the investigation.

3.2 Empirical investigation: South Africa

The target population included three respondent groups: employers or managers in industry, administrative staff and lecturers in Business Administration at fifteen Universities of Technology (UoTs) (previously known as technikons) countrywide and in Namibia. Applied research involved convenience, purposive and snowball sampling irrespectively. An explorative and ex post facto investigation involved non-experimental research. The theoretical investigation focused mainly on the USA as source of information. In SA, measurement through questionnaires focused on behavioural and affective attitudes towards flexible workplace. The findings are presented by means of descriptive statistics. Figure 2 identifies representation of companies, covering small, micro and medium enterprises (SMMEs) as well as large enterprises inclusively in SA.

Figure 2 South African companies screened
The empirical research was conducted on a local level, covering all provinces in SA and Lesotho, as indicated in Figure 3, which presents information on the two sample groups: administrative staff and employers or managers. The province of Gauteng delineates the highest representation, since it is also the most densely populated province in SA, with the Cape Province second highest.

**Figure 3** Geographic demarcation: administrative staff and employers

Information on the third sample group, lecturers in Business Administration at UoTs in SA and Namibia, is displayed in Table 1, indicating the number of respondents as totalling 46,
according to snowball sampling. Nine out of fifteen UoTs represents a 60% response.

### Table 1 Geographic demarcation: UoTs in SA and Namibia

<table>
<thead>
<tr>
<th>Universities of Technology</th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>No response</td>
<td>2</td>
<td>4.3</td>
<td>4.3</td>
<td>4.3</td>
</tr>
<tr>
<td>Belville</td>
<td>4</td>
<td>8.7</td>
<td>8.7</td>
<td>13.0</td>
</tr>
<tr>
<td>Free State</td>
<td>6</td>
<td>13.0</td>
<td>13.0</td>
<td>26.1</td>
</tr>
<tr>
<td>Cape Town</td>
<td>6</td>
<td>13.0</td>
<td>13.0</td>
<td>39.1</td>
</tr>
<tr>
<td>ML Sultan</td>
<td>10</td>
<td>21.7</td>
<td>21.7</td>
<td>66.9</td>
</tr>
<tr>
<td>Border</td>
<td>4</td>
<td>8.7</td>
<td>8.7</td>
<td>69.6</td>
</tr>
<tr>
<td>Wits</td>
<td>6</td>
<td>13.0</td>
<td>13.0</td>
<td>82.6</td>
</tr>
<tr>
<td>Port Elizabeth</td>
<td>1</td>
<td>2.2</td>
<td>2.2</td>
<td>84.8</td>
</tr>
<tr>
<td>Pretoria</td>
<td>1</td>
<td>2.2</td>
<td>2.2</td>
<td>87.0</td>
</tr>
<tr>
<td>Windhoek</td>
<td>6</td>
<td>13.0</td>
<td>13.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>46</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

### 4 Theoretical framework

For several decades, all stakeholders involved in administrative activities have worked according to a set routine. Employers geographically centred these activities in a traditional office where administrative staff had their own space, furniture and equipment as provided by the company.

#### 4.1 Administrative function in relation to seven other business functions

Trade and industry rely on eight business functions as indicated in Figure 1. The importance of the administrative function is as vital to the success of an enterprise as any of the other seven business functions. None of the functions or departments of an enterprise can exist in isolation and only when the interdependence of the various functions and departments is recognized and applied, is optimal and holistic functioning of an organization possible. The administrative or information function is the only business function that forms the quintessential basis for information on which all the other functions rest. In the office, interdependent systems of technology, procedures and people are at work to manage one of the firm’s most vital resources, namely information. In this contemporary process, the administrative function is all-inclusive of activities involving the obtaining of data, the processing of data into information, the storing of information and retrieval and presentation of stored information. The administrative or information function is quite often also referred to as ‘computer support’. Marx, Rademeyer and Reynders (1992:12–13) state that it is the observation mechanism and the binding factor in the organization that is distributed throughout the enterprise. Badenhorst, Cronjé, Du Toit, Gerber, Krüger, Marais, Strydom, Van der Walt and Van Reenen (1997:257) support this fact by stating: 'It is virtually inconceivable for an enterprise to function without a department supplying computer support.'

#### 4.2 Domicile of the traditional administrative function

'Traditional' means the 'continued observance of customs and opinions from generation to generation' – in this case, the office or administrative environment (EUD 1986:933). Samuel (1994:46), quoting Houston (1982), describes the traditional office as 'so perfectly designed – so elegantly technological' that she speculates on whether this 'accurately depicted
technology' is an extension of a person or an employer or whether it is just an example of people being the extensions of ICT. Kallaus and Keeling (1991:3) state that traditionally, 'the administrative office management functions were limited to basic clerical services and to office personnel.'

5 Findings resulting from the investigation

5.1 Virtual office (VO) *cum* telework

ICT has created a situation where space and geographic locations are no longer important (Roy 1997:1) and where the administrative function is not performed by office staff exclusively any more. It involves global computerized interconnection whereby networks have access to the same information space (Barnatt 1995:83) and any employee occupying an office is involved in performing administrative duties. This workplace transformation has initially been referred to as a virtual office (VO) or telecommuting. Academics in the USA (R. Garud, personal communication, 1997, New York University campus, New York City, NY) concluded that both these terms are misleading and non-descriptive, therefore, they found that telework or teleworkers were the most adequate. *Tele* means 'distance', and combined with *work*, it implies work that is executed from a distance or away from the traditional office. Companies employing teleworkers are referred to as virtual organizations. Universities and colleges providing on-line academic programmes are referred to as virtual universities and colleges. A teleworker is defined as a person who works at home, or at a VO away from the corporate office, during normal business hours, one or more days per week or month while still maintaining the status of full-time corporate employee (Bredin 1996:3; Miller 1997:14). Three categories of flexible employees have been identified: teleworkers, self-employed entrepreneurs who operate from home-based offices and contract workers.

According to Kallaus and Keeling (1991:3), the quantum leap in the office environment is based on an 'increase in government regulations, a larger and more diverse workforce, a growing economy and the development of new information technologies, such as the computer.' They further elucidate this by stating that the 'one-department office concept gradually gave way to a broader, company-wide information management concept' where the role of the office manager expands to all the vital areas of work. Virtual refers to an entity that exists in fact, but not in name or the people involved, and covers numerous professions, both male and female employees. Wells (1997:1) reports that, according to a study of 305 North American business executives, 42% of these companies of various sizes have telework arrangements. This figure represents an increase of 33% from 1995. Miller (1998) states that telework facilitates new work style relationships between management and employees and that business relies heavily on competent teleworkers to meet the organization’s productivity requirements. He indicates that approximately half of the current USA teleworkers (±3,2 million) are employed by small businesses with fewer than 100 employees, while about 1,8 million (24%) is estimated to work for large companies with 1000 or more employees (Figure 2). Teleworkers may operate from an office or from their own homes part of the week or spend most of their time with clients and rarely work in corporate offices. They commute just for meetings and connect only through technology. Flexible working implies bringing the work to the worker – not the worker to work. This work arrangement offers flexibility in determining when, where and how a job is performed, while varying the starting and stopping time of the standard workday, as long as a standard number of hours are worked within a specific period during the day. Employees are normally required to be available during a ‘core time’, which usually is in the middle of the day. Russell (1996: iii) defined flexiplace as 'any location other than an employee’s normal duty station'. The job may be performed in a car, in an airplane, at a client’s site or any place where circumstances
are appropriate. It may consist of a room, part of a room, a hallway, a modified garage or any other space the employee prefers to work in and where modern technology combines with personal style. Khubedu (2003:3), managing director of Quest, reports that 'the demand for staff working flexitime has more than doubled during the past nine months in SA'. This quotation provides a comprehensive bottom line to this investigation, marketing and implementation strategies for SA.

5.2 Genesis of telework

Jack Niles, a rocket scientist working on NASA satellite communications projects, invented the term 'telecommuting' in 1974, while he was stuck in traffic on his way to the corporate office. Today, it is estimated that about 10% of the American workforce telework and the federal government planned to have about 3% of its workforce teleworking by the end of 1998. The first teleworker on record was a Boston (USA) bank president, who arranged to have a telephone connection from his office to his home in 1877, but nobody called it telework then – it was simply 'smart' business (Langhoff 1996:17, 18). An interim report compiled by General Services Administration (GSA 1995:11,12) specifies the driving forces behind telework as:

- The environment
- Air pollution and the over-reliance on vehicle use with its resulting toll on fuel reserves for daily round trips to corporate offices
- Economic forces
- Traffic congestion (accidents, insurance claims, death, trauma, etc.), time spent on round-trip travelling to corporate offices, reduced facilities costs with a cost-effective redistribution of the workforce and increased worker productivity
- Changing social values
- More diverse and flexible lifestyle preferences resulted in improved family relationships and more opportunities for community involvement. Daytime migration of citizens from suburbs to urban areas also allows opportunities for perpetrators to commit crime.

5.3 Diverse terminologies associated with a VO or telework

In the global environment, the following terminologies have been found to relate to flexible work options (FWO) and differ from country to country:

- Telecommute or telework
- Home office
- Job-sharing
- Hot-desking
- Hotelling
- Cocooning
- Free address
- Alternative work arrangement (AWA)
- Flexible work arrangement or flex(i)time
- Compressed work week
- Small office home office (SOHO)
- Work at home (WAH)
- Mobile office or mobile working
- Community technology centre or telecottage or televillage
- Incubator
- Telecommuting centre or telecentre or telebusiness centre
- Just in time (JIT)
• Unassigned office
• Non-territorial office (Bredin 1996:10).

Figure 4 reflects the awareness of the three respondent groups in SA with terminology commonly used to indicate a VO.

**Figure 4** VO cognizance in SA

The statistics in Figure 4 indicate a significant degree of almost equal ignorance on the part of employees and managers in SA about terminology applied for a VO. Only 45.1% of employees are familiar with the term VO, while all three respondent groups identified hot-desking as the least known term. Lecturers reported significant cognizance of most, with hot-desking (28.3%) and hotelling the second least known terms (39.1%).

### 5.4 Reasons why telework was invented

It was found that private and public organizations are increasingly adopting telework as a business strategy, and the reasons are given as follows:

- Global competition and a need for 24-hour customer support, thereby improving customer service
- Technological improvements and workers’ desire for increased flexibility
- A need to reduce overhead expenses
- The ability to attract a wider range of workers including the physically disabled, parents with young children, people with elderly care responsibilities and members of dual-career families
- Less traffic on the roads, less air pollution and less fuel consumption
- Teleworkers work longer hours and more days than the average employee (a 30% increase in productivity is reported)
- Teleworkers continue to work, despite minor ailments that may have kept them out of office (an 80% reduction in absenteeism is reported) (Langhoff 1996:20).

It was estimated that one ‘employee who works at home two days a week, saves a company
$12000 a year. These savings result from increased productivity, reduced office space and lower turnover' (Langhoff 1996:20). The costs of relocation, estimated at about $80000 per employee, are also avoided.

5.5 ICT as facilitator to telework

ICT refers to 'new machinery or products, new processes, methods, and even approaches to management that bring about change in the environment' (Badenhorst et al. 1997:70). ICT facilitates the reception of data that are processed in order to provide reliable information.

Relevant ICT includes those used in the execution of administrative duties and could include:

- Personal computers (PCs)
- Electronic mail (e-mail)
- Cellular telephones
- Voice mail (mailing per satellite)
- Laptop, notebook or palmtop computers
- Electronic databases
- Video phones
- Remote microphones
- Electronic dictionaries
- Teleconferencing
- Electronic whiteboards
- Portable translators
- Scanning devices as opposed to keyboards
- Company, national and global networks
- The Internet
- Videoconferencing
- Standard and customized software packages
- Electronic diaries

6 USA marketing strategies

6.1 Publications

In the USA, Europe and other countries where the telework scenario is practised, numerous publications are available to support, develop and maintain the concept. The figures in Figure 5 indicate a few examples (ITAC 1998):

Figure 5 Telework publication Telecommute (picture courtesy of ITAC conference)
Figure 6 Telework publications (picture courtesy of ITAC conference)
The publications displayed in Figure 6 include newsletters, telework magazines and textbooks on the subject of telework. Telework consultants distribute newsletters and magazines and experts in the field of telework publish textbooks based on continuous research.

6.2 Other examples of USA telework support services and marketing strategies

CleanAir Council (Figure 7)
This is a private, non-profit, environmental group, dedicated to the support of every citizen’s right to breathe unpolluted air. A grant from the Federal Highway Commission funds the telework programme. The goal is to educate and promote telework as a viable alternative to traditional commuting to and from corporate offices in order to reduce traffic congestion and vehicle emissions that contribute to the improvement in air quality. The CleanAir Council publishes a monthly newsletter, the Green Commute, which is used as an information channel to the public to promote telework and other related issues (Ottaviano 1998).

Figure 7 The Green Commute (CleanAir Council - Picture courtesy of ITAC Conference)
USA National Telework Initiative (NTI)
This is a government-wide initiative of the US President’s Management Council that calls for increased utilization of telework within the USA government. Support for this initiative stems from the President, top managers and agency telework coordinators or administrators. The primary goals of the NTI are to improve productivity, work–life quality, the environment and traffic congestion. The President’s Management Council appointed GSA to lead the NTI and they publish regular telework-related information in order to promote telework (GSA 1998/1999). Among telework brochures and other publications by GSA, there is a detailed annual list of NGOs providing the names, telephone and facsimile numbers, and e-mail addresses of agency coordinators.

American Productivity & Quality Center (APQC)
APQC (Figure 8) is a business-oriented, non-profit source for performance improvement and decision-support information and knowledge, networking, research, training and advisory services for telework. Organizations of all sizes, as well as industries – business, government, education and healthcare – enter into partnership with APQC to discover global best practices and grow into learning organizations. APQC does benchmarking studies covering the spectrum of business processes, as well as studies in higher education, adult education and corporate training. Recent studies on corporate universities, assessing learning outcomes and executive recruiting, have strengthened APQC’s expertise in the HR and corporate learning arenas (Bancroft 1998:10, 11; Grote and Beatty 1998:10; Nilles and Gordon 1998:9).

Figure 8 APQC (picture courtesy of ITAC conference)
TManage telework and systems integration (TManage, Inc.)
TManage (Figure 9) comprises a team of experts advising industries on how to maximize the benefits of a telework programme. It markets itself as the leading full-service telework systems integrator dedicated to providing turnkey solutions for company needs. In liaison with high-class industry vendors, they offer the most reliable technologies and extend cost economies advice to their clients. TManage prides itself on the handling of all phases of telework programmes, including initial design, implementation, systems monitoring and level one or two technical support. They also provide equipment assessment and purchase, systems integration of the LAN/WAN interface, real-time monitoring and measurement of network activity, diagnostics and repair of all telework systems. They can track and manage a database of over 500 fields per teleworker. This enables them to pro-actively manage the programme metrics and provide very fast resolution to problems (Lovelace, Bettner and Mullins 1998).

Figure 9 TManage (picture courtesy of ITAC conference)
7 Results, dissemination and implementation

7.1 Articles, papers and consultation

Several national and international publications, presentations and conference papers resulted from this completed investigation as well as involvement in consultant work for flexible work options in SA.

7.2 Absa telework televised

The SA Broadcasting Company (SABC) televised the telework implementation at Absa in a programme titled 'The competitive e-conomy' (Summit TV 2004).

7.3 Marketing and implementation: the Absa case

Absa, the largest financial services group in SA, took the initiative towards an investigation into the implementation of a pilot programme to test the viability of telework for the company. Research into telework options emerged from the pressures on Absa to retain key staff, specifically in the IT sector during the hype of the Y2K era. A study done by the Corporate Leadership Council, 'Crafting a "Compelling Offer"' (1998) looked at the following criteria in retaining and attracting high potential individuals in organizations:

- Compensation and benefits
- Work environment
- Work–life balance
- The organizational environment.

Following from a conference paper presented on the benefits that telework could have for organizations (Hoffmann 2000a), an Absa representative aligned the research of the
Corporate Leadership Council with the information obtained at the conference, and a case was presented to implement telework to the Absa Group IT executive for consideration and approval (Farrell 2000-2002). The initial reaction was that of a threat as the culture of 'out-of-sight-out-of-mind' prevailed, but approval was granted to pursue the investigation. The investigation focused on determining the:

- Architectural blue print
- Financial impact
- Impact analysis on real estate
- Performance management implementation
- Change management support to both management and impacted staff.

Although telecommuting options, as seen in Table 2 in ranking positions 28 and 26, was of the lowest attributes contributing towards a 'Compelling Offer', it was pursued nevertheless, as at the time, telework was not part of the employee value proposition offered by Absa. However, it is interesting to note that the majority of other attributes* also directly or indirectly related to telework in some way.

**Table 2** Career decisions: compensation and so much more

<table>
<thead>
<tr>
<th>Variable</th>
<th>As rated by high value employees</th>
<th>As rated by HR executives</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ranking</td>
<td>Mean</td>
</tr>
<tr>
<td>Base reputation</td>
<td>1</td>
<td>5.06</td>
</tr>
<tr>
<td>Salary</td>
<td>2</td>
<td>4.59</td>
</tr>
<tr>
<td>External equity</td>
<td>3</td>
<td>4.21</td>
</tr>
<tr>
<td>Health benefits</td>
<td>4</td>
<td>4.08</td>
</tr>
<tr>
<td>Travel</td>
<td>5</td>
<td>4.08</td>
</tr>
<tr>
<td>Retirement contributions</td>
<td>6</td>
<td>3.85</td>
</tr>
<tr>
<td>Hours</td>
<td>7</td>
<td>3.82</td>
</tr>
<tr>
<td>Internal equity</td>
<td>8</td>
<td>3.60</td>
</tr>
<tr>
<td>Location</td>
<td>9</td>
<td>3.60</td>
</tr>
<tr>
<td>Recognition</td>
<td>10</td>
<td>3.58</td>
</tr>
<tr>
<td>Company reputation</td>
<td>11</td>
<td>3.52</td>
</tr>
<tr>
<td>Co-worker reputation</td>
<td>12</td>
<td>3.52</td>
</tr>
<tr>
<td>Participation/Decision-making</td>
<td>13</td>
<td>3.38</td>
</tr>
<tr>
<td>Stock options</td>
<td>14</td>
<td>3.36</td>
</tr>
<tr>
<td>Senior team reputation</td>
<td>15</td>
<td>3.29</td>
</tr>
<tr>
<td>Vacation</td>
<td>16</td>
<td>3.24</td>
</tr>
<tr>
<td>Bonus as % of salary</td>
<td>17</td>
<td>3.22</td>
</tr>
<tr>
<td>Development reputation</td>
<td>18</td>
<td>3.21</td>
</tr>
<tr>
<td>Technology level</td>
<td>19</td>
<td>3.20</td>
</tr>
<tr>
<td>Cutting edge work</td>
<td>20</td>
<td>3.18</td>
</tr>
<tr>
<td>Risk taking</td>
<td>21</td>
<td>3.16</td>
</tr>
<tr>
<td>Work challenge</td>
<td>22</td>
<td>3.15</td>
</tr>
<tr>
<td>Internal mobility</td>
<td>23</td>
<td>2.90</td>
</tr>
<tr>
<td>Project responsibility</td>
<td>24</td>
<td>2.86</td>
</tr>
<tr>
<td>Role clarity</td>
<td>25</td>
<td>2.84</td>
</tr>
<tr>
<td>Flexitime</td>
<td>26</td>
<td>2.68</td>
</tr>
<tr>
<td>Company/Industry</td>
<td>27</td>
<td>2.51</td>
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<tr>
<td>Telecommuting</td>
<td>28</td>
<td>2.18</td>
</tr>
<tr>
<td>Company size</td>
<td>29</td>
<td>2.07</td>
</tr>
<tr>
<td>Child care</td>
<td>30</td>
<td>1.92</td>
</tr>
</tbody>
</table>

Hoffmann (2000b:168) conducted a pre-telework survey covering both potential teleworkers
and management in July 2001. The results showed an eagerness by employees to embark on a telework programme (Figure 6), but were contrasted by a sense of scepticism by management. However, management agreed to the establishment of a project team, which was established in September 2001 and contracted a facilitator (Hoffmann 2001-2002) to assist in the design of an initial investigation process to be followed as well as developing a telework policy for Absa.

Figure 10 outlines three options that could serve as a point of departure for the implementation process (Farrell 2000).

**Figure 10** Absa focus group scenarios developed for implementing telework

<table>
<thead>
<tr>
<th>Current: scenario 1</th>
<th>Future: scenario 2</th>
<th>Future: scenario 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Staff are allowed to complete specific contracted deliverables/tasks, which involves limited business interaction at home (including routine tasks).*</td>
<td>* One two days out and three/four days in approach.*</td>
<td>* Full flexi-hour approach.*</td>
</tr>
<tr>
<td>* Staff are allowed to complete certain elements or deliverables “on site” where the meetings/workshops are being held.*</td>
<td>* Two days out based on discretion of individual (either in other buildings than the Absa Towers headquarters complex or home).*</td>
<td>* No dedicated offices/workstations (first come, first serve basis).*</td>
</tr>
<tr>
<td>* Dedicated workstations to individuals.*</td>
<td>* Three days in on a flexi-hour basis.*</td>
<td>* “Hotelling” environment.*</td>
</tr>
</tbody>
</table>

The investigation was based on a generic Cost Benefit Analysis Worksheet (Hoffmann 2000b:188) and showed that little needed to be done to the present architectural blueprint of Absa. The performance management system in Absa proved to be adequate but the implementation of performance management was lacking and participating managers would have to be trained in adopting and applying the principles. The benefits to the organization became evident on the financial and real estate impact, as Table 3 shows the cost of equipping an employee in the Johannesburg offices of Absa at an estimated total amount of R38262. Real estate cost is expected to decrease gradually since space evacuated by teleworkers need to be retained for hot-desking or hotelling scenarios (Hoffmann 2000b:46). With regard to equipping offices, it was also assumed that existing assets would be re-utilized for hotelling or alternative purposes such as equipping home offices. What was important is that the purchase of new assets would diminish.

**Table 3** Cost of equipment and office space

<table>
<thead>
<tr>
<th>Item</th>
<th>Per annum</th>
<th>Asset cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office space 9m² @ R62</td>
<td>R6 696</td>
<td>R9 670</td>
</tr>
<tr>
<td>Free space 3m² @ R62</td>
<td>R2 232</td>
<td>R9 200</td>
</tr>
<tr>
<td>Furniture</td>
<td></td>
<td>R18 870</td>
</tr>
<tr>
<td>Parking</td>
<td>R6 000</td>
<td></td>
</tr>
<tr>
<td>Support staff 6m² @ R62</td>
<td>R4 464</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>R19 392</strong></td>
<td></td>
</tr>
</tbody>
</table>

However, the challenge transpired in the implementation, depending on a comprehensive change management toolkit and policy that had to be designed to ensure a smooth transition
process. Absa officials (Absa 2002) completed this two years ago at which stage they decided to pilot telework in Group People Management, as this area agreed to embrace the challenge. The pilot had proven successful in the following respects:

- There were 22 participants
- There was a fixed budgeted cost reduction in real estate of R6384 per annum per participant
- Net fixed asset cost reduction of R5848 per participant due to their having home offices
- Performance management received a new focus on both the teleworkers and other non-participating staff as an outcomes-based focus became prevalent
- Participating teleworkers indicated that the transition was more difficult than expected (the company did not request or arrange for participants to be formally introduced, prepared and guided for the change), but once they had established the discipline they found that their work–life balance improved considerably
- Feedback from line management was in support of the concept as they experienced that participating teleworkers were more readily available to them and that their productivity levels increased
- The set-up cost for a teleworker increased communication cost of approximately R350 per participant due to increased mobile phones and Internet protocol connectivity from their homes.

An Absa telework policy (Absa 2002), based on a generic (Hoffmann 2000b:198,202) and other examples was accepted in 2002. At the onset of investigating telework options, a strategic driver model was developed (Farrell 2000-2002) and the baseline investigation showed that all of these questions had a favourable tendency. However, the biggest threat to the successful implementation of telework was to be found in the acceptance of management and the extent to which they were able to adapt to an innovative and contemporary approach to management. The impact study resulted in the design of a driver model (Farrell 2000) that focused on four bottom-up, company specific determinants that attempted to answer the following questions (Figure 11):

- What are the human capacities Absa requires from telework?
- What are the key organizational outputs Absa requires from telework?
- What value must telework add to create stakeholder value?
- How does Absa ensure optimal value and return on investment (ROI) on implementing telework?

**Figure 11** Absa strategic driver model
Innovative implementation of telework means that organizations should heed a new dimension in management that focuses on management by results (MBR) rather than the traditional management by objectives (MBO). MBR is also popularly referred to as virtual management (VM) (Farrell 2000-2002) and implies that:

- Employees are managed from a distance, using technology
- VM can reduce costs and ensure gains in productivity and morale
- VM is a high-risk strategy, unless corporations are committed, and requires investment in technology as well as in team building and training
- Close working relationships have to be maintained with colleagues in many locations without having to schedule as many meetings as needed traditionally (Dixon 2002).

Remote computing is defined as the ability of workers to operate out of virtual offices that are outside of the traditional, centralized workplace environment. It is possible for workers to perform most or all of their tasks electronically using modems, laptop computers and other high technology, without having a traditional office. This includes communicating with co-
workers via e-mail, fax or video conferencing, and even sharing files with their colleagues so that team members can coordinate their efforts and share thoughts. Internet products are now available that enable people in remote environments to meet and communicate as a group in cyberspace.

Increasingly, the ‘office’ is where the worker is – not the other way around – and it was indicated that as many as 80% of all employers will have to adopt remote work in order to compete in world markets by the mid to late 1990s. These non-traditional work locations allow workers to be as accessible and productive as if they were on site. However, it can provide other benefits as well (Hoffmann 2000b:127), which is why a substantial number of major companies and governments are already applying innovative management practices to counteract possible obstacles.

A large percentage of business, educational and governmental organizations are installing appropriate equipment that could permit their organizations to attain the benefits of remote computing. However, it is unclear whether these sectors have started addressing the serious potential problems that are likely to occur as they move into this new approach to conducting business. For instance, while the concept of working at home to eliminate travelling is a very appealing idea, it also presents some potential negatives that could dramatically affect the productivity of the work force and ultimately the profitability and/or effectiveness of the organization. The extent to which problems arise from the backlash effects of remote computing will depend, to some extent, on the personality types of participants as well as the nature of the positions in which they are employed. For many positions, the rising trend towards the VO and a remote computing environment could be problematic. As a result, managers of long-term HR issues should address several areas over the short-term to be able to deal effectively with this inevitable trend. Examples of these include the following:

Need for socialization. Managers should provide some form of socialization for the workforce operating in a remote environment. Most people are gregarious human beings and need some type of companionship to maintain morale and motivation, while there clearly are some people who feel very comfortable working alone in a remote office or at home.

Motivation for sustainable productivity. Managers should generate approaches to motivate employees in a remote environment to be as productive as they would be in a traditional office. One of the benefits of the current office environment is the support structure it provides, both in terms of the hours of operation but also the demands placed on them for sustainable productivity.

Distractions. In a VO or home environment, the structure of the main location is not readily available and it is very easy for the worker to be distracted by external factors that could seriously affect their productivity. For example, an employee may watch television or search non-work related sites on the Internet. The employees may not feel that this is affecting their productivity but it certainly would not be permitted in most offices.

Communication. Effective ways to share ideas on a timely basis among employees or between the employee and the supervisor are needed so that the quality of work is consistent with the needs of the organization.

Ensuring productivity in a VO. An entirely new approach is needed for managing employees in a virtual environment in order to utilize the benefits associated with remote computing without having them erased by the potential negative aspects.

With the above in mind, the following are several actions that need to be considered by HR professionals over the short-term to deal with the situation:
Employee screening. Psychometric instruments are needed for determining the profile (Hoffmann 2000b:174, 182) of the type of person who can work effectively in a remote environment. This will enable organizations to screen out those who would not be successful under such an arrangement by keeping them in the main office.

Transitioning of employees into a VO. Managers should adopt procedures whereby employees who will be working in a remote environment are transitioned into this type of work situation over an extended period. They may start with one day a week for the first month and then add a day every other month so that it would take six to eight months for a smooth transition into a fully autonomous remote environment. This will assist both the company and the employee to determine whether this is the right situation for them.

Allow the best of both. By providing a new type of office arrangement in which employees could work in a remote environment on a part-time basis, companies could allow them to have the best of both worlds. This could eliminate the concept of the personal office (or workspace), with employees being assigned to an alternative workspace on those days they would be at the main facility.

Train managers. Policies and procedures should be developed to enable supervisors to manage employees effectively in a remote environment. These should address aspects such as training and development, motivation, monitoring and managing productivity and maintaining high levels of morale in the remote work force. It is quite clear that management in this type of environment is completely different from what almost all managers are accustomed to today. Therefore, it is necessary for managers to acquire new skills along with their employees. Organizations should adopt practices that will enable them to utilize the benefits of the new high-tech world of work while at the same time building in some kind of 'high touch' elements that would replace what employees currently receive in the traditional office environment.

Management skills that are necessary to provide an effective VO environment are the following:

- Sound organizing skills. The ability to clearly define and explain a task is crucial, especially when it is difficult to confer frequently to monitor the work
- Effective means of communication should be supplied, be it face-to-face meetings, telephone calls, faxes, e-mail, carrier pigeon holes or video conferencing on a regular and formal basis
- An ability to partition the workload into portions that individuals can take care of by themselves. Call centres, for example, could be spread out across the country
- An ability to either manage the workload so that staff is kept busy for the relevant number of employment time, or the ability to pay for the amount of work done
- Finally, and most importantly, trust in the person's ability to perform the assigned task unattended.

VOs and real trust. Many managers already direct a rather large, extensive and complex VO, with employees spread all over a city, country and possibly even the world. This is done so effortlessly, they may not even be aware that they are doing it. Some of them may refuse to acknowledge that it concerns managing a VO, teleworkers or a remote workforce. In reality, most offices are already VOs, because many managers interact personally with all of their employees on an irregular basis. In a VO environment, the superfluous need to manage by physical scrutiny should rather be replaced by effective leadership and mutual trust (HR Gateway Editorial 2002; Hoffmann 2000b:81).

Implementing new rules for a VO. As mentioned above, the VO offers numerous benefits to
both employers and employees. Nevertheless, discouraging comments are sometimes made about VO arrangements by both virtual workers and their managers. Some VO employees struggle with feelings of isolation. They also express fears that, because they are 'out of sight' they would equally be 'out of mind' when it comes to advancement opportunities. Some managers, on the other hand, report that they struggle with issues of accountability and quantifying the productivity of a VO team, while in-office employees may complain about the alleged 'sweet deals' that their VO colleagues enjoy. The question arises as to what could be done to capture the gains promised by VOs. Following are seven shortcuts to success – everything managers and employees need to know about working in a VO (Church 1999; Hoffmann 2000b:79, 128, 161):

- Sound electronic communication skills have to replace informal contacts and 'eyeball management' when the team is dispersed. A remote team thrives on voice mail, e-mail, conference calls, faxes and live phone calls. These should be used in the appropriate way and for relevant purposes. All the electronic communication tools in the world are useless if people do not return calls, answer pages, respond to e-mail and arrange to join conference calls.

- Planning and scheduling have to replace relying on chance encounters in the office. If a person needs to see someone, he/she has to plan in order to make it happen.

- Individual accountability is the key. Regrettably, people are sometimes over-rewarded just for showing up or putting in long hours, regardless of how productive they are. Working away from the office means working towards delivering results and not to merely register 'face-time' in the office. Virtual employees need to know that they will be rewarded if they develop individual skills and if they produce positive results.

- For sales representatives, more selling occurs in the presence of a customer than anywhere else. Therefore, they need to spend their time accordingly and improve customer contacts. Telephone follow-up, proposal development and other deskwork are still important, but not as much as being where the business is.

- The motto should be: work from home, not at home and strive to be organized and disciplined. If an employee has an office at home, it should be used as a high performance workplace or to support their activities elsewhere. ICT should be set up efficiently and rules and roles with family and friends should be clarified in order to ensure smooth functioning.

- Staff and managers have to develop and improve their work relationships and mutual support structures. Coaching, counselling and skills development are more important now than before. Managers and staff should be partners in the skills-development process in order to facilitate an ongoing, informal way of doing business.

- The work team needs to invest time and effort to build the team, including the opportunity to relax and socialize together occasionally. Social interaction is essential to team building and could occur as part of a business meeting or getting the team together for light meals.

These summarized guidelines directed at staff and managers describe the proven tools, techniques and strategies for making virtual working as productive, satisfying and empowering as for those in any traditional work setting, if not more so.

7.4 In-progress/post-implementation telework survey at Absa

An in-progress/post-implementation telework survey is presently under way at Absa, focusing inclusively on line managers and employees who participated in the telework implementation programme. Two separate electronic surveys with linked databases are used as measuring instruments in order to streamline the process. An electronic report will be submitted to Absa for review and possible adjustments to the telework programme, should the need arise. Dissemination is expected to include a follow-up conference paper and article
containing the results (Farrell & Hoffmann 2004).

8 Telework phased-in implementation model

All relevant documentation and training information have been designed to facilitate the process in SA (Hoffmann 2000b). Implementation is recommended in three phases as follows (Hoffmann 2004):

8.1 Phase 1: Pre-implementation

- Presentation by consultant
  - Information session for managers and line management to familiarize them with the concept of telework, the background, benefits and concerns
  - Guidelines on important aspects that need to be addressed and taken into consideration
  - Need for a consultant in liaison with company representative
- Organizational readiness assessment
- Cost benefit analysis
- Line manager and manager pre-telework survey
- Employee pre-telework survey
- Telework individual screener
- Telework request form
- Telework employee business case

8.2 Phase 2: Telework pilot program me

- Manager and line manager training
- Teleworker training
- Telework policy
- Telework agreement

8.3 Phase 3: In-progress and post-implementation

- Teleworking line manager post-implementation survey
- Teleworking employee post-implementation survey

9 Conclusions and recommendations

Absa’s introduction of telework has contributed to creating an alternative employee value proposition through retaining key staff, increased productivity, cost reduction and enabling a culture of e-business readiness. This was made possible through the emergence of the new or sometimes referred to as the ‘now economy’, where emphasis is placed on business to business (B2B), business to customer (B2C) and business to employee (B2E) solutions. These are all drivers that support the strategic intent of Absa to be the preferred employer and to increase customer centricity, while creating value for all stakeholders.

One of the goals to strive for should be to enable HR to become part of this contemporary economy and culture, thereby adding to quality of life, yet ensuring sustainable growth and value to stakeholders by contributing to the triple bottom line as defined by the King 2 Commission on Corporate Governance. Unions should be actively involved in the
development of telework programmes, because telework affects conditions of employment and labour legislation. If this aspect is neglected, it could lead to major time delays and efforts to gain supervisory support will suffer. Unionized employers may consult, negotiate or jointly decide on factors determining workplace flexibility. This should reassure unions as to how their power bases could be affected by changing practices and the *Labour Relations Act* provisions on workplace flexibility should reinforce this.

Telework is simply another form of environmentally friendly transportation to the workplace and the national tax code should reflect these priorities. In addition to current tax-exempt benefits for SOHOs, legislation should also be provided to allow employers to provide tax-exempt telework benefits with regard to additional telephone lines, including the deduction of long-distance business calls and the cost of monthly maintenance.

A telework committee is needed to formulate an effective telework policy where companies do not incorporate telework consultants for assistance. Such a committee should consist of key employees from all levels of the organization who have the ability and authority to support the formulation of a corporate telework policy. Three key principles are suggested for the successful implementation of telework:

- Work should be organized around processes, quality projects and target dates
- Minimizing non-value-adding activities should flatten the hierarchy in companies
- Managers should make teams, not individuals, the primary building blocks of organizations.

Technical and other staff to support a company’s telework needs should be a turnkey strategy for successful implementation. Companies should create effective communication strategies such as intranet sites for teleworkers to obtain the latest corporate information and to connect to colleagues to share experiences and solve problems. The cornerstone for successful application of new technologies within organizations is effective training in ICT and this should be addressed at executive level in order to ensure the right level of commitment. Computer centres can be a valuable tool in making ICT learning accessible to communities. The most crucial aspect for successful telework implementation lies in convincing leadership to introduce output based performance management and to ensure that communication with teleworkers is effective and continuous so that teleworkers do not feel isolated from the organization. Marketing and implementation should be addressed on macro- (national), meso- (provincial) and micro (sector) levels. It should be aimed at specified target markets, employee groups and awareness campaigns consisting of selected marketing media that are essential. Implementation should be addressed in three phases: pre-, in-progress and post-implementation, and facilitation sessions should be aimed from management level down to employee level. The complete implementation model has been drafted for SA from a USA model that has been applied and found successful for approximately two decades. Corporate transparency is of the essence and legal, financial, tax and ergonomic implications should be taken into account. Careful selection criteria according to an ideal teleworker profile should be followed and lessons learnt in the USA are important indicators for avoiding possible failures.

10 Summary

The major benefit of the ICT revolution is the way it empowers people towards technology-orientated people practices. As more computers are connected to the information highway and software applications provide better solutions, the more the corporate world will have access to global information. When compared to the global telework scenario, it is evident
that it could take a few years to implement all the major changes in SA, because people quite often prefer to maintain the safe and familiar *status quo*. However, it comes natural to new generations to grasp and implement new ideas that result in beneficial paradigm shifts. Therefore, the role of ICT is not to replace or minimize human involvement, but to provide more flexibility and efficiency resulting in higher levels of productivity. ICT must perform a major role in Africa if it is to escape its poverty and create new ways of conducting business. At the user’s end of the ICT spectrum, successful implementation lies in the output of the model in terms of its usefulness, timeliness, relevance and responsible planning and facilitation of the entire process. Organizations using information and ideas intelligently are governed by consent and participation, rather than by command. Where authority is legitimized, coercion or manipulation is not necessary; where people contribute to the operations of the organization because they identify with core values and contemporary work options. Therefore, trade and industry have a quintessential role to fulfil in SA to facilitate global competitiveness and effective marketing and implementation strategies, and infrastructures should be expedited on a national level, concomitant to those in the global marketplace.

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