

TRUST AND TELEWORKING

SUBMISSION TO THE AUSTRALIAN TELEWORK ADVISORY COMMITTEE

20 May 2005, revised 5 June 2005

From

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1 Relevance

This submission is relevant to ATAC's invitation to comment on "Cultural, regulatory, technical and/or legal factors that are enabling or preventing telework adoption". It relates to the recently-highlighted issue of managers' mistrust of teleworkers.

2 Summary

Mistrust is repeatedly cited as a barrier to the adoption and successful practice of teleworking. There are two principal sources of this mistrust.

- o The first is managers having insufficient trust in the competence of remote staff. The remedy is for managers to acquire remote management skills. Central to these is the ability to manage by outcomes / objectives.
- o The second is suspicion that home workers are abusing home working arrangements. To overcome this source of mistrust:
 - o Managers (and their organisations) need to consider whether workers are employed to produce outcomes or to perform activities.
 - o Home workers need to demonstrate their integrity by not abusing agreed arrangements.

ATAC is recommended to facilitate, or provide resources for, or otherwise encourage organisations to

- o Provide training for managers in managing remote workers, with a special emphasis on managing by outcomes / objectives.
- o Provide training for teleworkers in working and being managed remotely, with an emphasis on trust and working to agreed outcomes / objectives.
- o Engage in a debate and such cultural interventions as are necessary to set a culture of performance, management by objectives, an empowered workforce and trust rather than mistrust of staff.

3 Contents

1	Relevance.....	1
2	Summary	1
3	Contents	2
4	Submission.....	2
4.1	Toshiba survey and other evidence of mistrust of remote workers	2
4.2	Components of mistrust of teleworkers	4
4.2.1	Less-than-sufficient trust in a remote worker	4
4.2.2	Suspicion of home workers	4
4.3	What can be done about less-than-sufficient trust in a remote worker?.....	5
4.3.1	Analysis of the issue.....	5
4.3.2	Advice for organisations	6
4.4	What can be done about suspicion of home workers?.....	7
4.4.1	Analysis of the issue.....	7
4.4.2	Advice for organisations	7
5	Recommendations	8
6	Status of this submission	8
7	Background on Dr John Gundry	8
7.1	Training courses	8
7.2	Publications	9

4 Submission

4.1 Toshiba survey and other evidence of mistrust of remote workers

The Toshiba-sponsored survey¹ of flexible working was conducted in 2004. Telephone interviews were held with 600 managers and employees in small, medium and large industry organisations (omitting for example local government and education). 61% of interviewees were female. Two-thirds of the interviewees were from Australia, one-third from New Zealand.

"Flexible working" was defined as "The ability for people to work from wherever is most suitable and productive for them and their employer" including home, branch offices, hotels, business centres etc. Their definition of "flexible working" is taken here to mean teleworking although I will continue to use their term flexible working in describing their findings; unless stated otherwise this means teleworking.

The survey found that flexible working was permitted in 37% of the interviewees' organisations, and this figure increased to 43% of organisations with more than 100 employees.

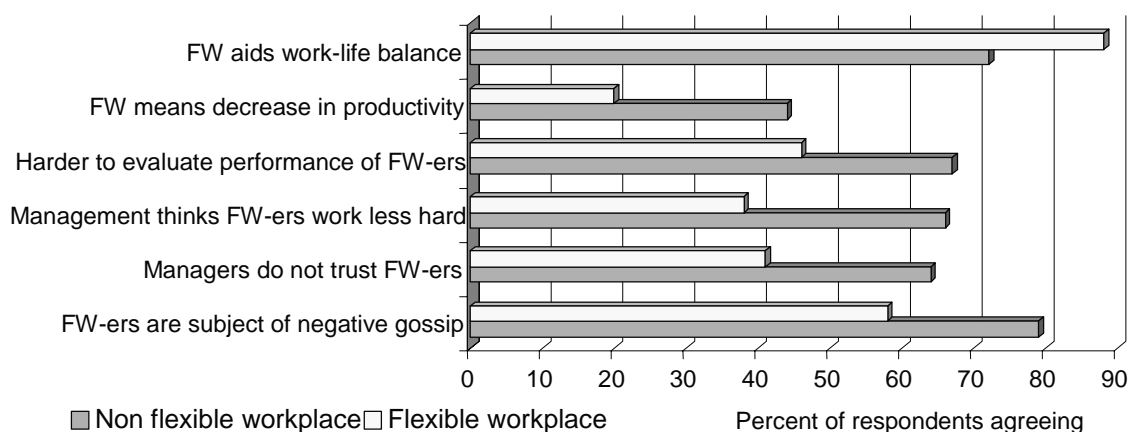
In one question, interviewees were asked about the principal drawbacks of flexible working, and following percentages agreed with the following statements:

"Hard to supervise employees"	63%
"Lower motivation to work"	43%
"Lack of trust in employee to work"	40%
"Lack of technology support"	39%
"Difficult to contact employees"	35%
"Lower employee productivity"	28%

Thus, lack of trust was identified as the third-most important drawback.

A subsequent question asked whether experience of flexible working altered those and other views. The results are shown in the next graphic.

¹ *Mobility and Mistrust* survey for Toshiba (Australia) Information Systems Division released September 2004.



Reponses to this question show that while experience of flexible working reduced negative perceptions, even 40% of the experienced respondents felt that managers did not trust flexible workers. Associated problems of evaluating performance, reduced productivity, and teleworkers being subject to negative gossip from office-based workers were also reported.

The specific finding on mistrust by managers (with which Toshiba headlined the report) is commonly reported in surveys of teleworking.

1. A survey by the UK communications company Nextra in 2002² of 1000 HR directors of large UK companies found 22% of respondents agreeing that "senior staff don't trust staff to work flexibly" (by which they principally meant teleworking) and this was the second most reported barrier to flexible working.

2. A survey conducted for Vodaphone UK³ of employers in 100 large corporates and 100 SMEs in the UK in mid-2004 confirmed the centrality of trust to working at home, 98% of respondents agreeing that "employers have to trust their staff to work efficiently even if they can't see them." However the reality is mixed, especially between large and small organisations. Quoting (formatting added):

"Although 46 percent of employers think that people working from home will be more productive, a similar proportion (38 per cent) think they will be less productive.

"Smaller employers are even less trusting: 47 percent think that people working from home will be less productive, 43 percent think they will be less thorough, and 27 percent go as far as to say that working from home is an excuse for time off."

The issue of trust is not, however, confined to teleworkers. It is a more general issue in all remote virtual working and was, for example, investigated in a 2002 study of 130 European managers and members of virtual teams⁴. In respect of virtual teaming (rather than flexible working / teleworking) over 90% of respondents rated "Building and maintaining trust" as important or extremely important for virtual management, and this was the second-highest rated item after the rather general "Communication."

Trust of teleworkers, in common with all remote virtual workers, is therefore a central construct and — relevantly — mistrust is likely to be a significant barrier or deterrent to adopting this way of working. Below I examine such mistrust in more depth to identify its components and how it might be ameliorated.

² Nextra UK, *Flexible Working – Business Benefit or Personal Perk?* Report April 2002.

³ Vodaphone UK, *Loyalty at Work – What does it mean today?* Report 2005.

⁴ Roffey Park Institute UK, *What Makes an Excellent Virtual Manager.* Report August 2003

4.2 Components of mistrust of teleworkers

I propose that there are two principal factors⁵ contributing to the repeatedly-reported mistrust of remote / teleworkers by managers or senior organisational staff.

These two factors are different in nature, and managers' negative views of flexible working may be based on one or other or both in combination. The two factors are:

- o Having less-than-sufficient trust in the competence of a remote worker,
- o Suspicion that people working at home will abuse home working arrangements.

4.2.1 Less-than-sufficient trust in a remote worker

I propose that managers who have negative views of flexible working have these because they have less trust than they need in the competence of someone who is working remotely.

Thoughts that they may have about their remote staff might include:

"Do they really understand what I need from this work package?"
"Are they capable of delivering the results on time?"
"I don't know them well enough."

These are general worries about staff working remotely, which would be felt about any remotely-working staff — a member of a virtual team who was working in a distant office, a mobile teleworker working on the road or in customers' premises, or a teleworker working at home. These concerns are indicated in the Toshiba survey which refers to increased difficulty of supervising remote workers.

4.2.2 Suspicion of home workers

Suspicion of home workers is solely related to the fact that the teleworker is working at home. Thoughts that managers might have about their staff working at home could include:

"Are they slacking and taking time off?"
"Am I getting all I should out of them?"
"Are they taking me for a ride?"

These thoughts centre on the home worker abusing the arrangements: taking unauthorised time off and not working as hard as when in the office, as indicated in the Vodafone survey referred to above.

⁵ There likely to be other factors in managers' or senior staffs' minds that lead them to take a negative view of flexible working:
- They may find it easier to label antipathy towards teleworking as "mistrust" than to reveal doubts about their own ability to manage at distance. This factor is directly related to managers' perception of their remote management skills, so equipping them with these skills is likely strongly to reduce this negative perception.
- They may not want to say that they like to have staff around them in an office to convey prestige and over whom they can exert authority.
- They may worry that they could be the next to work at home.

4.3 What can be done about less-than-sufficient trust in a remote worker?

4.3.1 Analysis of the issue

Managers' negative views of teleworking that result from their having less trust than they need in the competence⁶ of remote rather than collocated workers can be ameliorated by their having adequate remote management skills.

That is, if they were and felt skilled in managing remotely, they would be more able to supervise remote workers, and less likely to feel anxious about remote work performance.

In this context I focus on a particular issue in remote management and bring together two factors to create some practical advice about managing remotely. These two factors are trust, and managing by outcomes / objectives.

"Trust is important to remote virtual working" and "managers need to manage by outcomes / objectives" are common statements about remote virtual working⁷. However, these two statements are not usually treated as being related to one another.

I propose here however that there is a relationship between the degree to which the outcomes of a piece of work can be specified, and the amount of trust one needs in the person charged with creating those outcomes.

Here are three requests of someone else to undertake a piece of work:

1. "Please type this letter by tomorrow."
2. "We agree you will complete the records conversion by the end of next month without going over budget."
3. "Please join our Board to advise about building our business in Europe."

These statements differ in the extent to which the work outcome can be specified.

- o The first statement reflects a measurable work outcome that can be clearly specified.
- o The third statement reflects a work outcome that is complex and ambiguous and difficult to specify.
- o The second statement lies in the middle.

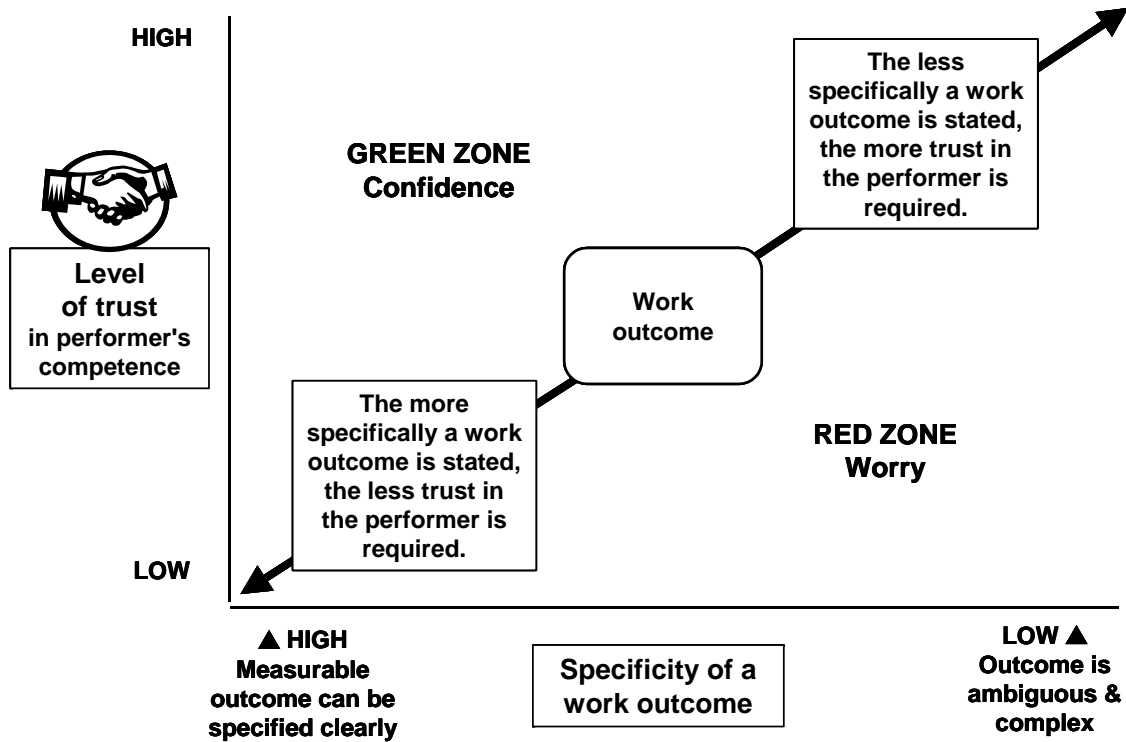
Most people would agree that the amount of trust that they would want to have in the person undertaking these tasks varies. It seems natural to feel that one needs less trust in the person typing the letter than in the person one is inviting to join the Board.

Thus, I propose that trust and the specificity with which work outcomes are stated are related. The more specifically a work outcome is stated, the less trust in the performer's competence is required, and vice versa, as shown in the next graphic.⁸

⁶ Competence (ability, performance, dependability) is recognised as a component of trust.

⁷ For example as found in *Telecommuting: Issues in Public and Private Sector Employment*. Research Brief 2003/30 by Nicholee Dixon for Queensland Parliamentary Library

⁸ I also recognise that the amount of trust that a manager feels they need in the performer of a piece of work is related to the impact of that work on their business. Such impact would range for example from a fairly trivial transaction like typing a letter to a mission-centric piece of work such as negotiating a merger or acquisition. However, it would complicate the simple model presented here to consider impact, and its effects are the same, and often correlated with, the specificity with which the work outcome can be stated.



This graphic also shows Green and Red Zones.

- o The Green Zone (above the diagonal) represents confidence. The manager has more trust in the performer's competence than he or she feels is necessary given the precision with which the work has been specified.
- o The Red Zone (below the diagonal) represents worry. The manager has less trust in the performer's competence than he or she feels is needed in regard to the lack of specificity of the work outcomes.

4.3.2 Advice for organisations

Managers need increased skills and confidence in managing by objectives rather than managing by activities a.k.a. managing by eyeball. Such skill development needs to be delivered in the context of a set of other factors determining success with the management of any remote or distance work.

Skills for working and being managed remotely on the part of teleworkers themselves are also relevant. Teleworkers aware of the need for trust and possessing the skills to work independently to achieve agreed outcomes / objectives are more likely to work successfully at a distance.

4.4 What can be done about suspicion of home workers?

4.4.1 Analysis of the issue

Overcoming suspicion of home workers principally means adopting new attitudes to work and people. Specific matters that need to be on organisations' agendas are as follows:

4.4.1.1 Challenge the Protestant ethic

Managers need deeply to consider what staff are there for. Are they there to perform work or to produce work outcomes? This question goes to the heart of much of Western culture, especially the Protestant Ethic that work is in and of itself good.

If managers are not concerned with what hours a person is working, as long as they produce the agreed outcome to quality and on time, they are far more likely to accept home working arrangements.

For example managers — and organisations — can ask themselves why they need to be more concerned about how hard an employee is working than they are concerned about how hard a contractor is working.

Managers are more likely adopt an outcomes / objectives approach if they themselves are treated in this manner by the organisation, and the organisation consistently sends the appropriate signals about its values. Such values are consistent with a performance-based organisation culture.

4.4.1.2 Consider the evidence

Managers reluctant to permit or continue with home/teleworking should consider on what evidence they are making this judgement. Is it just hearsay that people working at home are likely to slack off, or is there specific evidence concerning this particular member of staff or group?

Managers can also be encouraged to take the default view that home/teleworkers are unlikely to abuse arrangements, rather than the reverse. Such views are congruent with those described by McGregor as Theory X and Theory Y. Managers adopting Theory X see staff as motivated to avoid work, and those adopting Theory Y see them as motivated to perform work⁹.

4.4.1.3 Encourage home workers to demonstrate their integrity

Integrity is one of the components of trust and in its display an individual home/teleworker can make it more likely that their and others' home working is not a subject of suspicion.

In practical terms this means their following to the letter the home working agreements made with the manager. It means not abusing those arrangements. Managers and organisations can reinforce how important it is to integrity and trust that arrangements are not abused.

4.4.2 Advice for organisations

Overcoming managers' and senior staffs' suspicion of home workers is unlikely to be easy nor a one-off exchange. It may require re-setting perceptions and values in the organisation from high levels through specific culture-change interventions.

In parallel consistent messages about trusting teleworkers can be delivered in the context of training in remote management and teleworking skills for both managers and remote staff. Teleworkers themselves need to understand the importance of trust in their relationships with their managers and the organisation.

⁹ See McGregor, D. (1966), *Leadership and Motivation*, MIT Press

5 Recommendations

ATAC is recommended to facilitate, provide resources for, or otherwise encourage organisations to

- o Provide training for managers in managing remote workers, with a special emphasis on managing by outcomes / objectives.
- o Provide training for teleworkers in working and being managed remotely, with an emphasis on trust and working to agreed outcomes / objectives.
- o Engage in a debate and such cultural interventions as are necessary to set a culture of performance, management by objectives, an empowered workforce and trust rather than mistrust.

6 Status of this submission

John Gundry has included material on trust and remote working in his training since 2000. His thoughts on the particular issue of trust and teleworking were stimulated by 2004's Toshiba survey. He has presented these ideas in May 2005 to nearly 50 remote workers and managers in public workshops in Australia, to widespread agreement. The views here are however strictly a theory and it would be possible for them to be tested in in-depth surveys of teleworkers and their managers specifically focusing on this issue.

He will be presenting a paper based on these ideas at the second *GOING VIRTUAL* conference in Brisbane in September 2005.

7 Background on Dr John Gundry

John Gundry has been a pioneer of remote working since 1989 — first teleworking in 1990 — and since 1993 his company Knowledge Ability has provided training coaching and consulting on three continents to help clients successfully work together apart.

A frequent visitor to Australia, over 600 people from the public and private sector have attended his workshops and training sessions on virtual teaming and remote working. In 2004 he co-sponsored, co-organised and co-chaired *GOING VIRTUAL – The Future of Work*, the first Asia-Pacific conference on remote virtual working and will be doing the same for the second conference in September 2005.

7.1 Training courses

Training courses provided by Dr Gundry that are relevant to this submission are:

- o *Managing Virtual Teams* and *Virtual Team Manager Masterclass* – for managers of remote virtual teams and teleworking groups
- o *Working Remotely* – for members of virtual teams and teleworkers

7.2 Publications

Dr Gundry's publications specifically in the area of teleworking are:

- o An Explosion of Virtual Work. *e-learning age*, April 2005 pp. 20-21
- o *Flexible Learning and the Flexible Worker*. British Telecom White Paper, December 2002.
- o *Collaboration in the Wired World*. British Telecom White Paper, December 2002.
- o (Contributor to) *The IRS Handbook of Flexible Working – Law and Practice*. Ed. Louis Wustemann, IRS LexisNexis, London, 2001
- o Distant Relations — Contracting with Remote Workers. *Flexible Working*, 2000, 5 (5), pp. 18 - 25.