A Conceptual Study on the Decision-Makers Perception towards Teleworking in Malaysia.

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ABSTRACT

This paper reports the results of the conceptual study of the latest trend of work environment- teleworking. This study was conducted about a year ago with the primary objective of exploring the issues of teleworking relevant in the Malaysian context. Based on snapshot case studies on a local bank, two telecommunication companies, and a foreign consulting firm, we attempted to explore the decision-makers' view on the potentials and prospects of teleworking in the Malaysian business. The literature categories were used as the context to develop questions for the unstructured interviews. Questions revolved around the perceived or actual reasons for adopting teleworking, teleworking options, and job suitable for teleworking. Among the critical human resource issues included were training needs, performance appraisal, compensation, provision of teleworking equipment and industrial relations. Other interesting findings were the differences in corporate culture and management style of these organisations.

Introduction

The remarkable growth of information and communication technology (ICT) nowadays makes it possible for people to perform their work free from the constraints of location and time (Haur *et al.*, 2017). Teleworking is when individuals can work at places where they find it conducive and at times when they are most productive, as long as they are connected to the ICT.

The tremendous opportunities offered by teleworking for individuals as well as organisations were extensively written in the literature. However much of these are set in the context of the western societies namely the American and European, which might not be relevant to the Malaysian business environment. Due to the massive vacuum of knowledge in this area, an exploratory study was deemed necessary. Based on unstructured interviews in four organisations, we explored the decision-makers' view on the potentials and prospects of teleworking in the Malaysian business.

Literature Review

Most of the prescriptive studies discussed the advantages and disadvantages of teleworking [2, 3, 10]. Another issue that is being widely discussed is the problem of monitoring the performance of teleworkers [4,5,14] Other themes include types of teleworking arrangement [2, 7] and business functions suitable for teleworking [2, 10]. Empirical studies, on the other hand, primarily focused on the perception of people towards the concept of teleworking. Many were concentrated on studying the perception of employees towards this new working arrangement [12, 11, 16]. The issues covered include the employees' attitudes towards the benefits and drawbacks of teleworking, and the individual's motives underlying the decision to telework.

Comparative study on the difference in the perception of teleworkers and non-teleworkers was also found in the review [6]. On the other hand, corporate attitudes towards teleworking were also given equal attention [8, 11, 13, 15]. The focus was given on issues such as the reasons for adopting teleworking, related implementation problems and the implications of this work mode on the management.

In the Malaysian context, reported research is still lacking, and it mainly concentrates on perceptual studies. Abdul Azeez Kadar Hamsa and Supian Ahmad (1997) conducted a study of factors associated with employees' perception towards teleworking in Malaysia. These factors include possession of personal computers and availability of office space at home, the level of productivity and job satisfaction, gender, marital and children status, commute distance and commute time. However, in another related study, Khoo (1999) documented the findings of the "Teleworking and Development in Malaysia" project. The principal aim of this research was to establish the prevalence and patterns of telework in Malaysia, in various sectors of the economy. Some of the sectors included are telecommunications, software, printing and publishing, banking and finance; and the airlines' industry. Another important area, which was looked into, was the perspective of key stakeholders, namely the government, private sector and civil society, towards teleworking. At present, no empirical study attempts to analyse the Malaysian organisations' or decision-makers' perception on this new work mode. Thus there is a need to conduct a perceptual study on business organisations to explain why teleworking is not being widely practised in this country.

Case studies

Initial phone calls were made to various firms, namely those from the telecommunication and banking industry to get their feedback on this topic. Out of these, only four

organisations were willing to be interviewed. These firms were a local bank, two telecommunication companies, and a foreign consulting firm. The case studies involved unstructured interviews with four senior managers from these selected organisations.

Organisation Background

Case 1: Local bank

This local bank did not have any teleworking arrangement whether at the central or branch level. In fact, none of the banks in Malaysia, including the foreign banks practised teleworking. This bank did not have any plans to introduce teleworking in the immediate future. They only offered telebanking- customers could call in or gain access to their PC to acquire the balance figure of their bank accounts

Case 2: Telecommunication company A (Telco A)

This company did not have any formal teleworking arrangement. They did not have any specific plans to implement teleworking, but they found that this new mode of working is highly feasible in the organisation due to the availability of the infrastructures such as modems, notebook computers and mobile phones.

Case 3: Telecommunication Company B (Telco B)

This is another telecommunication company, which was yet to embark on teleworking. However, the management had included teleworking as their long-term business strategy. They also expressed their keen interest in exploring this topic and intended to conduct a conceptual study on information technology (IT) and research and development (R&D) areas.

Case 4: International Consulting Firm

Case four is a study on an American human resource development consulting firm which had offices all over the world. The Malaysian branch had been in operation for seven years. Many of their major clients were the local high profile giant companies. It was a tiny organisation, with only five employees running its business. Four of them had been teleworking from the beginning of the business. The only non-teleworker was the administrative staff.

Outcomes

The objective of this study was to identify the decision-makers perception on various issues surrounding teleworking. The results of the study were as follows.

Future teleworking program

The local bank held the opinion that although they were customer-oriented, the services cannot be delivered via teleworking. A significant reason was the services mostly involved money transactions where security was utmost important (Tham *et al.*, 2017). For example, for credit card or ATM card application, customers had to come to the bank

to fill in forms and identify them. The same goes for other services such as loan application. Moreover, staffs were strictly not permitted to process card applications at home to avoid the possibility of fraud. Besides that, although there were specific functions that could be done at home such as computer programming, the bank did not have the adequate infrastructure to allow this. Another reason was that customers would not be comfortable with the new working arrangement.

As for Telco A, there was a significant factor that hinders the introduction of teleworking into this organisation. It was its management style, which was not open to change, and a low level of trust in their subordinates. This Theory X managers will not trust their employees to work away from the office. In Telco B, on the other hand, one interesting factor that could facilitate the practice of teleworking in this organisation was its own corporate culture that was based on four core Islamic values: gratefulness, accountability, honesty and discipline. When the staffs understand and are sensitive to these guiding values, the management should not face any problems like fraud and abuse of power when they allow their subordinates to work remotely.

In the consulting firm, teleworking was offered informally, meaning that it was neither written nor documented. Staffs were empowered to use their judgement on how to do their work. The teleworking arrangement was mainly home-based where the employees could work from home on days when coming to the office served no purpose.

Business reasons for teleworking

Among the business reasons for introducing teleworking as perceived by Telco A was to reduce operating costs and real estate expenses and to reduce late arrivals due to traffic congestion. Another cited reason was to offer the staff greater flexibility in managing their life. This would lead to a better balance between work and family life. Similar to Telco A, Telco B viewed teleworking as a means to cut down costs, particularly on office space rental. Its IT division occupied a three-floor space at an office complex away from its headquarters. Another equally important reason was to improve the morale and commitment of the staff. To the consulting firm, teleworking were introduced by the top management to allow flexibility and encourage efficiency without jeopardising the quality of work or service to the customer. Teleworking had long been a part of the company culture to empower and trust their people. One of the benefits already gained by these teleworkers was that travelling time was reduced, thereby reducing stress and increasing productivity. To the sales staff, the flexibility offered by teleworking helped with better planning and time management. In general, teleworking had the effect of greater employee satisfaction and better quality of life.

Job functions suitable for Teleworking

To Telco A, functions that are appropriate for teleworking are those who do not require interface with external or internal customers at the workplace. Examples include strategic public relations, administrative work, research and planning, and credit control. However, teleworking should not be confined to executives only. Non-executive staffs

such as data-entry clerks and call operators are equally suitable for teleworking. The organisation had about one thousand people working at their call centres in Kuala Lumpur. At the telephone exchange, an alarm system can, in the future, be extended to the engineer's PC at home. On the other hand, the technicians whose job was to install new telephone lines and sort out any related problems could also be considered as mobile teleworkers. Marketing executives dealing with corporate and government clientele were mobile too, enabling them to spend more time with customers and deliver better quality services.

Apart from IT and R&D, other teleworkable functions in Telco B were planning, administrative work and corporate sales. The respondent held the view that the staff at the branch level cannot telework compared to those at the headquarters because their work mainly involved interface with customers. Another exciting area is the credit collection, where staff would call up individual customers who had yet to settle their bills. Some of these customers could only be contacted after office hours. At the moment these staffs were on staggered working hours. Some would have to work on evening shift to enable them to contact working customers. On the other hand, this company also had its call centres. In his opinion, these call operators can work from home provided that they have adequate facilities and connected to the computer network system.

Who are these potential teleworkers?

In general, the manager from Telco A felt that teleworking is potentially appealing to members of any active organisation. In particular, those with family commitments, regardless of gender, will find teleworking as an excellent working arrangement. However, this company will select its potential teleworkers based more on job functions rather than on demographic composition.

His counterpart from Telco B also believed that the kind of employees who would prefer to telework would be those with family commitments, regardless of their gender. Teleworking allows them to spend more quality time with their family by eliminating the time wasted on travelling and sparing them from work-related stress. On the other hand, teleworking might appeal to cost-conscious individuals-there will be considerable savings concerning transport costs and clothing expenses. Teleworking might not be that attractive to some unmarried staff who prefer to socialise rather than staying at home. Age will not be a significant factor because this organisation had a relatively young workforce. Although this organisation had been operational for ten years, the majority of its staff were in their thirties.

In the consulting firm, the teleworkers were human resource consultants, two were trainers, and the other two were in the sales division. All of them were above 35 years old. All of them were married, two of them with pre-school children and one with schooling children. Another one staff was married with no children.

Human resource issues on teleworking

Performance monitoring and appraisal

Supervising the performance of the executives is not a significant issue if teleworking were to be implemented in Telco A. The executives had their performance contract whereby they create a concise document, agreed with their superior, which laid out their expected deliverables in their work. In the case of manual staff such as the call operators, it was not easy to measure their performance due to the absence of supervisors. Of course, their productivity could be measured regarding the number of calls received, but whether these are quality calls or not is still questionable. On the other hand, respondent found that daily contacts such as phone calls and emails are unnecessary as long as the results are delivered.

The existing performance appraisal system in Telco B was result-oriented. This appraisal system, which was reviewed quarterly, was based on predetermined goals and objectives of each staff. Hence it is appropriate to use this system in appraising the performance of the teleworkers. On the other hand, it is advisable that the teleworkers keep in touch with the people at the central office via the phone or email to avoid from feeling isolated.

In the consulting firm, the performance of the teleworker was not different from their counterpart. Their performance was managed via a Performance Management Process that included setting clear goals, regular reviews and regular coaching sessions. To the firm, appraisals were not once-a-year events. Consistent reviews ensured that the appraisal was no longer a surprise. Employees tracked and knew whether they were meeting their goals.

Training needs

From the perspective of the manager from Telco A, the management has to provide the essential training before allowing their staff to telework. As the mode of work fundamentally changes, staffs need to undergo a reorientation process to familiarise themselves with the new working environment. Staff should also be trained on how to cope with the problems and stress while working remotely. The manager from Telco B agreed that some form of training has to be given to these teleworkers. These include job-related training before the introduction of new technologies and working methods. On the other hand, since the teleworking program in the consulting firm was not a formal one, there was no specific training related to teleworking. All of them were trained in the human resource field and the company's products and services.

Provision of equipment

According to the Telco, A manager, this is an issue that was currently being debated in the US. If the employers allow their teleworking staff to purchase the equipment for their home office, there is a possibility that they will buy that furniture which is relatively cheap but is not ergonomically sound. This will lead to complications such as backaches, headaches and stress. This will inevitably incur high medical expenses to the company. As a solution, apart from providing the electronic machines (personal computers, telephones, modems etc.), the company should give clear specifications on the types of furniture deemed suitable for home office.

On the other hand, it was viewed that Telco B should, of course, provide the necessary facilities such as computers, modems and telephone lines while the teleworkers should purchase the office furniture, which suit their needs. The company will cover the insurance for the equipment in addition to the maintenance costs and related expenses. Meanwhile, in the consulting firm, the employers themselves provided for the necessary equipment such as personal computers and handphones.

Teleworking options

The respondent from Telco A believed that the best possible arrangement of teleworking would be a mixture of all the options available to cater the needs of individuals. It is wise for the company to conduct a conceptual project, with selective participants from the managerial level. The rationale is that these senior managers have a stronger commitment to the organisation and well identified with its corporate culture. Starting small will also help alleviate the problem of friction between teleworkers and non-teleworkers. New employees should not be allowed to telework as they are not familiar with the organisational culture and they still need guidance and directions from their supervisor.

Also, the respondent felt that teleworkers still need to come to the office few days in a week. This is to avoid the problem of boredom and isolation. Moreover, the constant interaction will reduce the tendency of teleworkers getting autonomous in their job and deviate from their superior's vision and direction. Nevertheless, being out of sight does not mean an impediment to career growth as long as both parties keep in touch with each other and promotion is based on fair performance appraisal rather than on physical presence.

During the earlier stage of teleworking, frictions are inevitable between the teleworkers and non-teleworkers. The management must make these non-teleworkers understand that their nature of the job does not permit them to work away from the office and try to compensate them in some other way. On the contrary, being a teleworker is not all roses by any means. Apart from experiencing physical isolation, a teleworker must be very disciplined in their work. Therefore the respondent from Telco B thought that teleworking should not be on a full-time basis and there must be a well-developed monitoring and appraisal system. Another constraint to teleworking is the lack of access to information. Teleworkers may not be able to access all the information needed online, and this requires them to travel to the workplace.

Industrial relations

In the case of the executives, the management in Telco A would not be required to consult the union before the introduction of teleworking. This is because executives were not union members. They only belonged to an employee association, which did not possess any bargaining power. Non-executive staffs, on the other hand, were members of a national industrial union. The management would have to consult the union as teleworking brings about fundamental changes in the method of work particularly concerning working hours, location and the nature of the job itself.

Compensation

The staffs in Telco A were paid on a monthly salary basis. These arrangements need not have to change once they telework. However, it was suggested that manual staff be offered extra incentives for their commitment to teleworking. In short, terms and conditions of employment do not have to be changed completely. What should be done is to individually define specific terms and conditions, which are relevant to teleworking. Besides, there should be a clear policy and guidelines on its implementation.

Similar to Telco A, the respondent from Telco B viewed that the terms and conditions of employment particularly the remuneration scheme, do not have to be completely revamped. Teleworkers will still enjoy the same benefits, and they may not necessarily receive the different amount of salary. Changes only have to be made to the pattern of working hours and to include some fixed allowance to cover expenses such as telephone bills and electricity

In the consulting firm, the teleworkers followed the standard compensation structure- monthly salaries, performance bonuses and sales incentives. Other terms and conditions of employment were the same as the non-teleworkers.

Conclusion

The respondent from the local bank felt that teleworking would take a long time to penetrate into the banking sector. This was due to the lack of awareness on this topic at the management level and the public at large. The manager from Telco A believed that whatever the business reasons for teleworking, the determining factor would be the willingness of the top management to allow it to happen. Efforts must be made to increase the staff's awareness on this topic and most importantly, to change the mindset of the decision-makers. At the national level, the government should intervene to ensure complete implementation nation-wide.

According to Telco B, there are three fundamental changes to make before the implementation of teleworking in this company. Firstly, to change the mindset of all the members of an organisation; Secondly, making a significant investment in the provision of equipment and finally, to develop a sound and reliable monitoring system.

The consulting firm, on the other hand, did not face any particular problem relating to teleworking. The manager's reaction towards this alternative mode of work was very positive since she was also teleworking. The non-teleworker's attitude was also very positive and supportive. If the teleworkers faced any difficulties in their work, they would seek coaching or ask for help. Finally, since telework had worked for the company, the respondent strongly felt that it could indeed work for other Malaysian business organisations.

The awareness of the concept of teleworking in Malaysia is still shallow compared to other countries. Teleworking is not confined to home-based employees only. Some of the companies interviewed did not realise that their existing employees, who were mobile such as sales executives and

technicians, were categorised as teleworkers. An in-depth study needs to be carried out to identify the job functions that can be performed remotely. Besides, the management style and culture have the enormous effect on the success teleworking in Malaysia. We have seen that western companies, particularly the Americans, are more receptive towards radical changes in the mode of working. A majority of Malaysian companies, on the other hand, are still conservative and not willing to change. This phenomenon needs to be studied in detail.

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