

# Employees who work from home

**New flexible working rights, technologies and social change make working from home — sometimes called teleworking — an increasingly cost-effective and attractive option both for individuals and the organisations they work for. Some employees also have the right to request flexible working which you have to seriously consider.**

This briefing outlines:

- Which jobs and individuals homeworking suits best.
- The key management issues.
- The benefits and risks.
- The technology involved.

## 1 Does it suit?

**1.1 Jobs** which particularly suit full or part-time homeworking include:

- Sales, marketing and customer service.
- Support and maintenance.
- Computer programming.
- Consultancy and professional services.
- Training and education.
- Writing, editing, research and translation.
- Some administrative and secretarial work.
- Jobs where home acts as a base for work carried out on the road.

The key question is to what extent the employee needs to attend the office.

**1.2 Individuals** need the right skills and personality traits to be effective homeworkers. Suitable training can help employees develop these skills. Typically,

good homeworkers are strong on:

- Time management and self-discipline.
- Motivation, self-sufficiency, initiative and the ability to work alone.
- Communication. For example, a good telephone manner and the ability to get on with new people.
- Lifestyle management. The ability to manage the split between home life and working life.
- Technology. The ability to cope with IT and telecommunications equipment.

Homeworking is unlikely to be suitable for people with addictive behaviours, such as excessive drinking.

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## 2 The home office

**2.1 Minimum requirements** for a home office include:

- A work space and reasonable working environment. Obtain the co-operation of others who live in the house.
- Secure premises and a lockable cupboard or desk. Avoid leaving valuable equipment or sensitive information on display where you risk theft or confidentiality breaches.

- Compliance with health and safety regulations (see **2.2**), including suitable furniture.
- One or more business telephone lines.
- A computer with internet and email access (you might consider broadband), office software and access to a printer (see **7**).
- Adequate insurance.

Home contents insurance normally excludes business equipment. However, most employers' insurance policies cover "any place of business" – check the policy. Additional insurance may be required if you have visitors or business meetings at home.

### Flexible working options

Flexible working is a catch-all phrase that covers any working pattern other than the normal working pattern.

**A** Employees may work in different **locations**.

- At home. Employees without suitable home premises may use a local business centre.
- Commuting. Sales and support staff, or employees with long journeys to work, may be able to work while travelling.
- At customers' premises. Employees working at a customer's premises for a major contract need to be managed in the same way as teleworkers.

**B** Employees may work on a different **basis**.

- This may involve changes to the hours and times worked eg flexitime, compressed hours, annual hours or staggered hours.
- Employees might have a job-sharing arrangement.
- Shift work, part-time work and term-time work also count as flexible work.

By law you must 'consider seriously' requests to work flexibly made by an employee who is a parent with a child aged sixteen or under, a disabled child under 18 or a carer of a dependent adult. Qualifying employees can request a change in hours, the times or location of their work. You may only refuse a request on the grounds of a small number of permitted reasons. This right of consideration may be extended to all employees if current proposals are adopted.

**2.2 Health and safety** requirements apply equally to homeworkers as they do to those who work in the office.

An initial risk assessment must be carried out, although this can be done by the employee. Areas to consider are:

- The seating and layout of the employee's computer workstation.
- Electrical equipment. Has it been tested and certified?
- Extension leads for telephones, PCs and printers. Make sure there are no trailing leads.
- Adequate lighting levels, ventilation and room temperature.

You will need to give employees simple, specific health and safety advice and record what has been done.

**2.3 Planning permission** is unlikely to be required if all the following are true:

- Only one room is used for homeworking.
- Only those who live in the house work there.
- The work does not lead to a substantial volume of visitors, nuisance to neighbours or extra car parking.

**2.4 Tax and business rates** are not usually a problem.

Ensure that the room used has another purpose (eg visitors' bedroom) to avoid paying:

- Business rates.
- Capital gains tax on sale of the property.

## 3 Benefits and risks

**3.1** The main **benefit** of working from home is increased productivity, through:

- More efficient use of time.  
For example, fewer interruptions and less commuting time.
- Improved employee retention.  
For example, helping parents who need to fit in with school-age children.
- Reduced levels of sick leave and stress.
- Improving the chance of recruiting the most able candidates. Potential recruits may prefer the option of full, part-time or casual homeworking, or flexitime.
- Control over the office environment, eg noise, heat, ventilation and lighting.

**3.2** The main **problems** with working from home are similar to those of running a decentralised business.

Particular risks and problems can include:

- Losing touch with employees and difficulty in arranging ad hoc meetings.
- Increased initial training requirements and expenditure on setting up home offices.
- Reduced loyalty due to increased isolation.
- Deterioration in employees' skills and work quality.
- Difficulty in controlling the security of information.
- Poorly-managed homeworking can lead to confused goals, standards, expectations and systems.

Effective management of homeworkers can overcome most of these problems.

In many businesses, informal homeworking goes on anyway, whether or not there is an official policy of allowing it. So it makes sense to tackle the issues and make the most of the opportunities.

## 4 Introducing homeworking

**4.1** Put the **groundwork** in place before starting to implement homeworking.

- Prepare a homeworking contract (see **5**).
- Introduce a training plan.
- Prepare written procedures for the tasks involved.

Attempting to change working procedures at the same time as introducing homeworking can lead to problems.

**4.2** Start with a small **pilot** scheme.

- Include a maximum of ten people.
- Give employees the option of participating. Many employers find they do not need to advertise the scheme and that employees

who are interested come to them. Current figures indicate that 70 per cent of employees would like to try homeworking.

- Begin with part-time or casual homeworking.
- Keep costs down. The only significant cost should be for training and home-office equipment.

If the pilot is successful, you can then roll it out to other employees.

**4.3** The introduction of homeworking needs to be **planned** and **managed** like any project.

- This requires formal review and evaluation and measurement.
- The key to success is to manage flexible workers in terms of their output rather than their attendance.

Attempting to maintain the same direct control over individual activities is usually doomed to failure.

## 5 Contracts

Not every situation demands a new contract. As long as output is quantifiable, you can usually use a standard contract. You may, however, need to renegotiate if conditions are changed.

**5.1** It is easier to negotiate homeworking contracts if the **terms and conditions** are as good as for employees who work on site.

Agree a letter of modification to the standard employment contract with the employee. A simple letter might state:

- Where the employee will be based.
- That both you and the employee have the right to terminate the homeworking arrangement at any time.
- That the company will supply and insure the necessary equipment. The equipment remains the company's property and is not to be used for private purposes.
- That the company will supply and pay for a telephone line and provide internet connection for business use.
- That the employee must comply with relevant health and safety and security guidelines. The company will pay for any costs involved.
- That there is no change to other employment terms and conditions. For example, pay, hours of work, holiday entitlement and pension contributions.

Ask the employee to sign the letter to indicate acceptance.

An employee who feels unduly pressured into accepting a new arrangement and quits the job may have a case for constructive dismissal.

## 5.2 Homeworking is **not self-employment**.

- HM Revenue & Customs is unlikely to accept that an individual with only one customer (namely your company) is self-employed. This is especially unlikely if the individual was previously an employee of yours.
- Introducing self-employment for whole departments which move to homeworking can cause legal problems. This is a complex area that involves the TUPE Regulations (which protect employees when a business changes ownership).

## 6 Staying in touch

### 6.1 The **telephone** and email are the best ways to maintain contact.

- Regular phone calls can replace most face-to-face meetings.
- Frequent short calls can be as effective as long conversations.
- Email does not interrupt work as much as the telephone. You can choose when to read messages and when to respond to them.

A face-to-face meeting is still best for giving an employee any bad news.

### 6.2 Various telecoms **options** provide efficient ways of making contact with teleworkers.

- Email is essential.
- Voicemail enables your employees to receive and send messages.
- Telecommunications suppliers can provide a Centrex facility which can route incoming calls to wherever the employee is, without the caller noticing. Individuals can purchase a personalised number to achieve the same effect.
- Mobile phones are particularly effective for people who travel a lot.
- Intranets and PC-based video-conferencing offer additional means of keeping in touch, although videophones remain unpopular with most homeworkers.

### 6.3 You may need to convert **paper-based** processes into electronic ones.

- It is easy and quick to share electronic files with homeworkers (see **7.2**), but not to pass around sheets of paper. This works best if everybody is using the same version of the software.
- Consider investing in contact management software if you have a mobile sales team or you need to update customer data regularly.

## 7 Using technology

It is safer for all homeworkers' output to be saved directly onto your systems, rather than locally-sited equipment. This reduces the security risk of data lost in transit and limits your exposure to the provisions of the Data Protection Act.

### 7.1 Homeworkers can access any **information** that you keep online.

- Your site can be accessed anywhere by any computer with web browser software.

### 7.2 You can enable homeworkers to connect to your existing computer **network**.

- This gives them access to relevant files and systems on the company network, and to resources on the company intranet.
- The major cost, for an existing network, is the connection fee. A fast ISDN or broadband line makes it easy to exchange information but will increase your costs. Standard telephone lines can be used, but with significant loss of productivity for the homeworker.

### 7.3 Knowing the **pitfalls** can help you avoid them.

- There is a danger of people gaining unauthorised access to your systems. Where confidentiality is essential, issue "work only" computers protected with passwords, firewalls and anti-virus software.
- Faster technology costs more money.
- Introducing homeworkers to new technologies will require training.
- Employees may not use the technology productively.
- Employees may fail to back up information stored on home PCs and laptops.

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