

## PEOPLE MANAGEMENT IMPLICATIONS OF VIRTUAL WORKPLACE ARRANGEMENTS

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**Purpose:** The purpose of this paper is to investigate the factors that led to an organisation implementing a particular form of virtual workplace arrangement, namely, home-based work. The benefits and disadvantages associated with this form of work arrangement are explored from both the managers' and home-based employees' perspectives.

**Design/Methodology/Approach:** Given the exploratory nature of the empirical study on which this paper is based, a qualitative research design was adopted so as to ensure that the data collection process was dynamic and probing in nature. Semi-structured in-depth interviews were therefore used as instruments for data collection.

**Findings:** The research findings indicate that virtual work arrangements such as home-based work arrangements have advantages for both employers and employees. For instance, reduction of costs associated with office space and facilities, decrease in absenteeism rates, increased employee job satisfaction and improvements in employees' general quality of life. However, a number of negative experiences related to this form of virtual work arrangement are also evident, for example, feelings of isolation as well as stress related to the inability to have firm boundaries between work and family responsibilities.

**Implications:** Based on the insights gained from the findings in the empirical study, a number of areas that need to be given specific attention when organisations are introducing virtual workplace arrangements of this nature are identified. Recommendations made in this article are important for human resource management specialists as well as core business policy makers considering different forms of organisational design.

**Originality/Value:** Maximising the quality of production and service provided has become the prime objective in most organisations in the 21<sup>st</sup> century. Technology has made it possible for some jobs to be performed at any place at any time and has facilitated the introduction of virtual workplace arrangements. A focus on the people management implications of virtual work arrangements is a relatively new field of study and one that is likely to gain in importance as organisations consider less traditional organisational forms as part of their strategy to ensure success in the global economy of the 21<sup>st</sup> century.

**Key words and phrases:** virtual workplace arrangements, people management, technology, organisational design.

### INTRODUCTION

Managers in the 21<sup>st</sup> century are facing a number of challenges related to ensuring organisational success in the global economy. These challenges include reducing and controlling costs, competing globally, improving the quality of products and services, speeding up the services and product development cycle, as well as attracting and retaining a skilled and diverse workforce (Cooper, 2005). Furthermore, employee demands have also changed and employees want to have more say in how and when they work as they are interested in balancing the need to earn income with meeting the needs of their families and lifestyles (Daniels, Lamond & Standen, 2001 and Gupta, 2005). One response to some of these challenges is for organisations to introduce virtual workplace arrangements so as to "move work to where people are, rather than people to where the work is" (Igbaria & Tan, 2001:1). This paper explores the experiences, both positive and negative, of employees and their managers in a particular form of virtual workplace arrangement, namely, home-based work. The insights gained from the analysis of these experiences highlight a number of critical people management factors that need to receive attention when embarking on this form of organisational arrangement.

## **LITERATURE REVIEW**

Ever evolving developments in technology have transformed the very nature of work. According to Guptara (2005), the technology revolution has had the following specific impact on the way organisations function. Technology automates existing processes; technology builds bridges between parts of the organisation that had little to do with each other; technology cancels traditional divisions and creates entirely new ways of organising organisations; and technology eliminates the boundaries between industries and organisations. The radical developments in computers and telecommunications specifically (e.g. home/mobile computers, fax, mobile phones and email) have facilitated the introduction of non-traditional forms of organisational designs such as virtual workplaces (Lei & Slocum, 2002). Through the use of information technology, work can be performed away from the traditional organisational borders of time and location. "People can work anytime and anywhere, connected to the people and information they need, wherever they are" (Igbaria & Tan, 2001:2). This has opened up many opportunities for organisations to re-consider their organisational designs so as to improve their ability to succeed in an increasingly competitive global economy.

Virtual workplace arrangements refer to "...any work arrangement in which the worker performs a significant portion of his/her work at a location other than his/her employer's workplace" (Brunt & Maloney, 2001:14). Technology, therefore, replaces the traditional physical office space. Virtual workplaces have a number of potential benefits to both organisations and employees. Daniels *et al.* (2001) highlight a number of these potential benefits from the organisation's perspective. For instance, reduction in costs associated with facilities such as office space, improved productivity, greater staffing flexibility and improved employee retention have been identified as advantages of virtual workplace arrangements (*ibid*). In addition, organisations can develop immediate connection and feedback systems with customers, identifying their needs and responding immediately to them. Thus, these forms of workplace arrangements also make it possible for organisations to compete globally by forming domestic and international alliances to meet a specific market opportunity and develop quick response and feedback systems related to customer requests (Igbaria & Tan, 2001 and Gooding, 2005).

When focussing on the individual employee, virtual workplace arrangements have been shown to have numerous benefits including: increased employee autonomy and control over work schedules (Sparrow, 2000); reduced commuting time, travelling expenses and stress (Brunt & Moloney, 2001); and improved quality of life and stronger family ties (Daniels *et al.*, 2001).

Furthermore, from a slightly different perspective, Harpaz (2002) states that virtual workplace arrangements facilitated by advancements in information technology can play a significant role in improving people's lives and in rebuilding societies by improving communication, economic opportunities and education. Employees who previously could not travel to work due to family commitments and responsibilities as well as disabled employees, become available for employment thus increasing the pool of skilled human resources from which employers can select. Virtual workplaces also help to improve the quality of work and family lives by enabling people to work away from a central, conventional office.

However, there are a number of concerns related to virtual workplace arrangements. In traditionally structured organisations, many factors draw employees together thereby enhancing the development of a strong organisational culture and effective work teams. Factors include, for example, the dress code, shared language, office buildings, informal communication opportunities and face-to-face supervision (Zigurs, 2003). However, in virtual settings, these factors do not exist. Furthermore, the dispersion and the decentralisation that are characteristic of employment in virtual workplaces have the potential to strain the psychological ties between organisations and their employees (Wiesenfeld, Raghuram & Garud, 1998 and Daniels *et al.*, 2001). Alienation of employees in virtual workplaces, performance management challenges, increased communication complexities, and reduced management span of control and responsibility, are some of the negative consequences that have been associated with virtual workplace arrangements (Brunt & Moloney, 2001 and Zigurs, 2003). The nature of leadership within these contexts is also evolving. As stated by Gooding (2005), leadership in the 21<sup>st</sup> century requires skills related to facilitation and empowerment rather than those associated with the more traditional leadership skills such

as controlling and monitoring. Thus, while virtual workplace arrangements have advantages for employees, employers, society and the economy as a whole, this practice has some drawbacks and many challenges for both employees and employers.

Sparrow (2000) reports that between 10% and 30% of large organisations in the USA, Canada, northern Europe and Australia use home-based work arrangements as part of their organisational design and strategy. Despite the prevalence of these types of workplace arrangements, an in-depth understanding of the link between various organisational forms (such as virtual workplaces) and the employment relationship has been acknowledged as an area of practice and research that still requires considerable attention (Rubery, Earnshaw, Marchington, Cooke & Vincent, 2002 and Cooper, 2005). Virtual workplace arrangements are still in their infancy in South African organisations and there is very little published empirical research on the topic in this country. All the literature reviewed draws on the results of studies conducted in the above-mentioned countries. This paper, therefore, aims to contribute towards achieving a better understanding of virtual workplace arrangements within the South African context.

## **AIMS AND OBJECTIVES**

The overall objective of this paper is to explore the challenges facing managers and employees in a virtual workplace arrangement within a South African organisational context. The specific virtual workplace arrangement focussed on is 'home-based working' that can be described as organisational work performed outside the normal organisational confines of space and time, in the employee's home, on a part-time or full-time basis, utilising telecommunication links such as computers, phones, fax and/or email.

The specific aim of this article is to report on the findings from the empirical study, which aimed to:

- Determine the factors that drive employers towards the establishment of a home-based working arrangement.
- Explore the benefits and disadvantages experienced by managers and employees from the home-based working arrangement.
- Explore the specific people management challenges related to the home-based working arrangement.

## **RESEARCH METHODOLOGY**

### **Research design and data collection**

Given the exploratory nature of the research, a qualitative research design was adopted so as to ensure that the data collection process was dynamic and probing in nature. Semi-structured in-depth interviews were used as instruments for data collection.

### **Sample**

The sample in this study consisted of Managers and Team Leaders of Home-based Assessors (HBAs), permanent HBAs and contract HBAs who are employed in the Claims Assessing division of a large medical aid organisation based in Gauteng. 30 participants were selected for the purpose of this research: 11 Managers/Team Leaders, 13 permanent HBAs and 6 contract HBAs. The management respondents included 4 males and 7 females while the HBA group consisted of 6 males and 13 females. English (9 managers, 7 HBAs) and Zulu (2 managers and 12 HBAs) were the primary languages spoken at home by the respondents. Participation was voluntary and all participants were assured of anonymity in the reporting of the findings.

## Data Analysis

Thematic content analysis was used to analyse the data from the interviews.

## FINDINGS

The findings are presented in accordance with the three specific aims of the study. The number of responses recorded does not equal the number of respondents due to multiple responses from participants.

**Aim 1:** To determine the factors that drive employers towards the establishment of a home-based working arrangement.

**Table 1: Reasons for introducing home-based working**

Themes	Management	Home-based Assessors
Reduction in facility costs and in the cost of maintenance and equipment	8	18
Employees' needs for flexibility	9	15
Strategy to improve productivity and quality of work output	10	9
To reduce employee problems.	7	17
To improve employee morale, job satisfaction and self-motivation	6	7

Of the thirty respondents interviewed, eight managers saw the introduction of home-based working as an opportunity for the organisation to reduce its overheads, such as office space, parking, heating and lighting. Eighteen HBAs agreed with the above and added that this was also an opportunity for the organisation to save on equipment costs, as the HBAs have to buy their own computers and modems and install extra telephone lines in their homes. The HBAs are also expected to pay for their telephone expenses, computer upgrade and maintenance costs.

Of the eleven managers interviewed, nine reported that one of the reasons for introducing home-based working was to allow employees to work flexibly and determine their own schedules. Because the nature of work done by Claims Assessors is mundane and repetitive, by introducing home-based working, management wanted to promote worker flexibility and employee self-management. Fifteen of the nineteen Assessors interviewed confirmed this. They indicated that they were free to plan their activities around work and family responsibilities. Management also hoped that home-based working would lead to improved employee morale and job satisfaction. HBAs would take responsibility for their work and achieve autonomy and self-motivation.

One of the benefits management wanted to realise by introducing home-based working was improved productivity and quality of work output. In addition, home-based working was introduced as a strategy to decrease the incidence of having to deal with employees' personal problems, for instance, having to deal with periods of absenteeism when employees were attending to family affairs.

**Aim 2:** To explore the benefits and disadvantages experienced by managers from the home-based working arrangement

**Table 2: Benefits and disadvantages of home-based working for employees – perceptions of management and HBAs**

Theme	Management	Home-based Assessors
Decreased personal financial costs	6	13
Flexibility of schedule	4	8
Improved quality of life	4	13
Increased independence	7	10
More discretionary time, less stress	4	7
Fewer employee-related problems	7	17
Assessors work harder at home	4	11
Disturbances and distractions at home	2	12
Quality of life did not improve	7	6
Flexibility reduced due to computer problems		19
Flexibility reduced due to introduction of work quotas		10
Problems with time management	4	11

Thirteen HBAs stated that since they have been working from home they have achieved savings in the form of costs associated with childcare, petrol, travelling time and office clothes. Another advantage of working from home that was mentioned by them was the advantage of not having to sit in traffic, which they regarded as a major stress reliever. Six of the managers agreed that the above are beneficial to HBAs.

Thirteen HBAs reported that their quality of life improved as a result of working from home as they were always around to attend to family needs. Seven of them reported that they have more discretionary time and are therefore less stressed than when they were not working from home. This was corroborated by four managers.

Eight HBAs reported that they enjoy being at home with their children during school holidays. Being at home, according to them, gives them time to look after their children and organise their home life better. Having twenty-four hour access to the computer system means they can work anytime and are therefore not under pressure to do work during office hours. They enjoy flexibility in time management and scheduling. Similarly, according to seven of the managers, fewer employee problems were experienced after the introduction of home-based working. This was confirmed by seventeen of the HBAs when they indicated that they no longer have to approach their managers for time off to take children to doctors, fetch them from school, etc. Some HBAs stated that previously when they were based in the office, they would ask for permission to attend to their family affairs but would not return to the office after completing their errands. Now that they are working from home, they go back home and continue with their work. "Because kids often need to be taken to doctors, dentists etc., HBAs can do this without having to ask for permission and will work the time in later during the day or in the evening", explained one manager. Less sick leave is taken and absenteeism has declined, he added.

Ten HBAs, however, reported that they no longer have the flexibility they used to enjoy because of the recently-instituted requirement from management that they work for eight hours during the day. Computer network problems were reported by all nineteen HBAs as contributing to a decrease in flexibility as these problems were unpredictable and could occur anytime. Furthermore, some HBAs stated that because of system problems, they could not plan their days properly. The system would lock them out and because they have targets to meet, they would have to work in the evenings, until late sometimes, and would end up neglecting their families. "Work is dependent on system availability, if I experience system problems my plans for the day or the week are upset," commented one HBA. They explained that this would then result in them not being able to spend quality time with their families and socialise with their friends.

Similarly, while four managers stated that home-based working helps improve quality of life for HBAs, seven of them said that home-based working can be destructive to family life. "Home-based working does tend to interfere with both the social and family lives of HBAs and has led to divorces in some

cases”, commented one manager. “Everything boils down to discipline. Most HBAs find it difficult to draw a line between company and home responsibilities” reported another. This leads to them not being able to spend quality time with their families, as they tend to spend the evenings working.

Ten HBAs mentioned that they enjoyed their independence and the freedom of being able to manage their own time and determine their own hours of work. Seven managers reported that HBAs tend to be more independent compared to office-based Assessors and are more outspoken. “Employees get an opportunity to manage “their own little business” and this gives them a sense of responsibility and introduces discipline so that they can manage their production in order to meet set targets”, remarked one of the managers.

However, a number of HBAs reported difficulties with time management. This was confirmed by some managers who stated some HBAs tend to procrastinate and leave work for night-time. “They then rush to meet targets and work quality is compromised.” commented one manager. This was also confirmed by six HBAs who stated that it was easy to relax at home and that sometimes some of them use system problems as an excuse.

**Aim 3:** Explore the people management implications of the home-based working arrangement

**Table 3: People management implications of home-based working**

Theme	Management	Home-based Assessors
Lack of daily contact with others is frustrating and stressful and leads to loneliness	8	17
Insufficient communication and lack of immediate feedback	7	10
Lack of visibility in the workplace can limit career advancement	2	7
Limited identification with the organisation	7	9
Difficulty in building trust and having long-term relationships	6	13
Lack of emotional support	6	15
Not enough preparatory work was done when home-based working was introduced	6	13
Supervision and performance management is difficult	10	
Home-based working has resulted in increased controls by management.	10	13
Challenges associated with motivating HBAs	10	
Lack of immediate feedback is frustrating		10
Upgrade costs and related expenses	6	19
Disturbances at home		12
Unpredictability of computer network	9	19

Eight of the managers interviewed mentioned that HBAs become lonely. As a result they enjoy talking over the telephone and at times chat for over an hour. “They seem to have a need to talk to others”,

commented one manager. Some of the Team Leaders who used to be HBAs reported that they used to be depressed when they were working from home because of a lack of face-to-face contact with colleagues. Managers reported that because of the isolation experienced by the HBAs, they sometimes ask the managers for permission to come and work in the office for some time. Seventeen HBAs confirmed that they tend to feel lonely and isolated. One HBA reported feeling left out sometimes and thinking that management did not care anymore. "After all, the organisation is growing and has employed lots of new people", said the Assessor. Another HBA commented, "As time progresses, working from home becomes boring. You sit alone with no one to talk to".

All managers interviewed stressed the importance of communicating with HBAs on a regular basis. Communication is important, as managers have to monitor the productivity of HBAs on a daily basis and discuss any problems experienced. "Consistent communication with HBAs is crucial and must be done in varied ways that will attract their attention and excite them", commented one of the managers.

Over half the HBAs reported that one of the disadvantages of working from home is that sometimes when they phone the office to get assistance with problems they encounter while doing their work, help is not always readily available. They stated that they find this stressful and frustrating.

With reference to career advancement opportunities, six of the managers interviewed believe that HBAs and those who are office-based have equal chances of career development and promotion. Whenever vacancies become available, everyone gets notified via e-mail. Two of the managers, however, disagree as they regard claims assessing as a dead end job. Nine HBAs stated that they do have opportunities for development even though they are home-based. They get invited for training and coaching sessions, they stated. They maintain that there are opportunities for growth although they admit that these are limited. Seven HBAs however do not see themselves as having the same opportunities as office-based staff. They claim that they do not often get to hear the latest news. By the time they receive most of the job adverts that get emailed to them, the adverts are often two to three days late. They therefore maintain that their lack of visibility in the workplace limits their career advancement. "In the office, workers talk to one another and have the opportunity of finding out what is happening", commented one HBA.

Most managers reported that they invest a lot of time into trying to ensure that they fit in and feel part of the organisation. "HBAs need to be motivated seventy percent of the time because they do not seem to have a good understanding of where the company is going and how they fit into the 'big picture'." explained one of the managers. Managers have to constantly make them aware of business needs. These managers commented that HBAs simply do what they have to do as they are money driven. As long as they meet the set production targets and get paid for this, everything is fine with them, explained these managers. Some HBAs confirmed these reports. They explained that because they experience limited opportunities for the reinforcement of organisational values and also because of their limited contact with structures and processes that facilitate identification with the organisation, they do not identify with the organisation to the extent that they possibly would do if they were office based. "Business and systems had to change at times and this affected us but we did not always see the 'big picture'" commented one HBA.

The majority of the HBAs reported that they missed the emotional support they got when they were office-based. They stated that they sometimes needed to update themselves with issues other than work and that colleagues motivate one another. A need for home visits by management was mentioned by some of the HBAs as important for their emotional support. They also reported that if they are experiencing problems or just having a bad day, there are no colleagues to talk to at home. "Colleagues in the office can boost you," commented one HBA.

Most HBAs expressed having difficulty in building trust with others. Management confirmed that it was difficult for HBAs to build trust and have long-term relationships with their colleagues because they are very seldom together. "Having trust in the Team Leader is therefore important to the HBAs as, in the absence of regular contact with colleagues, they are able to share their personal problems with them", said one manager.

Almost all the managers interviewed agreed that it is easier to manage office-based Assessors than it is to manage those based at home. "It is much easier to supervise Assessors in the office whereas if they are based at home, we do not have direct control over them", commented some managers. "We can see office-based Assessors working and we can talk to them, but with HBAs, we would only know the next day if production targets have been met," explained one manager. The managers also mentioned the importance of having stringent controls on the performance of HBAs by checking their production statistics daily and follow up with them if any performance problems are detected. These managers reported that the biggest need of HBAs is motivation and that this is difficult for them. "Motivating absent HBAs is difficult, if not impossible," commented one manager. Constant communication with HBAs is therefore essential, they stated.

Thirteen HBAs reported that they were being more strictly managed than when they first started working from home. Because of the need by management to have a certain degree of control in ensuring that HBAs meet set targets, the Assessors have had to now commit to eight hours of work per day. This is to ensure that the organisation delivers on the promises made to its clients with a twelve-hour turn around time.

Six of the managers interviewed do not believe that sufficient preparations were made by the organisation before the introduction of home-based working. According to these managers, no training was given to employees who were to be home-based and to the managers of the HBAs. A few, however, stated that some preparations were done in that employees were told how the home-based system would work and how it would affect their remuneration and that they had to buy their own equipment – personal computers and modems and install extra telephone lines in their homes. Some managers also reported that the employees were told that they were to work from home and were not given any options, other than that they would be transferred to other departments if they did not want to work from home. As a result, they claim, some employees were scared and feared losing their jobs.

Thirteen HBAs indicated that insufficient preparations were done by management before home-based working was introduced. One manager commented that some employees got overly enthusiastic when home-based working was introduced as they saw an opportunity for making more money. They did not consider the possible consequences. Some HBAs reported that they were negative at the idea of home-based working, as they feared the unknown. One HBA commented, "It was a big mess-up, it was tough in the beginning." Another HBA said that the idea of home-based work was explained and sold to them, but nobody from the organisation went to assess their working environment at home. He believed that this was important, as management would then be able to assess the employees' workplace and give them advice.

Three of the managers explained that even though loans were provided to employees to buy the equipment they would need when working from home, HBAs incurred huge expenses as a result of the change from office-based to home-based working. They reported that some HBAs had to either move house or extend their homes so as to provide working space for themselves. They also had to buy furniture. These are costs that HBAs did not anticipate

One of the biggest problems experienced by HBAs is the computer network system that is unpredictable. The system is at times slow and sometimes just not available, they complained. This was mentioned by nine of the managers interviewed and all of the HBAs.

Disturbances and distractions were mentioned by the majority of HBAs as being a problem. This was due to the fact that because they are working from home, some friends and family assume that they are always available to assist them. Friends drop in at anytime and relatives expect them to run errands for them, they explained.

The positive and negative aspects associated with this type of virtual workplace arrangement clearly have a number of important practical implications for organisations considering the introduction of this form of organisational design.



## IMPLICATIONS

Virtual workplace arrangements are a relatively new and growing phenomenon. Computers and other high-tech communication equipment make home-based working relatively easy and affordable. As can be seen from these findings, home-based working offers the flexibility that is needed by some people in order for them to manage their lives better and take care of their non-work related responsibilities. Working from home reduces travelling time for the home-based workers thus allowing them to organise their time better, save on travel costs and reduce their stress levels. However, a number of negative personal and people management consequences of this type of virtual workplace arrangement were noted by the respondents. In order to fully capitalise on the potential benefits of home-based work arrangements, the findings of this study emphasise that attention needs to be given to the following critical areas:

- **High-level support for the initiative**

Support at the highest level of the organisation is essential for the success of this type of workplace arrangement. This should be based on a thorough cost-benefit analysis and this analysis must take into consideration the potential human costs associated with this type of workplace arrangement. Furthermore, it is imperative that the introduction of this form of workplace arrangement needs to be aligned with the organisation's overall strategy.

- **Stakeholder consultation**

Buy-in from all the key stakeholders is essential to the success of this type of initiative and therefore meaningful consultations need to be conducted with managers and employees throughout the process. Thinking through all the possibilities and getting everyone on board is particularly important.

- **Preparation of the environment – technology, management and affected employees**

*Technology* - It became very clear from the research conducted that a critical decision impacting on the success of this type of virtual workplace arrangement, is the decision regarding the type and costing of the most appropriate technology to be used. This is paramount, as the choice of technology can make or break the virtual workplace arrangement. Furthermore, home workers require technical support and the organisation needs to allocate dedicated technicians to them who are available via telephone and also available to do on-site repairs. Research indicates that the savings made by reduced need for space, as a result of introducing home-based working, is often large enough to finance new technology and to take on extra staff to provide support to home workers. The issue of organisational assets and insurance when the equipment is the responsibility of and are under the control of home-based workers, can be difficult and should be dealt with by means of a policy jointly developed by management and employees.

*Selection of home-based employees* – Based on this study's findings, it is clear that there is a certain type of individual who works well in a home-based arrangement. Organisations wanting to implement home-based working should therefore pay attention to the personal suitability of candidates to these positions and the special demands inherent in this form of work arrangement. Characteristics such as self-discipline, ability to work independently, self-sufficiency, trustworthiness, maturity, internal locus of control and relatively low need for constant interpersonal contact (introverts rather than extraverts?) together with time management and information technology skills, all seem to be important.

*Management training* - Managers need to be trained in the competencies required of them in this type of work arrangement. The emphasis should be on skills related to facilitation and enabling rather than those associated with traditional forms of controlling and monitoring (Gooding, 2005). With the wide span of control that the managers have in this form of workplace arrangement, it is not possible for them to be involved in every home-based worker's day-to-day activities. Creative ways of ensuring

effective communication and performance management strategies need to be developed and it would be recommended that this be done in consultation with the home-based employees. A key skill for managers of home-based workers is the ability to maintain a balance between task oriented-communications and relationship-building communications. Managers need to seriously consider the potential negative effects of employee isolation and potential burnout and introduce creative strategies to minimise the potential for these to occur. Managers need to give specific attention to career advancement principles and processes applicable to employees in this type of work arrangement. Furthermore, exposure to change management skills would also be most appropriate.

*Home-based employee training* – These employees need to undergo intensive training. Training should cover issues such as: time management skills, home-work balancing strategies, personal well-being enhancement strategies, and how to become more effective communicators as both providers and consumers of information. Home-based work requires that each party be clear on what is expected of them. The responsibility for monitoring the day-to-day progress of an employee is shifted from the manager to the employee and it is the employee who has to keep the supervisor informed on his/her progress. The implications of this need to be explored with the home-based employees. Together with this type of training, employees should also be individually counselled so that they are aware of what to expect and to get advice about how to deal with their changed working conditions that are remote and demand much more self-management.

- **Monitoring**

Setting clear targets and objectives together with the regular monitoring of key performance indicators is essential. Furthermore, the human aspects related to this type of work arrangement also need to be carefully monitored. A full-scale implementation of home-based working might not be the appropriate strategy to adopt initially. Gradually phasing in the scheme is recommended. This will allow management an opportunity to assess the costs (people and financial) and to refine systems and processes before introducing the scheme in the organisation.

It is proposed that the above-mentioned points will support organisations in their endeavours to achieve the potentially positive outcomes associated with this form of virtual workplace arrangement.

## CONCLUSION

Clearly, information technology has created a tremendous opportunity to be creative in organisational design arrangements so as to meet the numerous challenges facing organisations in the 21<sup>st</sup> century. However, both managers and employees should be aware of the people management implications of establishing virtual workplaces in their organisations and be well prepared for the challenges that are bound to arise. Human resource practitioners can play a leading role in facilitating transitions from traditional to virtual workplaces and are in a prime position to advise management so that sound decisions are made for the good of the organisation and the well-being of its employees.

As the findings of this paper show, virtual workplace arrangements such as home-based working "...only really makes sense with the right job, the right person, the right reason and the right boss." (Furnham, 2000:252). By neglecting the people management and psychological consequences of virtual workplace arrangements, the short-term gains may easily turn into long-term losses (Furnham, 1999). As one of the participants stated "You need a business case before you introduce home-based working. There is a need to plan properly. Management must also let people know what they are getting themselves in for. The company must do its homework!"

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