

RESEARCH ON WORK FROM HOME ARRANGEMENTS IN THE EUROPEAN UNION

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ABSTRACT

Today's workforce is becoming increasingly mobile due to the fast progress of information and communication technology. This has led to a growth in the diversity of flexible workplace arrangements offered by companies, from small to medium and large-sized ones. In order to attract and retain employees, but also to ensure a good work-life balance for them, organizations introduced various compensation packages and working patterns such as flexible working time, part-time, or working from home alternatives. Homeworking is one of the options employees choose most frequently and has been on constant rise at global level over the last decade.

The objective of this study is to analyze the work from home cross-country trends within the European Union, how they changed over the last decade and where the trends may be going to. Also the research will emphasize the importance of having the right tools to be able to work from home, so that there is no impact over the employee or organization performance.

The results of this study shows that homeworking trends increased in the European Union in parallel with the development of individuals' digital skills, and that in order for companies to enable work from home programs, they need to ensure they have the right software to minimize the potential impact over organizational performance and efficiency.

KEYWORDS: *flexible workplace, work from home, work-life balance.*

1. INTRODUCTION

The work from home concept refers to the ability to perform core job activities from home, using technology to communicate for various tasks and activities. Some of the factors which enabled this type of job flexibility are today's dynamic economic conditions and the availability of smarter technology (Timsal & Awais, 2016).

The notion of traditional workforce, that of working from an official office, has changed significantly over the last decade and most of the multinational companies have already updated their compensation packages in such a way as to offer employees the flexibility they now require to be able to properly balance their work and personal life. According to a study performed in 2009 (Crosby & Moore, 2009), the people's demand for a proper balance between work and personal life has gained a major importance. Some of the key benefits of working from home are flexibility, savings in commuting time and expenses, self-management, working in a quiet environment without being disturbed, being able to take care of children, older people or disabled relatives.

The benefits of working from home have also been acknowledged by Bloom (2014), who revealed through a study that the people that did not work from the traditional office, but from home, were overall more productive. The productivity boost was due to people having a quieter environment, less distractions, the working schedule was properly followed, meaning that they started earlier,

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took shorter breaks, and worked until the end of the day. Besides savings in money on space and furniture for the employer, the at-home workers also reported a much higher job satisfaction compared to their colleagues who worked from the office. This led to an increase in people's well-being and diminished the attrition. Work from home schedules also allows companies to attract talent from any category and domain, people who have established social lives, such as parents, married workers.

Considering that for today's employees, having a work-life balance is very important and they prefer the organizations that offer this type of flexibility, companies are in their turn responsible to develop a clear set of guidelines, processes and procedures that regulate work from home schedules. One of the risks in offering employees these flexible arrangements is that they can be unequipped to work from home, for example, if the procedures and expectations are ambiguous and poorly defined, there can be business interruptions and decreases in organizational performance. Furthermore, Crosby & Moore (2009) highlight the fact that people that opt to work from home should pay attention to their personality, skills and aspirations. To exemplify, personal life can be affected for those that have a tendency to work overtime from home and do not take any breaks, or do not work with a clear, fixed schedule.

Work from home can also damage the performance of an organization. One example is the ban of work from home for Yahoo employees. The decision was taken by the CEO at that time, Marissa Mayer, because of the negative impact she saw on innovation and speed of delivery. Other companies also questioned the effectiveness of working from home arrangements, to name a few examples: Google, Best Buy Co. and Hewlett-Packard. These also took the decision to limit work from home set ups for their employees, as more efficiency was ensured if people worked directly from the office. The recommendations offered by Pathak et al. (2014) in a study referring to an efficient work from home program were that first of all, Human Resource (HR) policies had to be aligned with the company's overall strategies. For some companies, such as Yahoo, banning work from home was a good decision, as competing information technology multinationals (Facebook, Google, Apple), had come up with very innovative offerings so it had to remain competitive on the market. On the other hand, companies which have a more robotic time of work (call centers, BPOs), rather rely on operational stability and launch new products rarely, so keeping operational costs to a minimum is a more important strategy. In this context, work from home programs can keep these costs low, and as employee satisfaction increases, there is a lower attrition, consequently profitability can also increase.

This paper investigates the evolution of work from home trends over the last decade within the European Union in synchronization with the digital skills development. The objective of this study is to demonstrate that working from home programs have increased in parallel with the digital skills development within the European Union and that companies gained sufficient understanding of the benefits of these flexible work arrangements to know accurately under which circumstances to offer them to their employees to improve organizational performance and drive profitability as well.

2. RESEARCH METHODOLOGY

In order to analyze the trends of homeworking in the European Union, a comparative analysis was performed by the authors by looking at factors such as: cross-country tendencies, individuals' level of digital skills, gender. For data examination, various reports from the Eurostat database have mainly been used.

3. MOBILE WORKFORCE AND HOMEWORKING IN THE CONTEXT OF GLOBALIZATION

As globalization became more widespread, the cultural diversity increased as well in the multinational companies across the globe. Outsourcing is one example of change brought to the workforce due to globalization, as in order to optimize costs, many organizations found it more productive to outsource part of their operations overseas, to countries which offer services at greatly reduced rates, enabling thus cross-country collaboration. International labor mobility is another effect of globalization. It was never easier for people to find jobs abroad, or for companies to hire the talents they desire from anywhere across the globe.

According to the research company Strategy Analytics in their report entitled "Global Mobile Workforce Forecast Update 2016 -2022", the global mobile workforce is predicted to reach 1.87 billion mobile employees in 2022, representing 42.5% of the global workforce from 1.45 billion in 2016, which represented 38.8% of the global mobile workforce. Furthermore, with the aging of the workforces from North America and Western Europe, the report identifies also a growth in the workforces from Asia, the Middle East, South America and part of Africa. The need for workers from one region to perform jobs for another one is increasing.

This notion can also be observed in PwC's "Talent Mobility 2020" report, which also states that a big portion of the world population is aging and many Western economies are being impacted. This opens the door for the search of candidates elsewhere around the globe which will be leading to a change in the workforce demographics and dynamics. To solve the situation with the aging population and lack of finding suitable candidates, large multinational companies will rely more and more on hiring people from anywhere across the globe to be able to meet their business needs. The PwC reports observed a 25% increase of international assignments in the last decade and predicts a further 50% growth by 2020. This will require companies not only to adapt their internal guidelines and procedures to regulate flexible jobs expectations and requirements, but also to implement the right technical infrastructure to allow employees to work from any location.

The progress of technology at global level created also immense transformations in the flexible work programs, as today's sophisticated information technologies allow employees to work from home without any issues.

4. WORKING FROM HOME IN THE EUROPEAN UNION

In the European Union, the rapid technological innovation, allowing instantaneous communication and the proliferation of multinational companies in the context of globalization generated a steady growth in the flexible work programs within the Member States over the last decade. E-mails, chats, videoconferencing, web-conferencing and sharing tools now enable employees to easily work from the comfort of their own home.

4.1 Individuals' digital skills in the European Union

The digital competencies encompassing areas such as information processing, virtual communication, digital content creation registered a growth in the European Union over the last years. Between 2015 and 2017, the individuals' level of digital skills grew from 55% to 57%, as it can be observed in Figure.1.

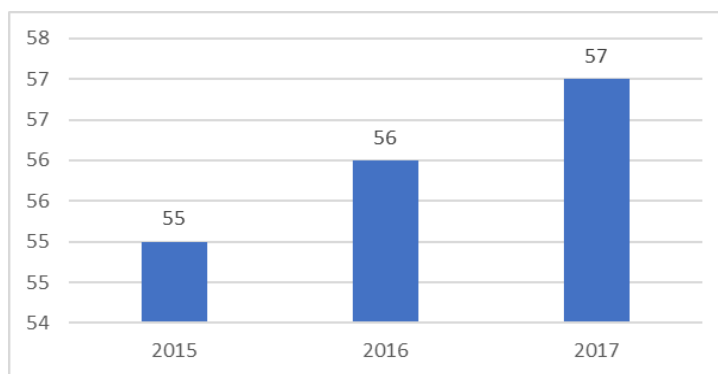


Figure 1. Percentage of individuals' level of digital skills in the EU, 2015 - 2017

Source: authors, based on the data from Eurostat

(http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=isoc_sk_dskl_i&lang=en)

Looking at cross-country digital skills, they differ quite significantly from country to country, ranging from 26% in Bulgaria to 86% in Luxembourg in 2016. It can also be observed that Northern countries have the highest rates of digital skills from all EU Member States compared to the countries from South East Europe, where the digital skills rates are lower.

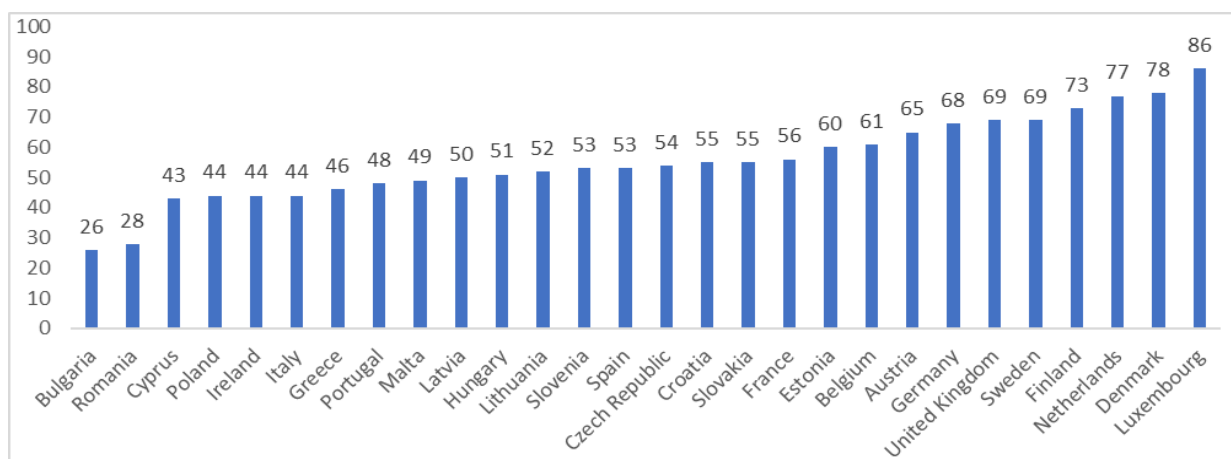


Figure 2. Percentage of individuals' level of digital skills in the EU Member States, 2016

Source: authors, based on the data from Eurostat

(http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=isoc_sk_dskl_i&lang=en)

4.2 The work from home trend during 2009 - 2017

Over the last nine years, there has been a slow, but steady growth in the percentage of employed adults working from home within the European Union. Figure 3. shows the evolution as of 2009, when the percentage was 12.2% to 2017, when the percentage grew to 14.6%. In the overall trend which grew over years, a slight decrease was registered in 2014, when the figure slightly dropped compared to previous year.

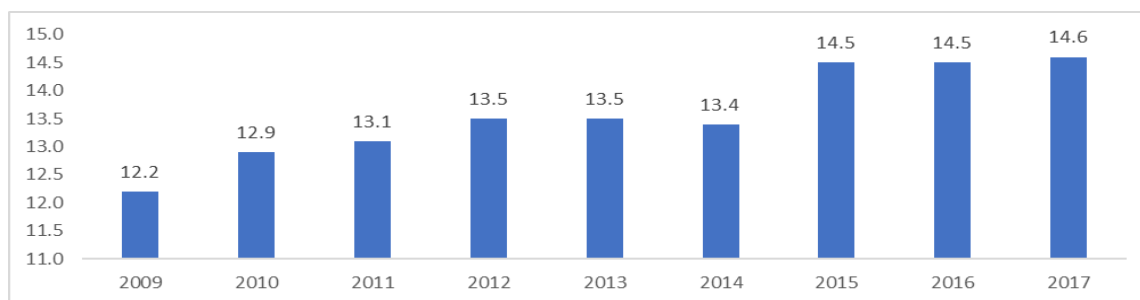


Figure 3. Total percentage of employed adults working at home in the EU, 2009 - 2017

Source: authors, based on the data from Eurostat

(http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfst_hhwahchi&lang=en)

4.3 Employed adults working at home in the EU split by gender

In terms of gender split, the gap between men and women was very small in 2017, when a slightly higher proportion of men worked from home than women (14.8% of men, compared to 14.5% of women), as it can be observed in Figure 4. The growth during 2009 – 2017 was however higher for women, who started from 11.9% in 2009 and reached 14.5% in 2017, compared to the trend of men working from home, who started off with 12.4% and reached 14.8% in 2017.

According Eurofound's report *Work-life balance and flexible working arrangements in the European Union*, „care is a highly gendered issue in terms of care for both children and dependent relatives. Data from the European Working Conditions Survey 2015 show that in every Member State, women still have the main caring responsibility.” (Eurofond, 2017, p.1). Even under these conditions, if in 2009, women would work from home less frequently than men, in 2017 a balance was reached and both women and men work almost equally from home.

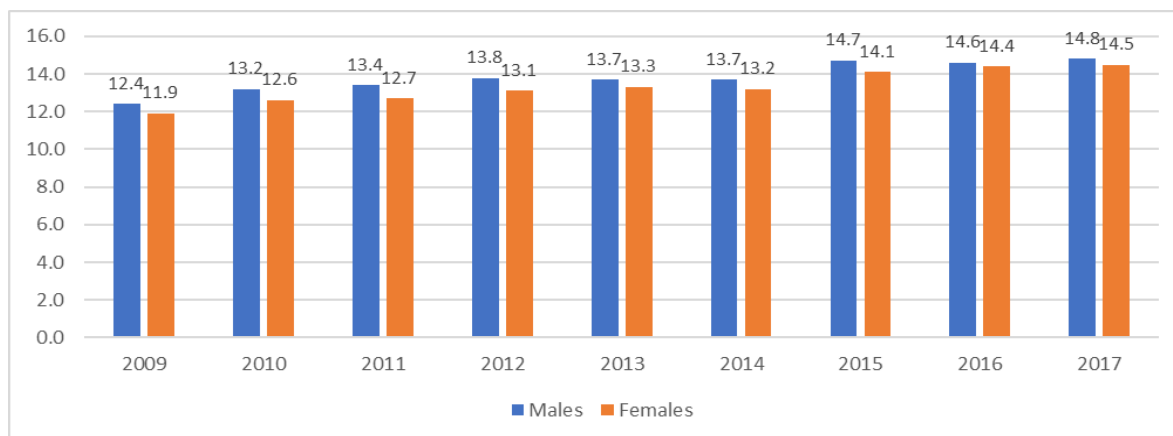


Figure 4: Total percentage of employed adults working at home in the EU by gender, 2009 - 2017

Source: authors, based on the data from Eurostat

(http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfst_hhwahchi&lang=en)

Similar data in terms of men and women working from home in nearly the same numbers was also observed in the federal Bureau of Labor Statistics research from 2016. According to the study, in US, men did some or most of their work from home 21.3% of the time, while women worked from home 23.6% of the time.

Table 1. The percentage of employed adults working at home by gender in the US

Gender	
Male	Female
%	%
21.3	23.6

Source: Author, based on the data from The Bureau of Labor Statistics
 (<https://www.bls.gov/opub/ted/2017/on-days-they-worked-22-percent-of-employed-did-some-or-all-of-their-work-at-home-in-2016.htm>)

Compared to the work from home figures from the European Union, the overall figures from US are higher, people in general work from home more than in the Member States, and the women slightly outnumber men in their work from home routines.

4.4 The current trend of work from home arrangements across the EU member states

In terms of cross-country comparison regarding the percentage of employed adults working from home, the highest figures, above 30% were observed in Netherlands (37.7%), Sweden (32.8%), Denmark (31.2%) and Luxemburg (30.6%). On the other side of the spectrum, Romania and Bulgaria registered the lowest figures of work from home schedules, with 0.6% and respectively 1%.

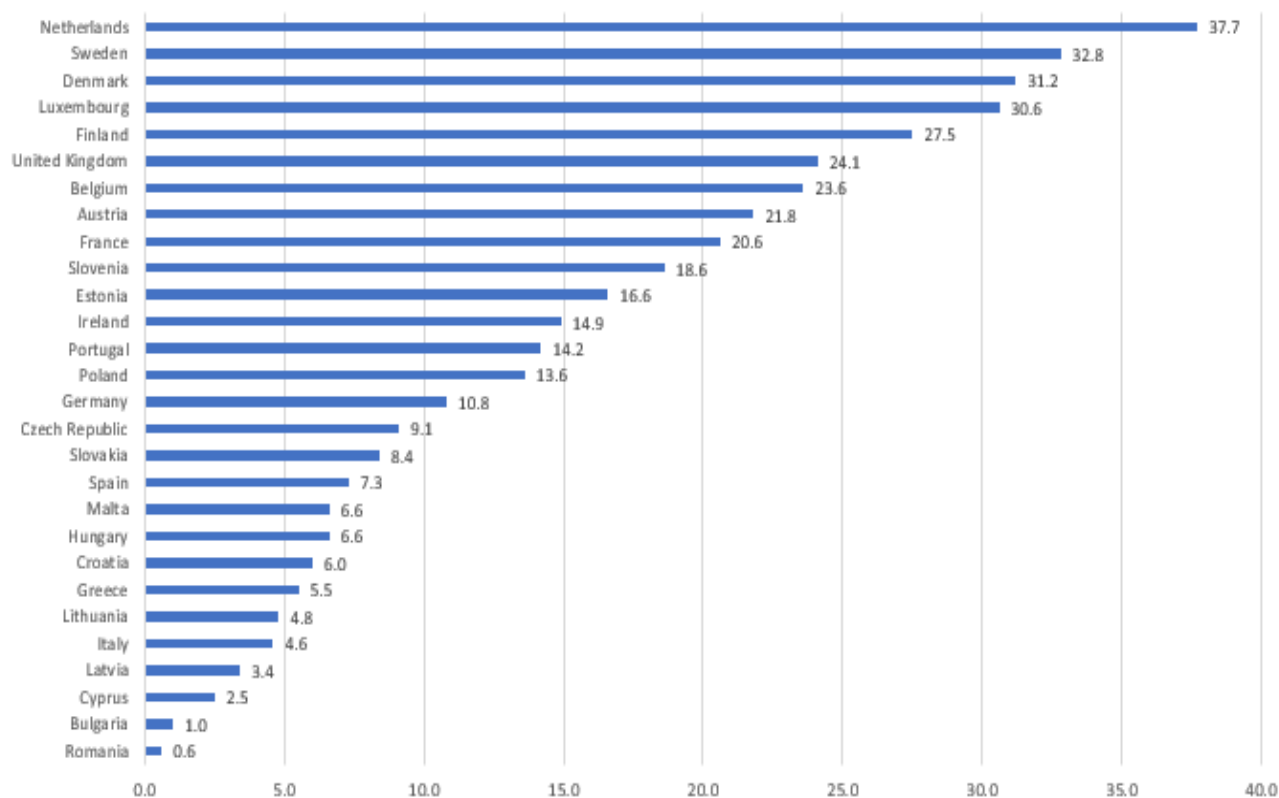


Figure 4: Percentage of employed adults working at home in the EU, 2017

Source: authors, based on the data from Eurostat
 (http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfst_hhwahchi&lang=en)

5. PRODUCTIVITY TOOLS FOR WORKING FROM HOME

Considering that many multinational companies now offer flexible jobs, it is important for them to also ensure that their employees have access to the right technologies and communication tools for an efficient performance when working from home as well.

Friend & Hansson (2013), consolidated a list with some of the mail tools used in the industry:

- Skype for business – a tool through which people can chat, join online meetings or video calls from any device, laptops or mobile phones.
- Basecamp – a very good web-based project management tool used for group discussions, for tasks assignment, scheduling meetings, brainstorming, for organizing files and for keeping everyone in the project up to date with the status of an activity.
- WebEx – a tool designed for online meetings, web conferences and screen sharing, being very popular among multinational companies as it allows an easy connectivity across geographical boundaries.
- Know Your Company – a software tool that supports business owners in getting to know their employees better. It helps to understand people's opinions about the company, about its organizational culture, leadership, management, work environment, decision taking and many more. It is a very useful tool for companies which have employees spread across various locations and which do not meet face to face very frequently.
- Instant Messaging – it can be used for quick, short discussions. If working from a Mac device, iChat/Messages are a useful option. For people that prefer Google, Gtalk (or Gchat) is the service that offers instant messaging services for employees.
- Google Hangouts – offers a very easy way of establishing messaging, voice and video calls. It also enables group chats for up to 100 people, group calls with up to 10 people, and employees can use either their laptops or mobile devices.
- Google Docs – enables employees to write, edit, and collaborate from any location.
- Dropbox – a hosting service offering cloud storage, file synchronization and client software. Employees can use it to access the company's centralized files, can be used for file storage and anyone from any location can access it.

Progress continues to be done in the development of software that offers employees all necessary systems to be able to work from home, offering at the same time a very good user experience, as all of the innovations are available for all types of devices.

6. CONCLUSIONS

The study presents the concept of working from home and the trends in the European Union, overall, cross-country and by gender. Although working from a traditional office may not completely disappear, the alternatives that appeared in the workfield over the last years gained a lot of popularity among employees and more and more of them opt for jobs that are flexible and adaptable to their needs. Even though there can still be some skepticism and risks regarding flexible work programs, such as work from home, it is employees' desire for a better work life balance that forced companies to adapt their compensation packages to the needs of their hires.

In the European Union, work from home programs is used across all Member States and at overall level, nearly equally by both men and women. From the total figure of 14.6% registered in 2017, 14.8% are men and 14.5% are female. In 2009, the percentage of women working from home was smaller (11.9%), however over time, they grew to almost match those of men working from home.

The digital skills of individuals from Member States is a factor enabling a higher adoption of work from home programs. Eurostat data shows that the more equipped people are with digital skills, the more likely they are to work from home. Countries from Northern Europe, such as Finland,

Netherlands, Denmark, Sweden, have among the highest percentages of individuals with digital competencies and in parallel, they also have the highest percentages of employees working from home.

Companies can offer their employees flexible programs as long as the jobs are in synchronization with overall strategies. The results of this study offer an overall perspective over homeworking in the European Union and can be used by organizations in order to identify some of the benefits and risks before deciding to offer employees work from home programs. The study also presents some of the available software that can enable an efficient work from home.

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