

# Work from Home: A Boon or a Bane? The Missing Piece of Employee Cost

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*This paper examines the discourse on work from home in global and Indian contexts. It shows a long-held excessive focus on employee benefits which deflected the attention away from employee costs. Even though there was discussion on costs in the recent past, it mainly focussed on employers' costs. However, a growing body of recent research shows that the framing of work from home as an employee benefit creates normative pressures on employers to intensify their work. The authors argue that current discourse, which portrays work from home as an employer cost and simultaneously an employee benefit, can steepen the normative pressures on employers, creating undesirable outcomes.*

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A couple of months back, chief of India's largest bank, the State Bank of India, stated that her company is exploring the feasibility of allowing its female employees to work from home ("SBI Studies if Women Can Work from Home," 15 December 2014). The stated motive behind this step is to retain female employees since work from home is considered as beneficial to employees, particularly, female employees. Such statements are part of a broader widespread narrative that depicts work from home as a boon to employees. However, there is increasing evidence that work from home involves significant employee costs, depending on how it is framed and implemented. Hence, we argue that instead of excessively focusing on employee benefits, corporations and policy makers should consider employee cost also.

## **Indian Narrative**

Working from home is not a recent phenomenon in Indian corporate sector. News reports claim that in International Business Machines (IBM) India and Hewlett-Packard (HP) India work from home is an integral part of the employ-

ees' work life. These companies portray work from home as a help that they extend to their employees in balancing work and life (Sabharwal, et al, 2011). Many other Information Technology (IT) companies make similar claims. For example, firms such as Avtar-I Win specifically aim to promote home-based working and other flexible work practices to help women join and sustain in the workplace (Avtar I-Win, n.d.). In this discourse, work from home is highlighted as a big opportunity for women to join and continue in work while balancing work and life (Ahuja, 2003; Mitter, 2000). This emphasis should be understood in the context of the high exit rate of Indian female employees due to marriage or child-care reasons. For example, 45% of Indian women considered the strong social norm that women must take care of the family as the main reason for women leaving the workplace (McKinsey, 2013). Hence, to the extent that the female workforce provides firms with labor supply, employers also benefit.

A few state governments also repeat the narrative of employee benefits. For example, the ICT policy of Andhra Pradesh 2010-2015 promotes work from home as an employee benefit. Thus, the policy lists several benefits of work from home such as: (1) gainful employment for women with young children and for physically handicapped people, (2) mitigation of risks to employees' personal security in night shifts and (3) work-life balance.

Overall, as the recent research suggests, the Indian narrative seems to focus excessively on employee benefits

(Bathani & Kandathil, 2015). Given that this discussion on work from home is in the context of IT industries that is dominated by multinational companies, this local focus seems to be a reflection of the global discourse.

### **Global Narrative**

Many multinational companies across the globe have repeatedly highlighted work from home as an employee benefit that they provide. Further, companies even portray work from home as a privilege given to employees (Mescher, et al, 2010), even at a cost to the employer. In this direction, Yahoos' recent ban on work from home is telling as it resulted in a debate in the media (Swisher, 2013b) and subsequent corporate actions.

While responding to Yahoo's action, the proponents of work from home were vociferous about its employee benefits (Swisher 2013b). However, indicating work from home as a costly business, Marissa Mayer, Yahoo's Chief Executive Officer (CEO), defended the ban. She argued that people are more collaborative and innovative when working together in the office (Carlson 2013). While refuting Marissa's justification as insufficient to outweigh the employee benefits that work from home practice provides, some sources made the following accusation. When Marissa went through the log records of Yahoo's employees, she noticed that many employees, who were working from home, had not logged long enough into company's network (Carlson, 2013). Hence, she unjustifiably concluded that the employees were abusing the privi-

lege (Swisher, 2013c). Nevertheless, a few other companies followed the Yahoo path. For example, Best Buy, which introduced work from home using a concept, “Result only work environment (ROWE)”, reduced the opportunities to work from home for some of its employees. Similarly, HP, which is famous for its flexible working practices, shrank its work from home options. Like Yahoo, these companies also cited the potential damage to collaboration and innovation as the reasons for this reduction (Hesseldahl, 2013; Lee, 2013). The actions of these companies and their official justifications for banning or limiting work from home highlight employer cost in allowing work from home. Despite the focus on cost, there has been no discussion on employee cost. This is partly because the emphasis on employer cost is premised upon the repeated argument that work from home is an employee benefit.

Hence, predictably, the banning and limiting of work from home invited strong opposition from proponents of work from home. For example, Yahoo employees considered the ban unfair to the employees who were working from home. Along with others, they argued that work from home was beneficial to employees, particularly married employees having children, in their struggle to balance work and family (Guynn, 2013). Thus, many people found Yahoo’s ban ironic since Marissa got a nursery built adjacent to her office for her newborn baby while banning work from home (Swisher, 2013a). Interestingly, in response, citing employee benefits such as work-life balance, most IT companies supported work

from home, despite Yahoo’s ban (Swisher 2013a). This support and the justification are not surprising given that the dominant academic discourse also portrays flexible work practices such as work from home as largely beneficial to employees, ignoring employee cost (Fleetwood, 2007).

### **Stunning Absence**

This excessive focus of work from home discourse on work-life balance and other employee benefits has deflected both academic’s and policy makers’ attention away from employee cost (Kelliher & Anderson, 2010; Mescher, et al, 2010). Thus, as discussed earlier, even the discourse that generated a debate on both costs and benefits focuses exclusively on employer costs leaving out employee cost. However, recent research reveals significant employee costs such as increased work stress and loss of wellbeing ( Felstead & Jewson, 2000; Putnam, et al, 2014). Other costs include social and professional isolation, consequent negative performance appraisal and its adversary impact on career growth (Leslie, et al, 2012). Research also indicates that these costs emanate mostly from the way work from home policy is implemented. Often, work from home end up being a means to either intensify work (Kelliher & Anderson,

**Recent research reveals significant employee costs such as increased work stress and loss of wellbeing.**

2010)—increase work hours and include odd times in work hours—or dilute employee opposition to the already intensified work (Bathini & Kandathil, 2015). Hence, it is important to discuss employee cost associated with the practice of work from home, particularly in relation to work intensification.

### **Bringing in Employee Cost**

Recent academic studies point out that work from home policy, by the way it is implemented, can lead to work intensification and related stress (Broadfoot, 2001; Kelliher & Anderson, 2010; Putnam, et al, 2014), damaging employee health and social relations (Leslie, et al, 2012). For example, the employees who were working from home were found obligated and pressured to work during odd hours and longer than they usually worked from the office. The obligation and the pressures come from a widely held societal norm to reciprocate for being allowed to enjoy the benefit of work from home. Thus, work intensification is created by the dominant discourse of work from home as employee benefits. These dynamics—the normative pressure leading to work intensification—seem occurring in Indian context as well (Bathini & Kandathil, 2015). Moreover, when employees opposed intensification of work that they carried out in office space, firms could use work from home as an employee benefit in exchange of acceptance of the intensified work (ibid).

In this context, if the “employee benefit” discourse is combined with the nar-

rative that portrays work from home as an employer cost while excluding employee costs, it can steepen employees’ normative pressure to work intensely. The current discourse of work from home, thus, is likely to help companies, at the cost of employees, in legitimizing odd and long work hours that go beyond even legally specified limit. Hence, the Indian IT employee association’s statement that in the absence of regulatory monitoring companies could use work from home to make employees, particularly women, to work longer (Nandakumar, 2013) deserves serious and immediate attention. Some of the reader comments on e-news articles on work from home in India repeats this point (“16 IT cos offering work-from-home option,” 2012). This possibility of forcing work hours that breaches even the legal limit is high in the Indian IT context since studies have documented that many employees work beyond 60 hours per week (Nadeem 2009) that exceeds the legal limit on maximum work hours. Studies have reported such occurrences elsewhere also (Fleetwood, 2007).

**Companies could use work from home to make employees, particularly women, to work longer.**

Hence, overall, as states and corporations consider pushing work from home as flexible work arrangement that benefits employees, it is important to discuss the costs, particularly work intensification as well. Without minimizing these costs, the discourse that portrays work from home as an employee benefit can

function as a tool to legitimize work intensification that breaches legal limit. Therefore, it is also important that the discourse on work from home be situated in the legal framework on maximum work hours.

### An Employee Right

What is the way forward? Of course, we are not arguing for throwing the baby out with the bath water which is to abandon policies such as work from home. Rather, we need safeguards to protect the interests of the employees while work from home is implemented. The first, and perhaps the most important, step in this direction is to consider employee cost, particularly work intensification.

**Law confers upon certain employees in UK the right to request a flexible work arrangement.**

Second step could be to frame legislation that grants employees the right to request work from home. In 2003, the United Kingdom Government introduced such a measure through the 'flexible working act' (The United Kingdom Flexible Working Act - Legal Memo, 2006). This law confers upon certain employees in UK the right to request a flexible work arrangement, and confers upon the employers a duty to consider the request. It requires a well-defined and documented process for negotiation between the employer and the employee by laying down a procedure for considering and resolving employee requests. However, this law does not guarantee employees the right

**Critics contend that current legislation does not make the right substantive since employers can reject employee requests.**

to flexible working arrangements. It only seeks to foster dialogue on flexible work arrangements between employers and employees. Further, a few reports suggest that this legislation, while is a step in the right direction, has not met with expected success in improving workplace flexibility (ibid). Critics contend that current legislation does not make the right substantive since employers can reject employee requests, citing business reasons. Further, other studies suggest that despite the legislation, the implicit messages around workplace flexibility discourses still convey it more as an employee privilege than a right (Mescher, et al, 2010).

Therefore, while legislation could be a step forward, more important is to expand the discourse on work from home as an employee benefit to include employee costs, particularly work intensification and the related potential violation of legal limit on maximum work hours. The ongoing debate on labor law reforms provides the right space and time to initiate such a broader discourse.

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