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Telework and personnel risk

Abstract. Flexibility is currently gaining in significance in the field of employment. The ability to freely select the time and the place of work is of great help for both the employee and employer. One of the forms of flexible employment that facilitates such solutions is teleworking. In addition to the many benefits brought forth by this form of employment, employees and employers must also take into consideration the personnel risk associated with telework. The article focuses on the problem of risks faced by a teleworker and those borne by the employer in connection with the introduction of teleworking. The study is theoretical and empirical nature, taking advantage of materials in literature covering personnel risk and telework, articles from the Internet and empirical data contained in reports from PARP [Polska Agencja Rozwoju Przedsiębiorczości – Polish Agency for Enterprise Development] and PBS DGA [market research company] studies. The basic methods of preparation consist of analysis and synthesis, as well as induction, deduction and reduction. The conducted study reveals, among others, that the implementation of teleworking carries with it personnel risk that applies to two entities - the teleworker and the employer. In order to reduce or minimise such risk, it is necessary to create new rules for teamwork coordination and supervision, as well as make amendments to some legal solutions aimed at encouraging employers to conclude employment contracts.

Key words: personnel risk, telework, teleworker risk, employer risk.

Introduction

Telework is one of the manifestations of fundamental changes in the redefinition of work organisation and employment. This atypical form of work emerged and spread throughout the information society thanks to the development of modern telecommunication and information technologies. Telework is an extremely important element of information society. It has become a useful tool for labour market institutions, the government, businesses and other organisations.

Telework is a subject of discussion abroad, particularly in Western Europe and the United States, where its implementation began much earlier than in Poland. Analyses of this issue are also conducted in Poland. A large number of studies and much research on this form of work relate to its implementation by enterprises. Advantages and disadvantages are presented, especially for potential employers. In contrast, the threats and risks posed by this form of employment to the employee are covered relatively infrequently.

The aim of this study is to present the risks faced by a teleworker and the risks that are borne by the employer in connection with the introduction of telework. The study is of theoretical and empirical nature, taking advantage of materials provided in literature in the field of personnel risk and telework, articles from the Internet and empirical data contained in reports from PARP [Polska Agencja Rozwoju Przedsiębiorczości – Polish Agency for Enterprise Development] and PBS DGA [market research company] studies. The basic

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methods of preparation consist of analysis and synthesis, as well as induction, deduction and reduction.

Personnel risk in the organisation

Personnel risk and methods for its management have recently become a new point of interest for scientists and human resources managers in organisations. Personnel risk stems from the inability to accurately determine the value of all the results of employees' work, as well as the effects of measures undertaken within the scope of a specific personnel policy applicable to employees [Lipka et al. 2014].

Personnel risk should not be associated exclusively with events responsible for the need to find a smaller or larger number of new employees in order to satisfy the so-called reproductive labour demand (demand induced through the loss of human resources) [Lipka 2002]. It is primarily associated with human capital at the disposal of the employer - capital of which the employers are not absolutely sure, but one that allows them to benefit and achieve success. This success lies in the ability to determine the level of personnel risk and limit or minimise it, which will make it possible to protect the organisation against tangible and intangible losses.

At risk value (one exposed to risk) can, in the case of personnel risk, take both tangible (increased costs, decreased profit, loss of competitiveness) and intangible (loss of reputation) form, but the latter also usually includes implications of a financial nature. In other words: the cost-effectiveness of personnel risk of the organisation has more than a strictly economic dimension. This is due to the nature of human resources [Lipka 2002].

In literature on the subject it is possible to find various definitions of personnel risk, which may include: uncertainty, probability of loss, size of potential losses and, finally, the type of danger.

Personnel risk of an organisation (also known as staffing risk, personnel and organisational risk or company operational personnel risk) is a measure of the variation of results of an uncertain situation [Lipka 2002]. It pertains to human capital management, constituting a kind of economic, as well as behavioural risk [Urbanowska-Sojkin 2013].

X. Zaho and Z. Jia distinguish two aspects of human capital: personnel risk and human capital risk management. They define human capital risk as "the possibility of loss or deviation from the company's target as a result of the participation of personnel in operations [Zoho & Jia 2006]. The relationship between the highlighted aspects of human capital risk lies in the fact that making wrong decisions within the scope of management of such capital or using imperfect procedures can lead to errors committed by employees in the performance of their work, which consequently expose the company to the risk of unpredictable employee behaviour (personnel risk) [Zahao & Jia 2006].

Personnel risk considered from the perspective of an organisation's human capital can be divided into [Król 2010]:

1. risk related to an incorrect quantity of human capital in the organisation (deficit or surplus of human capital) - this personnel sub-risk is synonymous with the risk of planning personnel needs,
2. risk of "over-competence" of human capital in the organisation (overqualified employees),

3. risk of competency gaps in the organisation (insufficient or improper competencies of employees),
4. information security risks pertaining to information that employees have access to (risk of "outflow" of information from the organisation),
5. risk of "human error",
6. risk of knowledge loss due to an employee leaving the organisation.

Personnel risk is a multi-dimensional and dynamic (changing over time) category. In addition to the above mentioned personnel risk there is a risk of conflict between employees, risk in communication, risk of employee segmentation or risk associated with the incompatibility between the information system supporting the personnel system and the needs of the organisation.

According to A. Poczowski personnel risk is the risk of creating value within the scope (area) of human capital management, which is related to the need to answer the following questions [Poczowski 2003]:

1. Which activities lead to the creation of value and which do not?
2. What risks are associated with the use of IT tools in the various personnel processes?
3. What are the risks of investing in human capital and the expected return on such investments?
4. What is the risk of globalisation in relation to human capital management?

Personnel risk is a type of micro-organisational or micro-social risk, i.e. risk associated with the organisation's social structure. It is determined by macro-scale (exogenous) factors, including those related to the functioning of the labour market and other elements of the external environment, as well as micro-scale (endogenous) factors, resulting from the organisation's strategy, culture and organisational structure or the way the human capital management process is implemented [Król 2010].

The following personnel risk characteristics are distinguished [Ledig 2008]:

1. It is directly related to decisions;
2. It is a threat, but also an opportunity for the organisation;
3. It is associated with uncertainty related to decision-making objectives;
4. It arises due to information deficits;
5. It refers to the shaping of employee behaviour and the organisation's entire system.

Personnel risk can also be understood as a potential threat to the objectives of a company, resulting from negligent and/or improper use of human capital [Kroop 2004]. Solutions related to telework and employment within a flexible framework in a particular organisation mean that personnel risks appear related to both employers and employees. According to the author the risks associated with telework should be understood as its failures and threats.

Telework in selected countries and in Poland – results of studies

The idea of telework appeared in the USA in the early 1970s. The United States have the highest share of teleworkers, where in 2006 30 million people were working remotely (about 30% of all employees). According to the European Commission telework is

performed by about 10 million people in the EU. More than half of them are self-employed. Approximately 4.5 million employees working remotely perform work under an employment relationship [Spytek-Bandurska 2013].

In contrast, cross-cultural studies on telework from 2000 show that most teleworkers in Europe are located in Germany (2.13 million) and the UK (2.03 million), while percentage-wise, of the total population employed, the highest number of teleworkers is employed in Finland (17%), Sweden (15%), the Netherlands (15%), Denmark (10%) and the United Kingdom (8%), while in Poland this is only 2% (Figure 1).

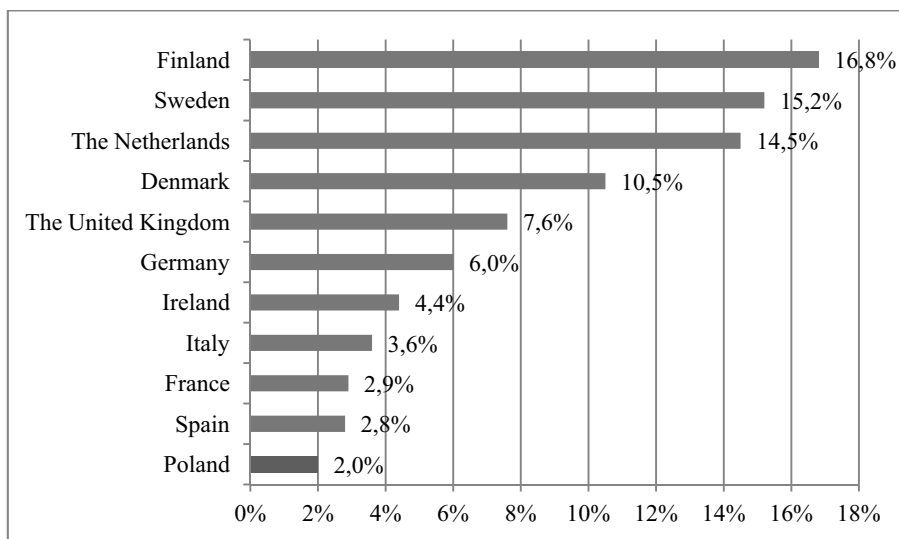


Figure 1. Percentage of teleworkers in selected European countries and in Poland

Source: [Spytek–Bandurska 2013].

In a report on the Polish telework market conducted in 2007 by Doradztwo Gospodarcze DGA S.A. it has been found that teleworkers in Poland accounted for only 1% of all employees. Despite this, up to 19% of surveyed companies declared that at that time they are considering the introduction of teleworking in their company in the near future. Studies conducted by PBS DGA in 2009 showed that the number of people teleworking increased 5-fold in 2008, so it should be assumed that it is approximately 500-600 thousand of employees, which amounts to about (5% of all employees). Telework is employed in about 18% of companies and institutions in Poland [www.dga.eu].

Results of PARP studies on a sample of 800 respondents indicate that only 3.2% of entrepreneurs employed teleworkers, 11.2% of employees declared an interest in teleworking, while 36.6% would like to work in a mixed system (PARP report). Similar research conducted by Pracownia Badań Społecznych in 2005 based on a sample of 1000 companies confirms slight interest in telework, as it was implemented in 16% of companies, while in 2/3 of them only one member of staff was employed using this form - most often in financial services, information technology and accounting (Figure 2).

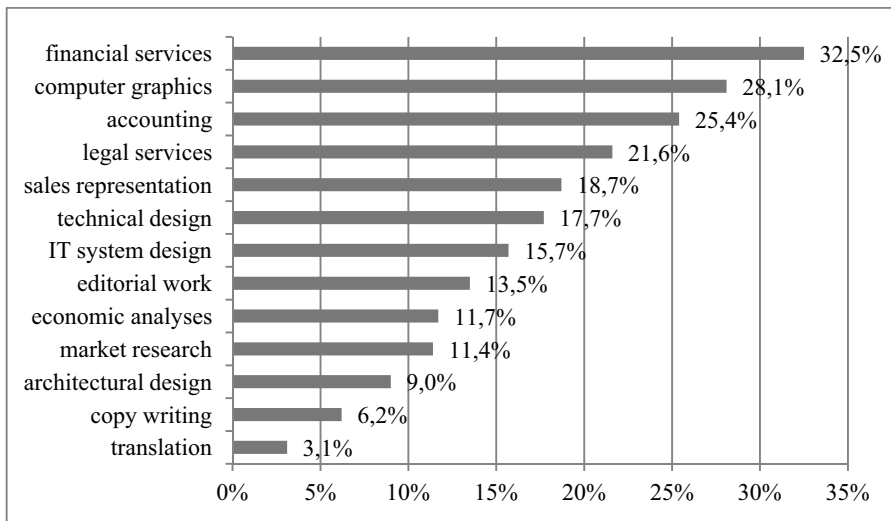


Figure 2. Activities performed by teleworkers in Poland (%)

Source: PBS study "Telepraca – raport z badania 1000 przedsiębiorstw" from 2005. [www.telepraca-1000-firm].

Not every type of work can be done from outside the office. Operating specialised machinery and equipment, or customer service, require the employee to be present at the workplace. IT multinationals were the first to do this in Poland. IBM has allowed telework for over a decade and flexible working time has been possible for even longer, over twenty years. Some divide time between their home and the office, working at home three days a week and spending two in the office. Others work at home all the time and use a "hot desk" [Dawid-Sawicka 2010].

The benefits of telework have also been noticed in PZU, where about 300 claims adjusters work this way. The idea of telework has gained in significance in PZU following the centralisation of claims handling and the reduction in the number of offices from three hundred sixty to nine across the country. For some this meant an approximately two-hour daily commute each way [Golik 2013].

The vast majority of working Polish women aged 25-49 years must come to work every day. Only 13% take advantage of teleworking. In the UK, Denmark and Austria, one in four women performs work at home. It should be no wonder that Poland ranks among the five countries of the European Union with the least frequently used flexible working arrangements for women [Golik 2013].

Increasing Poland's competitiveness level and reducing the distance separating it from other countries, as well as ICT-related (information and communication technology) trends, force the reinforcement of information society development and modern forms of work organisation. In line with the Lisbon Strategy which aims to build a knowledge-based economy, documents have been developed in Poland defining the framework and direction of the country's computerisation (e-Polska), and the building of an information society. These are: the National Development Strategy 2007-2015, the National Strategic Reference Framework 2007-2013 and the Strategy of Information Society in Poland for the years

2007-2013 [Pizło 2005]. Telework is increasingly often being identified as one of the key areas of development of an information society. Its popularisation has become one of the elements of the European Employment Strategy. An institution was established dedicated to monitoring solutions used in telework - European Telework Online.

It is important to note the factors stimulating telework development, such as: increasing competition on a global scale, limited resources of skilled labour in certain regions, socio-demographic changes, deteriorating working conditions, environmental pollution and, finally, the focus on restructuring and cost reduction. The development of teleworking can also be seen as an organisation adapting to growing uncertainty. This stems from the fact that it contributes to increasing the flexibility of companies and this enables risk compensation. In conditions of uncertainty, flexibility is an essential attribute of the operations of modern organisations. It allows them to adapt to constantly changing needs. However, solutions becoming more widespread along with the rise in popularity of the Internet, i.e. telework, are also a source of threats.

Operations based on the Internet imply interdependence, flexibility, openness, equality, trust, learning and partnership. The above mentioned methods of thinking about the Internet entail the following consequences in relation to the organisation: individualisation, the disappearance of hierarchy, delegation of: authority, responsibility and risk.

Risk to the teleworker

Telework carries a risk, both for the employer and for the people performing work via telework, i.e. teleworkers. The risk associated with the use of telework is shown in Table 1. It has been identified based on the attributes of teleworking, namely: spatial dislocation, temporal dislocation and the use of information and communication technologies. The proposed considerations cover two entities: the teleworker and the employer.

One of the most significant consequences of spatial dislocation is social isolation. Isolation means that the employee is separated from the world of discussions, gestures, interactions. Opportunities to communicate, express emotions, discuss work-related issues, create solutions, share successes are limited. Teleworkers may go unnoticed and unappreciated in a team. They reap no benefits from daily team meetings because these either do not exist or are held via video- or teleconferences.

Isolation means no contact with superiors, which reduces the possibility of career advancement. It also results in difficulties in mobilisation and motivation, accelerates burnout. Over time, the isolation leads the worker to become alienated in the organisation. A state of isolation can influence the health of an employee, for example cause: anxiety, nervousness, mood swings, depression.

An important consequence of spatial dislocation is the transfer of work to the home. This leads to work life and private life becoming intertwined, a lack of free time, an imbalance between private and professional life. A teleworker usually dedicates more time to thinking about work. He or she is often unable to concentrate on neither work nor family. In addition, telework involves stress related to working at home and assertiveness towards loved ones, who are not always able to understand that someone is working at home. This aforementioned work-related stress intensifies when the employee has little autonomy and their actions are dictated by the requirements of the supervisor.

Table 1. The risk associated with the use of telework

Risk of the teleworker	Risk of the employer
1. Social isolation and mental/physical deterioration.	1. Initial implementation costs of the teleworking system.
2. Problems of teleworkers related to the separation of their home life (personal) and stress in the family.	2. Lack of team integration, as well as employee and employer synergy - trust.
3. Threat of "workaholism" - working "around the clock" and Internet addiction - a long workday.	3. No direct control over the performed work.
4. Increased autonomy and accountability, and the need motivate oneself.	4. Loss of image and potential customers of the organisation.
5. Shifting the burden of professional training from the employer onto the employee - stagnation.	5. Possibility of valuable documents and data being leaked outside the company.
6. Shifting the cost of creating and maintaining positions onto the employees.	6. No return on investment in human capital - training.
7. Job insecurity, inadequate labour law.	7. Problems with management, which concern, among others, monitoring progress, health and safety regulations, motivating employees, which occurs rarely.

Source: Own preparation.

The mentioned effects are compounded by temporal dislocation. The risk to a teleworker may be related to time management. An increase in the productivity and quality of performed work can be obtained through the lengthening of working time beyond existing standards, as well as shortening or even eliminating breaks. As a result working time and private time merge. Teleworkers tend to work, even if their health does not allow it. Furthermore, it happens that employees working standard hours contact teleworkers at any time, seeing them as always available. As a result, teleworkers are at risk of workaholism.

As a consequence of spatial and temporal dislocation and the use of information and communication technologies, addiction to information and communication technologies can occur, manifesting itself as Internet addiction.

Telework means a transfer of risk onto teleworkers by increasing their autonomy and responsibility. Teleworkers are responsible for the fate of the company, as well as for their own development.

The use of teleworking leads to a shift of tasks related to professional development away from the organisation and onto the teleworker. For this reason the risk level of the teleworker within this area is high. The development risk of the teleworker consists of, among others: risk of slowed or inhibited professional development (due to lack of financial resources or motivation to develop), risk of incurring expenditure on development, risk of choosing the wrong direction of development (incompatible with the predispositions of the teleworker or labour market demand). Career risk exists in conjunction with development risk. As a result, a risk of professional stagnation may appear [Król 2010].

Spatial dislocation necessitates ergonomic adaptation of the workplace. Risks associated with the following are often transferred onto the employee: equipment, incurring fixed costs or application of health and safety principles that may lead to organisational problems for the teleworkers and control problems for their employer. In the long term this could lead to various deficiencies.

From the point of view of the teleworker, economic risk is a very significant type of risk. It consists of specific risks, including reduced employment security risk (risk of a lack

of employment continuity), risk of loss of livelihood and social risks. The first of these risks stems from the limited duration of contracts and the lack of certainty of repeat conclusion of a specified period contract (e.g. contract work, mandate or self-employment), for the duration of a particular job or individual employment. Although there is an increased interest in telework, which promotes professional activation of many groups of people (e.g. young people, women, the disabled), parties still choose to cooperate under civil law contracts that give them a lot of freedom and independence, but do not provide sufficient protection and employee privileges. A secondary risk is associated with the primary by being its direct consequence. In contrast, social risk pertains to, among others, limited access to employee benefits or total lack thereof, lack of effective legal protection related to remuneration for work and a lack of guaranteed minimum wage [Król 2010]. Very often employers consider teleworkers as second-class employees, do not trust them and therefore do not sign employment contracts with them.

Risk of the employer

The employer's risk is the risk incurred by organisations in connection with their employment of teleworkers, regardless of the form.

Despite the unquestionable advantages of teleworking, employers refrain from organising it because they fear the inconvenience and problems, especially those unidentified, which may arise suddenly and cause severe losses to the company. In particular, one should keep in mind the high cost of establishing a work position in the place of residence of the employee, which is much more difficult and takes more effort than in the workplace, whose location and equipment are chosen to facilitate business operations. Meanwhile, the intended use of homes is completely different, so housing conditions and infrastructure must be present that allow the installation and smooth operation of equipment, implementation of security measures against unauthorised access, as well as assure health and safety at work. Due to the spatial dispersion of teleworker positions, the use of the latest ICT technologies increases cost, while the risk of hardware failure and communication difficulties is increased [Spytek-Bandurska 2013].

As a result of the isolation of employees, opportunities for integration and creation of synergies are limited - the team spirit fades. The possibilities of building trust and creating "silent knowledge" within the organisation are limited. In addition, a short cooperation period (e.g. in the case of civil law contracts) results in a risk of reduced employee involvement in the affairs of the organisation and diminishes loyalty. Employee isolation also leads to the disappearance of organisational culture and corporate identity loss risk. The disappearance of an organisation's culture also limits the use of so-called indirect forms of control.

Another risk consists in the inability to provide ongoing supervision over teleworkers. In a traditional workplace, there is an opportunity to observe the employee. Therefore interactions with other employees occur. This is an important component of traditionally exercised control. According to employers, telework can lead to neglect of duties and untimely fulfilment of assigned tasks, as well as failure to maintain standard working hours [Spytek-Bandurska 2013]. Temporal dislocation often means a return to piece-based forms of remuneration. Employers are aware that not everyone is able to function in isolation, without the constant presence and control of supervisors, as well as the possibility of direct

contact with staff in order to obtain assistance, exchange of experiences, consultations. Therefore, they would have to further verify persons for their ability to provide telework, which means they must demonstrate: independence, creativity, diligence, an ability to cope in difficult situations.

Limited control or lack thereof can raise the risk of degraded work quality (risk of errors) and the risk of untimely performance of tasks. The increase in the aforementioned risk can be affected by the frequent change of persons performing work on a particular position and an inability on the part of employees to get accustomed to actions related to the work performed. This can lead to the emergence of additional risks, including the risk of customer dissatisfaction, the risk of losing customers or the risk of an increase in the number of complaints. Existing and potential new customers (co-operating parties or individual customers), despite being aware of the development of new and innovative methods of operations and improvements in the forms of business contact, very often prefer traditional (direct) means of communication with the employer and its employees. They are not convinced by alternative forms of employment and fear the unreliability and particularism of companies that take advantage of such forms. These employer risks are closely associated with the risk of the organisation losing its image on the market. It has a number of repercussions for the relationship between the organisation and external stakeholders (e.g. clients, partners or potential recipients of work) and consequently adversely affects the competitive position on the market [Król 2010].

Despite the development of technology and the constant improvement of security systems, there is a risk of uncontrolled disclosure of important information, increased risk of competitive espionage, loss of customer confidence. Such fears apply to manufacturers of state-of-the-art technology, employers in industries that are particularly sensitive to public opinion (banking, insurance), as well as those with departments and laboratories of strategic importance for the company [Spytek-Bandurska 2013]. The use of information and communication technologies carries with it a risk of loss of control over information resources. This includes the following categories: a) disclosure of information, for example, as a result of activities of family members or electronic surveillance, b) interruptions at work - e.g. due to power cuts, operating system errors, c) destruction of information, d) deletion of information.

Investing in human capital is increasingly perceived by the organisation as an investment in bringing it specific benefits. However, not all employees participate in training to the same degree. Training is provided primarily to permanent employees. Teleworkers employed under civil law contracts are not included in training and development plans due to their relatively quick departure from the organisation and, consequently, the risk of no return on investment in human capital and the risk of knowledge acquired during the training being used to aid competing entities. At the same time, the lack of investment in human capital may lead to a risk of competency gaps and employees not reaching the expected level of productivity.

Telework also entails changes in the field of human resources management. A new, individualised approach means that the employee profile becomes standardised, with the employee being characterised by flexibility, independence, autonomy, accountability and efficiency. At the same time, it is also an exclusion mechanism. What about less autonomous or assertive employees? At this point a question might be posed: does the

transfer of responsibility and risk onto employees, which means independence in relation to career development, competency management and work organisation, lead to a change in the scope of management? Does this process not lead to a shift from managing teams to individual management? In practice, limiting these risks requires the use of different methods, such as [Stroińska 2012]:

1. Combining management by trust with management by objectives;
2. Work result;
3. Participatory management;
4. Time management;
5. Talent and knowledge management.

Conclusions

Rapid economic changes and the progress of civilisation mean that the development of telework is inevitable. A decision on its implementation requires awareness that in addition to the many advantages, economic and social benefits, it also has drawbacks and carries risks applicable to not only teleworkers, but also to their employers.

From the perspective of potential and current teleworkers the greatest risks associated with the introduction of telework are:

1. A strong fear of losing interpersonal contacts, of social isolation, of the new, being accustomed to the traditional method of work at the employer's office, which is seen as more "natural" than telework.
2. Job insecurity - employers consider teleworkers as second-class employees, have no trust in them and therefore do not sign employment contracts with them. This leads to insecurity and fear for regular remuneration.

For organisations and teleworker employers risks associated with the implementation of teleworking are primarily:

1. Substantial financial outlays on ICT networks and a fear of losing control over information resources.
2. Lack of trust in teleworkers with whom the employer has occasional contact.
3. Difficulties in planning and control over work processes, as well as the risk of identity loss for the company.

Telework requires changes in management philosophy and work organisation methods, in management style, specific changes in organisational culture, the formation of an appropriate relationship between superiors and subordinates, the implementation of appropriate working time organisation systems. Most importantly, it is necessary to implement other than personal forms of supervision over the employee - work should be measured by productivity, not the number of hours spent at a desk. In addition, amendments should be made to some legal solutions to encourage employers to conclude employment contracts.

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