Chapter X

The Impacts of Telecommuting on Organizations and Individuals: A Review of the Literature

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ABSTRACT

Through a review of the literature, this chapter identifies the impacts of telecommuting on organizations and employees and provides recommendations concerning the management of telecommuting. Key success factors of telecommuting programs, such as choosing the right jobs and employees, managerial attitude and expertise, are identified and discussed. Finally, this chapter presents several essential steps that organizations should follow when implementing a telecommuting program.

Several factors have contributed to the emergence of telecommuting. First, numerous companies are trying to lower the costs of office space. Second, faced with increased competition, many companies adopt extended...
workdays and flexible work schedules to better respond to customer needs and to retain and attract skilled employees. Third, computer and telecommunications technologies are becoming increasingly affordable and cost-effective, which enables a strong penetration of Information Technology (IT) in the organization (Brimesk & Bender, 1995). Telecommuting (also known as telework) has grown from its modest beginnings in the early 1970s to achieve an unprecedented level today. More than half of all North American companies currently allow their employees to telecommute (ThirdAge Media, Inc., 1997). Furthermore, the growth of telecommuting is expected to continue in the future. It is estimated that the number of telecommuters in the world should surpass 108 million by 2002 (Gartner Group, 1997).

The objective of this chapter is to provide a comprehensive assessment of what is known on the impacts of telecommuting on organizations and individuals and to present the main elements for effectively managing telecommuting. The chapter contains five sections. First, telecommuting is defined, its components presented, and various types of telecommuting are discussed. Second, the effects of telecommuting on organizations are presented, and third, its effects on individuals are examined. Fourth, the main components essential to effective management of telecommuting are presented. The chapter ends by discussing the managerial implications of this chapter.

**DEFINITION AND COMPONENTS OF TELECOMMUTING**

Telecommuting can be defined as a “work arrangement in which employees perform their regular work at a site other than the ordinary workplace, supported by technological connections” (Fitzer, 1997, p.65). It can be performed on a full- or part-time basis (i.e., 1, 2, 3, or 4 days/week) and on a permanent or temporary basis (e.g., for one or two months or for the duration of a specific project). Telecommuting represents an expansion of the places and times considered auspicious for work. Three principal components of telecommuting can be identified (Pinsonneault & Boisvert, 1996): utilization of information technology (IT), link with an organization, and delocalization of work. First, telecommuting depends on the processing, manipulation, and transformation of information. Thus, IT represents one of the major components of telecommuting because it enables workers to be in constant communications with their organization and their colleagues. Second, contrary to independent workers, telecommuters have ties with an organization (Bailyn,
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