



## Teleworking: Working @ Home

The mass expansion of information and communication technology, the internet and broadband has resulted in more people being able to work from home. This area has also grown since government introduced rights to request flexible working arrangements for parents.

Telework is used to mean work which makes use of IT and is carried out away from employers' premises on a regular basis. This can therefore include mobile workers, but this briefing paper focuses on those teleworkers who are home-based. 'Telework' can cover a wide range of jobs, from data-inputting to telephone helpline work, from conducting research to telesales, and terms and conditions can also vary widely.

Government figures for 2005 show that 8% of the workforce were teleworkers. Many employers already use teleworkers and many more are considering it. As the distinctions between home and work become increasingly blurred, steps need to be taken to ensure that working with information technology in your own home does not become as marginalised, invisible and unprotected as the estimated one million other workers who work in their own homes in the UK.

### Teleworking: pros and cons

Much has been made of the advantages of teleworking for the employer, employee and the environment. These can include:

- Employer saving on expensive office space in city centre locations
- Increased productivity and motivation
- Assists with meeting equal opportunity commitments
- Reduces pollution cause by commuting
- Allows the worker to continue their career when caring responsibilities could have meant having to give up their office based job
- Provides the worker with greater autonomy, flexibility and independence
- Reduces travel costs and time
- Improved work-life balance

Whilst the opportunities and benefits offered by teleworking must not be overlooked, some teleworkers face precisely the same problems as those doing more 'traditional' homework such as manufacturing or packing work. The experiences of homeworkers and teleworkers identified in research, especially

those with young children, are often very similar. Problems include:

- Low rates of pay
- No payment for overheads
- Few employment rights

- Inadequate health and safety
- Isolation
- Lack of training
- Reduced promotion prospects

#### **Case Study: Ellen Green, teleworker**

Ellen Green has been working from home for a travel agent business for two years. She uses her telephone and IT equipment to sell holidays. Ellen has had a number of problems with her employer and has contacted NGH for help.

**EQUIPMENT.** When she began work for the company Ellen paid £200 for IT equipment, and the money was to be refunded by her employer after 1 year's employment. However, following changes at the top, the business was transferred to a new company name. When Ellen asked for her £200 at the end of the year she was told the new company had no obligation to honour the original agreement and she would not be paid back.

**PAY.** Ellen is paid on commission. As it is illegal to pay less than the national minimum wage, a clause in her contract says if she earns less than this in commission in any given month her pay will be 'topped-up' to NMW levels. However this top-up will then be clawed back with a reduction in the following month's wage. In effect, the company is illegally seeking to avoid its obligation to pay at least the NMW for every hour worked. Ellen stresses that her pay on commission is usually good. However, this illegal clause in her contract gives her real concern for the future, if trade in the travel business slows.

**HOLIDAY PAY.** Ellen is not receiving proper holiday pay, but only 'rolled-up' pay that is supposedly included in her normal wage. This is despite the fact a European Court decision has deemed rolled-up holiday pay illegal, and subsequent government guidance issued in April 2006 has confirmed it is unacceptable. Her company has said it can continue with 'rolled-up' holiday but Ellen has checked and knows this is not correct, *'I just wish they would be honest with us, I don't like this deceit.'* Ellen believes that those employed in the travel agent's offices receive holiday pay when they take leave, in line with the law.

Ellen's experiences demonstrate that, like traditional homeworkers, teleworkers can often face problems with employers who may exploit their isolation and atypical working arrangements in order to deny them key employment rights. (Ellen's name has been changed to preserve anonymity.)

## **Setting standards for telework**

All forms of homeworking, whether with new technology or in traditional industries, should be seen as a real employment option and have parity with on-site jobs in terms of:

- Pay
- Employment terms and conditions – including maternity, redundancy, unfair dismissal protections and pensions
- Health and safety provision
- Access to training and promotion
- Provision of equipment and materials necessary to do the job
- Reimbursement for overheads including electricity, heating and telephone
- Access to affordable and good quality childcare

The growth of telework has meant governments, trade unions and employers have had to find new ways to deal with this area of employment, and the specific issues and challenges it presents.

For example, in 2002 three European employers' bodies and the European Trade Union Confederation signed a groundbreaking telework agreement. The agreement specifies that teleworkers should benefit from the same employment rights and conditions as their colleagues who are working conventionally.

In 2003, the British government published a 'Telework Guidance'

document, which was agreed jointly by the TUC, CBI and CEEP-UK.

## **Homeworking: a real employment option**

Homeworking, including teleworking, is part of our present and future working practices. There is a growing debate in Europe around the concept of "atypical working", including homework. New and different ways of working to the traditional on-site nine-to-five jobs are being explored as a means of producing more jobs and increased productivity, profitability and competitiveness, but they must not become working practices that reduce workers rights, rates of pay or quality of employment. We must not produce a core of well paid, on-site workers with good employment terms and conditions whose rights are protected, propped up by a periphery of casual, low paid workers with few employment rights, many of whom are further marginalised by working in their homes.

**Homeworking is part of the future of work – let us work together to make it a real employment option.**

*Last updated May 2008*

*For more information on teleworking contact:*

**TCA (Telework Association)**

Tel: 0800 616 008 or 01203 696 986  
Website: [www.tca.org.uk](http://www.tca.org.uk)

**TUC (Trades Union Congress)**

Tel: 020 7636 4030  
Website: [www.tuc.org.uk](http://www.tuc.org.uk)  
See in particular the TUC publication  
**'The Future of Work. Looking Ahead – The Next Ten Years'**

**Department for Business**

Website: [www.berr.org.uk](http://www.berr.org.uk)  
See in particular the 2003 publication  
**'Telework Guidance'**  
<http://www.berr.gov.uk/files/file27456.pdf>

**Analytica** contains a number of essays and articles on teleworking  
<http://dialspace.dial.pipex.com/ton/parade/hq54>

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