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The Role of Trust, Communication and Corporate Culture in Telecommuting Relationships

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Introduction

Predictions concerning the growth of telecommuting have not materialized, despite the potential benefits to both the employer and the employee (e.g., less office space needed, employee flexibility, less time spent commuting). While the reasons for this lack of growth are not clear, it has been suggested that a negative managerial attitude is responsible (Christensen, 1992). In one of the few empirical studies on telecommuting, Ruppel and Harrington (1995) found that managerial attitude was central to telecommuting adoption and diffusion (i.e., the spread of the telecommuting once it is adopted). Thus the current study is designed to further understand what factors, such as trust, communication, and corporate culture, may influence managerial attitude.

Trust

The popular literature suggests that trust impacts telecommuting because it is believed that managers can not manage what they cannot see, or that, while out of sight, employees will engage in opportunistic behavior (Christensen, 1992). A 1995 study by Hewitt Associates found that 63 percent of companies felt that a major drawback of telecommuting arrangements was reduced control and supervision by managers (Jones, 1996). Such arrangements characteristically lack the same type of controls present in traditional, on-site work arrangements. Creed and Miles (1996) suggest that it is traditional management that sees a need for direct personal control of employees because of the lack of trust in the employees. Similarly, Christensen (1992) suggests that management opposition to telecommuting is based on this more traditional lack of trust of employees, or alternately:

H1: The greater the level of trust between managers and potential telecommuters, the greater will be the rate of adoption, diffusion and success of telecommuting.

Communication

Researchers studying trust behavior have focused on patterns of mutual openness and cooperation over time, where cooperation is defined as working together to accomplish shared goals (Johnson and Johnson, 1989; Sitkin and Roth, 1993). Frequent, accurate and open communication is required to move the conversation past simple task assignments to understanding the other's perspective and building trust (Johnson and Johnson, 1989). Since the nature of telecommuting suggests that cooperation and trust between supervisors and subordinates are required, a history of communication and interaction between participants may be necessary in order to build trust, which in turn enables the establishment of telecommuting arrangements. Therefore:

H2: The greater the open communication between manager and employee, the greater the level of trust.

Culture and Communication

Support for a culture-to-communication-to-trust relationship comes from leadership and organizational learning theorists who have suggested that communication and trust are dependent on organizational culture (defined as the patterns of values and ideas in organizations that shape human behavior). A culture may thwart communication, such as when managers believe that communicating and listening to employees show a lack of authority or a weakness in management (Creed and Miles, 1996).

Organizations which have a culture of sharing and attention to human relationships and employee interests are more likely to achieve open communications among employees. Such cultures encourage communication which reinforces shared norms of protecting mutual interests (Powell, 1996). Therefore:

H3: An organizational culture which emphasizes human relationships over other priorities will exhibit greater employee communication.

Corporate Culture

Corporate culture has also been found to be a direct antecedent to trust leading to innovation implementation (e.g., Zammuto and Krackower, 1991). Because corporate cultures can be defined along different value dimensions, trust is likely to vary along the dimensions (Zammuto and Krackower, 1991). One proposed set of dimensions are those of the competing values framework which can be described as emphasizing (1) people vs. the organization, (2) stability and control vs. change and flexibility, and (3) means vs. ends (Quinn and Rohrbaugh, 1983). Based on these dimensions, four culture types with their corresponding emphases have been identified: (1) **group**: people, flexibility, and human resource development, (2) **developmental**: organization, flexibility, growth, and inventiveness (3) **rational**: organization, control, goal-setting, competence, and efficiency, and (4) **hierarchical**: people, control, goal setting, conservative, and rule-oriented (cf. Zammuto and Krackower, 1991).

It would be expected that culture types emphasizing communication and trust would be the most conducive to telecommuting. The group culture emphasizes human resources and member participation in decision making, as well as flexibility. Such an emphasis is believed to lead to individual trust and long-term commitment (Zammuto and Krakower, 1991). Similarly, Graen and Cashman (1975) suggest that management openness to ideas and suggestions in decision making leads to higher levels of loyalty and trust. Moreover, group cultures emphasize flexibility which would encourage the adoption of new innovations. Therefore:

H4a: The greater the group culture of the organization, the greater the level of trust in the relationship between managers and potential telecommuters.

H4b: The greater the group culture of the organization, the greater the rate of adoption, diffusion and success of telecommuting.

Developmental cultures are characterized by an assumption of change but emphasize the organization over the individual. Individuals are motivated by the importance or ideological appeal of the task being undertaken (Zammuto and Krackower, 1991). Therefore this emphasis may be conducive to the adoption of telecommuting out of a sense of cooperation but not necessarily out of a sense of trust:

H5: The greater the developmental culture of the organization, the greater the rate of adoption, diffusion, and success of telecommuting.

The rational culture reflects an underlying belief in the need to perform analytical appraisals of performance following clear statements of purpose and targets. This culture emphasizes goals and management evaluation of performance (Greenwood and Hinings, 1993). Where outcomes-based measures are used, telecommuting success is likely to be enhanced, for employee performance monitoring is no longer based on the employee being present or simply looking busy (DiMartino and Wirth, 1990). Similarly, El Sawy (1985) describes a case where a culture with more emphasis on output, rather than on process, resulted in greater delegation and trust. Therefore:

H6a: The greater the rational culture of the organization, the greater the level of trust in the relationship between managers and potential telecommuters.

H6b: The greater the rational culture of the organization, the greater the rate of adoption, diffusion, and success of telecommuting.

An innovation may fit within an existing culture or it may be countercultural. Telecommuting may be countercultural in organizations exhibiting a hierarchical culture that may exist to control personnel who cannot be trusted. Researchers (e.g., El Sawy, 1985; Sitkin and Roth, 1993) suggest that organizations frequently adopt formal rules when trust is lacking, but such remedies are ineffective for building trust because they do not address differences in values. Moreover, innovations are not encouraged in such cultures. Therefore:

H7a: The greater the hierarchical culture of the organization, the lesser the trust in the relationship between managers and potential telecommuters.

H7b: The greater the hierarchical culture of the organization, the lesser the rate of adoption, diffusion and success of telecommuting.

These hypothesized relationships can be seen in the figure below.

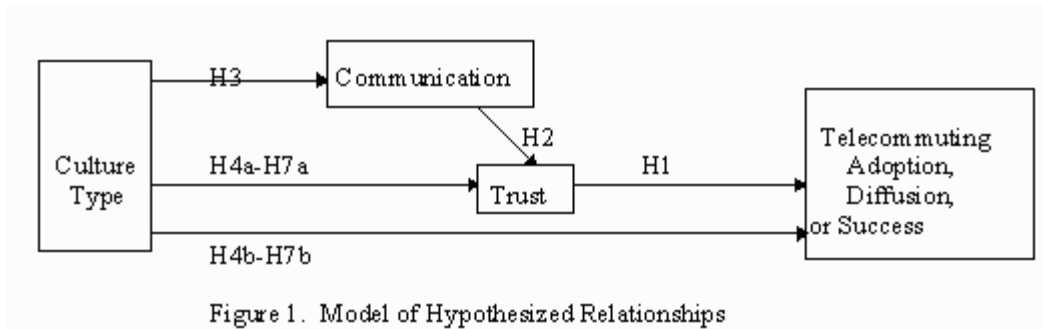


Figure 1. Model of Hypothesized Relationships

Methodology

To study these relationships with respect to telecommuting among information systems (IS) personnel (a group well-suited to telecommuting), surveys were sent to IS managers in 900 different organizations. It was believed that these managers would be in the best position to both observe the organizational culture, as well as report the levels of employee communication, trust and telecommuting within the IS subculture. Also any policies concerning telecommuting adoption and implementation are likely to be under the control of the IS manager, and the IS manager may be in the best position to determine the overall success of telecommuting.

Measures for the dependent variables of trust of employees, employee communication and organizational culture were taken or adapted from previously used instruments and are available from the authors. They were found to have good reliability and validity. The measure for the adoption of telecommuting was a 5 point scale ranging from "never considered" to "implemented". The diffusion measure was a 6 point scale ranging from "considered and rejected" to "all people use regularly, fully implemented." Success was measured on a 4 point scale ranging from poor to excellent results. The data from 98 usable responses with 69 reporting some degree of telecommuting and 30 reporting some knowledge of telecommuting results was analyzed using stepwise regression in order to separate out the various effects of the independent variables.

Results

Only trust was significantly related to telecommuting adoption ($b=0.64$; $R^2=0.10$; $p=.0183$) and diffusion ($b=0.95$; $R^2=0.14$; $p=.0052$), thus partially supporting H1. With respect to trust as a dependent variable, group culture ($b=0.31$; $R^2=0.41$; $p=.0002$), rational culture ($b=0.42$; $R^2=0.11$; $p=.0002$) and communication

($b=0.16$; $R^2=0.03$; $p=.04$) all entered the stepwise regression, with an overall $R^2=0.55$, thus supporting H2, H4a and H6a. For H3, the group culture was the only culture significantly related to communication ($b=0.53$; $R^2=0.24$; $p=.0001$). Telecommuting success was found to be significantly related only to group culture ($b=0.48$; $R^2=0.26$; $p=.0146$), thereby supporting H4b.

Conclusion and Implications

Both telecommuting adoption and diffusion were related to management's level of employee trust. This finding confirms the heretofore untested proposition and our hypothesis 1 that lack of trust acts as a barrier to employee telecommuting adoption and diffusion.

A group culture was related to communication, trust and the perceived success of telecommuting. Thus this culture dimension and its relationships to the other variables largely confirm the model proposed. Culture can affect telecommuting through either a culture-to-communication-to-trust relationship or more simply through a culture-to-trust relationship. Moreover, a group culture was directly related to telecommuting success, suggesting that, after telecommuting adoption, attention to human relations is important in order for telecommuting to succeed.

Overall the findings suggest that telecommuting is influenced by an atmosphere of trust characterized by a group culture and open and frequent communication. Those wishing to promote and successfully implement telecommuting within an organization would be advised to promote a group/human resources related culture and to encourage a higher level of communication and trust.

¹The order of authors was randomly determined. Each author contributed equally to this paper.

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