# The Dark Side of Virtual Office and Job Satisfaction

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## Abstract

Virtual offices have been a growing trend in today's work environment and have been used to improve organizational performance for several decades. However, more and more companies also experience the challenges and problems brought by the use of virtual office in current years. One famous example would be the Yahoo's decision to withdraw its work-from-home program. Therefore, the studies about the dark side of virtual office start to attract interests from researchers and practitioners. This paper aims at providing a critical view of the changes in employees' work life due to the shift to virtual office from four perspectives: communication, social relation, achievement recognition and work-life balance. This paper also discusses the impact of such changes on employees' quality of work life in terms of job satisfaction. This paper intends to conceptually extend the understanding of alternative working arrangements by considering the "dark side" of virtual office in employees' work life.

Keywords: achievement recognition, communication, job satisfaction, social relation, virtual office, work-life balance

### 1. Introduction

Yahoo's recent decision to ban its work-from-home program has cast renewed interests and debates in the benefits of alternative work arrangements online. Since the concept of virtual office appeared in modern life, people have been enjoying the benefits of the creation for a long time. Lots of research studies show that virtual office arrangement provides significant benefits to both employees and organizations (Gainey, Kelly, & Hill, 1999; Konradt, Schmook, & Hertel, 2000; Hill, Miller, & Weiner, 1998). The shift from traditional workplace to virtual office helps employees enjoy flexibility in the timing and location of work. This alternative work arrangement enables employees to take more responsibilities. For example, as a parent of a new born baby, working at home realizes the combination of the role of a mother or a father and an employee at the same time. For others, the flexibility can be shown in the fact that they work at the place not where the work is. By means of telecommunication technology such as videoconferencing, employees can work at anywhere all over the world, delivering the outcomes conveniently and exchange the information timely. At the organizational level, companies enjoy the benefits such as positive working environment through the use of virtual office. However, researchers also found issues in the virtual office setting (Beehr, Jex, Stacy, & Murray, 2000; House, 1981; Kurland & Cooper, 2002; Marshall, Michaels, & Mulki, 2007). The obvious outcome is the unfulfilled expectations in terms of productivity. That's the major reason why some companies such as Yahoo hold the opposite view of virtual office.

Most research studying virtual office consider from the perspective of employer and focusing on how the organizations can benefit from the use of virtual office and very rare researchers study this topic from the point of view of the employees (Hill et al., 1998). Organizations adopt virtual office setting with the intention to provide flexibility to employees and further improve the performance of the whole organization. Without the understanding of whether the employees like the virtual office or whether the use of virtual office provides benefits (problems) to the employees, it's impossible for the organization to provide the appropriate working environment to stimulate employee performance, and let alone achieving the positive outcomes through the alternative workplace arrangement.

Therefore this study focuses on the perspective of employees rather than employers. The author aims at studying the changes in shifting to virtual office, focusing on the four aspects of work, namely communication, social

relations, achievement recognition and work-life balance. Also whether there is any relationship between these changes and the employees' job satisfaction is my major interest in this research.

The paper is organized as follow. The literature review about the origin of new virtual office and the recognized benefits and problems are presented in the following section. Next, the author would discuss the changes of shifting to virtual office in terms of communication, social relations, achievement recognition and work-life balance; and the relationship between the changes and employees' job satisfaction. And it's followed by the conclusion and limitations.

#### 2. Literature Review

When taking about alternative work arrangement, it's not surprising to find that telework, telecommuting and virtual office are interchangeable. The idea of open work environment can be dated back to the early 1950s when telework was foreseen, but this concept didn't come into practice until the widespread use of personal computers and potable modems in the early 1970s (Hill et al., 1998).

It was in 1970 that IBM came up with the modern idea of "non-territorial office", which the office space not only had no walls but also was lacking permanent work stations (Meel, 2011). The project was aimed at "improving and increasing the sharing of problems and experience" within the group. The basic premise was that "people will not remain at the same work station, but will position themselves wherever they can work most effectively at a given time" (Allen & Gerstberger, 1971). In the new office, employees have options to choose based on their own interests, such as desks, work benches, a quite area and even a "total quiet area". The researchers observed that employees had mixed feelings about the project before move-in, such as a fear of the loss of control over personal space. While after move-in, the feelings shifted to the favorable direction. Therefore, the concept of "non-territorial office" was a success.

In 1973, American researcher Jack Nilles started to use the term of "telecommuting", which emphasis that daily commutes can be eventually replaced by telework. The idea came to his mind when he was stuck in a traffic jam (Nilles, 1998). Commuting around LA was costly and time-consuming, so he tried to find ways that people might work from home or satellite offices. With the fund from National Science Foundation, he conducted a study for an LA-based insurance company. By formulating and comparing various telecommuting solutions, he concluded that telecommuting would be feasible and beneficial to the company. Besides the benefits of costing saving, environmental pollution reduction and productivity increase, Nilles and his co-researchers also sensed the downside of the telecommuting concept. They noted one of the major challenges for people to accept the concept is the strong social function of work. The reason why some people prefer to get out of the house is because work provides the opportunity for people to meet others and build friendships and networking. The concept of telecommuting makes employees' need of social life unsatisfied especially for certain type of people that workplace is the sole social people-meeting place for them.

The term "virtual office" was coined by Chris Kern in 1983 (Kern, 1983). Since then, the term was been widely used by researchers and also practitioners. There are many factors in stimulating the use of the virtual office such as high gas prices, globalization, advanced information and communication technology development (Calvasina, 2012). Another factor that drives the use of virtual office is the changing composition of the workforce. According to a report from the U.S. President's Council of Economic Advisers, nearly half of the children in American was raised in a family that only father works while mother stays at home in 1968; while in 2008, only 20% of children lives in such family. Further, the percent of the women in labor force increased from 30% to about 50% in 2009 (Council of Economic Advisers, 2010). Such change in the composition of the workforce demands the flexibility in workplace arrangement, especially the right to choose where and when to work for employees.

### **3.** Conceptual Framework and Propositions

This study aims to provide a critical view of the changes in virtual office and also explore the potential influence of such changes on the quality of employees' work life. Therefore, the conceptual framework consists of two parts: the left side is to describe the changes in virtual office from four perspectives: communication, social relations, achievement recognition and work-life balance, and the right side is to capture the impact of those changes on the employees' perceived quality of work life which represented by job satisfaction.

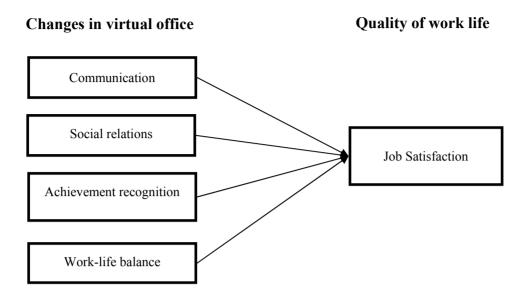


Figure 1. Conceptual framework

## 3.1 Communication

Communication has been identified as one of the most important concerns for the employees working in virtual offices (Staples, 2001). It is because it influences the effectiveness of communication by altering the patterns, content and context of communications (Engkavanish, 1999; Nilles, 1998; Townsend, DeMarie, & Hendrickson, 1998).

Employees who work in virtual office primarily rely on the electronic communication such as email, telephone and videoconferencing to keep the link with the traditional office when it comes to all aspects of work. Besides the fact that the employees enjoy the convenience and accessibility of the electronic communication, lots of studies have found drawbacks of electronic communication in terms of information richness and social presence when compared to face-to-face communication (Andres, 2002; Scott & Timmerman, 1999).

According to Daft et al. (1987), information richness refers "to the extent to which any communication medium is able to bridge different frames of reference, carry multiple cues, reduce equivocation, and minimize ambiguity". The electronic communication is ranked below face-to-face communication in terms of information richness because such communication is hard for both parties to deliver and capture the complete information especially certain words have alternative meanings which would lead to misunderstanding. Therefore, the electronic communication would be less effective in communication compared to face-to-face communication in certain situations that clear and straightforward information is the key to success.

Daft and his colleges (1987) define social presence as "the degree to which any communication medium conveys the physical presence, nonverbal signals, and social cues of the participants". The electronic communication would be low in social presence because it lacks of the accurateness in interpreting the hidden information in facial expressions, body movement and emotions. The impression you made to others in face-to-face setting is hard to be achieved through virtual means. Researchers have found that employees would experience the feelings of frustration and negligible interpretations and absence of contextual cues and norms (Marshall et al., 2007). The above findings suggest that employees who work in virtual workplace setting are likely to experience communication challenge by the use of electronic communication.

The poor communication has been found related with lower commitment, reduced productivity, increased absenteeism, and higher turnover (Hargie et al., 2002). All are important factors that influence employees' job satisfaction. Researchers have found employees who work in a virtual office setting had lower levels of job satisfaction and higher levels of job stress because of the lower quality of communication (Staples, 2001).

The difficulty in communication would impair the degree of the exchange of information that is necessary to perform the job. Additionally, it would also limit the interactions with co-worker and supervisors, which has

been identified as a major source of satisfaction on the job (Cullen & Parboteeah, 2008). Therefore, it's reasonable to predict that the communication challenges experienced by employees working in virtual office is likely to influence ones' job satisfactions. Taken together, the existing literatures are consistent with the proposition as follow:

**Proposition 1**: The shift to a virtual office will be negatively related to employees' communication with co-workers in terms of effectiveness and social presence. The change of communication with co-workers in the virtual offices would significantly predict employees' job satisfaction.

### 3.2 Social Relations

Work provides the employees the opportunities to foster social relationships outside the family. For certain groups of people, such as middle-aged women with grown children, workplace is the only social setting for them to interact with others. Therefore, it's reasonable to assume that if they don't increase the participation in other social organization, the shift to virtual office would result in their social needs unsatisfied (Shamir & Salomon, 1985). The interactions provided by the work setting fulfill one part of employees' social needs. The lack of interactions would significantly influence employees' perceptions of its social relations.

A related negative outcome of working in remote office would be the feeling of isolation. According to Marshall et al. (2007), researchers have identified isolation perceptions as one of the major issues that people working in virtual office would experience. An employee's workplace isolation usually results from the perceptions that they are lacking the chance to interact with co-coworkers, and they are not part of the group, and they can't get the support or recognition from the co-workers and supervisors when they are in need (Marshall et al., 2007). This kind of isolation perception would be stronger for the employees who are working in the remote offices because the opportunities for networking and interactions are less compared to the ones who working in traditional office.

Employees see the membership in group as the critical factor to the success of fitting in the organization. The physical or social isolation would be a source of stress and hardship in modern organizations (House, 1981). It's because one of the major functions of work group is to socialize the individual into the work organization. As a member of a certain organization, it's important to make sure you are socially and physically involved in the community. Group membership provides the necessary norms to understand the organizational behavior, helps reduce the anxiety when employees feel like they will be in need of support, contributes to performance if employees feel belonging to the organization and facilitate employees to achieve certain goals with the availability of support from co-worker and supervisors (Beehr et al., 2000).

Working away from the traditional office, which is the main place where trigger such interactions and activities, employees lack the opportunities to fit in the organization. More importantly, what the people who work in the virtual office are missing include the technical "on the job training" and the informal transfer of the organizational value and culture to the individual as well as the social cues and information to interpret and interact with the co-workers (Hackman & Oldham, 1976). The relations build at work with co-workers and supervisors are known as the main sources of job satisfaction (Albertson, 1977).

Based on the analysis of all the changes related to social relations due to the shift to virtual office, it's likely to predict that such shift would influence employees' perception of job satisfaction. The author comes up with the following proposition:

**Proposition 2**: The shift to a virtual office will be negatively related to employees' social relations with co-workers. The change of social relations with co-workers in the virtual offices would significantly predict employees' job satisfaction.

### 3.3 Achievement Recognition

As to performance of virtual employees, it's normal to find that employees would have the perception of inequity about their supervisors' recognition of their achievement. They tend to hold the view that their efforts are not fairly recognized or valued by the organization because of being working away from office and therefore their promotion opportunities are less than those who work in traditional offices (Bailey & Kurland, 2002; Kurland & Cooper, 2002). Because the supervisors lack of opportunities to witness employees' efforts and contributions to the work and also the understanding of the virtual employees, it's likely to predict that shift to virtual office would negatively related to employees' achievement recognition.

Additionally, the employees who work in virtual office fear of being "out of sight and out of mind" for rewards (Kurland & Baily, 1999). Virtual employees believe that they are recognized as less committed to their tasks by their supervisors, and assigned less visible projects, and provided less feedback and mentoring or even less career support (Marshall et al., 2007). All these lead to the perceptions of inappropriate achievement recognition,

which further related to employees' job satisfaction. The proposition is as follow:

**Proposition 3**: The shift to a virtual office will be negatively related to employees' achievement recognition. The change of achievement recognition in the virtual offices would significantly predict employees' job satisfaction.

## 3.4 Work-Life Balance

It's well recognized that virtual office provides flexibility to the employees. But at the same time, it also requires the employees to balance work and life responsibility in order to enjoy such benefit. Researchers have found that virtual office would blur the boundaries between work and life (Jones, 1997). The separation between work and life is not completely rigid, but at least it prevents the influences from one side spreading to the other side to a certain degree (Shamir & Salomon, 1985). Such boundary between work and life would be a necessary condition for successfully coping with the potential conflicts from the multiple roles everyone plays in work and life. Working at home, the employees are more likely to deal with the demands of his or her time, attention and energy at the same time. It adds a new level of complexity to the virtual employees as they try to deal with such conflicts. Therefore, it's reasonable to predict that employees who work in the virtual office would experience difficulty in work-life balance.

Another advantage of separation between work and life lies in the buffer function of changing roles. When playing a certain role for a long time, individual would feel bored or lack of motivation or even stressed. Separation of the work from life gives the individual an opportunity to play in another setting and take a break from the previous role. Working in the virtual office, individual would find it's difficult to separate the roles and further have a contagious influence on the both sides. For example, if the employee is exposed to the aggressive work setting for a long time, it's highly difficult for him or her not to spillover the aggressiveness to the family life from work since the work and family life is in the same physical setting, which would significantly influence the family relations. Such family relations would also impact his or her work in an according way. Therefore, the difficulty in balancing work and life for the employees who work in virtual office would influence their job satisfactions. Accordingly, the author develops the following proposition:

**Proposition 4**: The shift to a virtual office will be negatively related to employees' work-life balance. The change of work-life balance in the virtual offices would significantly predict employees' job satisfaction.

### 4. Conclusion and Limitation

This paper critically studies the virtual office from the perspective of employees, focusing on the changes in four aspects of work—communication, social relations, achievement recognition and work-life balance-that employees would experience in the shift to virtual office. More importantly, it explores whether the alternative workplace arrangement would influence the employees' job satisfaction.

One limitation of the paper is it only covers the changes in the four aspects of the work when considering the shift to virtual office from traditional office. Researchers will find more other aspects of work influenced by the shift too. Another point is researchers would find it's of high importance to study the potential solutions to these issues too. A simple refuse of virtual office is not the desired answer. Despite the potential issues and challenges employees have experienced in the virtual office, we do have enjoyed the benefits such as flexibility and availability from the use of virtual office. Therefore, the meaning would lie in how to address such problems in order to take full advantage of the modern creation.

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