

# Telecommuting Program — Is “Flexplace” Suited to Your Organization?

## Next Logical Step in Saving Money Throughout DoD

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**T**he implementation of a telecommuting (flexplace) program offers numerous benefits for organizations that dare to venture into this innovative, cost-efficient, but largely untapped workforce management program. Wherever implemented, it has benefitted not only the employees who participate, but also the quality of the surrounding environment.

For organizations, it has the potential for both cost savings and productivity improvements. For employees who participate, it affords them extra time to spend with their families, as well as a reduction in the costs associated with commuting. For the environment, it can reduce the amount of carbon emissions in the local environment, and lessens the wear-and-tear on area roads, bridges, and highway systems. These are but a few of the benefits that could be derived from implementing a telecommuting program.

### Telecommuting — Working From Afar

As the Services look for continuing ways to save money, we may be reaching the point where modifications to existing programs have achieved all that we can expect. If we are to continue to look for ways to achieve additional savings, we need to look to paradigm shifts where we completely change the way we do business. One of the shifts in the way of performing business is the shift to telecommuting, by both industry and government.

What is telecommuting? Telecommuting is the process whereby individuals

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perform their normal “office work” at home or at a remote site using computers and other telecommunications equipment to interface with their office. This can either take the form of totally performing one’s work outside the office, or working outside the office for two or three days a week.

environment. To the workplace, it offers reduced costs and increased productivity; to the workers it offers the elimination or reduction of stressful commutes and more time with their families; to the environment and society it reduces the number of vehicles on

**To the workplace, telecommuting offers reduced costs and increased productivity; to the workers, it offers the elimination or reduction of stressful commutes and more time with their families; to the environment and society, it reduces the number of vehicles on the road and their carbon emissions.**

Depending upon what is considered, the cost and benefits vary, but perhaps the most important benefit for an organization is the increased productivity from workers who participate in telecommuting. As a result of the numerous benefits that workers and employers are finding from telecommuting, this work concept continues to expand, with an estimated 8,000 employees per day joining the telecommuting ranks. (Interesting to note is that as far back as 1989, all the Fortune 500 firms were using telecommuting technology.)

The advantages from telecommuting touch upon three sectors of life: the workplace, the individual, and the



the road and their carbon emissions. Thus, for all the participants in such a program, significant benefits are to be gleaned from maximizing the use of telecommuting.

### **Opposition? Of Course.**

Opposing this way of doing business is the argument that supervisors will not have their workers directly under visual inspection. This has been the biggest stumbling block when implementing telecommuting programs, for it seems to be common nature that managers, unless they can readily see their people working, feel that they will be less productive, or will reduce their work effort. To this ar-

gument, telecommuting advocates answer that employees are measured in a telecommuting environment by their results, rather than "face time" on the job.

In addition to the main benefits from telecommuting, several side benefits have also been mentioned such as improved supervisor/worker relationships, improved morale and job attitude, and reduced employee turnover. Other side benefits may include reducing recruitment costs through lower turnover rates, and reducing relocation costs when managers do not have to move employees to new locations.

Lastly, as the Services continue to look at a sizable modernization bill for buildings and base infrastructures, telecommuting could offer a way of reducing the anticipated, budgeted costs. Cur-

rently each of the Services has various ongoing modernization programs to either upgrade existing buildings so they can be used for additional office space, or to build additional buildings for office space. In addition, the base infrastructure of roads and wiring (telephone, power, and local area network lines) are also slated to be upgraded or expanded over the next 20 years. To the extent that these programs can be reduced, there would be actual cost savings from the existing budgets.

### **Telecommuting's Financial Benefits to the Organization**

The first benefit in the use of telecommuting is the reduction in floor space used in offices, which also means fewer desks and copiers, along with a smaller budget for heating and cooling. For instance, in Indiana alone, IBM realized annual savings of \$3 million due to implementing

telecommuting, and GE Medical Systems of Milwaukee has achieved yearly savings of \$1.75 million. Telecommute America estimates that 60 percent of a company's real estate costs can be saved annually by using telecommuting.

Next is the reduction in absenteeism. An important finding of a survey taken by the Telework America Organization found that employees are often absent due to family or personal obligations during the business day, for such matters as doctor appointments, banking, legal, car repair, family events, and/or household emergencies. Telecommuters who blend them into their daily routines can work around these types of activities. This is exemplified by Montgomery County, Va., where county telecommuting employees have reported improved morale and decreased leave usage. Tim Kane, President and CEO of Kinetic Workplace Consulting Group in Pittsburgh, found that absenteeism can drop by 25 percent when employees telecommute.

Lastly, increases in productivity and quality of work may derive from a number of changes in employee work practices when they are able to structure their time to individual needs and optimum work cycles. During snow days or bad weather periods, telecommuters can continue to work and be productive as well as on days when they may be convalescing from illness or accident. Employees can also stay home and work in the event they contract or would expose others to a contagious illness.

Another finding of the Telework America Organization was that 47 percent of the respondents felt they were more productive when they worked at home, with only 10 percent saying that they were not as productive. The State of Texas has also found benefits from telecommuting, reporting that their productivity increased by 20 to 25 percent since they implemented their program; likewise, the State of California found productivity increases from 15 to 30 percent, and a Telework America Survey in 1999 found similar increases averaging 22 percent. An additional benefit of telecom-



muting is for women on maternity leave, for it would afford them the opportunity to continue to do part-time work from home while they take care of their children, and requires less retraining when they return to work full time.

### **Employee Benefits**

The Telework America survey also found that 55 percent of the respondents were more satisfied with their jobs after starting to work at home, with only 7 percent of the workers less satisfied working at home. One of the reasons for this increased satisfaction is that employees are saving an average of 53 minutes each workday by not commuting. Another advantage is that it allows employees to use a flexible approach to work, so as to match their individual rhythm of when they are most productive with their work hours. IBM, in a survey of their employees participating in telecommuting, found 83 percent reporting that they would never want to return to their old office environment, with some saying they would rather quit than go back to the old work environment.

Some of the financial benefits to employees include:

- Reduced car operating costs (gas, oil, tires, maintenance, and insurance).
- Reduced tolls.
- Reduced parking fees.
- Reduced expenses for “work” clothing.

For instance, the Telework America survey found that telecommuting decreased round-trip commuting by roughly 1,800 miles per year for each telecommuter.

Telecommuting can also enable access to work for people who have specific problems (i.e., those with disabilities, or who need to care for their children or elderly parents). President Clinton recognized this issue by signing an executive order, July 26, 2000, directing agencies to use information technology to allow disabled workers to telecommute from home. It can also allow employees to remain with an organization if their spouses must relocate, so the organization can retain skilled, experienced

people along with corporate knowledge of programs.

### **Environmental, Safety and Health Benefits**

The positive impact on the environment is also substantial. With fewer cars on the road, less air pollution, less traffic, and less highway, road, and bridge repair costs are the result. Some safety benefits could also occur from the reduced risk of traffic-related injuries and deaths for both the employees and individuals they may encounter on the road such as children, pedestrians, highway workers, and other commuters. Official estimates reflect that 40,000 people die in car crashes every year in the United States, and many hundreds of thousands more are injured. Telecommuting could possibly reduce some of these injuries, both directly by reducing the number of cars on the road, and indirectly by removing commuters who may suffer from fatigue due to long commutes and/or long hours. On a darker scenario, other safety benefits might occur by reducing the potential impact of terrorist bombings, because fewer employees would be in centralized locations.

### **Implementing a Telecommuting Program**

While telecommuting can be beneficial, it certainly is not for everyone, nor for every job. It works best for self-starters and independent thinkers, and for people who possess more than minimal enthusiasm for the job. In addition, these employees should be people who do not require a lot of communication and supervision about the projects on which they are working. The paramount reason for these criteria is that under a telecommuting arrangement, employees will not be monitored regarding how much time they spend working per day. Rather, employees will be evaluated on the basis of their output.

Ideally, those who participate in a telecommuting program should be volunteers, so they have a committed attitude toward making it work. Another important consideration is that each employee have proper space in the home that can serve as an office. Locations such as

small apartments with children underfoot, or where noisy neighbors are on the other side of the wall, would not be conducive environments for telecommuters. Thus, telecommuting should *not* be considered a *right* in those organizations that implement it, but rather, a *privilege*.

Another consideration that will become important as people telecommute is “esprit de corps.” With employees rarely coming into the office (perhaps one or two days a week) except for specific functions, there could be a problem with keeping a sense of unity instilled in the group. To that end, it may be important to have frequent informal get-togethers to keep a sense of community such as picnics, weekly pizza parties, social hours, or any other function that would allow people to have contact with their co-workers. These gatherings could address the feelings of isolation, lack of interaction with colleagues, and out-of-sight, out-of-mind fears that these employees might harbor.

On the technical side of implementing a telecommuting program, the telecommuters will, at a bare minimum, need a computer, printer, software, and high-speed connections to their office. They may also need office furniture, supplies, and telephone cards to function. These items can either be provided by the government or can be considered an employee expense, rather like a car is now. Current estimates reveal that 68 percent of companies pay for these expenses, so the normal practice is for them to be covered for employees.

Equipment at a home office may fail at some time during the life of the hardware — so backup laptops/computers will be needed to fill in while the employee’s hardware is being repaired. There will also be a need for a “help desk” where telecommuters can call to work through both hardware and software problems as they arise. In addition, employees may need special training on telecommuting hardware and software needed to execute the program.

Another consideration with telecommuting is the security of the data sent

within the organization. This is likewise a concern in a normal office, but is potentially more visible in a telecommuting environment. One way this could be addressed in a telecommuting program would be through the use of virtual private networks (VPN) — a collection of data security software and/or hardware that tie Internet access together at all locations. Besides providing security for information traveling between locations, this system could also provide additional cost savings by replacing existing local networking costs with cheaper Internet user costs.

As a guideline for how a telecommuting program might be formalized, the University of Central Florida has developed an outline that provides information on how they select their employees and their procedures for implementing a telecommuter program. The program was predicated upon lessons learned from the State of California, the federal government, and many private employer programs. It includes the legal contract agreement their employees sign, describes the limits and conditions of participating in such a program, and outlines the responsibilities of the participants.

### **Management Considerations**

The following guidelines represent the principal lessons learned from several telecommuting programs. They are given as points to consider for managers in framing a new telecommuting program. Previous programs suggest that managers need to change their perspective from evaluating employees on the basis of visual orientation, to one that evaluates them on the basis of output. In addition, managers need to trust employees as professionals, without intensive supervision. Historically, it may take some time (several months to a year) for both employees and managers to work into a successful telecommuting process, for it will require a change of mind-set and work habits for all the participants. Before proceeding, however, those contemplating implementation of, or participation in, a telecommuting program should review the following basic considerations:

### **Suitability**

The first step in this process is to determine which types of functions are suited for telecommuting. Generally, most positions seem to benefit from some form of telecommuting, but jobs that require the constant presence of the employee or special equipment/facilities would not be good candidates.

### **Benchmarking**

After deciding what types of jobs within your organization are suited for telecommuting, the next step for a manager is to benchmark the work standards for those jobs, determining what constitutes quality work, and what quantity of work should be expected per week. These general benchmarks can then serve as a starting point for project milestones on each new assignment. These milestones should then be agreed upon by both the manager and the employee before a project starts, so that both have a frame of reference to gauge the progress on the project.

### **Development of Basic Guidelines**

Also, before the program starts, management needs to develop a detailed set of guidelines for both employees and managers on how the program would work. These guidelines, in turn, should also be agreed upon by the local union(s), and reviewed by the legal department for local, regional, and national regulations relating to employee guidelines such as Clean Air, Labor-Management Relations, Occupational Safety and Health, Fair Labor Standards, and Equal Employment Opportunity. These work standards should focus on objective, output-oriented metrics, and be the same for both telecommuters and non-telecommuters. The equality aspect is important, so that both types of employees feel that they are being evaluated and treated fairly. For without a common set of standards, both groups might resent the other, feeling that they are not being given the same opportunities.

For instance, telecommuters could feel that they run the risk of being passed over for promotions because they are less visible and do not have the networking opportunities of office em-

ployees. Likewise, people who are not participating in the telecommuting program could feel that only the privileged individuals had been selected to participate. These guidelines should be made public and accessible to all employees, perhaps by posting them on the office Web site or computer system.

### **Training**

Next, training should be considered for both the telecommuters and their supervisors, for both groups need to develop new skills on how to work and communicate with one another. The workers need to learn new work procedures, and become more self-reliant on operating their hardware and software, so they can perform nominal repairs and solve networking problems on their own. Supervisors need to learn new skills in managing workers from afar. The repair/diagnostic training for the telecommuters is important, as these workers will be semiautonomous from the office and its support staff; and, while the support staff will have an expanded mission to support these employees, they will not be able to provide the degree of hands-on support that office workers receive. Contractors who have experience with telecommuting would optimally conduct this training on site at the workers' day-to-day workstations or at the contractor's own training facility.

As part of this training package, there should be discussions on how the work will be coordinated on projects, both between the employees and their supervisors, and between employees working on joint projects. One tool that might be used for this process would be the color-coded [tracking] function in Microsoft Word, which highlights changes to documents. Another, more sophisticated technology, would be to use whiteboards, which allow participants to see on their computer screens the same documents and the live changes that are made by co-workers. Whiteboard is available in Microsoft's NetMeeting software, and can be downloaded free from Microsoft's site ([www.microsoft.com/netmeeting](http://www.microsoft.com/netmeeting)). Another tool that could be used would be teleconferencing cameras, which provide live images of participants in meetings.

## Site Review

Each telecommuting site should be reviewed to make sure that it meets all requirements, both in terms of materials to operate and in terms of environmental considerations. Environmental concerns are considered primary to several telecommuting programs, as managers inevitably want their employees' home working environments to be both safe and ergonomically well-designed.

## Frequent Communication

In order to keep employees active members of a coherent team, scheduled office visits and frequent communications with both office and fellow telecommuter should be encouraged. As part of this process, employees should frequently update their supervisors on how their time is being spent. Further, they should also communicate their work-hour schedules with their supervisors and any other employees with whom they are working on joint projects, by distributing timesheets and providing weekly progress reports to all other workers involved in a project.

## Security

As part of this overall process, thought should be given to how the organization's data will be secured. One technique that would go a long way to achieve this would be management providing home computers for the telecommuting program. Doing this establishes that the computer is only to be used by the "designated employee" for office functions and should only contain office files. This also strengthens the use of sign-on and authentication procedures for the computer. In addition, there should be a plan in place for data storage and recovery before the telecommuting program is implemented, so that if files are lost on the home computer, they would be retrievable from the office computer.

## Underestimating

Lastly, it should be stressed again that supervisors and employees should not underestimate what it will take to implement a telecommuting program. While the evidence has shown that telecommuting programs generally save

money overall, those considering implementing or participating in a telecommuting program should expect telecommuting budgets to increase for equipment (hardware and software) and technical support. Telecommuting can also stretch demands on the organization's support structure, not only by the requirement for offsite maintenance, but also by the longer working hours seen in telecommuting (outside normal business hours).

## Final Thoughts

The expanded use of telecommuting would seem to be the next logical step in saving money for the Services. It offers not only benefits to the Services themselves, in terms of cost savings and increased productivity, but also substantial benefits to their employees and to the environment. The biggest drawback to implementing a telecommuting program is overcoming management concerns that workers might be less diligent if they are not visually supervised. While this has not been the case where telecommuting has been implemented, it remains a principal impediment for most organizations in accepting a telecommuting program. To address this concern, managers need to adopt a broader work ethic where employees are evaluated on the basis of their *output*, rather than time spent at the office.

**Editor's Note:** The author welcomes questions and comments on this article. Contact him at [William.Washington2@mail1.monmouth.army.mil](mailto:William.Washington2@mail1.monmouth.army.mil)

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## DoD ESTABLISHES CONTRACTING-OUT WEB SITE

The Defense Department, struggling to meet its goal of considering more than 200,000 of its civilian federal jobs for possible conversion to contractor performance, has set up a site with information on the contracting-out process for both agency officials involved in the cost comparisons and employees potentially affected. The agency also hopes to use the site to share "best practices" and improve the process Department-wide. The site is at <http://emissary.acq.osd.mil>.