

## SEVEN KEYS TO LEADING INNOVATIVE TELECOMMUTING PROGRAMS

Many companies want to leverage their positions in an ever more competitive marketplace by developing virtual organizing structures. Corporations are increasingly moving in the same direction as Sun Microsystems, where approximately 16,000 of the company's 34,000 employees work at least 20% of their time from home, with 1,500 employees doing so at least 3 days per week at a savings of 7,700 office spaces (Landau, 2005). By cutting 30% of its office space, Sun has come up with a \$100 million annual savings resulting from reduced costs in real estate and an overall increase in productivity (AT&T & The Economist Intelligence Unit, 2004). Such savings are significant.

In 2004, AT&T and the Economist Intelligence Unit (EIU) reported an increase in the proportion of executives who are using telecommuters in their operations. Only half of the executives surveyed used telecommuters a year earlier while in 2004 that number had increased to two-thirds (AT&T & The Economist Intelligence Unit, 2004). The exact number of remote workers is difficult to ascertain because of the rubber band nature of the concept, which includes any or all of telecommuters, teleworkers, virtual teams, independent contractors, outsourcing, and more. What is clear is that remote work is on the increase. A recent survey by WorldatWork (2007) indicates a 25% increase in the number of Americans allowed to work at home at least one day per month in 2006 compared to 2005. The number of people who never telecommute had dropped by 24%. Full-time telecommuting employees increased by 20%, while part-time telecommuting grew by roughly 10% (WorldatWork, 2007). Companies that implement telecommuting programs have a lot to gain.

### Untangling the mystery of remote work terminology

The world of remote work is filled with overlapping terms that are often used interchangeably. When the terms are used together, they are frequently referred to as follows:

*Remote work*—work completed off-site, regardless of whether technology is used

*Virtual team*—a team completing its tasks primarily via technology

*Telecommuting*—designated periodic work outside a principal office, regardless of location

*Teleworking*—any completion of tasks working remotely and using technology to send projects to a central organization

(Hylmö, 2006)

### Benefits to Telecommuting Organizations

Organizations stand to benefit from remote work options in several ways. Many organizations find it beneficial to have a telecommuting option as a contingency plan in the event of major disasters or emergencies. The reality is that natural and man-made disasters happen more frequently than most of us would like to admit. Several companies point to their telecommuting capacity as a key in reducing lost business capacity sustained by Hurricanes Katrina and Rita. Having established telecommuting programs in place enabled several companies to get back to work from remote locations far quicker than they would have without such preparation (The Telework Coalition, 2006). Other companies are experiencing the crunches of increased insurance rates, cost of office space, and the need to comply with government regulations. Often remote work is part of an overall strategy to increase operational responsiveness and reduce delays, thereby increasing customer satisfaction (Goldstein, 2003).

Some industries are relying on remote workers to provide faster and better customer service. Most employer based call centers use about 20% home-based workers, while companies such as Jet Blue are 100% virtual in their call agency. Others, for example 1-800 FLOWERS, use home-based agents on a seasonal basis. The cost per agent is reduced from

\$31/hour for traditional calls to \$21/hour for virtual agents, including overhead and training (Kistner, 2005). Given general trends, it comes as no surprise that the number of home-based customer care call representatives is expected to triple by 2010. Added challenges of globalization are also at hand. Additionally, as of 2005, 115,000 call agents were working in India providing service to U.S. based customers compared to only 3,000 5 years earlier (Kistner, 2005). All of these agents were working remotely. Considering and working with the elements of globalization and intercultural communication becomes important for many remote work programs.

Remote work can be a component of virtual work teams connected over space and time. Virtual work teams may be set up to leverage important expertise of individuals located in different geographic time zones to create 24-hour workdays and continuous business presence. They are simultaneously gaining the advantage of synergizing skilled specialists with important local knowledge. Other virtual teams are created because of the ability that the teams have to make decisions with less personal friction than traditional face-to-face teams experience.

### **Benefits to Employees**

It's no secret that flexible work options often lead to satisfied workers. The Telework Coalition (Roitz *et al.*, 2002/2003) reports that two-thirds of all AT&T teleworkers felt more satisfied with their jobs (67%) and careers (64%) once they started to work at home. At the U.S. Treasury Inspector General for Tax Administration (TIGTA), 78% of telecommuting employees indicated that they were satisfied with their jobs (Watch, 2006), a figure replicated at companies such as British Telecom, Sun and others. Remote work options often benefit employees who are looking for flexible work options in ways that translates to improved recruitment and retention opportunities for their employers. A survey by Ceridian Corporation found that as many as 52% of companies report that telecommuting served them in attracting key employees, and 60% felt that it helped them to retain key talent (Sandlund, 2000).

Many employees are seeking balance between work and other commitments. Some employees use the telecommuting option to manage their time relative to their children or personal interests and activities, while others may find that telecommuting offers them the option of managing their time productively on a project basis or as a means of gradually transitioning into the next phase of their lives (Hylmö & Buzzanell, 2002). The opportunities to balance work and life are key points to remember in a marketplace for talent experiencing a changing demographic. A significant portion of the U.S. workforce is nearing traditional retirement age. While there are many myths surrounding the pending retirement surge that Baby Boomers (born approx. 1944-1962) represent, many Boomers are likely to want to keep working and are expressing interest in work forms that include remote work (AARP, 2005). Recent college graduates, such as the Millennials (born approx. 1982-2000) are so accustomed to working virtually that remote work is already second nature to many of them. Meanwhile, members of Generation X (born approx. 1963-1981) are often working to live rather than living to work, which means that they want work that adapts to their lifestyle rather than the other way around. They are frequently looking for ways to develop their own work forms in ways that benefit both themselves and their employers (Shelton & Shelton, 2005). Remote work fits both the need for different forms of balance and the need for productivity.

Remote workers do tend to be very productive. While some employees are more productive because they work longer hours, many feel that giving back hours otherwise spent on the road is a small price to pay for the peace of mind that they have working closer to their families and maintaining balanced lives. Employees struggling to maintain multiple commitments value striking a balance between work and other parts of life. Stress in one

area of life easily leads to spillover effects in another and loss of productivity. Companies that respond to employee needs reap the benefits. For example, British Telecom reported that telecommuters are feeling more productive and only use 25% of the sick days that traditional employees do (Fielding, 2002).

While setting up telecommuters with the right equipment may not come cheap, overall increases in productivity and reduced overhead with lower corporate rents lead to significant financial savings for organizations. The Telework Coalition suggests that initial start-up costs per individual telecommuter are approximately \$7,100 (\$5,900 for furniture and technology, \$1,200 for one-time charges, set-ups and installations), with continuous costs averaging approximately \$2,640 per year (Heacock & The Tanner Group, n.d.). Overall savings from reduced overhead, increased retention and productivity, and so on for telecommuting employees are generally calculated at close 30% (Heacock & The Tanner Group, n.d.; Nilles, 1998). Add that to satisfied workers, and the equation is clear.

In many ways, remote work options seem to be a win-win situation for employers and employees alike. However, without appropriate planning, implementation and training, what could potentially be a source of competitive advantage may just as well fall apart. A few key strategies can go a long way to build a successful telecommuting program that benefits your organization and your remote workers alike.

### **Seven Keys to Successful Telecommuting**

Ready to get started? Here are seven keys to implement that will get your telecommuting program on its way.

#### ***Key One: Pre-Planning is Better than Catching Up***

The key to a successful telecommuting program is to prepare. Remote work programs easily fail because of a lack of preparation or because of half-starts that never materialize. Strong remote work programs are connected to and integrated into an overall organizational culture and value system. Remote work impacts *all* employees, whether they are part of the program or not. When everyone rallies around the program as something that is a cherished part of the culture, the program is more likely to be successful when challenges arise down the line.

Survey all employees before starting a program. Hold focus groups to identify the jobs and tasks that are appropriate for telework as well as key points of interest and concern. By offering employees the opportunity to participate as full stakeholders up front, you are more likely to be able to maintain their support in the longer term. Avoid temporary pilot programs that do not translate to large-scale telecommuting. Rather, commit to successfully building a program that can continually be assessed and evaluated as it is rolled out in phases.

#### ***Key Two: Create Guidelines and Policies for Everyone***

Strong telecommuting programs have clear guidelines and policies in place from the start. Too many remote work programs are challenged by a lack of clarity. Some programs start *ad hoc*, others on a pilot basis, and often end up in a myriad of questions and confusion. Questions about who gets to join the program, the purpose of remote work, how work processes are to be enacted, and so on easily lead to frustration and resentment. Taking the time to develop transparency with clear policies and guidelines reduces the mystery.

Review, update and create clear job descriptions for all employees. Develop appropriate workflow programs and guidelines for timeliness across tasks. Review benefits and insurance policies to ensure that appropriate coverage is available and communicated to employees. Establish clear policies for promotion and compensation programs. Above all,

communicate reasons why the program is in place and how participants are selected. Making sure that employees see fairness in the process is crucial to ensuring success.

### **Key Three: Cutting-Edge Technology**

Remote work relies on cutting-edge, high-speed technology. A good telecommuting program has to be set up with fast Internet connections available both at home and at corporate worksites. Plan on spending what it takes to set up remote workers with laptops, Internet connections, faxes, and printers, as well as ergonomically correct workspaces. Provide training in appropriate use and basic tech maintenance, especially if your company is not offering 24-hour tech support. Ensure that security is set up to access corporate networks, for example, via secure Virtual Private Networks (VPNs) that limit access to specific databases and areas needed to complete tasks. Use a system that relies on electronic documentation for seamless integration between work sites to minimize disruptions between in-house and remote work.

Develop policies for appropriate technology usage. Remember that the same policies for off-site work need to apply to all employees, including executives and managers. Train employees in the importance, use and storage of passwords and technical devices (more than one PDA holding company secrets has been lost at airports and coffee shops, even by "C"-level executives). Policies need to clearly state if remote workers are expected to be available via cell phones and/or instant message during specific times. State clearly the extent to which the employee's family members are allowed to use company issued technology and for what purposes.

### **Key Four: Support Your Managers**

Managerial communication and support is fundamental to the success of any work program, including remote work. When managers do not fully support alternative work forms, remote work programs are often faced with tension and internal frustration that could potentially undermine well-intended efforts. The challenge that managers are presented with is not surprising. Not only is managing workers remotely new, which by itself adds work to often overloaded managers, but managing over time and distance adds stress for managers as well.

Managerial workloads are often increased by evaluations and assessments previously handled by human resources that often get pushed to managers when employees are telecommuting. In addition, managers need to keep track of a variety of communication forms and channels to keep in touch with their team, sometimes working in different time zones. They need your support. Include your managers in the early planning stages of the program and listen to their voices and concerns. Provide ongoing training in key communication skills such as relationship building, boundary and goal setting, and remote management. Work out guidelines for providing face-time, systems for approvals, and giving performance feedback. Your managers will thank you.

### **Key Five: Create Review and Compensation Programs that Work**

A survey by AT&T and the Economist Intelligence Unit (AT&T & Unit, 2004) recently indicated that 48% of executives are concerned about the difficulty of monitoring the output of remote employees. Out-of-sight is contrary to the Management-by-Walking-Around style encouraged in the 1980s and 1990s. While constant oversight in a physical office may be replaced with electronic monitoring, that may not be the best solution. Electronic monitoring often leads to higher turnover rates because of low morale (Batt *et al.*, 2002). Many employees who are subject to electronic monitoring feel that their supervisors do not trust them to do their jobs and are anxious because they feel tethered to their remote workstations.

The key to reducing concerns voiced by the executives while finding ways to support the productivity of your remote work teams may be to review and revise compensation and benefit programs. Offer equal salaries for equal work, whether it is completed in-house or off-site. Successful remote worker compensation programs often include a component of rewards for results, regardless of whether employees work in-house or off-site. Create programs that have clear guidelines for the rewards. Present rewards often to support employees in an environment where personal feedback may not be as frequent as in-house. You may even consider additional rewards for team-based productivity to encourage interaction and knowledge sharing.

***Key Six: Keep Everyone Connected***

Many people expect working virtually to be "the same as working in the office," but the reality is different. Once workers are no longer in the same physical space, what seemed simple becomes more complex, and vice versa. Strong remote work programs focus on keeping people connected. Feeling connected builds trust, but one of the most significant challenges to remote work is the perception of being out of the loop. Some remote employees become concerned about a loss of visibility while others simply need to know that there are other human beings around who share their experiences. Many telecommuting employees feel invisible after a time or may feel that they are stagnating in their jobs. Encouraging interpersonal connections goes a long way when it comes to keeping everyone in touch.

Establish a mentoring program that considers the special needs of remote workers and encourage them to participate in job related and transferable skill development training to avoid stagnation. Make sure that virtual teams interact face-to-face on at least a quarterly basis for an opportunity to engage in team building exercises as well as strategic meetings. Offer incentives to connect in person for remote employees able to get together more frequently. Simple interactions over company sponsored lunches or coffee and topical brown bag lunches open to everyone help build relationships. In the virtual context, offer personal blogs on your corporate website, databases and white boards where knowledge sharing can take place, and discussion forums for both task and non-task topics.

***Key Seven: Offer Seamless Options***

Transitioning to remote work is an opportunity that is appealing to many, but it is not for everyone. Some employees thrive on full-time telecommuting, while others find occasional telework to be more beneficial. Still others shudder at the idea all together. For some, working remotely seems more attractive from afar than when reality hits. There are a number of options that you may consider incorporating into your telecommuting program to ease the transition to a successful virtual organization.

The solution is to provide alternatives. While some team members may be working remotely, others may still be working in a traditional office. Let telecommuters know that they have the choice to return to an office space if working at home is not effective for them. Create options to return full-time or as a "reverse" sabbatical from remote work. While employees are working off-site, develop seamless systems of hot desking, where employees are allocated flexible temporary virtual and physical space based on their needs, and "hoteling" for them to sign up for an actual office space and transfer their work from home at the push of a button. Provide options for the frequency and duration of remote work. Some employees appreciate the option of working at home part-time once or twice a month while others do better working off-site full-time. Chances are that once you give them options, your employees will be adjusting their work to adapt to the needs of your customers while taking needed breaks throughout. In the meantime, the work gets done and productivity increases.

## Ready to get going?

Remote work is here to stay. Developing a strong telecommuting program is well worth the effort. Get the support you need from a knowledgeable consultant who can answer your questions and help you create the win-win situation that will help you and your employees stay ahead in the game. Your competition is doing it. Are you?

## References

- AARP. (2005). *The business case for workers 50+: Planning for tomorrow's talent needs in today's competitive environment*. Washington, DC: American Association for Retired Persons. Available: [research.aarp.org](http://research.aarp.org).
- AT&T & The Economic Intelligence Unit. (2004). *The remote working revolution*. Available: <http://www.corp.att.com/emea/insights/whitepaper/>
- Batt, R., Colvin, A., & Keefe, J. (2002). Employee voice, human resources practices, and quit rates: Evidence from the telecommunications industry. *Industrial and Labor Relations Review*, 55, 573-594.
- Fielding, R. (2002). Teleworking pays off at BT. Retrieved June 16, 2007, from <http://www.vnunet.com/articles/print/2120639>.
- Goldstein, N. (2003). *IT at work: Information technologies and remote working in the United States* (No. P10168). Arlington, VA: SRI International. Available: [www.sri.com/policy/csted/reports/sandt/it](http://www.sri.com/policy/csted/reports/sandt/it).
- Heacock, J., & The Tanner Group. (n.d.). Managing a remote work strategy. Retrieved June 16, 2007, from <http://www.telcoa.org/id289.htm>
- Hylmö, A. (2006). Telecommuting and the contestability of choice: Employee strategies to legitimize personal decisions to work in a preferred location. *Management Communication Quarterly*, 19, 541-569.
- Hylmö, A., & Buzzanell, P. M. (2002). The phenomenon of telecommuting and changing organizations: An organizational culture examination. *Communication Monographs*, 69, 329-356.
- Kistner, T. (2005, March 7). Virtual call centers validated: At last, forecasts and recommendations from the experts. *Network World*. Available: [www.networkworld.com/net.worker/columnists/2005/0307kistner.html](http://www.networkworld.com/net.worker/columnists/2005/0307kistner.html)
- Landau, S. (2005). Anywhere, anytime--or just where is your office anyhow? *Computing Research News*, 17(4). Available: [www.cra.org/CRN/articles/sept05/landau.html](http://www.cra.org/CRN/articles/sept05/landau.html).
- Nilles, J. M. (1998). *Managing telework: Strategies for managing the virtual workforce*. New York: John Wiley & Sons.
- Roitz, J., Allenby, B., Atkyns, R., & Nanavati, B. (2002/2003). *Organizing around networks, not buildings: 2002/2003 AT&T employee telework research results: The Telework Coalition*. Available: <http://www.telcoa.org/id147.htm>.
- Sandlund, C. (2000, April 4). Remote control. *Business Week*. Available: <http://www.businessweek.com/careers>.
- Shelton, C., & Shelton, L. (2005). *The neXt revolution: What Gen X women want at work and how their boomer bosses can help them get it*. Mountain View, CA: Davies-Black.
- The Telework Coalition. (2006). *Telework benchmarking study: Best practices for large-scale implementation in public and private sector organizations*. Washington, DC: The Telework Coalition. Available: [www.telcoa.org/id312.htm](http://www.telcoa.org/id312.htm).
- Watch, T. (2006). Federal agencies push telework into the mainstream. from <http://www.fcw.com/vendorsolutions/techwatch/06>.
- WorldatWork. (2007). *Telework trendlines for 2006: 2007 Survey brief*. Scottsdale, AZ: WorldatWork and The Dieringer Research Group. Available: [www.worldatwork.org/waw/Content/research/html/research-home-nm.html](http://www.worldatwork.org/waw/Content/research/html/research-home-nm.html).