

Telecommuting: Working Off-Site



Emerging technologies and the challenges of a global economy make corporate telecommuting programs increasingly practical and attractive. How is off-site work changing the way that business thinks about office facilities? What happens to telecommuters' productivity, health, and well-being when they set up shop far from management's watchful eye? Herman Miller's Advanced Applications Group explores these and related issues in a special report on telecommuting and the workplace.



Remote Locations

Home office: The most common form of telecommuting has employees working at home one or more days a week.

Satellite office: Employees work at a company-owned facility located in or near a residential area.

Telecenters: Employees work in residential business centers, in office space leased by their employer. Employees of several different companies may work in one telecenter.

San Francisco-based HQ Business Centers, for example, currently has more than 150 office centers for rent around the world. The telecenters are equipped with receptionists, clerical help, and e-mail and voice mail services.

Virtual office: Employees who are constantly on the move carry their offices with them. Laptops, modems, and various telecommunications services allow these mobile workers to connect to the central office, customers, or suppliers from virtually any location.

Telecommuting isn't a new phenomenon. The term itself was coined back in the early 1970's to describe the potential for replacing the physical commute to work with electronic communications. Traveling salespeople who kept in touch with the central office via telegraph and telephone were telecommuting years before there was a word for it, and office employees have been doing it unofficially for as long as the distractions of the corporate office have made it easier to concentrate just about anywhere else.

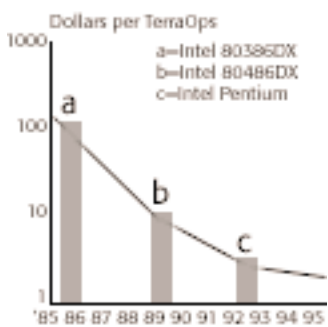
Working off-site is a much more common and accepted practice today, however, with many companies instituting formal telecommuting programs and policies. Today's telecommuters use technology to perform a variety of jobs from remote locations.



Converging Forces

Technology: Decentralized technology-personal computers, fax machines, modems-grows ever more capable and affordable. More sophisticated and accessible software applications and telecommunications services free information work from its ties to location. The tools for developing, manipulating, and transferring information have become increasingly mobile.

Performance Improvements of Microprocessors



Source: Jack M. Niles "Making Telecommuting Happen"

Economic Realities: In a highly competitive economy, businesses are searching for ways to reduce costs and improve employee productivity. They are finding that one way to accomplish both is to enable people to work where and whenever they are most effective: at home, on the road, at the client's site; before, after, or during normal business hours. Reducing the number of offices-especially given the annual per employee square footage costs of prime real estate-can look like a very quick way to reduce overhead.

Telecommuting consultant Gil Gordon writes: "When working with a large consumer-products company in New Jersey recently, the chief financial officer told me that his motivation for wanting to try telecommuting was because ...the total cost of providing space for each employee was \$20,000-far more than just the cost of leasing or building the space and maintaining it. He listed several of the other components-parking lots, security, cafeteria subsidies, and the like."

Social and Environmental Concerns: It's no secret that dual-earner and single-parent families-that is, the majority of families in the U.S.-are stretched to the limit and welcome any reduction of the stress and time involved in the daily commute to the office. At the same time, business and government agencies are seeking to reduce automobile emissions by limiting the single-occupant commute.

In fact, telecommuting may well be the business management phenomenon of the 90s as technology, economic realities, and social and environmental concerns converge to make it feasible and desirable to move a substantial amount of work out of the office. In 1994, 9.1 million employees and contract workers telecommuted one or more days per month during regular business hours. That's up from 7.6 million the previous year and 6.6 million the year before that.

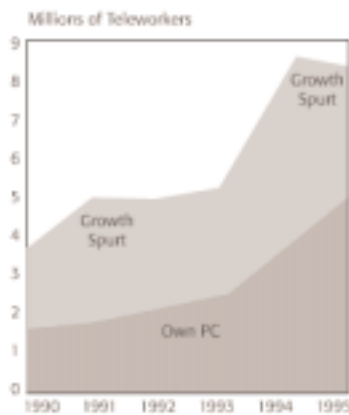
Although preliminary figures for 1995 indicate a slight drop from the previous year in the total number of telecommuters, analysts expect it to resume its upward trend. A historical pattern suggests that periods of leveling follow growth spurts initiated by experimentation with new technology and applications. The continued growth of personal computer use at home, paired with the significant rise over the past year in Internet access and use of e-mail and commercial on-line services, seems to be setting the stage for the next growth phase in telecommuting.



Historical Patterns

Over the past five years, the total number of telecommuters has grown in spurts while the number of technology-using telecommuters has increased steadily (source: 1995 American Information User Survey).

Telecommuting Growth: 1990-1995



Benefits to Telecommuters

Telecommuting employees surveyed at a large telecommunications company reported that the top two advantages of telecommuting are:

- increased personal productivity
- increased flexibility to balance the demands of work and home life.

Other frequently cited advantages to telecommuting include:

- decreased commuting time
- greater control over work processes and time
- personal savings (e.g. wardrobe and transportation costs)
- more choices of work setting and residential location

Telecommuting began as a kind of grassroots movement of environmentalists and over worked professionals who convinced their employers to let them work at a home a day or two a week. Benefits to the telecommuter have been well documented. News, magazine articles, books and first-hand accounts of working parents seeking a better balance of work life and family life describe the advantages of the one-minute commute.

But the impetus to implement large-scale telecommuting programs seems now to be coming from the top of the organization, as business management discovers the advantages of a telecommuting strategy for improving worker effectiveness and reducing overhead costs.

Although knowledge-worker productivity is difficult to measure, many companies report improvements in efficiency and effectiveness when workers are freed from the constraints of the central office. According to telecommuting consultant Jack Nilles, telecommuters are, on average, 20 percent more productive than their colleagues at the office. Nearly half of the organizations surveyed recently by the Conference Board said that increased individual productivity is the single greatest benefit of telecommuting.



Cost Savings

A growing proportion of telecommuters are “virtual office” workers—sales people, consultants, trainers, account managers—who have no assigned corporate offices at all, but are expected to work at their home (or on the plane or in their hotel rooms) when they are not calling on a customer or consulting with a client. At a company where virtual office workers now make up nearly 10 percent of the salaried work force, management calculates that it saved \$80 million in office overhead costs last year by eliminating offices for its sales force.

Pairing the advantage of improved effectiveness with substantial savings in facilities’ costs makes a strong case for telecommuting as an opportunity to do more with less. Occupancy cost savings of as much as 40 percent have been reported by firms combining telecommuting programs with nonterritorial office schemes like “hoteling” and free-address workstations for employees to use when they are working at the office.

Of course, telecommuting also has its costs—to employer and employee alike. One-time start-up and ongoing operating expenses must be factored into any calculation of corporate space savings. In addition to the cost of equipment, software, furniture, and phone lines for telecommuters, companies have to consider expenses involved in planning and training to prepare workers and their managers for participation. Organizations may also be faced with the social, labor, and legal issues (such as worker’s compensation, privacy, and performance evaluation) arising around off-site work.



Job Types

Work that can be performed off-site is generally:

- explicit enough to be achieved without further explanation or direction
- paced and controlled by the worker
- conducted over the phone
- reading, writing, scheduling meetings, planning, e-mail, etc.

Experts caution organizations not to jump on the telecommuting bandwagon without carefully considering and developing policies to address these kinds of issues. They warn against putting the alternative work styles cart before the work process and culture horse; job types and management styles do not automatically become telecommuting-friendly through the application of laptops and modems.



Choosing Telecommuters

In general terms, the best candidates for telecommuting are workers who:

- are highly motivated, self-starting, and able to set goals
- are trusted
- have consistently met or exceeded performance expectations
- are able to work well alone
- are experienced in their jobs

Telecommuting Infrastructure

Although telecommuting often begins casually, experience indicates that it is better to implement a telecommuting program with training for participants and their managers and established procedures and policies that provide equity to off-site workers. A formal program will also enable the organization to track cost savings and performance benefits.

For their part, telecommuting employees often contend with feelings of isolation, concerns about equity, and a new set of tensions that seems to accompany the mixing of work with family and home life. In a field study of telecommuters working at home, Herman Miller researchers found people struggling to redefine the boundaries between home and work. Without the traditional trappings or the cues of the office routine, these off-site workers seemed a bit at sea. Their companies provided them with the equipment they needed to work at home, but they rarely had an adequate place to put it, working at makeshift desks in rooms designed-and often still used-for other functions. The constant presence of work and concern regarding the perceptions of colleagues back at the office, often led them to work beyond normal business hours without availing themselves of the opportunity to perform nonwork-related tasks during the work day.

Our research and experience suggests that changes in work style and location should be put in place only if they clearly support articulated business strategies. If the goals and culture of the organization can be promoted and reflected by off-site work, telecommuters should be carefully chosen, equipped with appropriate technology and ergonomic furniture, and supported by an infrastructure that keeps them a vital part of the organization.

Next we examine a few of the frequently asked questions that we encounter in our work with customers who are exploring this evolving work style.



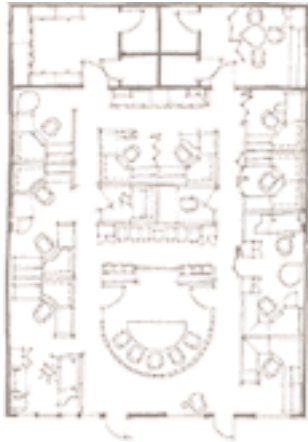
1. Does telecommuting always save real estate costs?

Not always. Telecommuters who work at home one or two days a week will generally still need to have a space to work. Depending on the needs of the individual, the Off-Site office may be smaller or possibly shared with another telecommuter, but it is important to ensure that rigid scheduling of Off-Site space use doesn't begin to encroach on the flexibility management hopes to achieve by instituting telecommuting.

Some companies have implemented “hoteling” or “just-in-time” systems to provide telecommuters with Off-Site offices as needed. These shared spaces must be flexible and adjustable to accommodate different people and varying needs for technical support.

If the company prefers to provide offices for telecommuters in satellite field offices or telecenters, the costs of equipping and maintaining or leasing these spaces must be taken into account. Since these facilities are likely to be located in residential areas, however, square footage costs will probably be significantly lower than those for the prime real estate in metropolitan areas where many businesses operate.

Our experience leads us to conclude that a net space savings is usually a result of corporate telecommuting programs, but it should not be the primary motivation for implementing them. Depending on the needs of the organization, telecommuting may eliminate some individual offices but require additional space for employee training, conferencing, and team activity.



2. Can nondedicated work spaces provide the appropriate ergonomic and functional support for everyone who uses them?

It can be done, but it requires a different way of thinking about workstation design. Unlike dedicated offices that are programmed to meet the needs of specific people and job functions, nonterritorial offices for telecommuters' use may have to adapt to widely different tasks and work styles-without the help of facility managers or maintenance people. They must be capable of being easily adjusted by the users themselves to accommodate people of different physical sizes and abilities.

In the telecenter at left, telecommuters keep their personal files in mobile storage units that can be pulled into work stations as needed.

We recently designed an experimental telecenter for telecommuting federal workers in a suburban area in Maryland. Each workstation has an adjustable-height work surface as well as an adjustable keyboard tray or stand. Fully adjustable task chairs ensure that virtually any size user can get proper lower back support while performing a wide range of office tasks. Mobile tables, files, and screens quickly and easily accommodate individual needs for privacy, storage, and work staging.



3. Who provides the furniture and equipment for a telecommuting home office?

Except in the case of contract workers or casual work-at-home arrangements, the employer nearly always provides the equipment, software, and telecommunications connections for the job. Depending on the job, this may range from a telephone line and a fax machine to a complete desktop workstation.

Virtual-office workers, whose dedicated Off-Site offices have been eliminated completely, are generally provided with laptops, modems, printers, faxes, and an additional phone line or two. Some companies provided an allowance for home-office furniture, as well, recognizing that-particularly for telecommuters who work primarily at the computer-ergonomically designed, adjustable furniture is essential to safe and efficient job performance.

While people should have some choice about the style of furniture that is going into their homes, our research indicates that people who are used to having offices provided to them have only the vaguest understanding of how to design a work area that supports their job tasks and can be properly adjusted to prevent repetitive stress injuries and other work-related aches and pains. It may be wise for companies that wish to provide their telecommuting employees with office furniture to specify a few appropriately adjustable work chairs and furniture configurations from which to choose.



4. Who is responsible for worker safety when employees work off-site?

The law provides for compensation if a worker is injured in the course of employment. General consensus is that telecommuting workers are covered by worker's compensation liability, though no one seems to have heard of a case where a telecommuter has filed a claim. Most employers handle telecommuting liability issues by requiring program participants to sign an agreement detailing the conditions of working at home. Training programs can help people understand the ergonomics of office work and teach them how to set up and maintain a safe and healthful workplace or how to adjust the chairs and work surfaces of their nonterritorial offices.

Sources and Resources

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Herman Miller, 1995

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This brief article overviews some of the new legal concerns arising from the implementation of telecommuting programs.

Are We Being Run Over by the 'Virtual Office' Bandwagon?

Gil Gordon, Telecommuting Review, July 1994

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Telecommuting: Research Methodology and Findings

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Reports on an extensive program of "intervention research" undertaken by Herman Miller to better understand the needs of telecommuters who work at home.

Real Estate Tax Policy for the Information Age

Mark Borsuk, Real Estate Review, Winter 1995

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Thomas E. Miller, FIND/SVP, 1995

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The Telecommuter's Handbook: How to Earn a Living Without Going to the Office

Debra Schepp and Brad Schepp, McGraw-Hill, 1995

Home Sweet Office

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Another "how-to" for telecommuters, this book offers helpful advice on planning, designing and furnishing a home office.