

PERSONNEL NOTEBOOK

For Your Most Important Resource

TELECOMMUTING

Part I: The Basics

A management firm facing cutbacks, decided to offer three employees part-time, telecommuting work. They would each be paid one half their salary (or wages) for working a four-hour day at home. Their work was in accounting, membership development, newsletter production, and graphics.

After five months, business began picking up, and they were each offered their original full-time positions. None of the four wanted to return to full-time status!

One found that by eliminating the full-time employment costs, which included day care for two children, transportation (car payments on a second car, gas, insurance, maintenance, parking), business clothing, dry cleaning, meals, and tax issues (increased income meant higher taxes, home-based work meant higher tax deductions), he was financially further ahead!

The other two found other companies that wanted to use their services, for the same type of work, during those extra hours. So, they were now averaging six hours per day and making more money than in their former work arrangement. And, they were saving a two-hour daily commute!

But, what about the employer? She found that the work from these employees was more punctual and looked so much better than before. They were also regularly offering suggestions and new ideas.

Is it always this good? Another company agreed to allow an employee to telecommute. Her work was similar to those previously mentioned. However, after three months, she asked to return to her old position or she would have to resign. Her employer gladly returned her to her former position.

During the three months working out of her home, her work was seldom turned in on time and was often not up to the caliber produced when she worked in the office.

She found that she was not disciplined enough to effectively stay focused on her work. The children, the dog, the phone, the doorbell, neighbors dropping in, chores around the house, and errands all began to have priority over her work. Her family and friends viewed her as “at home” not “at work.” She gained weight, started smoking again, and had bouts of depression. She felt left out of her social relationships and camaraderie at work. She missed the group lunches.

Her employer found that he could not function as well across that distance. He felt he could not tell if she was contributing as much work as she used to.

Telecommuting was not a good match for this employee. It doesn't work for everyone in every circumstance.

What Is Telecommuting?

There are many versions of telecommuting. For our purposes, in this issue of *Personnel Notebook*, it means anyone performing work for an employer from home instead of the employer's place of business.

For many companies, this is an idea whose time has come. But, we will probably never be at a point in our world of work when it will be used for every person in every job. Let's look at this issue from the standpoints of both employer and employee, the pros and the cons for each.

The Employer

Pros:

New focus

You are now forced to concentrate on the work, the product, and the end result as opposed to the personalities, the politics, or the effort displayed. You can be more focused on the work you went into business to do, and less on the process and administration of that work. And, as Martha Stewart might say, "That's a good thing."

Efficiency

You can, if you manage it properly, get the same or even more work with less cost.

Overhead

You can reduce the amount of workspace, the square foot floor space you need to provide each employee. You can also reduce the amount of heat, air conditioning, utilities, bathroom space, parking space, furniture, on-site liability insurance, cleaning costs, security control, safety protection, desk space, and phones.

People administration

You can reduce the growing impact of employment-related regulations, such as, sexual harassment, violence in the workplace, and overtime.

Employee conflicts, number of supervisors needed, employee lawsuits, tardiness, business, bathroom visits, coffee breaks, and length of lunch hours should all be of less concern.

Although none of these people problems are going to disappear with telecommuting, they all can be greatly reduced.

Anything that can result in your company focusing on the end result, cutting costs, reducing liability, improving efficiency, and becoming more competitive warrants your consideration.

Cons:

Control

Clearly, you must trust the people you employ as telecommuters. You may have to learn to loosen the reins of control. People will usually do what you *expect* them to do if they know what you expect and feel that they have the responsibility and the freedom to do it.

Control will have to be more on the end result, the end product, and less on the process. If you get what you want when you need it, you might just care less about how it was done. Your customers and clients will certainly be more interested in what you deliver and less interested in how you produced it.

But, you will lose much of the day-to-day personal control and the ability to assign employees to provide immediate assistance on other projects. That can be hard for most supervisors and managers.

Starting up

It can be difficult to start. Most changes are. In almost all cases, you should have the employee buy into the concept, to convince you that he or she wants to and can do this. Let the employee participate in the creation and design of the process of how and when the work will be delivered. You can evaluate the recommendations, work out the changes, and agree on a final arrangement. Lay out a flow chart showing what will be done and when, as well as how the work will get to the employee and what will happen to it when it's completed.

Costs

Although many cost savings are possible with telecommuting, the employer almost

always provides the equipment, hookup, and maintenance.

Performance evaluations

You will have to assure that you are able to measure productivity, to evaluate the necessary and desirable results. Most performance evaluations concentrate, not so much on the end results of the work, but on the hygiene of the work. Such things as tardiness, working well with others, appearances, politics, number of trips to the bathroom, length of lunch hour, personality, etc., are all examples of hygiene evaluation. Although these things are all signs of effort and adaptability to the workplace, they are more focused on the process as opposed to the results.

With telecommuting, you must focus on the following:

- *What did they produce?*
- *How much did they produce?*
- *How good was it?*
- *Was this what you wanted?*
- *Did you get it on time?*
- *What do you really need and value? Does this employee provide any of that?*

Liability

Even though your on-site liability risk is reduced, you will find that your off-site liability will increase. And you will have less control over the employees new work site, their home!

OSHA regulations, workers' compensation equipment safety, and accidents are the responsibility of the employer.

Most liability issues in fact, are going to be the responsibility of the employer

People administration

Although the burden of dealing with employee problems is greatly reduced, you may also find it unsettling when you eliminate the interplay, the collaboration, the lesser activity, the brainstorming, the social process of

interfacing with people every day. We are all social animals. We may not do as well when that social contact diminishes.

Can you communicate and manage as well by phone, fax, and email as you can in person. Many of us can't.

Those who are not telecommuters may resent those who are. Most people want to do this.

Regulations

Unemployment Compensation, Family and Medical Leave Act (FMLA), time off for jury duty, and most other employment laws will still be enforced. Many new laws are being created to deal with and protect telecommuters.

You will eventually want to consider whether or not a telecommuting employee should be an independent contractor.

The Employee

Pros:

Work life

No daily commute! That can save you one to three hours each day! Can that reduce some of the stress in your life?

No office politics. No need to dress up each day. Weather and traffic problems mean little to your workday.

You can often set your own hours and schedules. You may be able to get up earlier, complete your work, and have the rest of the day off. Working alone you may be freer to find better ways to do the work or to provide something extra, something to make it a "value-added" result. You will have a feeling of much more freedom. In most people, that inspires creativity and even empowerment.

Home life

You can be there with your children if you have them. Maybe you can even help them learn some of your skills. With our new concentration on family life, this can be another way of trying to "have it all." Working in a safe, self-

controlled environment may mean a lot less stress in your life.

Economics

When some people examine their income versus outgo in an objective manner, they may find that the need for that second income is sometimes more of a social or personal need than an economic one. When you consider the cost savings of not working full time, it may offset the additional income.

Savings on child care can be hundreds of dollars per week, certainly thousands each year. Are you driving a second car? Do you need to? Savings on car payments, insurance, taxes maintenance, gas, and parking can be tremendous. Not buying breakfasts, lunches, or dinners out can save a bundle of money.

Then, consider clothing and dry cleaning costs. When you consider all your particular savings, they may include much more.

Instead of larger tax bites, you may save on taxes by deducting your home office expenses.

Cons:

Work life

You may miss the social activity, the lunches, the work discussions, and collaborations. Dressing up with someplace to go is an important part of most people's lives. You will lose much of that. Will you feel isolated?

Are you self-disciplined enough to schedule your work and get it done on time? Many people find this very difficult. You may find yourself working more hours, late evenings, and weekends. You are now in control and you may not be comfortable with being the boss, even if you are also the employee.

Home life

Your kids may drive you nuts, with cries of "mommy" or "daddy" all day long. You are now the one who must balance the work/family life needs. Can you handle that?

In the end, you may also want to consider whether or not you should be an independent contractor.

Economics

Almost all economic issues are quite favorable, but you will likely have to consider remodeling your home to accommodate this work/lifestyle. You need a secluded place with adequate communications hookup.

As telecommuting continues to expand, we may find ourselves heading more swiftly toward the virtual office. With a laptop computer and the wide world of communications, your office is where you are.

If you have any experience with or questions or comments on telecommuting, please send them on to me at the contact below.

After more than 10 years of nationwide and international telecommunicating, a lot has been learned, much has been gained, and telecommuting has become firmly established in our economy. But, not everyone is happy with the outcomes. The expected advantages for the employer, employee, and society at large were not always realized. Many new laws have been enacted and many myths have been busted. And overall, we still have not learned how to manage the system very well.

In Part II of *Personnel Notebook* on "Telecommuting," we all look more closely into these current results.

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