Working Outside the Box:
A Study of the Growing Momentum in Telework

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In the green spirit, print double sided on recycled paper.
Foreword
With some estimates as high as $50 trillion in global wealth simply gone in one year – all but wiping out gains of the past decade – ‘restructuring’ has become the economic recovery battle cry worldwide. Nowhere is that more important than government. Massive government transfusions into financial markets, excruciating industry bailouts, budget deficits, and declining tax revenue have to be ‘made up’ somehow. Although it will take action on many fronts, some relatively simple solutions hide in plain sight. One is to restructure the government workforce for the 21st century and shed costs associated with the increasingly obsolete ‘office.’

Private sector organizations already reap substantial savings through telework programs. At IBM, featured as a case study in this paper, 40 percent of its 386,000 global employees do not have a traditional office and many tens of thousands more work outside their offices at least some of the time. Since 1995, office space was reduced by 78 million square feet; 58 million square feet were sold at a gain of $1.9B; sublease income exceeds $1B; and, in the U.S. alone, annual savings amount to $100M. As impressive as these returns are, they pale in comparison to the opportunity open to government. We sometimes forget that, by far, government is the largest industry, employer, landowner, and tenant in the world. For example, if only a small percentage of the 1.8 million U.S. Federal employees were equipped to perform their jobs outside the office, cost savings in real estate, related capital assets, and utilities could number in the tens of billions. And, that’s only the beginning. Other measurable benefits include continuity of operations during disasters, alleviation of traffic congestion, reductions in CO2 emissions and energy consumption, and remaining competitive in a global labor market that values work/life flexibility.

These returns, however, are maximized only when eligible workers are fully capable of performing their jobs anywhere without a traditional office. This differs from lesser degrees of telework that produce only marginal returns. Yes, a government-wide, four-day work week allows the lights to be turned off in all buildings one day a week. But, you still have the buildings. Even less effective, some governments deploy telework on a random basis a couple of days a month for eligible employees resulting in little to no infrastructure savings. And, frequently, those employees lack the tools to fully perform their job duties on the days they don’t go into the office.

This paper addresses how to implement workforce restructuring to maximize telework benefits. Understanding the full impact of the fundamental shift in the nature of work is the first step. Insights from the IBM case study include how telework adaptation depends upon a systematic, cross-discipline approach to real estate management, human resources, finance, and information technology. Proven methods are described, including identifying job categories that are good telework candidates and matching real estate opportunities with regard to leases soon to expire or underperforming properties that can be subleased or sold. Finally, once employment policies, practices, and processes are revamped for telework, today’s technology platforms enable employees to take their ‘desks’ anywhere.

We hope you find the paper a valuable resource.

Janet Caldow
Working Outside the Box: The Growing Momentum in Telework

Work is no longer where you are, but what you do.

Even Dwight Schrute occasionally ventures outside “The Office” on NBC’s popular sitcom to visit Dunder Mifflin clients around Scranton. He’s not alone. The fact is a significant and growing portion of the global workforce does not have a traditional office anymore. They work from home, at client locations, while traveling, in the field, at telecommuter centers, and, yes, even at Starbucks. At IBM, featured as a case study later in this paper, 40 percent of its 386,000 global employees do not have a traditional office and many tens of thousands more work outside their offices at least some of the time. Recently, CNN.com highlighted ten companies that only hire at-home workers. (“Companies That Will Hire You to Do Work at Home,” December 1, 2008.) Change may be imperceptible year to year; however, over the past three decades, a fundamental and permanent shift has occurred in the tectonic plates of how we define work and where we work.

Anthropologists have long known that language lags innovation. We struggle to find the right words to capture new phenomena. Ask five people and they will give you five different terms and definitions for telework. For purposes of this paper, we define teleworkers as those employees who, by the nature of their jobs, can work anywhere and are fully capable of performing all job duties and interactions with their employers outside a traditional office.

In practice, telework is a continuum, manifested in varying degrees. ‘Telecommuters’ are sometimes defined as employees who work neither at home nor at a central office, but at a satellite office somewhere between the two. Others define telecommuting as working one day a week or month outside the office. Frequently, these employees lack the tools to perform their duties outside the office, and may actually spend the day catching up on reading. ‘At home workers’ may spend the majority of their time at any number of places other than home. Many workers spend significant time in an office that belongs to an employer other than their own. Flex time (a four-day work week or some other variation) is often confused with telework. Others reduce telework to a specific alternative work method – such as using videoconferencing instead of traveling to a face-to-face meeting.

Each of these manifestations has a place in the telework continuum. However, benefits are maximized only when a significant percentage of an organization’s workers are fully capable of performing all aspects of their jobs without an office. Employers reap enormous benefits in real estate cost savings (associated with office space, utilities, related capital assets).

Telework Continuum

- Cost savings (real estate, energy)
- Continuity of work
- Reduced traffic congestion
- Lower CO2 emissions
- Capability to perform job outside office
- Job satisfaction
- Work/life balance
But first, to understand the enormity of the changing nature of the workforce and workplace, consider the drivers that contribute to the growing demise of the ‘office’ as we know it and the emergence of a flexible and mobile workforce:

**Drivers of Workforce and Workplace Transition:**

Just as degrees of telework differ, so do underlying motivations. In some cases, motivation to undertake a telework program is driven by one overriding factor. In others, the transition is motivated by a combination of factors:

**Economics**
The global economic crisis and resulting budget shortfalls have added to the urgency of reducing costs in both the public and private sectors. Real estate management is a prime target of opportunity for cost savings that can be achieved with robust telework programs. In the early 1990s, IBM owned or leased more than 185 million square feet of office space with a ratio of office space to employee of 1:1. Through its telework strategy, since 1995, IBM has reduced office space by a total of 78 million square feet. Of that, 58 million square feet were sold at a gain of $1.9B. And, sublease income for leased space not needed exceeds $1B. In the U.S., continuing annual savings amounts to $100M, and at least that much in Europe. With 386,000 employees, forty percent of whom telework, the ratio of office space to employee is now 8:1 with some facilities as high as 15:1. In 2007, in the U.S. alone, the mobility program conserved more than 5 million gallons of fuel and avoided more than 450,000 tons of CO2 emissions.

Now consider the comparative magnitude of government. The U.S. Federal government owns or leases 500,000 buildings covering 3.1 billion square feet and employs approximately 1.8 million civilian employees, excluding the postal service and active military. Through a fully-functioning telework program, the Federal government has an opportunity to eliminate billions in cost related to real estate alone.

**Demographics and Traffic Congestion**
The United Nations Population Fund reports that in 2008, for the first time, more than half of the globe’s population, 3.3 billion people will be living in towns and cities. The number and proportion of urban dwellers will continue to rise quickly. Urban population will grow to 4.9 billion by 2030. In comparison, the world’s rural population is expected to decrease by some 28 million between

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Most workers still trudge to the office. Though a third of the more than 150 million working Americans telecommute at least occasionally, most do so just a few days each month. Only 40 percent of companies permit any sort of work-at-home arrangement, which means most insist on full-time attendance. According to a 2006 survey by the Telework Exchange, the top fear among resisters is that they’ll lose control of their employees, whom they doubtlessly envision frittering away the hours between 9 and 5 playing Minesweeper and munching Cheetos.

Telecommuting’s foes couldn’t be more misguided. When gasoline costs $4 a gallon, companies shouldn’t just be doing all they can to expand telecommuting — they should be scrapping their offices entirely. That might sound a bit radical to those who swear by the office’s supposed benefits, like camaraderie and face-to-face collaboration. But time and again, studies have shown that telecommuters are every bit as engaged as their cubicle-bound brethren — and happier and more productive to boot. Last year, researchers from Penn State analyzed 46 studies of telecommuting conducted over two decades. Their sweeping inquiry concluded that working from home has “favorable effects on perceived autonomy, work-family conflict, job satisfaction, performance, turnover intent, and stress.”

Earlier this year, an IDC report from Asia found that 81 percent of managers believe telecommuting improves productivity, up from 61 percent in 2005. The increase is attributable largely to the proliferation of unified communications technologies — tools that connect mobile and remote workers.

The traditional office, meanwhile, remains a black hole of interruptions, procrastination, and soul-crushing politics. According to Gloria Mark, an informatics professor at UC Irvine, the typical office worker is interrupted or switches tasks every three minutes — hardly enough time to accomplish anything of substance.

Ditching the office could also provide businesses with a leg up in the scramble to recruit and retain talent. For starters, location would no longer limit a company’s employment pool — gifted Kansans wouldn’t be forced to uproot their lives for opportunities in, say, California. Also, based on the average American’s commute time, driving speed, and vehicle specs — and assuming that gas costs $4 per gallon — a telecommuter would save around $1,200 a year on fuel alone — an instant salary bump, of sorts.

Perhaps you’ve been an office drone for so long that you can’t imagine life without fuzzy, low-slung cubicle walls. Well, given that the typical American house is now over 2,500 square feet — up more than 60 percent since the early ’70s — surely you can find room to build your own cube. Add some stale coffee and a buzzing fluorescent light and it will feel just like... well, you know where.
2005 and 2030. At the global level, all future population growth will thus be in towns and cities.

One of the resulting crises from the migration to cities is global traffic congestion with its ripple negative effects on commuters, CO2 emissions levels, and energy consumption. The Texas Transportation Institute estimates traffic congestion costs the United States $78 billion each year for the 4.2 billion hours people are stuck in traffic and more 2.9 billion gallons of wasted fuel.

In the Institute for Electronic Government's recent survey of 4,000 drivers in ten U.S. cities, thirty percent surveyed said they want to work at home to avoid traffic congestion and commuting costs. Four-dollar gas prompted an outcry from both public and private sector employees demanding economic relief and telework options. Necessity is the mother of invention. The public and private sector employer response has been an up tick of telework initiatives and compressed work week schedules.

Climate Change
Cities, states, and federal governments across the globe have passed executive orders and legislation mandating the reduction of greenhouse emissions within specified deadlines. Increasingly, governments are turning to telework as one strategy to help reduce their own contributions of CO2 emissions. Many are considering tax incentives for private sector employers and employees to participate in telework programs. In some countries the concept of cap and trade is moving down to the individual level, which will require individuals to limit their own CO2 emissions and fuel consumption by changing commuter habits or eliminating commuting altogether by becoming a teleworker.

The Institute for Electronic Government’s recent study, “The Greening of Government: How Governments Define the Green Agenda,” found transportation was among the top three green priorities stated by governments. This included a variety of programs – including intelligent transportation systems, green procurement, green fleet management and telework programs.

National Security & Disaster Planning
National security and emergency preparedness planning now routinely include telework as a key strategy to cope with man-made or natural disasters. In the event of a pandemic influenza outbreak or a biological terrorist attack that requires social distancing (minimizing face-to-face contact) or quarantine, workers can maintain continuity-of-operations from locations other than at the office. The effects of extreme weather conditions that prevent employees from getting to work are neutralized by telework programs (sometimes to the lament of the teleworker who loses a “snow day” with the kids).

Attracting & Retaining Employees; Choosing an Employer
There is a yin/yang aspect to the telework momentum from the perspectives of both employers and employees. Employers with robust telework programs have a competitive advantage in recruiting and retaining top talent. On the other side of the employment equation, telework liberates employees from overwhelming traffic congestion, commuting time and costs, and helps to balance work/life issues.

In the 1960s, about thirty percent of households in the U.S. included two wage earners who both worked full time. Today, some estimates place two-wage earner households as high as seventy percent. This growth changed the dynamics of how employees choose employers and how employers attract and retain those employees. To remain competitive, employers adapted work policies to balance work and family life – including telework. For those employers facing growing retirement bubbles, telework extends the work life of near-retirement employees. Younger workers demand state-of-the-art technological capabilities in the performance of their jobs. They have grown up with technology and have been
Globalization and Collaboration
Government and private industry alike have far-flung branches and employees located around the globe. One’s closest coworker could be multiple time zones away. Thus, for many workers, the definition of work is no longer synonymous with seeing their co-workers in the ‘office.’ Telework also maximizes the ability to efficiently use geographically dispersed human resources with unprecedented access to skills. Geography is no longer an obstacle to employers or employees. The growing complexity of today’s challenges also increases the need for collaboration across physical and virtual boundaries. The organic nature of collaboration requires a new kind of work model.

Technology
Although not a direct driver, technology is the underlying enabler of the telework movement. And, of all the technologies introduced over the past thirty years, the laptop is the most important. In one device, the laptop can replace all the capabilities of the traditional office. The laptop replaces the office ‘desk’ and can be taken anywhere.

After the umbilical cord to ‘green screen terminals’ was cut some thirty years ago, new communications and computing options developed at a dizzying pace. The PC made its debut in the 1980s. The laptop and first bulky cell phones arrived in the 1990s. Wireless and broadband in the home are realities. The World Wide Web, email, Blackberries, ipods, social networking, web jams, supercomputers, grid computing. There are literally too many to mention. As technology changed, so did we. Therefore, it’s not surprising that the way we work today would have been unimaginable to Frederick Taylor barely one hundred years ago. The new ‘division of labor’ is infinitely more complex and organic. And, for many, it is no longer tied to ‘place.’

The following case study provides insight into a successful telework journey.

Case Study: IBM’s Telework Journey

The Origins
IBM’s workforce and workplace transition journey is nothing short of remarkable. In 1978, corporate headquarters conducted a study on the changing character of the U.S. workforce. One finding projected a shortfall of electrical engineers and programmers – critical to IBM’s growth. Furthermore, the study found that people with theses skills were increasingly made up of two-career couples. This raised issues of attracting and retaining employees sensitive to the needs of balancing work and family life. The corporate personnel office was tapped to explore the potential use of ‘terminals’ in employee homes.
In the meantime, IBM’s work-at-home movement was born at its Santa Teresa lab in California. An employee opinion survey at the lab in 1979 indicated that demand for new code development was growing in leaps and bounds. But, morale among programmers and researchers had dipped because of the difficulty in getting time on the lab’s mainframe at the office. Those were the waning days of batch processing and the dawn of interactive computing that required real-time access. It pre-dated the first IBM personal computer. Within months, and without much fanfare, Santa Teresa management responded to the crunch. In a pilot project bulky ‘green screen’ online terminals were installed in the homes of five researchers.

Unbeknownst to the California managers, the same revolution had started on the East Coast. Other divisions were experiencing similar problems for different reasons. Systems engineers relied on access to office computers to configure client systems. Sales reps relied on the internal financial system to sort out the best lease or purchase options for customers. Computing time was scarce at the office. In response, some two dozen remote terminals were installed in employee homes.

Within just three years, in 1983, more than 2,000 IBMers worked at home. And, home terminals were already being replaced by home PCs. A corporate article in IBM’s Think Magazine predicted, “The day is still far off when many IBM people will be carrying home ‘electronic briefcases’ as a matter of course.” Turns out they were right about those electronic briefcases. However, it happened a lot faster than they thought. The first IBM Thinkpad laptop was produced just nine years later in 1992 and triggered an avalanche of new mobile workers.

Telework Evolves to a New Level
By the early 1990s, IBM faced a different kind of challenge. Survival. Transformation and cost cutting was at the top of the list as CEO Lou Gerstner came aboard. One of those cost cutting opportunities was real estate. At the time, IBM owned or leased more than 185 million square feet of office space. Coupled with the growing popularity and success of the work-at-home program, the corporation added real estate considerations to the mix and began an aggressive global rollout of telework.

In 1992, a dedicated team, with representatives from sales, real estate, technology, finance, HR, and customers, identified and examined all the issues around telework. Starting with sales offices, the team examined how space was used, what people needed, and learned that most were willing to transition if given the technology and support. Focus groups were held with employees and customers. A consultant for the initial real estate design was hired. A behavioral scientist conducted time and space studies with particular attention to changing mindsets. Within eight months the first pilot sales office in Norfolk, Virginia, transitioned to telework. Over the next year cycle time was reduced, converting four more offices. Teams for each new project went to the Norfolk office to learn how to do it. In 1995, telework was implemented across US sales offices in just two weeks. After the success in US sales offices, HQ asked if telework could be applied to other employee groups. The team expanded the project to examine all properties and all job categories.

By 1995, more than 10,000 IBMers were mobile. Dedicated office space per employee was reduced from a ratio of 1:1 to 4:1. That year over two million square feet of office space and 7500 work spaces were eliminated. ROI was achieved in
the first year: the total cost to transform 10,000 employees into mobile workers was $41.5 million and the resulting saving in real estate costs was $75M by closing floors of buildings and entire buildings when leases came due. And that was just the beginning. By 1998, telework was institutionalized and implemented worldwide, growing to 88,000 employees.

Since 1995, IBM has reduced office space by a total of 78 million square feet. Of that, fifty eight million square feet were sold at a gain of $1.9B. And, sublease income for leased space not needed exceeds $1B. In the US, continuing annual savings amounts to $100M, and at least that much in Europe.

Today, 40% of IBM’s some 386,000 employees in 173 countries have no office at all. Many more spend at least part of their time in non-IBM locations – at home, traveling, or in client locations. That ratio of space to employee is now 8:1 with some facilities as high as 15:1.

Between 1990 and 2005, IBM avoided more than 8.98 million metric tons of CO2 emissions through the mobile work program by conserving a cumulative 17.2 billion kWh of electricity. Total savings from energy management in 2005 was $22.9 million. In 2007 in the US alone, the work-at-home program conserved more than 5 million gallons of fuel and avoided more than 450,000 tons of CO2 emissions. Savings in real estate costs and CO2 emissions far outweigh the cost to transition an employee to mobile status. Once the infrastructure is in place, marginal costs decrease.

**Telework Remains Elusive in Government**

Federal, state, and local governments have taken the first steps along the telework continuum. However, efforts to date are largely limited to implementations that do not maximize returns. **Returns are maximized only when a significant portion of the workforce has full capability to perform job duties outside an office.** Only then will governments reap the benefits of real estate and related capital asset cost savings, enhanced continuity of operations, improved employee effectiveness, ability to attract and retain talent, leverage geographically-dispersed human resources, and to reduce energy consumption, CO2 emissions and traffic congestion.

Most state and local governments are in initial telework stages, limited to alternate work week implementations:

- Nearly 23,000 Virginia state employees are eligible to telework based on the nature of their work. The Virginia Department of Taxation estimates their 591 teleworking employees save more than 45,000 gallons of fuel each year. Another some 24,000 state employees are eligible to work an alternate schedule, including a 10-hour day, four-day work week. About 14,000 state employees work some type of alternate schedule. (Petersburg Peoples News, July 16, 2008).

- In June, 2008, Utah Governor Jon Huntsman announced that he was imposing a four-day work week on some 17,000 state employees. “As we go forward with this initiative, we will conserve energy, save money, improve our air quality and enhance customer service,” Governor Huntsman has said. (“CCH Says High Gas Prices May Cause Employers to Rethink Telecommuting, Compressed Work Weeks,” Reuters, August 8, 2008).
By January, 2009, Atlanta will implement compressed work weeks and work-at-home programs for some employees in every city department. The work-from-home program will be at least one day a week, Mandy Schmitt, the city’s director of sustainability, told the Atlanta City Council’s Utilities Committee. ‘Compressed work weeks’ could mean, for example, a city employee working 10 hours a day for four days a week. Some city agencies already practice both initiatives, and greater employee productivity has been noticed, Schmitt said. City officials believe the plans will result in less driving by workers, which improves air quality and reduces the energy and water used in city buildings.” (Atlanta Journal Constitution, November 5, 2008)

The Federal government has also made initial strides. For the most part, interpretation and execution is left to individual agencies. In some Federal government agencies, it is left to the individual employee to ask permission to telework and sign a ‘telework agreement’ designed to avoid any ‘abuse’ of the program. This reflects basic misconceptions about telework. Not only do studies indicate teleworkers are more productive than their office peers, measures need to be taken to combat the tendency of teleworkers to overwork. Once mindsets change to measure employees on results, not work location, concerns about telework abuse evaporate.

In 2000, Congress mandated that each Federal executive agency establish a policy under which eligible employees may participate in telework (PL 106-346). Eligibility was defined as any employee ‘whose job may be typically performed at least one day per week by teleworking. The General Services Administration (GSA) and the Office of Personnel Management (OPM) were tapped with lead roles to support government-wide implementation.

In June, 2008 the House passed a measure (H.R. 4106) that would require Federal agencies to incorporate telework into continuity-of-operations-planning (COOP). The bill is in review by the Senate Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, expected to be reintroduced in 2009.

In various reports since the original legislation, the Government Accounting Office (GAO) identified key practices that agencies should adopt, such as developing business cases and establishing measurable goals. In subsequent periodic reviews, the GAO reported many agencies have fallen short of adopting any of these practices.

An October, 2008 survey conducted by the Telework Exchange, “Out of Office, Federal Mobile Workforce Trends,” reports that 82% of Federal workers spend time outside the office each month (meetings, travel).

At the National Science Foundation, 54% of employees have ‘telework agreements’ on file. GSA’s goal is to have 50% of its employees teleworking at least part time by the end of 2010.

Despite these positive first steps, peeling the onion, it appears most Federal employees have only limited communication tools (phones) on those days spent outside the office. They do not have full capability to perform their jobs outside of an office environment. In addition, since all employees do not work the same day(s) outside the office, there are little to no
cost savings in utilities, real estate, or other infrastructure. An exception is the US Patent and Trade Office. Eighty-five percent of eligible patent-examining attorneys telework – with full capability to do their jobs outside an office. Since beginning the program eleven years ago, the Patent Office has consolidated office space from eighteen buildings down to six, even though the employee base increased during the same period.

So, overall, why is progress so difficult? Like Alice in Wonderland’s Cheshire cat said, “If you don’t know where you’re going, it’s difficult to get there.” Restructuring requires an understanding of the changing nature of work, a business strategy with measurable goals, coordination across human resources, real estate management, finance, and information technology departments, and employees equipped to do their jobs without an office. The following lends insight into a proven methodology.

**How to Deploy a Robust Telework Program**

The seismic shift in the definition of work and the workplace has numerous challenges, unexpected outcomes, surprising beneficial ripple effects, and requires focused and coordinated planning to execute. When IBM first began its initiatives, no role model existed. Lessons learned from the first pilot projects involving a handful of employees were eventually applied in a global rollout involving hundreds of thousands of employees. By the early 2000s, other companies and governments routinely approached IBM to learn how IBM tackled the transition of a large workforce. In response to the volume of requests, the company gathered experts in real estate management, human capital management, technology and security, and process and systems to codify its expertise into a consulting competency. Today, IBM’s Global Business Services consultants and proven methodology help other organizations manage the full scope of telework implementations and avoid the pitfalls. This section shares some of the lessons learned.

Leadership starts at the top, ideally at the enterprise level. First, develop an overall framework for thinking about telework. What is the business case? What are the goals and expectations? What are the guiding principles? In IBM’s experience, one key principle is that performance measurement should be based on results, not where an employee works. To develop a telework framework requires a cross-discipline team with expertise in real estate management, human resources, finance, and information technology. Assign responsibility to the team to conduct a coordinated and systematic analysis across functional areas. What job categories are good candidates for telework? Where are the real estate opportunities with regard to leases soon to expire or underperforming properties that can be subleased or sold? How will employment policies, practices, and processes need to change? What technology platform will enable an employee to work anyplace? What are potential cost savings as well as projected implementation costs? What is the ROI and within what timeframe?

Organizations, just like individuals, have learning curves. Once the framework is developed with measurable goals and clear direction, educate the workforce about telework and communicate the organization’s vision using proven culture change techniques. Launch a campaign to highlight telework benefits. Dispel conventional wisdom to reassure managers and employees: Teleworkers report the same or higher job satisfaction as those who work in an office in terms of informal interactions with coworkers, sense of belonging, communications with managers, and career development. And, studies find teleworkers tend to work longer hours with fewer interruptions and are more productive than their office peers.

*In a letter to Federal employees, President-elect Obama signaled his support for more emphasis on telework: “I believe that it’s time we stopped talking about family values and start pursuing policies that truly value families, such as paid family leave, flexible work schedules, and telework, with the federal government leading by example.” (“Obama Wrote Federal Staffers About His Goals,” Carol D. Leonnig, The Washington Post, November 11, 2008)*
Implementation requires continued collaboration from a variety of perspectives. Although real estate, finance, HR, and technology activities are discussed separately below, in reality, they must occur in tandem.

**Real Estate Management and Finance**

A comprehensive assessment of real estate needs is critical in conjunction with an analysis of how many employees may be eligible to telework. When are major leases due to expire? Do you or will you need all office space you own or lease? Could you consolidate space? What is the current percentage of dedicated offices, cubicles and public use space? What is the current ratio of employee per square foot? What will the ratio be once telework is implemented? Do you have obsolete properties, due to age, location, or under utilization? Are those properties candidates to sell or to sublease unneeded floors (or the entire building)? How much space will be needed for common-use ‘hotel’ office cubicles when employees transition into teleworkers?

When is the last time you walked the halls of your buildings to see just how many people are actually working in their offices? What is your employee ‘vacancy rate?’ In the real estate world, this is called a ‘dark space study.’ The higher-tech version is to track employee building use through electronic badging systems – to gauge how many people go in and out during the day and how long they stay. You may be surprised at the results. Many people already work at locations other than the office. With a little more support and an overall strategy, office space can be drastically reduced.

Do you charge back real estate costs to your departments based upon actual square foot usage? If real estate costs are buried someplace in a separate overhead budget, managers do not focus on either the efficiency of space or the cost. It’s not ‘their problem’ because it doesn’t affect their own budget.

For the business case, what are costs today – real estate, utilities, and capital assets? What is the projected cost to transition employees to a mobile status? What cost savings are mandated or expected in the future? What is the ROI and within what timeframe?

**Human Resources**

Establish criteria to select job *categories* that are good candidates for telework. Field workers are prime choices as time is more valuable in front of a customer than behind a desk. Back office functions such as human resources, finance, and remote customer service are also likely candidates. And, don’t forget executives. Before any category is eliminated, consider opportunities to redesign work processes that would *make* them good candidates. Often it’s only a matter of simply changing how work is performed that makes a job conducive to telework.

For job functions that are ultimately deemed *not* good candidates for full-time telework (such as face-to-face counter service), consider other variations for those employees. For example, supplement full-time teleworkers with other groups of employees on flex work schedules (four-day work week). This strategy has a cumulative effect on real estate space requirements and savings. It also gives those employees some relief with regard to commuting and work/life challenges.

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*According to the U.S. Bureau of Labor Statistics, between 2006 and 2016, government employment, not including employment in public education and hospitals, is expected to increase by 4.8 percent, from 10.8 million to 11.3 million. Telework is an effective cost avoidance strategy – eliminating the need and costs associated with additional square feet of office space to accommodate a growing employment base.*
Once job functions and individual employees have been identified for the transition, roll up your sleeves to tackle a full range of HR policies and practices:

- **Update performance measurement.** Measure all workers (office or mobile) based on performance results, not where they work. What annual goals and objectives are expected? How well were goals achieved? It is irrelevant where they achieved them.

- **Establish career development paths geared to a mobile environment.** Help employees to identify skills required for career paths and provide methods to advance.

- **Move as much classroom training online as possible.** This is another cost savings opportunity related to telework programs. AT&T, for example, reported $284M in annual savings by reducing classroom course delivery and associated travel.

- **Set clear parameters for expense reimbursement policies.** Will the organization cover the cost of cell phones, high-speed line in a home office, PDA, wireless cards?

- **Survey employees on a regular basis.** If problems arise, address them immediately. For example, if concerns about workplace isolation creep into survey results, take steps to increase informal communication and build camaraderie as a partial substitute for face-to-face communication. Instant messaging is one valuable tool in that regard. Findings suggest that workplace isolation may be more of a concern with new or younger employees. Match newcomers with a mentor to assist them in becoming effective in a mobile environment.

- **Establish codes in HR systems to designate the workplace status of each position/employee.** Knowing how many employees in each category is essential to continually plan and manage not only HR services, but also technology platform needs, real estate space, and other aspects of telework. For example, IBM now tracks employees in categories including, among others, traditional office, work at home, work at client sites, manufacturing employees who work in a plant but have no dedicated office space, and teleworkers who use ‘hoteling’ office cubicles when needed.

- **Automate every HR and administrative function so that teleworkers, including managers, can accomplish tasks online, anytime, anyplace.** Empower employees to research health benefits themselves, revise 401K contributions, download, and electronically sign and submit forms for any task from hiring to ordering supplies.

- **Implement on-going ‘telework training’ for both managers and employees.** Include coaching tips in the new world of working outside an office, such as how to conduct a productive meeting over the phone. Combat the tendency of teleworkers to overwork by encouraging employees to set routines and create boundaries between work and home life.
Telework Technology Infrastructure

Information technology (IT) is the ultimate critical success factor to restructure and transition a workforce into a mobile environment. Without an infrastructure that enables employees to conduct every aspect of their jobs no matter where they work, telework initiatives and intended returns will be sub-optimized.

The deployment of standardized hardware, software, and support services is key to a telework technology infrastructure. For example, at IBM, each mobile employee has access to a personal laptop, standard software, a blackberry, cell phone and printer. Global dial access and a secure virtual private network are foundational. Technical assistance is available on a 24/7 basis through the intranet and help desk/call center support. There are, of course, different cultures, space needs, technologies, and infrastructure around the world. IBM adopted an 80/20 rule. Eighty percent of the infrastructure is standardized worldwide; the other 20% is based upon needs of the geography, business units, and the culture.

Push software updates to laptops behind the scene, transparent to the teleworker, including security patches, and updated software versions. Include communications and collaboration capability in the telework suite of tools, such as instant messaging, integrated voicemail and email. Assign each employee a conference call-in number and pass codes to facilitate new work methods. As new software becomes available in the marketplace, readily incorporate new capabilities – particularly those that promote collaboration, enhance productivity, and facilitate social networking. In the past these have included web meetings or conferencing, videoconferencing, blogging, Facebook, and global corporate idea ‘jams.’

Transition from traditional desk-side IT support to technical assistance that is available 24/7 through an intranet and help desk/call center. Establish websites just for mobile employees that offer support specific to remote workers – not only for technology issues but also as a place to interact with their mobile peers. Include an online employee directory, complete with knowledge management, whereby an employee working on a project can find potential teammates with needed skills.