

Conversations with the Experts

Telework



Kate Lister

Bio: Kate Lister is currently the principal researcher at the [Telework Research Network](#). She and her staff have reviewed and cataloged over 250 studies on telework and related topics and interviewed dozens of virtual employers, employees, advocates, and venture capitalists who have invested in the remote-work model. Findings from her Telework Savings Calculator and other research have been quoted in the *Wall Street Journal*, *Harvard Business Review*, *Washington Post*, and dozens of other publications.

Kate's popular-press book, [Undress For Success: The Naked Truth About Making Money from Home](#) (John Wiley & Sons, 2009), has won the praise of top telework and work-life advocates across the country.

She is available as a consultant and speaker and can be reached at Kate@TeleworkResearchNetwork.com.

An Interview with Kate Lister

by Judi Casey and Karen Corday

Casey: What is the best term to describe telework—working at home, working from home, e-work, telecommuting, remote work, virtual work, or anything else that I haven't mentioned?

Lister: The problem is that the terms, though often used synonymously, do mean different things. Telework rolls off the tongue easily, so even I use it when what I really mean is "telecommuting"—the use of technology to replace travel to and from work. Employees who work from home are, therefore, telecommuters. Telework is any substitution of any technology for travel; e.g., teleconferencing, telemedicine, and telecommuting.

A number of companies claim that most of their staff telecommutes, but, in many cases, their employees are actually road warriors. While they may not be at their employer's office, they're either on the road or working at a clients' site.

When we talk about the benefits of telecommuting, people who are working both from home and at home offer the biggest bang for the buck in terms of the environment, work-life, and cost savings.

Casey: What's the difference between working from home and at home?

Lister: The easiest example is a plumber. A plumber may work from home—his place of business—but has to leave the house to perform his work. There's also the distinction between the self-employed and an employee. The Census, Bureau of Labor Statistics, and a number of other organizations lump self-employed workers in with home-based employees and call them telecommuters. This means we don't get a good picture of what companies and organizations are doing to reduce their carbon footprint, improve work-life balance for employees, and enjoy the rest of the benefits that come from employees who work both from and at home.

Casey: How many people telecommute? How many small businesses operate out of homes?

Lister: Depending on whom you ask, the telecommuter population totals between 2.5 million (American Community Survey data, less the self employed), and 17 million (per WorldatWork, including people who work from home as little as 1 day a month). The home business figures are no better. Somewhere between 3.1 million (American Community Survey, ACS) and 15 million (SBA Office of Advocacy) people operate home-based businesses.

When I was writing *Undress For Success*, I asked Bruce Phillips at the National Federation of Independent Business for help in sorting out the numbers. He chuckled and described the task of trying to get at the work-at-home numbers as a “statistical Vietnam”—the information goes in, but you can’t get it out!

The problem is that while a number of organizations attempt to quantify the telecommuting workforce, each comes at it based on their own interests. The IRS, the Census, the BLS, the SBA, and a number of private organizations produce numbers that supposedly capture the work-at-home population, but each has its own biases and deficiencies. Some count small business; some don’t. Some count unpaid volunteers. Some count both part-time and full-time workers; others don’t. Some count those who work outside office as little as 1 day a month. Some extrapolate from limited survey populations. None separate those who work from home from those who work at home.

Based on all that I’ve read and studied, the most useful data for measuring the extent to which people work from home is the American Community Survey. It’s conducted annually by the Census Bureau. The question they ask is, “What was your principal mode of travel used to get from home to work?” One of the options is “worked at home.” It goes on to clarify that if the person used more than one means of travel during the survey week, they should choose the one they used most often. To me, that’s pretty specific; it counts the people who are working at home most of the time. The total can be broken down into for-profit workers, non-profit workers, government employees, self-employed persons, and unpaid family volunteers.

Based on the ACS, 2.5 million employees and 3.1 million self-employed persons worked at home the majority of the time in 2008. Sadly, the recession appears to have taken its toll on corporate telecommuting in 2008 as the ranks declined by over half a million people from the count in 2007. Surprisingly, during the same period, government telework actually grew by almost 12%. A little-known law dating back to the year 2000 requires that every federal worker work at home (or remotely) to the maximum extent possible. While this is an encouraging sign, the fact remains that only about 7% of the government workforce teleworks on a regular basis.

We still have a long way to go with telecommuting. Over 50 million employees hold jobs that could be done at home at least part of the time. That’s a far cry from 3.1 million.

An in-depth analysis of the problem of counting telecommuters and all the latest ACS work-at-home figures are available at: <http://teleworkresearchnetwork.com/research/people-telecommute>.

Casey: What traits and skills are needed for successful telework?

Lister: Primarily, teleworkers need to be self-starters who can work independently. If you’re the type of person who always needs to be told what to do, you won’t be a good teleworker. Studies show that between 66% and 71% of people say they’d like to work from home at least part of the time.

While bosses often worry that their telecommuters will spend their time goofing off, for most successful work-at-home employees, the opposite is true. The real challenge is turning it off. There’s always one more email to answer. One telecommuter told me that he resorted to leaving his home office at the end of the day, getting in his car, driving around the block, and parking again to signal that he was done! On the other hand, that’s one of the beauties of telecommuting—you can work where you want and when you want, even if some of that time is after hours. All this adds up to higher productivity for employers. Companies with extensive telecommuting programs such as BestBuy, British Telecom, Dow Chemical, and many others have found their work-from-home staff to be 35–40% more productive than their office counterparts.

Casey: Can you discuss how it would benefit the U.S. if more people were able to telework? Any lessons learned from other countries?

Lister: Imagine a Presidential candidate whose campaign speech went something like this: “Vote for me and I’ll put the freeze on global warming. I’ll tell the Middle East to go pound sand, because under my leadership we won’t need their oil. I’ll reclaim many of the jobs that have been lost to off-shoring. I’ll provide new employment opportunities for the un- and underemployed. I’ll improve family life and give many of you 2 to 3 extra weeks of vacation each year. I’ll bolster disaster preparedness. I’ll curb traffic jams and reduce the strain on our crumbling highways and bridges. And I’ll revitalize our cities and reduce crime.” It would probably sound too good to be true. But the fact is that regular telecommuting among those with compatible jobs could do that and more.

My partner and I have reviewed over 250 studies on telework and related topics. We’ve interviewed dozens of virtual employers, employees, advocates, and even venture capitalists who’ve invested in the remote-work

model. Our research has been quoted in the *Wall Street Journal*, *Harvard Business Review*, the *Washington Post*, and dozens of other publications.

Based on what we learned, we developed a free web-based Telework Savings Calculator (<http://undress4success.com/research/telework-savings-calculator/>) that's been used by company and community leaders throughout the U.S. and Canada to quantify the benefits of telework. Using the latest U.S. Census American Community Survey figures and data from over a dozen authoritative studies, the calculator quantifies what every city, county, region, Congressional District, and state in the nation could save through telework. A custom calculator allows companies to change dozens of our standard assumptions to better model their own situations.

What it shows is that if the 40% of the U.S. population with jobs that could be done from home did so just half of the time:

- The nation would save 453 million barrels of oil (57% of Gulf oil imports)—a national savings of \$31 billion per year.
- The environment would be saved from 84 million tons of greenhouse gases a year—the equivalent of taking 15 million cars off the road.
- The energy potential from the gas savings alone would total more than twice what the U.S. produces from all renewable energy sources combined.
- National productivity would increase by 6.2 million man-years or \$200 billion worth of work each year.
- Businesses would save \$194 billion annually in real estate, electricity, reduced absenteeism, and decreased turnover.
- Employees would individually save between \$2,500 and \$11,000 in transportation and work-related costs (collectively, \$316 billion). In addition, many would also be able to cut day-care and elder-care costs.
- Employees would gain back an extra 2 to 3 weeks worth of time per year—time they'd have otherwise spent commuting.
- Communities would save over \$3 billion in highway maintenance because 180 billion fewer miles would be driven each year.
- 150,000 people per year would be saved from traffic-related injury or death.
- Some \$18 billion a year would be saved in accident-related costs.

That all adds up to over \$700 billion in savings. Now, that's one heck of a stimulus package!

I call telecommuting the answer to the problem du jour. Before the recession hit, everyone was worried about labor shortages and the brain drain from retiring Boomers. Telecommuting is and was the perfect solution to those problems in many ways. I talked to the head of HR for MySQL, and she told me that they have employees on every continent except Antarctica, and none of them work in a traditional office. She attributed their success to being able to hire remotely—giving them access to the best talent, no matter where it is based.

Another example of how telecommuting can transform a company comes from VIPdesk, an all-virtual call center with over 500 home-based employees. When they first started out, they physically moved their offices to three different locations in as many years; they would wear out the local talent pool and have to move to a new city to replenish their numbers. They finally decided there had to be a better way. Now all of their agents work from home. The result was a higher-quality workforce, much lower costs, reduced turnover (from 100% to 10%), and higher productivity. Alpine Access, one of the nation's largest all-virtual call centers, with more than 2,000 home-based employees, credits their phenomenal growth and success to the virtual model.

There are significant financial benefits to telecommuting programs too. While none of the companies I've worked with or interviewed considered cost savings as their primary driver, they all agree it's a heck of a side benefit. Our Telework Savings Calculator shows that a typical company can save about \$20,000 per person

per year with half-time telework. Employees can save between \$2,500 and \$11,000 a year by working at home, and that doesn't even count the extent to which they may be able to flex their work schedule around their day-care or elder-care needs.

Telework leads to new and better job opportunities for the un- and underemployed, for part-timers, and for disabled workers. I had a representative from Prince Edward Island, Canada, call and want me to put together some numbers for their community. As an island, they are isolated, and their community income is limited to what they can produce on the island. They see telecommuting as a way to increase the standard of living for their residents. Rural communities throughout the U.S. have expressed similar interests.

In terms of work-life balance, half-time telecommuting can add up to 2 to 3 weeks of free time for employees—time they would have spent driving to and from a traditional office!

Casey: Any lessons learned from other countries?

Lister: Good numbers on the international prevalence of telework are hard to come by and even harder to accurately compare to other data because they're plagued by the same problems as the U.S. numbers. With that as a big caveat, a 2007 study by the European Foundation for the Improvement of Living and Working Conditions shows the Czech Republic, Austria, Slovakia, and the U.K. all surpass the U.S. in percentage of people working from home all or most of the time. Other countries, including Estonia, Denmark, and Latvia, exceed the U.S. in the percentage of regular telecommuting. Still other countries, such as Canada, the U.K., Israel, Australia, India, the Philippines, and many others, are making strides in telecommuting.

What's driving home-based work varies from country to country. In general, the larger, wealthier countries are most interested in the work-life benefits of telecommuting. For many smaller and poorer companies, the driver is access to more and higher-paying jobs.

The lessons learned from telecommuting are remarkably the same around the globe. It increases productivity, employee happiness, and work-life balance. The challenges involve management distrust and social issues.

Casey: How can organizations encourage and promote successful telework arrangements?

Lister: The biggest holdback for the last 3 decades has been management buy-in. While 90% of managers say they trust their employees, 40% of them say they want to see them just to be sure!

When you think about it, on any given day, managers don't typically see all of their employees, and, of course, just because you see someone at their desk doesn't mean they are working! Employees actually admit to wasting up to 2 hours a day, not including lunch and breaks, just goofing off. So much for the value of being onsite.

The key to managing telecommuters, or anyone, for that matter, is management by results. If employees are meeting their goals, what do you care about when, where, or how they do it? Management gurus have been telling us this for decades. Best Buy's Results Oriented Work Environment (ROWE) is proof in the pudding. If they can make a work anywhere/anytime environment with 90% of their office staff, it's tough to argue that it won't work in your company.

The road to home-based work has already been paved by hundreds of organizations. Fifteen years ago, a company wanting to start a telework program would have to learn by trial and error. Now there are all kinds of best practices available. You can download everything you need to formalize a program, including the sign that goes over the water cooler announcing the program.

Casey: What's the most effective way to get over the lack of management buy-in?

Lister: Certainly buy-in at all levels of the organization is key. This often fails because the CEO thinks it's a great idea, but the middle managers don't support it; or the middle managers support it, and the CEO doesn't. I recently spoke to an FAA district manager about their telecommuting program. He told me that his last boss loved the idea, but when the new guy came on board, he wanted people where he could see them. As a result, everyone who had been working remotely was allowed to continue—though it wasn't exactly encouraged—but new hires were not given the option.

In order to be successful, telecommuting has to be a consistent part of an organization's culture. It starts with an attitude of trust and mutual respect between employees and managers.

Once a company tries telework and sees the rise in productivity, the case makes itself.

Casey: How can employees make a successful pitch for telework?

Lister: It's important to put it in the company's terms; don't go in and say, "I want, I want, I want." Do your homework and put your proposal in their terms. Be sure it addresses all their concerns from the start. There's an entire chapter on this in *Undress for Success* and a good summary here: <http://undress4success.com/individuals/sample-documents/>.

Use the statistics that are available from Sloan, our website, and elsewhere on the web to document your assumptions. Address their concerns about the schedule you'll keep, how you'll communicate, how they will reach you, how you'll keep from getting distracted, and any dependent-care issues. Acknowledge issues such as co-worker jealousy and loss of control. Introduce it as a pilot project; put yourself on a trial period and show them how it can work.

Casey: What kind of research is needed to move the field forward?

Lister: We need better numbers. I did a presentation for a local government agency recently. They'd put together a 30-year plan for transportation throughout the region. What it showed was that there was a huge gap between what the population growth would demand in terms of transportation needs and the capacity they could address with new roads, public transit, carpooling, etc. Telecommuting was suggested as the solution to fill the gap, yet they still haven't done anything about it. Why? Because they can't figure out how many people this is going to affect? Why not? Because they don't know the number of people already working from home. They want a specific way to figure out who's already working from home by industry and job type so they can extrapolate those numbers and figure out what will happen in the future. They said, "If we're going to take a million dollars away from a public transit program, we need to show the board of directors what the potential impact will be."

I can kludge together that kind of information for a single region, but it would be very hard to do on a nationwide basis.

The problem is, we won't know if telecommuting programs are working if we don't know where we are to begin with. We also need a universally accepted method of verifying and measuring participation. As environmental penalties come on board, how are we going to measure a company's reduction in carbon footprints through telework; what is the measure? Our Telework Savings Calculator gets part of the way there, but more research is needed to verify the numbers and better understand the composition of the existing work-at-home population. I'm working on a number of proposals for funding to do just that.

Casey: What can state public policy makers do to encourage telework?

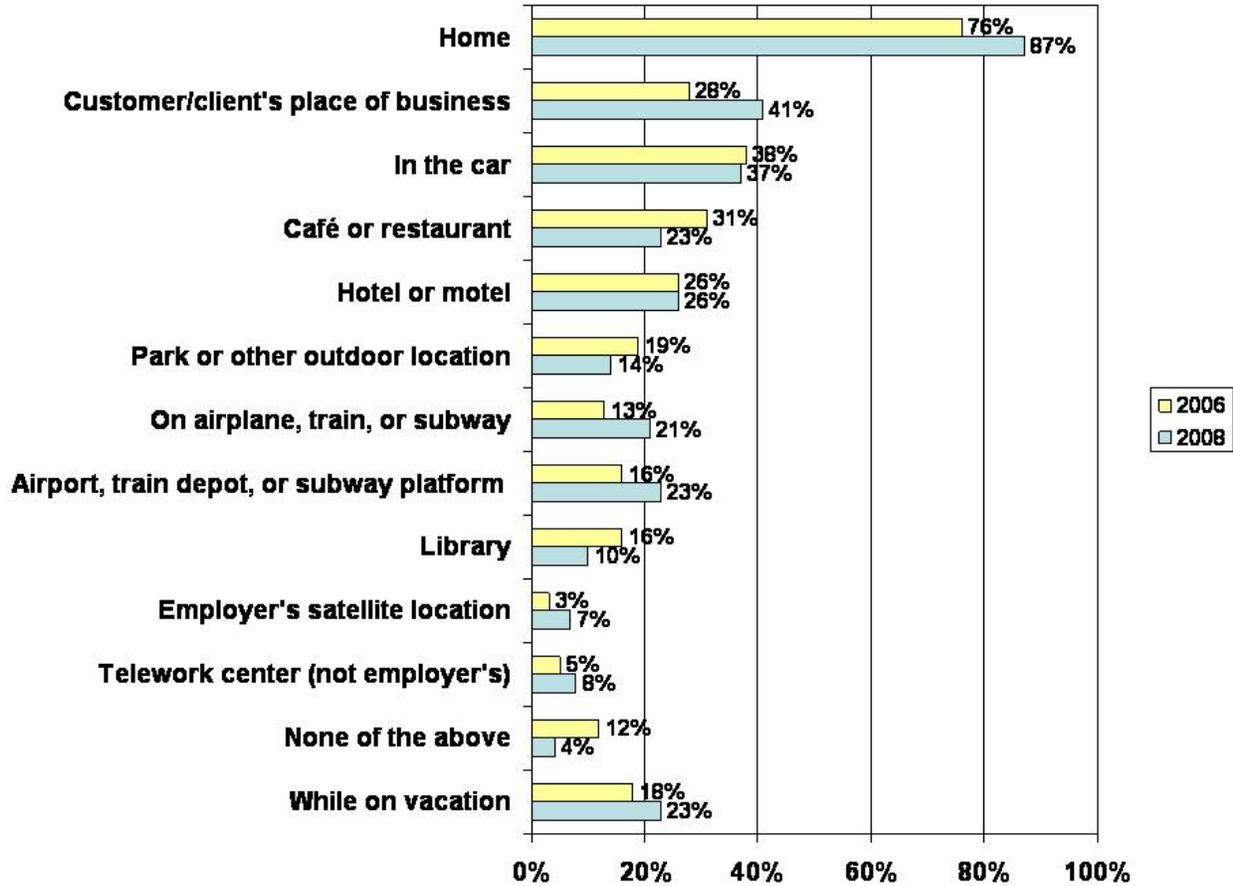
Lister: I think that policy needs to come down from the federal level. Right now, the Department of Energy, the EPA, the DOT, the SBA, the DOL, the CDC, and the VA all have something to gain from telework. Telework has popped up in a lot of legislation coming out of those organizations, but there's no national policy aimed at encouraging it. CDC just published something related to swine flu that relates to telework. The NSA is concerned with continuity of operations. The Department of the Interior is concerned with preserving natural resources. Several programs for disabled veterans relate to telework.

President Obama has specifically used the term "telecommuting" as part of his platform; on one of his first days in office, he described himself as a telecommuter and spoke about how nice it was in terms of work-life balance! We need some broad legislation that would then encourage state and local programs, such those already available in Virginia, Connecticut, Oregon, and Georgia. Telework Virginia is a great model to use for other states; they give incentives up to \$3,500 per employee to companies that initiate telecommuting programs. The Telecommuter Tax Fairness Act is an important one; it will prevent cities and states from double-taxing employees who work from home. A new Transportation Act is in the works. Thirteen senators and congress people signed a letter urging that telework be specifically included in the bill. There's funding for public transit, air, rail, highways, biking, ride share, and "other things"; telework has always been a part of that "other things" category. It needs to be specifically recognized as a commuter option. The Broadband Bill addresses telecommuting too. If rural populations don't have broadband access, they'll be left out of the telecommuting option.

Beyond those, Fair Labor laws need to be addressed, zoning rules need to be relaxed, and home office deduction rules need to be modified.

Telecommuting offers a simple, inexpensive, and even attractive solution to such a broad range of problems, it's just too important to ignore. It's time we made the road less traveled the way to work.

Locations Where Remote Work Was Conducted During the Past Month



Source: WorldatWork and The Dieringer Research Group. (2009). *Telework trendlines 2009* [Survey brief] Scottsdale, AZ and Brookfield, WI: Authors. Retrieved October 24, 2009, from http://www.workingfromanywhere.org/news/Trendlines_2009.pdf

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