

# TELECOMMUTING

## *A Two-Minute Briefing on Key Business Environmental Issues*

### The Big Picture

You don't have to live in a big city to experience the trials of a long commute to work. Gridlocked highways and endless lines of cars at traffic lights are ubiquitous scenes during the morning and evening "rush" hours in any metropolitan area, as commuters make their way through the slow crawl to and from work.

But traffic jams are more than just annoyances. They signify the mass quantities of natural-resource consumption and greenhouse-gas emissions that result from car-reliant living. Telecommuting — working from home or other alternative work sites instead of traveling to a central office — can help reduce the number of cars on the road, benefiting the environment — and the morale of employees who escape the old-fashioned commute.

### The Context

Telecommuting's history has been a long and bumpy one. Telecommuting experienced its first moment of glory thanks to the Clean Air Act Amendments of 1990, which required the nation's most polluted regions to reduce the number of single-occupant vehicles by up to 13%. Soon afterward, companies began experimenting with telecommuting programs as a way to reduce employee turnover, thereby reducing the high cost of recruiting and training new employees.

But by the mid 1990s, telecommuting seemed to reach a dead end. In 1996, the total number of telecommuters in the U.S., defined as employees or contractors who work at home one or more days per month during normal business hours, actually decreased by 11%, to 8.1 million telecommuters

from 9.1 million a year earlier, according to an American Information User Survey compiled by FIND/SVP, a New York-based research firm. A number of barriers arose: management challenges made supervisors reluctant to implement telecommuting programs, and employees worried about the affect of losing visibility in the office on their careers.

Over the years, telecommuting advocates have heralded technology as a means for transforming the way we do business. Now that broadband services such as DSL and cable modems are widely available — making it easier for off-site employees to stay in touch — telecommuting is experiencing its second wave. Many state agencies are providing incentives to companies that give employees the option of telecommuting. As part of its National Telework and Air Quality Pilot Project, the U.S. EPA is offering pollution credits to companies that allow employees to telecommute in Denver, Houston, Los Angeles, Philadelphia, and Washington D.C. And proponents of telecommuting are again touting the practice as a way to improve productivity and reduce employee turnover rates. Telecommuting has become a feasible option for a number of companies, large and small. As a result, many businesses have begun allowing employees to telecommute up to five days per week.

### Key Players

- **Federal and local governments** are initiating pilot projects to demonstrate the effectiveness of telecommuting programs for cleaner air, more productive employees, and reduced office costs.
- **Companies of all sizes** have implemented pilot projects to assess how telecommuting affects operating costs, productivity, and employee-retention rates.

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- **Nonprofits**, such as the American Telecommuting Organization and the International Telework Association and Council, provide resources to help employers plan and execute telecommuting programs.

### **Getting Down to Business**

- **AT&T** first instituted a corporate telework policy in 1992. Since then, the program has grown to include more than 25% of all AT&T managers, 10% of whom have no assigned workspace in any AT&T building. AT&T's 36,000 telecommuters save 80,000 tons of CO<sub>2</sub> emissions annually, according to a World Resources Institute Report.
- **Green Business Network** uses e-mail, phone conferences, and an instant messaging service to run its small Web-publishing business with employees who work from locations throughout the U.S. Thanks to telecommuting, the company has been able to retain several employees who moved away from its main office in Oakland, California, saving on hiring and training costs.
- **Kaiser Permanente** chose telecommuting as an alternative to the costly prospect of moving its InterRegional Common Systems department to a larger space. Its pilot program eliminated the need for more work-station space and eased parking and traffic problems outside the Lake Oswego, Ore., office. Together, the employees in the pilot program reduced their commute for the work year by about 55,000 miles.

### **The Upside**

- **Increased employee productivity.** Although many managers fear that working from home can lead to increased distractions, those who have

tested telework programs have found the opposite to be true. Employees find that they can better concentrate on work without office distractions and background noise.

- **Happier employees.** It's no secret that a long commute can be a significant source of stress. Reducing travel time often leads to improved employee attitudes — and reduced sick leave and job turnover. Additionally, the option of telecommuting can make a company more attractive to potential employees.
- **Extended wages.** Telecommuting can eliminate many costs that eat into employee earnings, and public-transit or parking fees are just the beginning. It doesn't matter what an employee wears to the home office. Not having to purchase and dry clean an extensive wardrobe can mean huge savings for employees. What's more, those who work at home have the option of eating lunch at home, which saves money and waste.
- **Lower operating expenses.** As real-estate prices rise, telecommuting can offer significant savings, especially for small businesses that operate with narrow profit margins. The cost of operating a computer and a phone line from home is much less than that of paying for an office work area. And many state and federal incentive programs, such as the U.S. EPA National Air Quality and Telecommuting Pilot Project and Oregon's Energy Telework Program, help to cover the initial costs of setting up a home office.
- **Reduced paper use.** As its name indicates, telework encourages the use of electronic means of communication, resulting in reduced paper use. Need we mention reduced costs for paper purchasing and disposal?

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- **Cleaner air.** Telework programs reduce air emissions simply by reducing the number of cars on the road. Less car travel also means less of a drain on fossil-fuel resources. These environmental savings can add up quickly, even if employees work from home only once or twice per week.

### **Reality Check**

- Managing off-site employees is often **challenge for supervisors**, who must shift from process-based to product-based management. Some companies feel that they do not have the time to invest in a necessary adjustment period.
- Setting up work stations and phone lines, and ensuring the security of office information, to enable employees to work from home **can be a costly initial investment.**
- Some employees simply **do not like to work from home.** They may feel isolated from coworkers or fear that losing in-office visibility reduces their chances of receiving promotions and recognition from supervisors.

### **Action Plan**

- **Identify job types best suited to telecommuting.** While a few adjustments in office practices can make it practical for most office jobs to be performed from home, there are some positions that require the support services or resources found in an office. Your first step should be determining which positions are compatible with telecommuting. Keep in mind that telecommuters do not have to work from home every day.
- **Select the best candidates for a**

**telecommuting program.** The most successful telecommuters tend to be those who can set goals and manage projects on their own. Think about who would be best suited to a more independent office environment. And talk to your employees to find out who is interested in telecommuting.

- **Look into state and federal incentives.** The cost of setting up a home office for telecommuters can be offset by state and federal incentive programs. Contact your state environmental protection agency and ask about programs for which your company is eligible.
- **Establish a trial period.** Trial and error is the best way to learn what works and what doesn't. Choose a small crew of employees to telecommute during a trial period of several months or one year. Keep track of successes and frustrations on the part of managers and employees. And be ready to assess these results when the trial period is over.
- **Adapt management techniques.** Any new initiative requires a little creativity and flexibility, so be ready for a few bumps along the way. Keep in mind that the purpose of a trial period is to fine tune the program.
- **Track the results of the program.** After the pre-arranged trial period, assess the results. Interview participants of the pilot program, then take some time to determine how the company and employees benefited, and what improvements are necessary.
- **Set goals for expanding the program.** Map out an expansion plan, and present the option of telecommuting to a larger group of employees.

## Leads

### Incentive Programs

#### ■ U.S. EPA National Air Quality and Telecommuting Pilot

**Project** ([www.greenbiz.com/reference/government\\_record.cfm?LinkAdvID=21573](http://www.greenbiz.com/reference/government_record.cfm?LinkAdvID=21573)) is an incentive-based pilot program encouraging businesses in Denver, Philadelphia, Los Angeles, Houston, and Washington, D.C. to start telecommuting programs.

■ **Telework Va!** ([www.greenbiz.com/reference/government\\_record.cfm?LinkAdvID=21502](http://www.greenbiz.com/reference/government_record.cfm?LinkAdvID=21502)) encourages employees of companies in northern Virginia to telecommute.

■ **Ecommute for Southern California** ([www.greenbiz.com/reference/government\\_record.cfm?LinkAdvID=21572](http://www.greenbiz.com/reference/government_record.cfm?LinkAdvID=21572)) assists businesses in southern California in implementing telecommuting programs.

■ **Oregon's Energy Telework/Telecommuting Program** ([www.greenbiz.com/reference/government\\_record.cfm?LinkAdvID=21505](http://www.greenbiz.com/reference/government_record.cfm?LinkAdvID=21505)) offers presentations and consultations on making telecommuting programs in Oregon successful.

■ **Maryland Telework Partnership with Employees** ([www.greenbiz.com/reference/government\\_record.cfm?LinkAdvID=21507](http://www.greenbiz.com/reference/government_record.cfm?LinkAdvID=21507)) offers free consulting services to Maryland companies.

### Telecommuting Resources

■ **American Telecommuting Association** ([www.greenbiz.com/reference/organizations\\_record.cfm?LinkAdvID=13716](http://www.greenbiz.com/reference/organizations_record.cfm?LinkAdvID=13716)) offers telecommuting job listings and training programs.

■ **Commuter Choice** ([www.greenbiz.com/reference/government\\_record.cfm?LinkAdvID=13722](http://www.greenbiz.com/reference/government_record.cfm?LinkAdvID=13722)) is an EPA program that assists employers in establishing a wide range of commuter options.

■ **International Telework Association and Council** ([www.greenbiz.com/reference/organizations\\_record.cfm?LinkAdvID=13458](http://www.greenbiz.com/reference/organizations_record.cfm?LinkAdvID=13458)) promotes telecommuting through its chapters as well as news, conferences, awards, and outreach.

■ **Telecommuting Knowledge Center** ([www.greenbiz.com/reference/webguide\\_record.cfm?LinkAdvID=13736](http://www.greenbiz.com/reference/webguide_record.cfm?LinkAdvID=13736)) helps employer considering a telecommuting program.

■ **Telecommuting Resource Guide for Small Business** ([www.greenbiz.com/toolbox/tools\\_third.cfm?LinkAdvID=11635](http://www.greenbiz.com/toolbox/tools_third.cfm?LinkAdvID=11635)) helps small-business managers by offering tips for establishing and maintaining a telecommuting program.

■ **Telework Web Guide** ([www.greenbiz.com/reference/webguide\\_record.cfm?LinkAdvID=6030](http://www.greenbiz.com/reference/webguide_record.cfm?LinkAdvID=6030)) helps employees assess their readiness for teleworking and offers other resources.

## The Bottom Line

As telecommunications technology improves, telecommuting will become an appealing option for a growing number of companies. There is no simpler way to reduce real-estate costs and provide employees with benefits that lead to low turnover rates, while helping to reduce air emissions and fossil-fuel consumption at the same time. Telecommuting programs are indicators of forward-thinking, environmentally responsible companies.