

MANAGING THE TELECOMMUTING EMPLOYEE

Set Goals, Monitor Progress, and
Maximize Profit and Productivity

Michael Amigoni and Sandra Gurvis

Book Managing the Telecommuting Employee

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Recommendation

Telework sounds simple. Let an employee work from home. Ensure that he or she has a desk, a computer and a working phone line. Ready, set, go; right? But what if the teleworker has an accident in the home office you authorized? Can your company get sued? What about the teleworker's tax status, workers' compensation or benefits? Of course, you might also wonder how you supervise a staffer you may never see, for example, someone who lives on the other side of the globe. Setting up employees in home offices is not as straightforward as it sounds. But, fortunately, Michael Amigoni and Sandra Gurvis phone in everything you need to know in this detailed yet comprehensive book. Drawing on their decades of experience managing remote workers, they present savvy advice on how to develop and run a successful telework program. If telecommuting is part of your company's future (or its present), *BooksInShort* recommends this useful managing guide.

Take-Aways

- Telecommuting programs can help companies reduce costs and increase productivity.
- However, your firm must choose the right "telecommuting model" and the right workers.
- Good teleworkers are independent, organized, disciplined self-starters.
- Setting up a teleworker in a virtual office demands some logistical considerations and budgetary decisions.
- Thoroughly explain all employment terms and expectations to teleworkers, including salaries, benefits, working hours and productivity requirements.
- Establish firm communication protocols regarding how, how often and when teleworkers need to check in with you.
- Provide regular feedback, emphasizing quality, quantity, timeliness and cost-efficiency.
- When managing "virtual teams" with members across the globe, address cultural differences that may affect teamwork and productivity.
- To judge the success of your telework initiative, do cost-benefit analyses and examine such factors as "reduced lateness, absenteeism and sick leave," and employee retention.
- Telework will grow increasingly popular as technology and business advance.

Summary

The Rise of Telework

Telecommuting or telework – working from home or a nontraditional office – is now common. In fact, 21 million U.S. employees telecommute. This is due, in part, to numerous technological advances in the internet, networking and computing. Telecommuting pioneers, such as Control Data Corporation, made this work option available to their staffers during the 1970s. Because telework cuts down on fuel usage by commuters, it became popular two decades later when the U.S. passed the 1990 Clean Air Act. Around the same time, the Americans with Disabilities Act called for equal opportunity for "physically or otherwise disabled workers." Thus, telework became an increasingly relevant alternative to working at the office.

"Companies need to rethink the traditional way of hiring, training and retaining employees. Telecommuters are an increasingly large part of this picture."

Many jobs are suited to telework. For example, software designers, systems analysts, underwriters, actuaries, transcriptionists, collection agents and call-center representatives may do well as teleworkers. Generally, good teleworkers are organized, flexible self-starters who know how to allocate their time and who don't need

managers looking over their shoulders to be productive. They communicate well over the phone and email, and capably manage their work and home lives.

“Eighty percent of *Fortune* 1000 companies will likely introduce telecommuting by 2010.”

When hiring teleworkers, clarify the position, the work and the company’s expectations. Fully spell out responsibilities, duties, employment terms and qualifications. Specify all the requirements in the employment contract, particularly working hours and availability for consultations with other employees. Integrate new teleworkers into your organization by involving them in numerous face-to-face meetings with their managers and colleagues, at least initially. This enables them to establish a comfort level with other staffers. Provide training to ensure that they have the necessary skills to work remotely, such as time management and communication abilities.

“Virtual Teams”

As telework becomes more standard, many companies are forming virtual teams (also known as “geographically dispersed teams”) of telecommuting employees to handle projects. These teams take various forms, including “networked teams,” in which experts join and leave as needed; “parallel teams,” which handle uncommon or special assignments; and “action teams,” which deal with emergencies. Always match the type of virtual team you use to the task at hand.

“According to studies, telecommuting reduces stress for over half of the workers who opt for this form of employment.”

When managing virtual teams with members across the globe, address cultural differences that can affect teamwork and performance. Some helpful strategies: Have face-to-face meetings, develop a “code of conduct” and employ visuals to clarify communications. Your team’s success relies on its members’ experience levels, enlightened company policies that reward quality virtual work, a trusting corporate culture, adequate training, and effective leadership and processes.

Getting Started

Plan well before establishing a telecommuting program. Assign a committee to decide if telework is right for your firm. On the plus side, telework often means reduced costs, for example, in the need for office space. Also, it can motivate staffers and enable companies to hire people anywhere in the world, including from markets with cheaper labor. On the negative side, remote workers are difficult to monitor. The lack of face-to-face contact can cause miscommunication. And while telework can be a cost-saver, that’s not always the case. You may need to purchase and install special technology for teleworkers, or offer them extra training. To understand the full financial impact of the program, do a careful cost analysis.

“Experts have found that under certain circumstances telecommuting can be even more stressful than office work.”

Gain the necessary backing for your program early in the process. Find internal “sponsors” to decide who should telecommute and what work they should do. Engage “stakeholders” to choose the right “telecommuting model” – the four main types are “departmental, corporatewide, individual and contractor” – and to train supervisors and participants. Then enlist “champions” to help set up workspaces and obtain resources.

The Off-Site Workspace

Teleworkers can operate from various setups, such as:

- **“Home office”** – Employees whose work doesn’t involve heavy equipment or large inventories may work productively at home.
- **“Remote work center”** – A “minifacility” offers staffers a traditional, though perhaps more casual, office experience at a location closer to their homes.
- **“Shared space”** – Employees from different companies participate in an “office time-share.” Often, they work in shifts or according to agreed-upon schedules.
- **“Virtual office”** – Telecommuters work anywhere they can plug in to the internet. That includes their cars, the library or a local coffee shop.
- **“Office hoteling”** – Teleworkers contract temporary space in a hotel, office building or other location, perhaps for only a few hours.

“Telecommuters may experience resistance and resentment from office co-workers, and in some cases even clients who know about their work-from-home status.”

How you equip an employee’s remote office depends on the assigned tasks and the nature of your company’s business. The employee may need a computer, a laptop, a personal digital assistant (PDA), a fax, a file cabinet, and possibly a printer and photocopier. He or she may also require access to the company intranet and certain software programs. Numerous online applications can help telecommuters stay organized and connected to their teams, including tools for:

- **“Communication”** – Skype, Google Docs, Google Talk, Jajah and Gizmo.
- **“Presentations”** – GoToMeeting, LiveMeeting, webEx and BudgetConferencing.
- **“Project management”** – TeamWork Live, Basecamp, ActiveCollab, CentralDesktop and QuickBase.
- **“Calendar”** – 30 Boxes, Google Calendar and Yahoo Calendar.

“Telecommuters...need to be more concerned than their office counterparts with deadlines, work products and results.”

If the teleworker is your employee, not an independent contractor, your firm may choose to pay the equipment costs. Have the staffer sign a receipt acknowledging that the company owns the resources it purchased, and that they are reserved for work-related purposes only.

When establishing a remote workspace, keep employee safety in mind. In 1999, the U.S. Occupational Safety and Health Administration (OSHA) ruled that employers were responsible for their home-based workers’ safety. Though it retracted that advisory the next year due to a “firestorm of controversy,” avoiding worker injuries should be a priority. Today’s “home office is equivalent to the main office – at least for insurance purposes.” So if your people are injured while operating from their home offices, the claim will go to your company’s insurance. Still, teleworkers should buy insurance for accidents that may occur elsewhere on their property.

Employee or Independent Contractor?

Managers must properly classify the people who do telework for them, whether they are independent contractors or employees who use W-2 forms. This information affects your company's taxes, so errors or misinformation can lead to penalties and other problems. In the U.S., an employee is someone "who performs services for you in which you control how and when" they are completed. On the other hand, an independent contractor is someone who "controls the means and methods" by which the work gets done. The concepts of "control and independence" are central to how the Internal Revenue Service (IRS) determines your staffers' tax status. The IRS identifies three "categories of control":

1. **"Behavioral control"** – If you control "the details of a worker's performance," the worker is your employee, not an independent contractor.
2. **"Financial control"** – With a few exceptions, if you pay the worker a regular salary and reimburse his or her business expenses, that person is your employee.
3. **"Type of relationship"** – If you hire the worker for an indefinite period, he or she is an employee. If you hire the person for a set period of time or for a certain project, he or she is an independent contractor.

"Teleworkers need to understand that they must always be reachable during business hours."

For regular employees as well as independent contractors, you must decide on a method of compensation. Paying consultants and creative workers – journalists, software designers, and so on – on a per-project basis is often cost-effective. For jobs with easily measured results, such as typing, an hourly wage may make sense. To decide compensation, consider the time the project will take and what it's worth.

A Prescription for Productive Telework

Teleworkers must learn to treat their home office as they would the main office. They should get up according to schedule and maintain regular work hours. Dressing in business-casual attire may help get them in a professional frame of mind for work. Throughout their workdays, they should strive to achieve balance by taking breaks, stretching every hour, going to the gym, and so on. Prioritizing tasks may help them stay on track. A one-to-three rating scale works well. Do "1" tasks right away, "2" tasks if time permits and "3" tasks only if the others are done.

"Since they are not physically present, you need to establish regularly scheduled feedback sessions with your telecommuters."

As a manager, watch for warning signs that telecommuters are working inefficiently, or not at all. Stay on top of their performance and productivity. Always focus on outcomes, not work procedures, since you have little or no control over the processes in a remote office you do not inhabit. Measure teleworkers' output against the results of their on-site colleagues. From the start, be clear about "performance standards." Spell out "what must be done, why it must be done, how well it must be done" and "by when," as well as "what constitutes a job that is complete."

"Properly implemented telecommuting programs can succeed. However, a number of factors come into play, including how well telecommuting meshes with corporate goals and whether or not it increases productivity and the bottom line."

Emphasize quality, quantity, timeliness and cost-efficiency. Encourage teleworkers to keep errors to a minimum, maintain high productivity, make deadlines and meet their budgets. Set clear, challenging, results-oriented goals. Help them develop work schedules that will enable them to meet those objectives. Establish firm communication protocols regarding how, how often and when teleworkers need to check in with you. Provide regular feedback, so they stay on track with their targets.

Evaluating Results

To judge the success of your company's telecommuting program, look at such factors as "reduced lateness, absenteeism and sick leave, increased job retention, and ability to attract the highest quality candidates." Cost-benefit analyses will indicate if telecommuting is paying off for your company. Manager satisfaction is another good measure of the program's success. Conversely, receiving numerous requests from teleworkers to resume their jobs at the main office would indicate that your telecommuting program is floundering.

"Allowing the program several months to settle and using fine-tuning procedures, as well as being flexible and responsive, can help smooth over bumps."

Telework programs can provide major benefits for companies. Siemens, the German manufacturer, reported that telecommuting initiatives helped it reduce its office space requirements by 35%. Additionally, some workers became 20% more productive. Each year, the company saves \$3 million thanks to telecommuting.

"No one knows what the future holds, but it looks to be bright for telecommuters and, by extension, their managers."

As people and companies strive to "reduce their carbon footprint" and technology evolves, expect telework to become even more popular. Backup data centers will become increasingly important, as will "distributed wireless and satellite facilities." Entire "telecities," or virtual communities defined by telecommunications, may develop. In such a highly networked environment, telecommuters will thrive. Is it time for your company to prepare for this future?

About the Authors

Michael Amigoni has been managing telecommuters since 1977. He speaks routinely on this topic. **Sandra Gurvis** is the author of eleven books and hundreds of magazine articles.
