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Challenging the modern myths of remote working

The evidence for the upside of teleworking

Remote working, or telecommuting, is an increasing fact of working life today. In fact, a recent study, "A Snapshot of Australia's Digital Future to 2050" by Phil Ruthven, chairman of IBISWorld, highlighted that "by 2050 it is estimated that one in five Australians will telework."

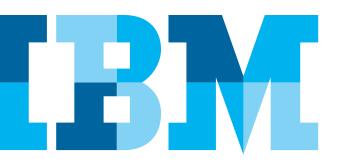
While the benefits of avoiding the daily commute are clear from a timesaving and environmental point of view, some concerns continue to be expressed around the impact on innovation, team effectiveness and whether it can restrict career opportunities for home workers themselves.

In this white paper, we outline the latest research into remote working from the full-time employee perspective and reveal whether the rhetoric is fact or fallacy. Key findings include:

- The numbers teleworking at least one day per week have remained remarkably consistent for Anglo¹ countries over the last five years at around 9 percent. Australia; however, has seen a 2 percentage point jump in the last year, the largest increase in the Anglo countries group.
- The more senior you are the more likely you are to telework.
- Workers in the high-tech industry are more than three times as likely to telework as those in the government.
- Teleworkers are more highly engaged, more likely to consider their workplaces as innovative, happier about their job prospects and less stressed than their more traditional, office-bound colleagues.
- The benefits of teleworking begin with just one day per week remote working. There appears to be no significant advantage to full-time teleworking over part-time teleworking.

Propensity of teleworking

With so much attention paid to flexible working practices you might expect significant increases in the numbers working from home or remotely over the last few years. In our WorkTrendsTM survey, (see About WorkTrends on pg. 5) we have been tracking the numbers for the last five years and surprisingly, at least when it comes to full-time workers, things have remained remarkably consistent – around one in 10 telework at least one day per week. Across all of the Anglo countries in our survey, about 9 percent of employees telework at least some of



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the time (*Figure 1*), with teleworking appearing most popular in the UK. With a couple exceptions, this figure has been remarkably stable over the past five years. Australia has experienced a recent surge in teleworking, up by 2 percentage points from 2011 to 2012.

Of those who do telework, there appears to be two major groups – those who telework about one-third of the time and those who telework almost all of the time (70 percent or more of their time teleworking).

Year	Anglo Region (US, Canada, UK, Australia)	US	Canada	UK	Australia
2008	8%	10%	6%	9%	7%
2009	9%	9%	8%	10%	N/A
2010	8%	9%	8%	10%	7%
2011	10%	10%	9%	12%	7%
2012	9%	9%	8%	10%	9%

Note: Five-year trend data not available for New Zealand. In 2012, 10 percent of employees in New Zealand reported working remotely at least one day per week.

Figure 1: Percent of employees who telework at least one day per week

Who teleworks?

More men than women

Interestingly, men are more likely to telework than women – 11 percent of men say they telework at least one day per week, while 8 percent of women say the same (*Figure 2*). Men also tend to spend more time teleworking – 45 percent of men report they work remotely full-time, whereas only 32 percent of women report this, and this is due to neither seniority nor full-time status (*Figure 3*).

Do you work from remote, mobile, or home-based office at least

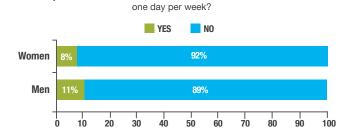


Figure 2: Teleworking by gender



Figure 3: Amount of time spent teleworking by gender

More senior leaders than individual contributors

The higher up the career ladder, the more likely you are to telework. Almost twice as many managers and leaders (12 percent) report working remotely compared to individual contributors (7 percent; *Figure 4*). However, individual contributors spend more time teleworking – on average four hours more in a 40-hour workweek. This trend is only likely to increase as work locations continue to disburse and functional and project teams are no longer co-located in a central office.

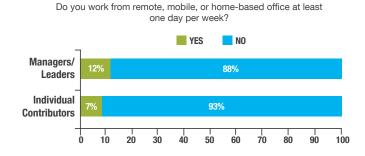


Figure 4: Teleworking by management level

More technical workers than laborers

Some jobs appear to lend themselves more easily to the routine of teleworking. Not surprisingly, employees in technical roles are most likely to work remotely (16 percent), while laborers (3 percent) and clerks (4 percent) are least likely (*Figure 5*).

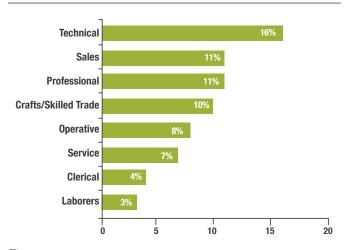


Figure 5: Teleworking by job type

More high-tech workers than those in manufacturing

Employees in the high-tech sector are the most likely to telework (21 percent; *Figure 6*). There could be a very logical explanation for this: those in high-tech firms tend to have better access to the technologies necessary to make remote working feasible. Or perhaps high-tech firms are more open to the idea of teleworking.

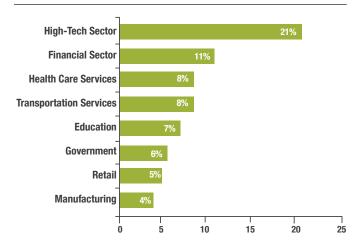


Figure 6: Teleworking by industry

The teleworking truths

New technologies have given workers the option to be based almost anywhere (with an internet connection). While this has some clear benefits in terms of reduced commuting time, not all organizations have embraced the flexible working "revolution." Initially, managers expressed concerns about whether workers would be as productive at home; perhaps the draw of daytime TV would reduce productivity. More recently, senior leaders have expressed concerns about a lack of innovation and collaboration as a result of people not being together in the same location and able to "bounce" ideas around. The pros and cons have been debated, but little data has been explored to understand whether these concerns and criticisms are founded foundation. With thousands of responses, the WorkTrends database (see About WorkTrends on pg. 5) can bring some much-needed evidence to the debate.

Teleworkers are more productive

One way that we can analyze employee productivity is via employee engagement. Employee engagement is now recognized as a desired state for organizations. Numerous studies have linked employee engagement to higher individual, team and even organizational performance. (Wiley, 1996). One aspect of employee engagement concerns discretionary effort, which is an employee's willingness to apply extra effort to accomplish tasks important to the achievement of organizational goals.

Looking at the employee engagement scores for teleworkers reveals that they are in fact more engaged (61 percent) than those in more traditional working arrangements (55 percent).² Moreover, it does not seem to matter how much time is spent teleworking, the employee engagement levels of teleworkers remain consistently higher – 61 percent for part-time (one-third of their time teleworking) and 62 percent for full-time (more than 70 percent of their time teleworking). This finding should reassure managers that offering some kind of teleworking option, even part-time, should not reduce productivity; rather it is associated with higher employee engagement.

Teleworkers believe their workplace is more innovative

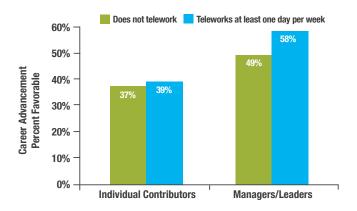
An additional concern about teleworking is a potential lack of creativity. There may be some logic to this, after all, how can people be creative together when they are not even in the same location? Once again the data reveals this to be a myth: Employees who telework characterize their work environment as more innovative (62 percent) than employees who do not telework (49 percent). This higher degree of innovation could be a reflection of recent technological advances in things such as collaboration software, which enable employees no matter where they are to take part in idea-generating "jams."

Teleworkers are happier about performance management

Remote workers may be considered more difficult to manage, since managers may find managing the performance of remote employees challenging. Yet teleworkers (64 percent) hold more favorable opinions than traditional employees (57 percent) about their performance evaluations, performance feedback and recognition for performance.

Teleworkers are happier about job prospects

In addition to management's concerns, employees themselves may be reluctant to work off-site. Employees may fear being over looked for promotions – out of sight, out of mind. When in fact, managers who telework (58 percent) feel they have better job prospects than their office-bound co-workers (49 percent). Furthermore, non-management teleworkers (39 percent) are similarly satisfied with promotion opportunities as their office-based co-workers (37 percent; *Figure 7*).



 $\sc Figure$ 7: Satisfaction with career advancement among teleworkers (managers and individual contributors)

Teleworkers feel well informed

Employees may also fear working remotely will impede the sharing of information. However, teleworkers (55 percent) believe they get more information from their leadership than traditional workers (49 percent).

Teleworkers are team workers

Employees may have concerns about missing out on the social interaction of working in an office full-time if they telework. Once again, the suspicion is not borne out by the data: Teleworkers (72 percent) enjoy just as much teamwork and cooperation as employees who work in the office full-time (68 percent).

The benefits of teleworking

So far in this white paper, we have provided evidence that contradicts many of the most commonly cited criticisms of teleworking. On the other side of the argument are the reasons given for the benefits of teleworking. One of the most commonly discussed benefits of flexible work arrangements is improved work-life balance. This benefit is supported by the data. In fact, teleworkers (64 percent) enjoy a slightly more balanced life than employees who are office-based (58 percent).

With better work-life balance we would expect employees to enjoy lower levels of work stress. Once again, the data agrees: Fewer teleworkers (26 percent) than traditional employees (32 percent) report unreasonable work stress. However, the headline figures do not quite tell the whole story. When we look at the breakdown, it is the full-time teleworkers (more than 70 percent of time spent teleworking) that are much less stressed (19 percent) than the part-time teleworkers (31 percent). In fact, part-time teleworkers are just as stressed as their office-bound co-workers.

Throughout our analyses, work stress is one of the only outcomes to which the amount of time spent teleworking mattered.

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Suitable jobs

Telework is not suitable for every type of job; construction workers will likely always need to be on the construction site and retail associates in their stores. However, as technology advances the number of jobs that are suitable for teleworking will likely continue to increase. Even traditionally office-based jobs, for example call center agents, are becoming viable for remote workers. With the right technology (see below) workers can be "plugged in" from home and rotated on shifts, which can tap into a whole new labor pool.

Managers who are prepared

Poorly prepared managers and leaders are often the biggest barrier to the success of teleworking. Training them how to manage and lead remote employees is important. It takes a different skill set and a different approach to supervising and communication. Weiner and Germano explain, "Managers and employees who are not co-located must establish their own success factors for working together (e.g., frequent instant messaging, regular weekly or bi-monthly one-on-one calls and occasional 'no agenda' contacts)." Supporting managers in setting expectations and processes can help them truly embrace teleworking, and reap the benefits of building a more engaged, collaborative and creative team.

Technology

The explosion of mobile technology has dramatically reduced this barrier to organizations initiating teleworking programs. However, consideration and a modest investment are often needed to help ensure employees have the tools to connect and collaborate. Such an investment can have far-reaching benefits. Not only are new collaboration technologies likely to be adopted and embraced more quickly out of necessity by those working remotely, such platforms can also help ensure more efficient and effective sharing of data and ideas.

Culture

Leadership needs to actively create an organizational culture that supports telework. Too often first attempts to introduce teleworking fail because the perception of employees "left" in the office is that those working remotely are slacking off. Numerous studies have actually shown that the teleworkers are in fact more productive, but if the wrong organizational culture and mind-set exists, then the incorrect perceptions can be very damaging.

As the data above show, even employees working remotely less than 30 percent of the time can realize almost all of the benefits of teleworking. There is huge potential upside to teleworking, even when starting small. If you have not already done so, consider starting a teleworking program in your organization and reap the people and business benefits.

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About WorkTrends

Kenexa WorkTrends Survey, 2012. In its current form, WorkTrends is a multi-topic survey completed online by a sample of employees representative of a country's working population in terms of industry mix, job type, gender, age and other key organizational and demographic variables. In most countries, survey takers must be adults who work full time for an organization of 100 employees or more; this threshold drops to 25 employees or more in countries with smaller economies or hard-to-reach populations. The survey has over 200 items that cover a wide range of workplace issues, including senior leader and direct manager effectiveness, recognition, growth and development, employee engagement, customer orientation, quality emphasis, innovation, corporate social responsibility, workplace safety, work stress and performance confidence. In 2012, over 33,000 employees were surveyed, representing 28 countries.

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- 1 Anglo sample countries are: Australia, UK, US, Canada and New Zealand, excluding for five-year data (Table 1), as five-year data were not available for New Zealand.
- 2 Even after statistically controlling for age, gender, job type and industry, conclusions about the effects of teleworking on employee engagement and other variables examined remained the same.

