

The Bottom Line on Telework

for the

Thurston Region State and Local Government

October, 2013



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A study commissioned by the Thurston Regional Planning Council (TRPC)
Changing the Way We Travel project

It's time to make the road less traveled the way to work.

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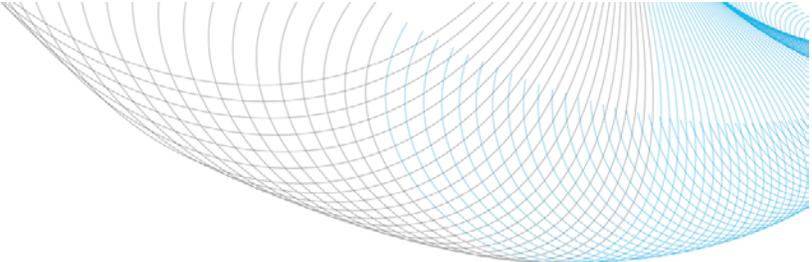


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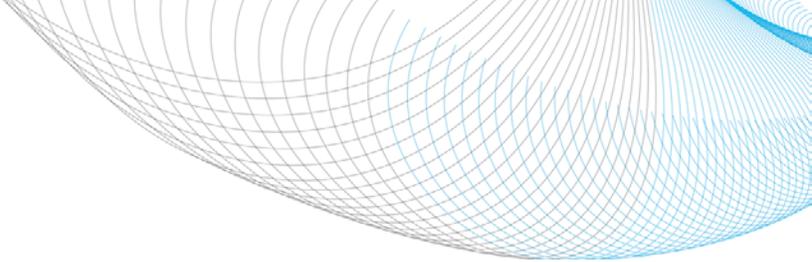
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Executive Summary

This report offers a data-driven analysis of the potential for telework to enhance the efficiency, effectiveness, and accountability of Thurston region state and local government.

Based on a conservative set of assumptions drawn from a synthesis of over 4,000 data points, we calculate the impact of twice weekly telework by 30% of the region's public sector workforce could:

- Save approximately \$58 million per year
- Reduce vehicle miles traveled by 14 million miles per year
- Eliminate over one million vehicle trips per year
- Reduce greenhouse gases by the equivalent of planting over 100,000 trees

Telework is not something new or untested; it is a management tool that been used for over three decades. While traditionally seen as an HR, IT, Real Estate or Sustainability tactic, leading employers now consider it a critical component of their workplace and workforce strategies. Over a period of seven years (2005 to 2012), the percentage of employers offering telework jumped from 34% to 63%.¹

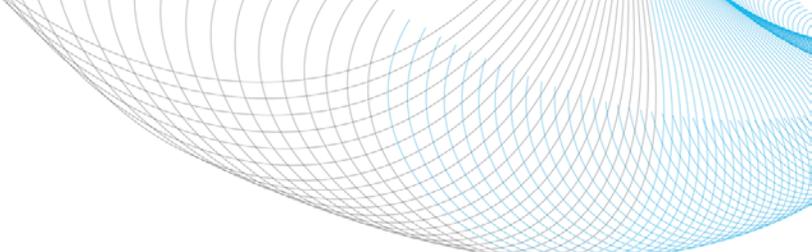
There is no longer a need to “consider” or to “study” telework. The business case for it is clear and leading organizations have proven that the obstacles can and must be overcome. Technological, demographic, economic, and environmental realities dictate that status quo is not a choice if government expects to attract and retain talent and if Thurston wants to be a place where businesses want to locate and people want to live. Best practices from around the world, as well as lessons learned from Washington State Department of Transportation's (WSDOT) telework program, offer a template for success.

Bold leadership is needed to transform Thurston regional government workforce, workplaces, and work practices in a way that ensures success and optimizes outcomes. Based on the financial case presented in this report, we recommend that Thurston government aggressively pursue telework and proceed quickly to:

- **Secure leadership support** through: reissuance of a Governor's Telework Executive Order (based on lessons learned from the U.S. Telework Enhancement Act and others), issuance of relevant legislation, and advocacy from top and middle management within agencies.
- **Form an interdepartmental team** to: champion telework, establish specific participation goals, establish guidelines for setting qualitative and quantitative goals and success measures, ensure cooperation from managers and leaders, help integrate telework into strategic initiatives in a way that ensures efficiency and effectiveness, and produce a workplace/workforce that is resilient, agile, and mobile.
- **Assess the current state of telework** by: inventorying existing telework programs and support structures, assessing technological and cultural readiness, and identifying telework potential within individual agencies.
- **Provide a mechanism for initial and ongoing financial support** for: outreach, training, data collection/analysis/reporting, sharing successes, and addressing technology needs.
- **Leverage investment in telework** by: sharing resources it develops and publicly advocating for more telework among statewide public and private sector employers.

If the Thurston region is to deliver its services in a way that is efficient, innovative, and accessible, it must lead with 21st century practices. The time to act is now.

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Introduction

“I heard a clear and powerful message on Election Day. The people of Washington State are tired of a state government that doesn’t change with the times. They expect me, and all of us here, to be as innovative as the people we represent.”

--Governor Jay Inslee in his inaugural speech

Telework is the kind of innovation Washington needs.

Since passage of the Washington State Commute Trip Reduction Law in 1991, employers throughout the state have encouraged carpools, vanpools, public transit, biking, walking, and, to a much lesser extent, telework. Their efforts have paid off. Single occupant commuter travel among Commute Trip Reduction (CTR) employer participants is 10% less than the average for both the state and the nation.² However, there is much more that can—and must—be done to ensure a sustainable future.

Telework is not a new strategy. It has been around for decades and has been proven to be a low cost, high return on investment strategy. Beyond its potential to reduce traffic, energy, and pollution, by its very nature telework promotes efficiency, effectiveness, and accountability.

By moving work to the people, telework offers a triple bottom line win for employers, employees, and the community.

Thanks to advances in technology, the exercise of moving people to the work is no longer necessary for a majority of jobs. By instead moving work to the people, telework offers a triple bottom line win for employers, employees and the community.

Washington State’s Department of Transportation (WSDOT) discovered first-hand what telework can do. WSDOT’s 2011 and 2012 telework pilots proved the benefits are real.

Industry leaders around the globe are now embracing telework as the cornerstone of a 21st century workplace strategy, one that allows them to do more with less—less real estate, less turnover, less absenteeism, less pollution—and to do more with their most valuable assets, their people. They’ve found that employees who are given a choice in where they work are more productive and more likely to go the extra mile for their employer and co-workers.

Telework could save Thurston Government between **\$25 million** and **\$136 million** a year and reduce its greenhouse gases by 3,000 to 13,000 tons a year.

Telework allows employees to do more with less too—less time wasted in traffic, less work-related expenses, and less stress.

For the community, telework offers a cleaner future, greater livability, reduced traffic congestion, and increased resilience in the event of a disaster.

With one- to three-day-a-week telework, Thurston region state and local government employers could save between \$25 million and \$136 million a year and reduce greenhouse gas production by 3,000 to 13,000 tons a year.

This paper will demonstrate how.

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About This Report

This paper, sponsored by the Thurston Regional Planning Council (TRPC), focuses on telecommuting among state and local government employees in the Thurston region. Three main sections summarize the qualitative and quantitative benefits of telecommuting for:

- Employers
- Employees
- The Community

Additional sections provide an overview of telework trends, a review of WSDOT's telework pilots, known obstacles to telework, and best practices. A final section offers recommendations for the expansion of telework in Thurston's state and local government agencies.

Potential telework savings were calculated based on a model created by Global Workplace Analytics, a consulting and research organization that specializes in evaluating the business case for emerging workplace strategies. The latest federal, state, and local government data and assumptions used in the report were culled from a synthesis of over 4,000 data sources—including case studies, scholarly reviews, research papers, books, and other documents on telecommuting and related topics. Global Workplace Analytics has analyzed the economic, environmental, and societal potential of telework for the US, the UK, Canada, and dozens of public and private sector employers. The unique research, and results from the proprietary [Workplace Savings Calculator™](#) has been cited in the *Wall Street Journal*, *Harvard Business Review*, *Fortune*, *Inc.* magazine, and [scores of other publications](#).

The primary sources of data used in the development of the Thurston Regional Public Workforce Telework Savings Calculator™ are:

- American Community Survey / Census
- Bureau of Labor Statistics
- Booz Allen / U.S. GSA Telework Study
- US Bureau of Transportation Statistics
- Washington State Department of Transportation
- US Environmental Protection Agency
- National Highway Safety Administration
- Thurston Regional Planning Council
- Washington State University Extension Program for Digital Initiatives
- Washington Department of Commerce – Washington State Broadband Office

Telework or Telecommuting?

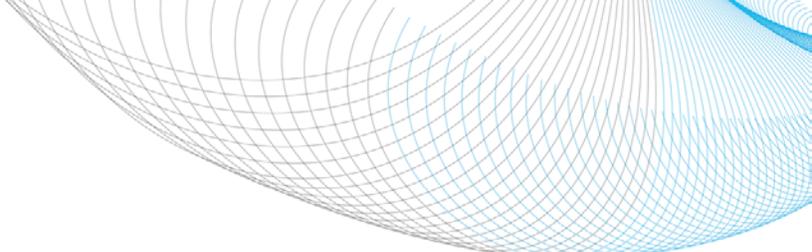
While the terms telework and telecommuting have slightly different meanings, they will be used interchangeably throughout this paper to mean working from home or another place (ex. library, coffee shop, hotel, co-working facility, telework center) that results in a reduction in commuter travel.

Three scenarios have been modeled for the purpose of this paper—a low case, mid case and high case as shown in Table 1. A total workforce of approximately 34,000 employees is assumed for a three scenarios.³

Table 1: Scenarios	Participation Rate	# Telework Days/Week
Scenario 1 (Low Case)	30%	1
Scenario 2 (Mid Case)	30%	2
Scenario 3 (High Case)	50%	3

At the request of TRPC, we have intentionally used savings assumptions that are substantially lower than what data from both academic research and actual employer experiences would support (see Table 2; details follow regarding each category of savings).

Table 2: Assumptions	Reduction in Real Estate	Increase In Productivity	Decrease in Turnover	Decrease in Absenteeism
Scenario 1	0%	15%	4%	1.6 days/year
Scenario 2	20%	15%	4%	1.6 days/year
Scenario 3	25%	15%	4%	1.6 days/year



The State of Telework in Government

Referring to himself as the “Teleworker in Chief” President Obama, during his first administration, added his stamp on an update and expansion of a year 2000 mandate that required every federal employee to telework to the maximum extent possible. Originally put in place as the cornerstone of federal continuity of operations strategy, telework has since become a critical component in more than a dozen federal mandates.⁴

Bipartisan passage of The Telework Enhancement Act of 2010 added rigor and urgency to the earlier mandate by requiring that federal agencies establish policies, determine and report eligibility and participation levels, and more. In a survey of federal telework leaders conducted in 2013 by Global Workplace Analytics, more than three quarters of respondents agreed that the Act has had a positive impact on their programs.⁵

Three-quarters of federal leaders agree the Telework Enhancement Act has had a positive impact.

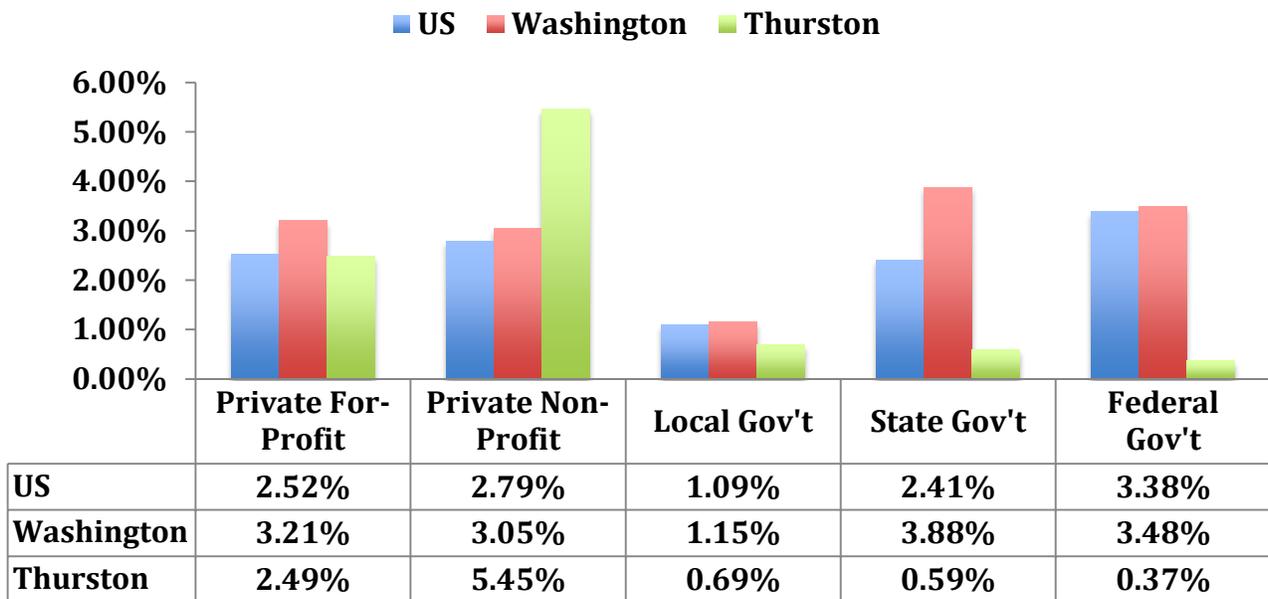
Congress has made federal telework a priority too, repeatedly reminding agencies of the need to ramp up their telework programs. In July of 2013, for example, a bill dubbed “The Stay in Place, Cut the Waste Act” proposed telework as a way to cut travel expenses by 50%.⁶ The bill noted, that in addition to cutting costs, telework can “enhance communication and problem solving...reduce associated carbon footprints...increase employee productivity...shorten project timelines, promote efficiency, improve collaboration among coworkers across the country, and improve work-life balance.”

At the state level, based on a survey produced by Washington State University in August of 2011, thirteen of the nineteen states queried had telework programs for their state employees.⁷ Seven of those states reported having Governor-signed telework executive orders in place and four others indicated that their programs began with a House resolution or bill.

But endorsing telework and widespread participation are two different things. Consider that while nearly 80% of the workforce says they would like to work remotely at least part of the time,⁸ and (depending on who you ask) between 63% and 83% of organizations say they offer it to at least some employees⁹—“at least some employees” being a key phrase—only 2.5% of US employees telework half-time or more (see Chart 1).¹⁰

In the Thurston region, less than 1% (.6%) of state and local government employees telework half time or more. Across the country, state and local public sector employee participation ranges from 1% and 2.4% (see Chart 1, next page).¹¹

**Chart 1: Telework Adoption by Class of Worker for US, State, County
(2010 American Community Survey)**



A February 2013 TRPC survey¹² of high-level managers at major employers throughout the County found that:

- 42% have an official telework program that contains policies, procedures, and formal telework arrangements
- 37% permit employees to telework on an informal basis
- 19% do not allow telework

Research suggests that the participation rates are not a function of job incompatibility. Over the past several years in its annual report to Congress, the federal Office of Personnel Management has reported between 32% and 70% of federal jobs as telework-compatible.¹³ A recent analysis of California state and local government jobs suggests about half of state and local government jobs are telework-compatible.¹⁴ While no such study has been conducted for Washington State, it is reasonable to assume a similar compatibility level.

Many federal government agencies have achieved participation rates far greater than the national average—some, in fact, have more than 75% of their staff teleworking three and four days a week.

If Thurston region government agencies expect to become an employer of choice, just bringing their numbers up to the national state government average will not be good enough.

“As is often stated by federal leaders, the government does not seek to be a mediocre or run of the mill organization,” said Dr. Wendell Joice, one of the foremost telework experts and former Federal telework leader. “Instead, it seeks to be a world-class employer, employer of choice, and a top performing organization.”¹⁵

The low level of telework among Thurston region government employees is particularly surprising given the many Washington state laws, Executive Orders, and other initiatives that encourage and in some cases even mandate it. These include:

- Governor Inslee Government Reform Priorities¹⁶
- Telework Executive Order¹⁷
- Greenhouse Gas Emission Limit Law¹⁸
- Washington Climate Change Executive Orders¹⁹
- Washington State 2013 to 2019 Six Year Facilities Plan²⁰
- Washington State Broadband Initiative²¹
- Washington Clean Air Act²²
- Washington State Commute Trip Reduction Law²³
- Various Laws and Executive Orders on Sustainability²⁴
- Governor Inslee Directive - Continuity of Government Operations Preparation²⁵

Telework has also been recommended in a variety of reports by Washington State agencies including:

- Optimizing the Facilities Portfolio Workplace Strategy²⁶

This was developed as part of the 2013-19 state agency six-year facility plan. A multi-agency taskforce provided input to the Office of Financial Management for the creation of a workplace strategy that includes telework.

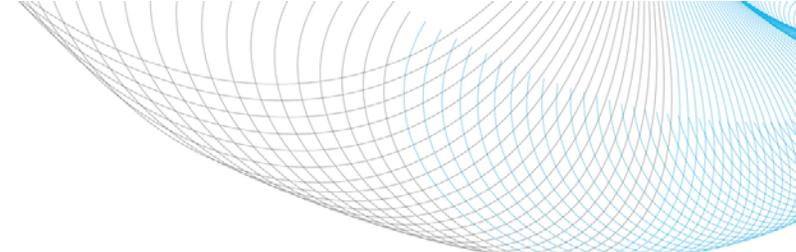
- Broadband Advisory Council Recommendations²⁷

“The state should develop and adopt a workplace strategy that will identify and support workplace solutions that are mobile, collaborative, flexible, functional, and increase productivity.”

- Capital Community Moving Forward²⁸

Commissioned by the State Legislature in 2008-2009, this TRPC report included several recommendations related to telework and technology use to reduce travel including the creation of numerous pilot programs, issuance of an Executive Order, and tracking telework goals.

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What's Driving Telecommuting

While the concept of telecommuting has been around for over three decades, until recently large scale adoption has been limited to a small number of pioneering organizations. But that is changing.

Industry leaders such as Deloitte, Microsoft, Citrix, US General Services Administration, the Department of Defense, the US Patent and Trademark Office, Cisco, AT&T, and BT (British Telecom) and many more have adopted telework as key business strategy. They don't talk about a telework strategy, it's just the way they work.

Worries over weather calamities, earthquakes, disease, terrorism, rising fuel prices, transit strikes, and road closures often spike temporary interest in telework. Now less transient issues such as global warming, budget cuts, and changes in the workforce are driving widespread adoption.

The key to success, as leaders have learned, is to manage people based on results rather than presence—something management experts since the 50's have been pointing to as the key to optimizing performance.²⁹

“First, we will measure success by the results we produce, not the money we put in,” said Governor Inslee in his inaugural speech.

The thousands of companies that have implemented telework programs and the millions of public and private sector employees who already telework are proof that the barriers to it can be overcome. The potential triple bottom line win is too big to ignore.

“(Telework) is something government can't afford not to do,” said Martha Johnson, former Administrator of the US General Services Administration.³⁰

The reality is that thanks to technology, employees are already mobile. And that changes everything—regardless of whether or not employees are teleworking. It changes how managers manage. It changes the kinds of tools people need to make them effective. And it changes the kind of offices needed.

Organizations that don't realize this and therefore fail to address the workplace, work process, and work practice implications will not be able to succeed in the years ahead.

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Potential Employer Benefits

Regular telework (between one and three days a week) among Thurston region state and local employees could save agencies between \$26 and \$136 million a year—the result of improvements in turnover, real estate, productivity, and absenteeism (See Table 3).

Table 3: Thurston Region Telework: Total Potential Annual Impact			
Scenario	30% Participation, 1 Day/Week	30% Participation, 2 Days/Week	50% Participation, 3 Days/Week
Cumulative Impact	\$25.7 Million	\$58.1 Million	\$136.0 Million

What follows are details about how those savings would be achieved, the research that supports the underlying assumptions, and examples of measured impacts among telework employers.

ATTRACTION AND RETENTION IMPACT

Employees are desperate for flexibility in their lives. Nationally, research by WorldatWork shows that 80% of employees say they would like to telework, at least part of the time,³¹ and research by MomCorps finds that 45% say they would even be willing to give up some salary in exchange for more flexibility at work.³²

The talent shortages and need to reduce work-life conflict—key drivers of telework programs before the recession—are returning with a vengeance. Another troubling reality is that the workforce is getting older. The aging workforce will play a key role in Washington state government. In 2011, over 60% of the Washington state workforce was over the age of 45, compared to 43% in the civilian workforce (see Chart 2, next page).³³

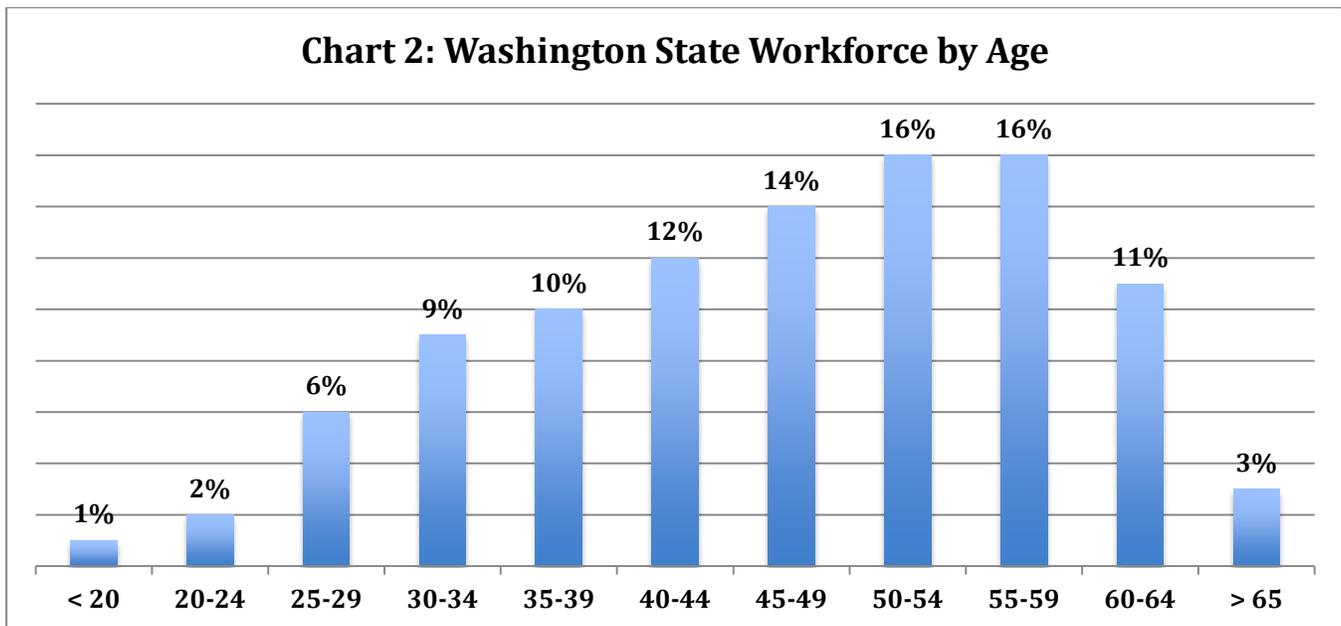
The raises, promotions, and accolades that once motivated older workers are being replaced with concerns about retirement, aging parents, mortality, and “what do I really want out of life?” Their exodus is creating a “brain drain” for employers, and leaving holes that are proving difficult to fill, particularly in government.

“Consider that the public sector is the employer of choice for a shrinking number of university graduates, even for students graduating with graduate degrees in public policy and public administration,” stated a report by the Global Director of Deloitte Public Sector Research. **“The situation will not change by tweaking hiring policies or investing a few more dollars into recruiting.”**³⁴

That same report warned of the difficulty in attracting young talent.

“To become a choice employer among this emerging workforce, the public sector must appeal to a population insistent upon a sociable, flexible, purposeful, and technologically savvy work environment. Certain perceptions of government work, if not reversed, pose a major obstacle to attracting Gen Y into government. The image of the public sector as a slow-moving, bureaucratic monolith, juxtaposed against a fast-moving, anti-bureaucratic Gen Y, poses a significant challenge.”³⁵

Chart 2: Washington State Workforce by Age



The cost of attracting talent or replacing an employee extends far beyond the recruiting process. It includes separation costs, temporary replacement costs, training costs, and lost productivity. An employee's exit can also lead to a loss of customers, co-workers, and 'organization intelligence'. WorldatWork and other workforce experts estimate that it costs 75% of a lost hourly person's pay; the cost rises to 150–200% of a salaried person's pay if that employee leaves the company.

Telecommuting enhances attraction and retention because it:

- Is among the top non-financial benefits desired by employees
- Expands the talent pool beyond geographic boundaries
- Provides access to those who otherwise might not been available including parents, senior caregivers, persons with disabilities, rural populations, military spouses, etc.
- Appeals to retiring workers

Industry Research on Attraction and Retention

- A 2013 Gallup survey found that 70% of US workers are not engaged in their work. Those who worked remotely 20% of the time showed the highest level of engagement (35%) and the lowest level of active disengagement (12%)—something Gallup describes as not just unhappy at work, but busy acting out their unhappiness and undermining their co-workers success. More frequent remote work, particularly past the 50% of the time mark, diminished engagement and increased active disengagement suggesting that most employees need a mix of in-office and remote work.
- A study conducted by Deloitte at the peak of the recession found that nearly half of employees were either looking for a new job or planning to do so when the economy improved.
- In a Cisco survey of 2,600 worldwide employees, two out of three employees said they would take a job with less pay and more flexibility in device usage, access to social media and mobility than a higher-paying job without such flexibility. Ninety-one percent of respondents said telecommuting was 'somewhat' or 'very important' to their overall job satisfaction.
- A WorldatWork survey found that 85% of employers say telework has a moderate to high impact on employee retention.
- Turnover among VIPDesk's home-based customer agents is less than 10%; compared to 100–150% typical in a traditionally staffed call center.

- A case study by Iometrics, Apollo Group, Inc., one of the world's largest private education providers, measured 12% higher engagement and 56% lower turnover among telecommuters.
- In a nationwide survey, CDW found that 41% of workers who have the option to telework are 'very satisfied' with their jobs, compared to only 27% of those who are office-bound.
- In a Robert Half/Career Builder survey, 72% of employees said flexible work arrangements would cause them to choose one job over another; 37% specifically cited teleworking.
- That same Robert Half study found that Gen Y workers are more difficult to recruit (as reported by 56% of hiring managers) and to retain (as reported by 64% of hiring managers), but they are particularly attracted to flexible work arrangements (ranked as 8 on a 10 scale for impact on overall job satisfaction).
- The Bureau of Labor Statistics reports that only 18% of disabled persons are employed compared to 64% without a disability.
- A Federal Employee Viewpoint Survey showed employee engagement and satisfaction levels among federal teleworkers were 11% higher than non-teleworkers. The gap was widest for those at the lowest end of the wage scale (GS 1-6) where telework engagement scores were 22% higher and satisfaction scores were 19% higher.

Based on the following assumptions, a reduction in voluntary turnover as a result of telework could save Thurston Region state and local government agencies between \$1 million and \$1.6 million a year (see Table 4).

- Reduction in attrition of 15%³⁶
- Existing attrition of 6%³⁷
- Cost of turnover of 75% of salary³⁸

Table 4: Thurston Region Telework: Potential Annual Turnover Impact			
Scenario	30% Participation, 1 Day/Week	30% Participation, 2 Days/Week	50% Participation, 3 Days/Week
Cumulative Impact	\$1.0 Million	\$1.0 Million	\$1.6 Million

PRODUCTIVITY IMPACT

Lack of management buy-in is the most commonly cited obstacle to the adoption of telework programs. The fundamental problem is one of trust. Managers feel that left unmonitored, employees will not work as hard as they otherwise would. Few will outwardly admit this, citing instead the need for office coverage, team dependencies, and other issues.

The reality is that study after study shows that people who telework are more productive than their office counterparts. Contributing factors include:

- Fewer interruptions: Home-based workers are not distracted by the many time drains that take place in a traditional office: morning chatter, coffee breaks, etc.
- More effective time management: E-mail and other asynchronous forms of communication can be time-managed more effectively and are less apt to include non-work digressions.
- Feeling like a trusted employee: A sense of empowerment and commitment is consistently shown to be one of the highest contributors to employee job satisfaction.
- Flexible hours: For those who are able to flex their hours as well as their location, telecommuting allows them to work when they are most productive.
- Increased commitment: Many teleworkers are willing to 'go the extra mile' because they appreciate the extra flexibility telework allows.

“In spite of employer concerns to the contrary, working too many hours is one of the biggest problem among teleworkers,” said Monica Babine, Senior Associate, Washington State University Extension Program for Digital Initiatives. “I often work with folks in the other Washington (DC) so for me, an 8am meeting means starting my day at 4 or 5am. I can’t imagine traveling to the office to participate in those early morning meetings but telework insures I’m there.”

For some, such as those in the state Department of Commerce, meetings take place at all times of day with colleagues all over the world.

Industry Research on Productivity

Following their adoption of a flexible work environment, Hennepin County (MN) Human Services and Public Health Department—a public agency that provides a variety of public assistance, public health, and social services—reported a 9% increase in processed cases and a 77% decrease in unprocessed in-basket items.

The Society for Human Resource Management reported that the U.S. Air Force’s Central Adjudication Facility where 95% of employees telework, saw a 55% increase in productivity in the first year of their telework program.

During a year-long telework pilot, the City of Ottawa found that case closing time went from 90 days to 15 days.

The Apollo Group, one of the nation’s largest private education providers, measured 34% higher productivity across 16 objective work performance indicators as a result of its integrated telework program. Participants indicated they saved an average of 49 minutes a day due to fewer distractions and interruptions. Seventy-nine percent of managers reported positive impact on productivity. Only 16% reported negative impact on teamwork or cohesion.

The City of San Francisco found that teleworkers gave back 50% of the time they would have otherwise spent commuting.

Fairview Health Services, a regional healthcare network, experienced a 50% decrease in overtime as a result of their workplace flexibility initiative.

Ninety-five percent of AT&T employees and 98% of managers agree or strongly agree that they are more productive when working at home.

PNC, a large regional bank that operates in 19 states, reported a 50% gain in productivity due to telework and flexible scheduling.

BT (British Telecom), one of the pioneers of telework, now has 15,000 homeworkers out of 92,000 employees. The company finds homeworkers to be 20% more productive.

In a study of more than 24,000 global IBM managers, 80% agreed that productivity increases in a flexible environment.

Scan Health Plan, a large regional health insurer, reported an 18% increase in productivity due to its alternative workplace program.

The US Patent and Trademark office increased productivity 10% through telework.

In a global survey of nearly 2,000 employees, Cisco Systems estimated they could achieve an annual increase in productivity of \$277 million through telework. They found that telecommuters spent 60% of their former commute time working. In addition, about 69% of telecommuters cited higher productivity when working remotely, 75% said the timeliness of their work improved, and 67% said their overall work quality improved when telecommuting.

Alpine Access, one of the US’s largest all-virtual call-center employers, attributes a 30% increase in sales and 90% reduction in customer complaints to its home-based agents.

A study of the return on investment from telework prepared by management consulting firm Booz Allen for the US General Services Administration estimated an increase in productivity of one hour per day among teleworkers.

A Work+Life Fit / BDO Seidman survey of CFOs showed 75% felt that flexible work increases productivity.

Based on the following assumptions, the increased productivity that would result from telework could save Thurston region state and local government agencies between \$20 million and \$102 million year (see Table 5).

- 15% increase in productivity on telework days ³⁹
- Average Washington State Employee Salary = \$53,335
- Employee Benefits Overhead = 25%

Table 5: Thurston Region Telework: Potential Annual Productivity Impact			
Scenario	30% Participation, 1 Day/Week	30% Participation, 2 Days/Week	50% Participation, 3 Days/Week
Cumulative Impact	\$20.5 Million	\$41.0 Million	\$102.4 Million

REAL ESTATE IMPACT

In a section titled “Work is Changing: How it’s Done, Where It’s Done, And Who Does It,” Washington State’s Six Year Facilities Plan acknowledges that it is paying for more real estate than it needs.⁴⁰ As of June of 2012, the state was spending over \$250 million a year for the 12.8 million square feet of space to accommodate its 40,000 employees, contractors, and others.⁴¹ Thurston County is home to nearly half of that space.

Research by CoreNet Global found that the average per person space allocation had declined to 150 sq.ft./person in 2011. Forty percent of the more than 500 companies surveyed said they expected that number to drop to 100 sq.ft. by 2017.

In Washington, state offices average over 300 sq.ft/ person and the Six Year Facilities Plan would bring that down by only 18 sq.ft. by 2019. The Plan acknowledges the need for further reductions stating: **“While the Plan identifies an admirable reduction . . . the state can do more.”** It goes on to recommend a Washington Workplace Strategy that would, among other things, **“identify and support workplace solutions that are mobile, collaborative, flexible, functional, and increase productivity.”**⁴²

While that may seem like a tall order, telework, when combined with desk sharing, hoteling, and other changes to the office footprint, can do that and more.

The recession reminded industry that offices are expensive, inefficient, inflexible, and difficult to scale—particularly down. As a result, organizations are taking a closer look at how, and how much their space is being used. Largely what they’ve found is that it isn’t being used much at all. In fact, 35% to 50% occupancy is the norm. The people have already left the building yet the lights are still on. The reality is that technology has forever changed how and where people work and they are not going back to the cubicle.

A typical U.S. office is only occupied 35% to 50% of the time.

Telework programs can help agencies consolidate inefficient space and reduce the capital drain of owning or leasing a building. Additional savings often come from reductions in energy usage, parking lot leases, furniture, supplies, maintenance, security, janitorial, insurance, taxes, common area expenses, and other related costs.

Progressive organizations are going a step beyond space optimization. Recognizing that their people are increasing doing their concentrative work at home and in third places, they are redesigning their traditional offices to increase efficiency and better support collaboration.

Through strategies that combine telework with desk sharing, office hoteling, and other changes to the office footprint, companies have found they’re able to save money and, at the same time, better address the needs of their workforce.

Consider the following research on the impact of telework on real estate.

Industry Research on Real Estate Savings

When asked to assess the lasting impacts of the recession, over 60% of respondents to a New Ways of Working (NewWOW) survey reported replacing assigned one-to-one workplace seats with alternative workspaces.

DEGW research—which includes survey responses from over 60,000 North American employees and observations of thousands of workers—found the average knowledge worker only sits at their desk about 35% of the time. The balance is spent in meeting rooms, in ad hoc work areas, at colleagues' desks and in other office buildings.

Knoll Research shows peak time office space utilization in traditional settings averages 45%, compared to between 52% and 57% in alternative settings.

Ninety percent of the 40 organizations surveyed by Knoll Research in 2011 offered some form of remote work. The consensus reported a 33% first year cost avoidance over conventional workspaces with consistent savings thereafter.

Knoll Research indicates that per person office space targets have decreased from 227 sq. ft. to 135 sq. ft. over the past 10 years and are expected to average 100 sq. ft. by 2015. Desk sharing ratios in these new spaces range from 2.3 to 1, to as high as 20 to 1 among sales staff.

A NewWOW survey of over 100 Fortune 500 respondents found that the percentage of employees with assigned workspaces has shrunk to 66%, a 10% decline from just two years ago. Additionally the survey found that home-based work represented the most popular alternative work approach with 90% of respondents saying they offered it in 2011 (up from 89% in 2009). It was the only approach that showed an increase over the two-year period.

The International Facilities Management Association (IFMA) reported that as a result of the workplace transformation and telework at SCAN Health Plan, their space needs declined by 22% provisioning costs went down by 38%, and provisioning time went from 12 weeks to 3 days.

Through telework and office hoteling, the U.S. Patent & Trademark Office was able to expand its workforce from 6,000 to 10,000 without increasing their office footprint thus avoiding \$19.8 million in new real estate costs.

Iometrics reported that Apollo Holdings saved \$3 million a year in real estate expenses as a result of their telework program. The program produced a positive ROI and under one-year payback of upfront costs.

McKesson Health Solutions' telecommuting program saves them \$1 million/year in real estate and \$3 million/year in other costs; 85% of their call center nurses work at home.

Through telework and hoteling programs, the US General Services Administration's 4,700-plus Washington-area employees will work from a space that, as originally designed, could accommodate only 2,400.

The Society for Human Resource Management (SHRM) reported that Deloitte LLP allows most of its 45,000 employees to telecommute as many as five days a week. As leases came up for renewal, the consulting firm was able to reduce office space and energy costs by 30%.

At the Work Anywhere Symposium, TIAA/CREF, a financial services company representing over 8,000 employees, reported real estate savings of \$20 million a year through telework.

Through its Global Workplace Initiative, HP increased its office space utilization from an average of less than 40% to nearly 80% in just 3 years. The ratio of employees to desks ranges from 2 to 1 to 20 to 1.

The Partnership for Public Service reported that 40% of the IBM workforce operates without a dedicated office space. The employee/desk ratio is currently 4 to 1 with plans to increase the ratio to 8 to 1 in field locations. IBM calculates that it saves \$450 million/year in reduced facility infrastructure and associated initiatives through telework.

Unilever's, a global consumer products company, reduced its office space by 36% and saved 40% on leases and maintenance through its agile working program.

Through desk sharing and hoteling, United Way’s Detroit office was able to consolidate twelve floors into just two.

Sun Microsystems saved \$68 million a year in real estate costs, \$3 million a year in reduced power consumption, and \$25 million a year in IT savings with flexible work options for 17,000 employees (2,000 primarily working at home, 15,000 up to 2 days a week).

Based on the following assumptions, the reduction in real estate costs as a result of telework could save Thurston region state and local government agencies up to \$25 million year (see Table 6).

- Average office cost = \$5,380 per employee, per year⁴³
- Real estate reduction: No reduction for 1/day a week telework, 20% for 2 days/week, 25% for 3 days/week⁴⁴
- No electricity and other savings are assumed though extra home office energy usage is shown as an offset to Employee Savings covered later in this paper

Table 6: Thurston Region Telework Potential Annual Real Estate Impact			
Scenario	30% Participation, 1 Day/Week	30% Participation, 2 Days/Week	50% Participation, 3 Days/Week
Cumulative Impact	0	\$11.9 Million	\$24.9 Million

ABSENTEEISM IMPACT

Unscheduled absences cost employers billions. They necessitate staffing redundancies, increase overtime costs, inconvenience coworkers and customers, impact morale, and reduce productivity.

Telecommuters are absent less often because they:

- Are less exposed to sick co-workers
- Are exposed to fewer occupational and environmental hazards
- Avoid driving—something OSHA considers to be the most dangerous part of an employee’s day
- Sometimes work when they just weren’t feeling well enough to go to the office
- Are sometimes willing and able to return to work (from home) more quickly following the birth or adoption of a child
- Can often work from home more quickly than they could have returned to the office following surgery or extended illnesses
- Are able to handle personal appointments without taking a full day off
- Are less stressed
- Are happier in their job and therefore less apt to take “mental health days”
- Have more time for exercise
- Eat better

The opposite of absenteeism is coming to work when you’re sick. A CareerBuilder study of 3,700 workers found that almost three-quarters (72%) go to work when they’re sick.⁴⁵ They do it because the company culture, benefits, or policies encourage the behavior and the attitude behind it. In fact, more than half of those surveyed (55%) said they feel guilty if they call in sick. In reality, they aren’t doing anyone any favors. Allowing employees to telework can prevent the spread of disease.

Industry Research on Absenteeism

A study by Hewitt found that 78% of US employees who call in sick at the last minute, really aren't. They do so because of family issues, personal needs, and stress.

CCH reports that telework has proven to be the second most effective method of reducing absences—flexible scheduling is first.

The Canadian Department of Labor found that among Canadian companies that have tried to reduce work-life conflict, 84% say it's had a positive impact.

A 2013 survey of 150 business decision makers by Staples Advantage found that 75% of employers felt telework reduces absenteeism.

A Wake Forest University study of over 3,000 employees showed that those with flexible schedules were less likely to have health problems that affect their job performance.

The US federal government's telework cost/benefit model estimates a 63% reduction in unscheduled absences per teleworker.

Towers Watson research found that companies with the most effective health and productivity programs have 1.8 fewer days absent per employee.

Iometrics reported that Apollo Group, one of the world's largest private education providers, measured an 88% reduction in unapproved absences and 100% reduction in tardiness among its teleworkers.

Mercer estimates the total cost of unplanned absences at 6% of payroll and those for extended absences at 3.2% of payroll. Together they add up to more than half of a typical employer's cost of healthcare.

Addleshaw Goddard, a UK based law firm, found absenteeism 50% lower among its home-based word processing staff.

Telework.gov reports that telework plays a vital role in the US federal government's continuity of operations strategy which is designed to keep government working in the event of a pandemic or disaster.

According to a Towers Watson survey of over 350 human resource professionals, lack of work/life balance is the second highest causes of employee stress (cited by 65% of respondents; excessive work hours was the highest cause).

Based on the following assumptions, the reduction in absenteeism as a result of telework could save Thurston region state and local government agencies between \$4.2 million and \$7.1 million a year (see Table 7) assuming an average reduction in absenteeism of 1.6 days a year.⁴⁶

Table 7: Thurston Region Telework : Potential Annual Absenteeism Impact

Scenario	30% Participation, 1 Day/Week	30% Participation, 2 Days/Week	50% Participation, 3 Days/Week
Cumulative Impact	\$4.2 Million	\$4.2 Million	\$7.1 Million

CONTINUITY OF OPERATIONS

Telework plays a crucial role in ensuring continuity of operations (COOP). Think about what a freak storm, earthquake, terrorist event, road closure, transit strike, or similarly disruptive event would cost if your employees were unable to reach the office for a day, week, or longer. It is not just the loss of productivity. Other impacts can include: loss of business, lower customer service scores, billing delays, and more.

If state and local government employees were unable to work due to something that prevented them all going to work, the loss of productivity would represent over \$9 million a day. Assuming 30% of the workforce teleworked, that loss would be reduced by \$1.7 million a day.

OTHER EMPLOYER BENEFITS

Not all of the benefits employers can realize through telework could be quantified in this paper. The most significant among them are:

Reduced transit and/or parking subsidies: For those employers who provide transit or parking subsidies to their employees, telework can offer additional savings.

Avoidance of environmental sanctions: In areas where air quality is below the minimum prescribed in the Clean Air Act, environmental penalties and administrative burdens can be avoided.

Higher community citizenship scores: The state is required to calculate and disclose the environmental impact of its buildings and commuter travel. Employees are increasingly choosing to work for environmentally friendly employers so poor performance in this regard can impact both employee attraction and public opinion.

Reduced overtime: Through increased productivity and flexible scheduling, some organizations are able to reduce the level of overtime needed.

Improved customer service: Home based call center agents are generally older, better educated, and more engaged than traditional agents. This can translate into better customer service.

Reduced paper, travel, and technology costs: Along with the use of electronic files and virtual technologies comes savings in paper, storage area, and travel. Many employees also prefer to use their own technology rather than employer-issued devices. This can result in significant savings to employers.

Greater ability to accommodate persons with disabilities: Many persons with disabilities are unable to travel to work. Their homes have already been modified to address their needs.

Reduced need for overstaffing to accommodate peak loads: By being able to call on employees who are willing to pitch in an emergency or during unusual peaks of activity, overstaffing can be reduced.

More effective and less expensive global coverage: Telework can make it easier to accommodate global work.

Avoidance of local labor burnout: In high turnover jobs such as customer service and call center operators, telework has proven to dramatically reduce employee churn.

Ability to hire people without brick and mortar presence: In rural areas where a local person is needed, telework can help reduce the cost of local offices. In regionally regulated fields, such as healthcare and law, telework offers the option to serve communities it would not otherwise be able to reach without a local office presence.

Improved quality of life for employees: Beyond the reduction in work-life conflict, the availability of broadband throughout the state would allow employees to choose where they live based on quality of life issues.

Reduced healthcare costs: Increasing evidence suggests that teleworkers are less stressed—a trigger in more than 80% of long-term absence.

Reduced vehicle fleet: In a culture where virtual collaboration is the norm, the need for company vehicles can be reduced.

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Employee Savings

Employers aren't the only ones who benefit from telework. For employees, it saves them two of their most precious commodities, time and money.

EMPLOYEE FINANCIAL SAVINGS

Employees save money in gas, vehicle wear and tear, transit costs, purchased food, and work clothes.

Based on the following assumptions, telework could save employees between \$250 and \$2,700 a year (see Table 8)—that's net of extra home energy used and meals consumed at home on telework days.

- Gas cost: \$3.89 per gallon
- Gas usage: Based on EPA standards
- Food and clothing based on BLS data with high and low estimates applied
- Non-gas portion of IRS mileage allowance based on IRS data
- Cost of extra home office electricity based on 3,000 kWh per year for home office⁴⁷

Table 8: Thurston Region Telework: Potential Annual Employee Savings (\$ per person)			
Scenario	30% Participation, 1 Day/Week	30% Participation, 2 Days/Week	50% Participation, 3 Days/Week
Work/Travel Costs	\$257 to \$892	\$514 to \$1,783	\$771 to \$2,675

EMPLOYEE TIME SAVINGS

In terms of time, a once weekly Thurston region teleworker can save the equivalent of over 5 workdays a year—time they'd have otherwise spent commuting.

For the nearly 14% of Thurston region commuters who spend more than 1.5 hours a day going to and from work, the savings would equate to an extra two weeks of vacation time per year.

And the commute is likely to get worse. According to the Reason Foundation, if traffic continues to grow at the current pace over the next couple of decades, drivers in many of the nation's cities will be sitting in daily traffic jams worse than those that plague Los Angeles eight hours a day. Their commutes will take almost twice as long.

Thurston Region Telework Savings Calculator™: Employee Time Savings Assumptions

- Mean round-trip commute of 51 minutes⁴⁸
- Round-trip commute distance of 24 miles⁴⁹
- Reduction in driving in telework days of 75%⁵⁰

OTHER EMPLOYEE BENEFITS

Beyond the employee savings we've quantified in this paper, many employees can save on:

- Parking / Carpool fees
- Daycare/eldercare for those who are able to adjust their hours around those needs
- Serendipity purchases
- Office gifts
- Vehicle insurance
- Healthcare costs
- Other office-related incidentals

In addition, some may qualify for home office deductions. Some may be able to relocate to less expensive communities. And some may be able to avoid selling their real estate at distressed values in order to take a job in a new community.

Environmental Benefits

Accounting for nearly half of Washington State’s greenhouse gas emissions,⁵¹ transportation is the proverbial low hanging fruit on the road to better air quality.

“Our environmental management office did a study on what would most reduce greenhouse gas emissions and looked at a fair number of variables—telework by far, had the greatest impact and ROI given the cost,” offered a senior federal government executive in a recent survey.⁵²

Commuter travel accounts for a fifth of Thurston region’s daily traffic.⁵³ The majority of this travel is during congested hours at lower average speeds. This results in greater greenhouse emissions per trip.⁵⁴

Telework offers one of the quickest, easiest, and most effective ways to improve air quality. What’s more, unlike many other pollution reduction strategies, it’s something people are eager to do.

Table 9: Potential Annual Energy/Environmental Savings			
Scenario	30% Participation, 1 Day/Week	30% Participation, 2 Days/Week	50% Participation, 3 Days/Week
Barrels of Oil	31,934	63,867	159,668
CO2 (tonnes)	2,565	5,129	12,823

Based on the following assumptions, telework among Thurston state and local government employees could reduce CO₂ by between 2,600 and 12,800 metric tons a year (one day a week and three day a week telework respectively). That’s the greenhouse gas equivalent of planting 66,000 and 328,000 trees (see Table 9).

- Gas savings: as described in the Employee Benefits section
- GHG calculations based on EPA standards
- Air Quality factors provided by Thurston Regional Planning Council

Additional environmental savings could be achieved through reduced:

- Business travel
- Paper usage
- Printing and print renewables
- Office construction
- Parking lot maintenance
- Fleet vehicle usage
- Traffic congestion
- Use of older, less efficient equipment

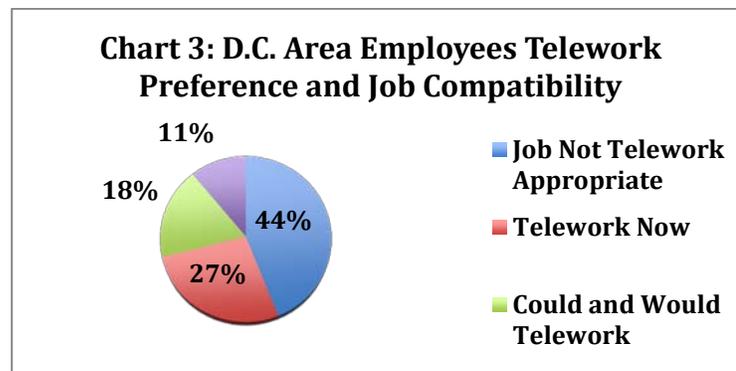
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Community Benefits

While Thurston is home to an award-winning transit agency, employees have only begun to take advantage of telecommuting and alternative commuting methods. **“By improving commuting patterns everybody wins: happier commutes, lower transportation costs and lower emissions.”**⁵⁵

Research by Commute Connections, a regional network of transportation organizations coordinated by the Metropolitan Washington, D.C. Council of Governments shows that telework advocacy can work, and it can work in government. Having supported telework for more than a decade, their latest research shows:⁵⁶

- Telework is the only regional transportation demand management strategy to have grown in share since 2000 (from 3% to 8% in 2013)
- The majority of growth has come from federal telework (from 16% in 2007 to 38% in 2013)
- More than half of regional teleworkers do so at least once a week, up from 48% in 2010
- Twenty-one percent telework three or more days a week (up from 17% in 2010)
- The average frequency was 1.4 days a week
- Only 11% of employees surveyed were not interested in telework. Fifty-six percent said their job was partially telework compatible (see Chart 3)



At the national level, in a quarter of the nation’s largest metropolitan areas, more people work at home than travel to work via public transportation, walking, taxi, motorcycle or bike.⁵⁷ Between 2005 and 2010, telework among state and local employees grew 104% and 55% respectively, far faster than any other mode of travel.⁵⁸

For communities, telework can help improve the air, reduce traffic congestion and traffic accidents, and more.

TRAFFIC

Traffic congestion stresses drivers and reduces their productivity by forcing them to leave more time for travel rather than risk being late. It reduces the reliability of transport, which can impact an organization's inbound and outbound shipments. It makes employers located in high traffic areas less attractive to employees. And it increases highway maintenance costs.

At the extreme, traffic congestion can even cause businesses to move to more commuter-friendly locations.

In terms of vehicle miles traveled, the telework savings potential for the Thurston region is between 7 and 35 million miles a year.

Fortunately, lowering traffic volume has a multiplicative impact on congestion. One study suggests that a mere 5% decline in traffic volume can cut time lost in congestion by as much as 50%. It is easy to picture this—just think about how different the commute is on a Friday at the peak of summer.

TRAFFIC ACCIDENT IMPACT

With traffic congestion comes accidents. More than a quarter of accidents occur during the commute to and from work, making it the most dangerous part of an employee's day.

Based on the following assumptions, one to three day a week telework among Thurston's state and local employers could save between \$300,000 and \$1.6 million a year in accident related costs (see Table 10, next page).

- Accident incidence based on WSDOT data
- Accident costs based on National Safety Council standards

But the cost of accidents doesn't stop at the repair shop. Other costs to both consumers and the economy include property damage, hospital and emergency care, police, fire, ambulance, tow trucks, out of pocket costs, increased insurance premiums, and productivity lost to traffic delays.

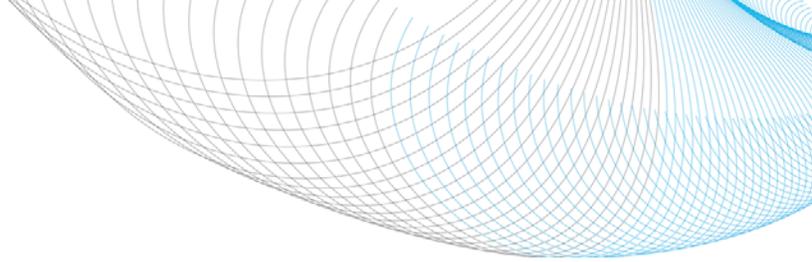
Scenario	30% Participation, 1 Day/Week	30% Participation, 2 Days/Week	50% Participation, 3 Days/Week
Vehicle Miles Traveled	7.0 Million	13.9 Million	34.8 Million
Trips Avoided	.6 Million	1.3 Million	3.2 Million

OTHER COMMUNITY BENEFITS

Beyond the community benefits quantified in this report, widespread telework could:

- Reduce the incidence of asthma and other air quality-related conditions
- Increase the life of infrastructure including roads and transit
- Reduce the outbound migration of traffic (currently at 26%)⁵⁹ and related commerce in Thurston area city, suburban, and rural areas
- Improve emergency responsiveness
- Reduce road rage
- Reduce overcrowding
- Revitalize cities by reducing traffic
- Increase productivity by reducing travel times
- Provide portable work options for military families
- Reduce the outbound migration of talent
- Raise the standard of living in rural and disadvantaged areas
- Reduce terrorism targets of opportunity
- Reduce unemployment and underemployment
- Promote inbound talent migration without adding to local population
- Further reduce travel through widespread use of virtual technologies
- Increase workforce mobility
- Leverage the investment the state has already made in providing broadband to its citizens
- Improve the quality of life for residents

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Obstacles

Of course, while the benefits of telework are extensive, there are obstacles to success. Fortunately, leading organizations have proven that they can be overcome and the results are worth the effort.

Recent headlines about the telework policy reversal at Yahoo, Best Buy, and the US Office of Personnel Management's (OPM) are a testament to the need for an intentional approach to telework.

What happened at Yahoo, Best Buy, and OPM?

Sharon Wall, Regional Commissioner, GSA Federal Acquisition Service, New England Region is noted for saying “Telework doesn't create management problems, it reveals them.” While there is much we don't know about Yahoo's decision to end telework, one thing was clear, managers did not know what their people were doing. Results-based management is the cornerstone of a successful telework initiative. That obviously wasn't being practiced at Yahoo.

Many also conjecture that the fact that both Best Buy and Yahoo were struggling financially may have created a need to “call in the troops and rally around the flag.” Some also conjecture that the policy change at Yahoo was actually intended to trim staff by inciting people to quit.

OPM's cancellation of their ROWE programs is a different story. ROWE and telework are not the same thing. ROWE is the extreme in workplace flexibility. It offers an environment where: everyone is free to work where and when they want; people have as much time off as they want as long as their work gets done; every day feels like Saturday; all meetings are optional; and more. For a ‘command and control’-based environment like OPM, it was an uphill battle from the start. An independent report prepared by Deloitte on the results of OPM's ROWE, stated that one of the problems OPM encountered was that “managers said they felt ill-equipped to measure employee's performance, reward high performers, or hold poor performers accountable.”

At Best Buy, the cancellation of its ROWE program came in the wake of a prolonged period of disastrous earnings that led to the resignation of the CEO. The new CEO felt ROWE was “fundamentally flawed from a leadership point of view.” His intent in canceling the program was to bring accountability back to the company.⁶⁰

All three cases point to the need for better management, not less telework.

Given all of this, it should come as no surprise that many of the biggest obstacles to telework center around management—something that was also noted in a survey of state telework programs conducted by Washington State University.⁶¹

Obstacles to Telework

Most people cite mid-level management resistance as the greatest reason for failure to implement telework. In a 2013 TRPC/WSU survey of other states, one respondent articulated this issue well: We need to “work with management to switch their perception and implement performance measures/management. Power and control over operation, not people.”

By far, the biggest obstacle to telework is management mistrust. Management styles that were born in the days of sweatshops and typing pools are still common today and it's time for an upgrade.

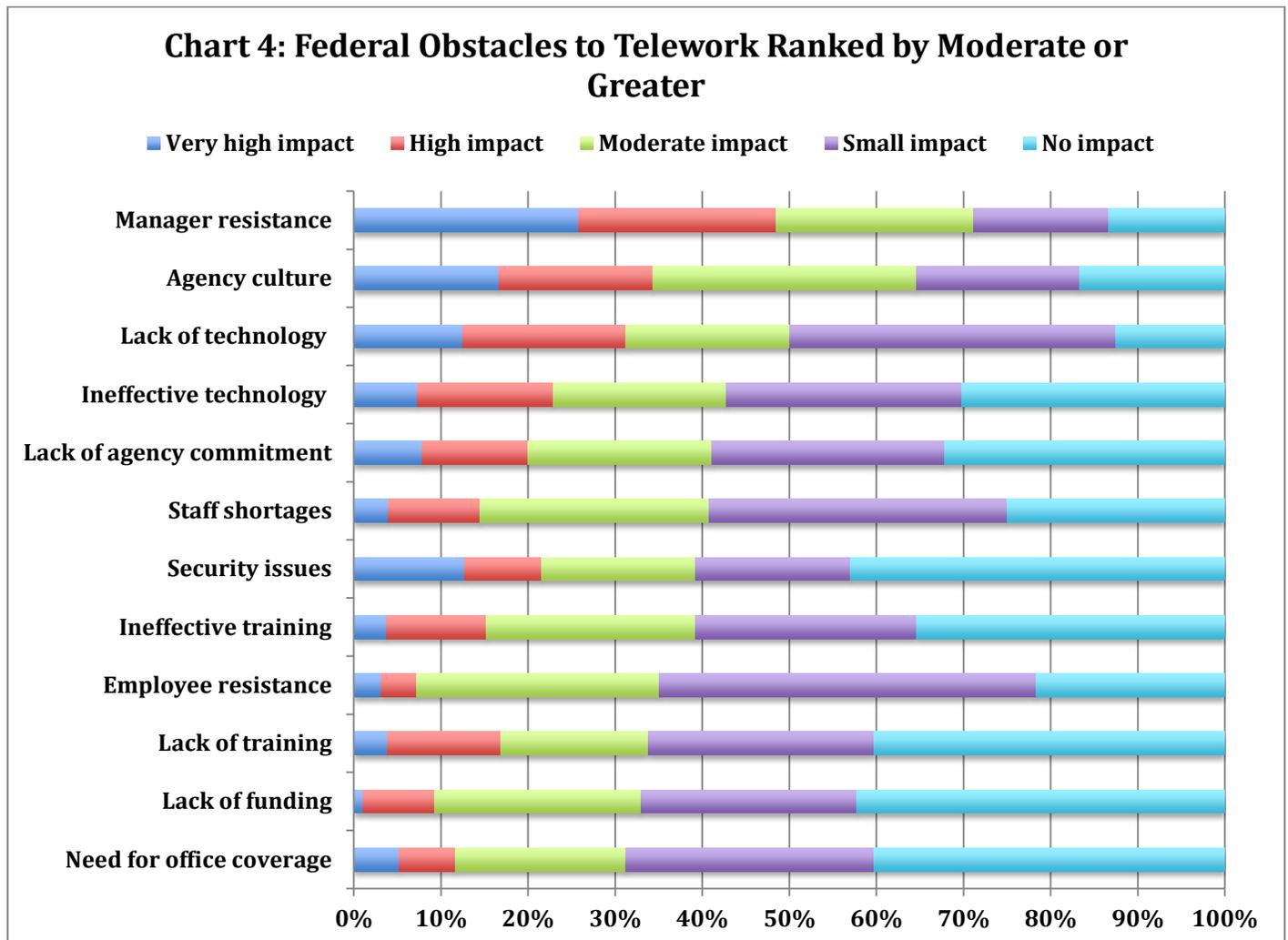
Jack Nilles, a former NASA rocket-scientist turned consultant, coined the terms telework and telecommuting more than three decades ago. He’s been fighting management pushback for decades. “The biggest barrier to telework continues to be fear. Managers are afraid that employees won’t work unless they’re watching over them, said Nilles.” He once argued with Tom Peters about Peters’ theory of management-by-walking-around. “That’s fine for crummy organizations that don’t trust their employees,” said Nilles, “but if managers establish goals and criteria for meeting those goals, they can show employees what they want and get out of their way.”⁶²

We need to “work with management to switch their perception and implement performance measures/management. Power and control over operation, not people.”

“Without a doubt, the reigning number one challenge confronting the telework initiative is the existing management culture which is still vigorously resisting changes such as telework....Most current managers were trained and excelled in operating in an industrial era workplace and now they are being asked to change ingrained attitudes and behaviors,” wrote Dr. Wendell Joice more than 12 years ago.

In government, the problem is often exacerbated by a culture that is both risk averse and “rank and file” oriented.

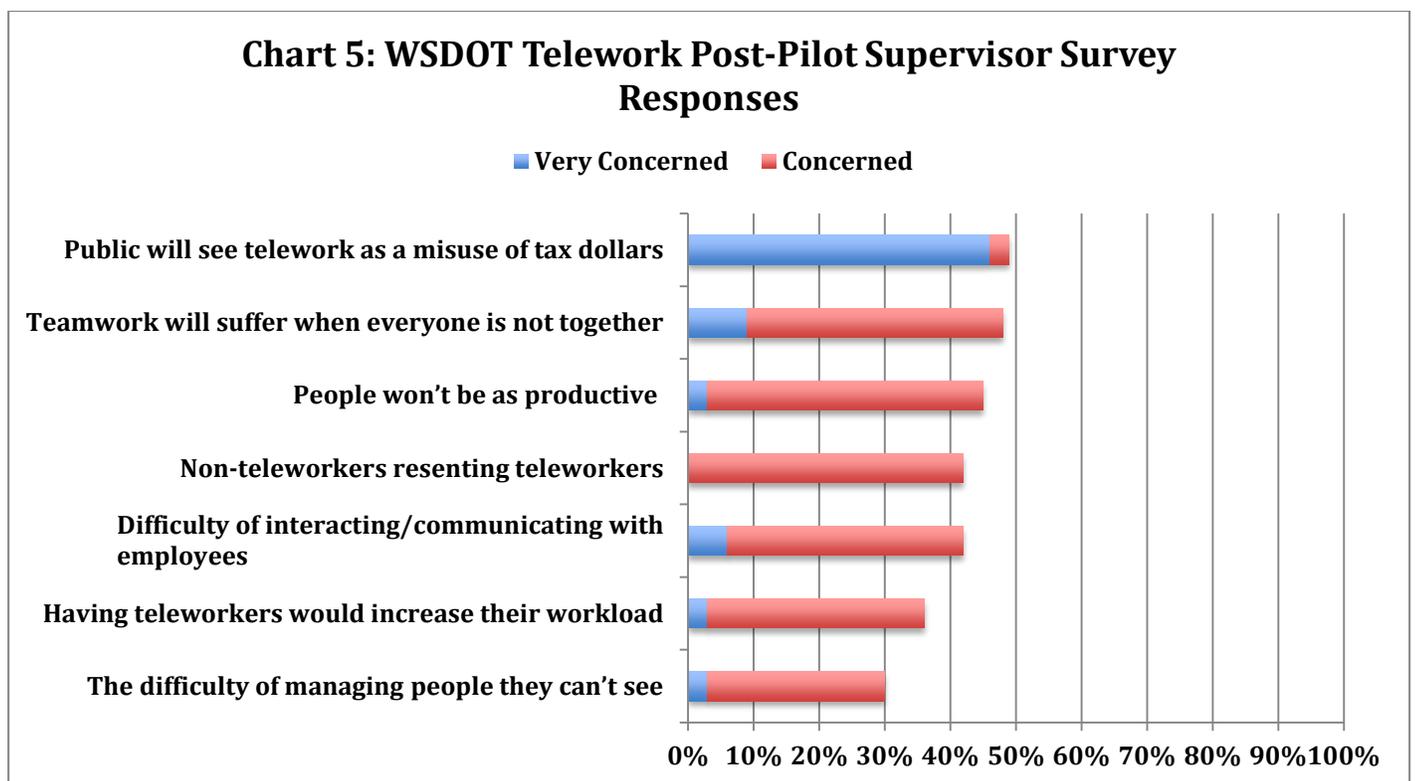
In a recent survey of federal executives “manager resistance” was ranked as the number one obstacle to telework. More than 70% of respondents said it had a moderate or greater impact (See Chart 4).⁶³



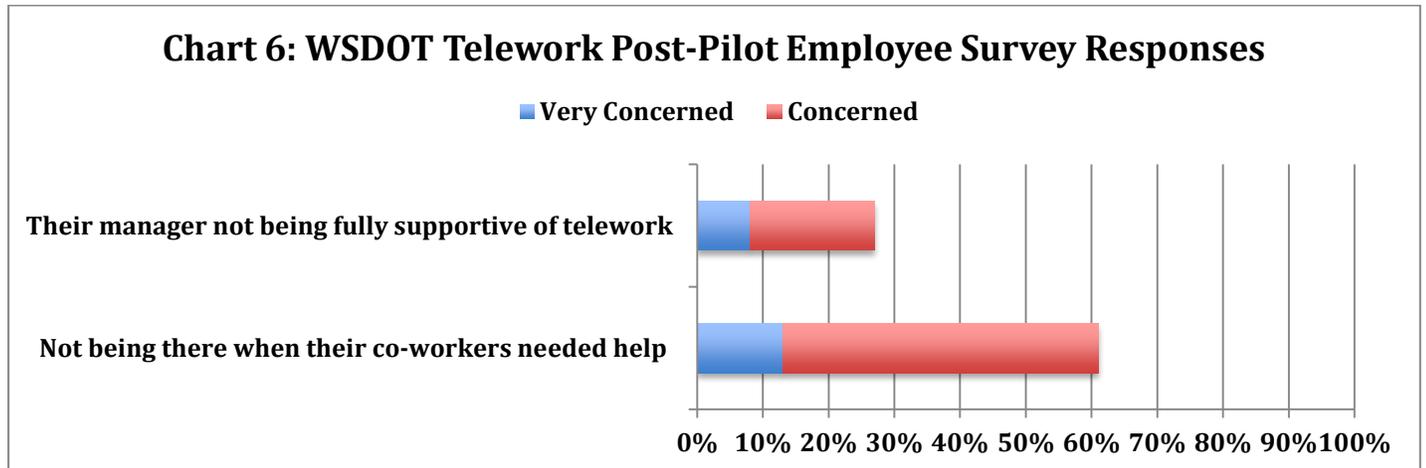
The other obstacles, shown in Chart 4, largely point to the importance of culture change, technology and commitment. Interestingly, though this survey was fielded at the depth of federal sequestration and budget woes, funding was not considered a significant issue.

A February 2013 Thurston Regional Planning Council (TRPC) questionnaire sent to high level managers about telework in Thurston County worksites revealed that nearly 65% of respondents reported perceiving telework as a potential loss of productivity due to a lack of in-person collaboration while other respondents noted that telework improves productivity. Half of respondents noted that determining eligibility to telework and managing issues of fairness gets in the way of allowing employees to work outside of the office. Maintaining data security, addressing managers' supervisory needs, public perception, and technology costs were also noted as barriers.

When Washington State Department of Transportation (WSDOT) supervisors and managers (regardless of participation in the pilot) were asked to cite their degree of concern on a list of issues related to telework, the number of and intensity of manager concerns were far greater than those of non-managers (see Chart 5).⁶⁴



By comparison, only one of the concerns posed to non-managers, not being there when their co-workers needed help, was by more than 30% of respondents. Though unsupportive management drew the next highest level of articulated concern, cited by 27% of non-managers (see Chart 6).⁶⁵



While employee concerns about telework are often given as a disincentive to telework, less than 20% of those who responded to WSDOT’s multiple choice survey indicated a concern about:

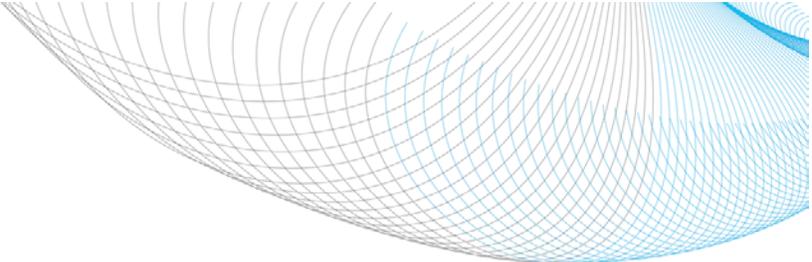
- Co-worker jealousy
- Not being able to socialize with co-workers
- Being passed over for promotion
- Feeling isolated
- Becoming a workaholic
- Difficulty communicating with supervisor
- Being distracted at home
- Being less productive at home

While the small sample size makes it difficult to draw any significant conclusions about the difference in concerns before and after the pilot, there were a few standout changes in the manager concerns. Those with at least a 10-percentage point difference are shown in Table 11.

Table 11: Significant Changes in the Level of Concern Among Supervisors, Post vs. Pre-Pilot Survey		
Concern	Percentage Point Change Very Concerned	Percentage Point Change Somewhat Concerned
Refusing telework for some may could be bad for morale	Down 13	Up 9
Teamwork will suffer	Down 7	Down 6
Difficulty interacting/communicating with employees	Down 4	Down 22
Security concerns	Down 10	Up 6
Difficulty evaluating teleworkers	Down 6 (to zero)	Up 14
Teleworkers won't be as productive	Down 4	Down 18
Having teleworkers may increase my workload	Down 13	Up 8
The public seeing telework as misuse of tax dollars	Down 16	Up 13

Research consistently shows that managers gain comfort with telework once they have experience with it.

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Best Practices

The biggest lesson from industry leaders is that organizations need to be intentional about their programs. They need to make them happen, not just let them happen. That requires organizations to:

1) Make the commitment

If senior leadership is ambiguous or ambivalent, the program is doomed.

Once you have top-level endorsement, that commitment needs to be communicated clearly and continuously throughout the organization because middle managers need to be on board too.

The entire organization has to commit to seeing work as what gets done—instead of where, when or how it's done.

2) Recruit champions

In the most successful implementations, there is a passionate die-hard champion who's not afraid to swim against the current. They're the go-to person on all-things telework; someone people trust and are comfortable with who can gently shepherd the process and enlist allies to help the others along.

3) Involve constituents

Telework has implications for an entire organization so it needs to involve all the constituents early on. While one group might initiate the telework program based on a pain point—HR if it's turnover, RE if it's reducing space, Finance if it's saving money—the others will play a critical role in the process.

4) Establish goals

Just like the individual goals, your program goals should be SMART / SMARTER (Specific, Measurable, Attainable, Relevant, Time-bound and Evaluate, Reevaluate. And everyone needs to understand the role they play in meeting them.

5) Make it personal

Regardless of who you are working with in an organization, from the lowest-paid to the highest paid person, people need to be personally motivated to change. They need to be internally, versus externally driven. They need to understand what's in it for them and how it is going to impact their lives.

6) Make it formal

About 70% of telework is done on an *ad hoc*, informal basis. That's risky and inefficient.

But too much formality can be just as bad, you need to find that just right balance that ensures transparency, fairness, and effectiveness and still protects the parties in terms of liability, security, and other risks.

7) Communicate

Communicating clearly and regularly is essential with a remote workforce.

Sad to say, only about a third of employees working at a distance think their managers are good at communicating effectively, but high performing distance managers are really good at it—they're rigorous communicators.

8) Inform

People don't like change and they don't like surprises. Bring them into the process early. Make them part of the change. Keep them informed along the way. Celebrate your wins and acknowledge your mistakes.

9) Educate

Even tech giants like Citrix, Cisco, AT&T and many others have learned—the hard way—that the biggest challenge in making workplace changes work is cultural. Training can go a long way to making that shift.

In a survey of federal telework leaders, every category of training was rated as important or very important by at least 75% of respondents. The need for manager training was rated important or very important by nearly 100% of respondents.⁶⁶

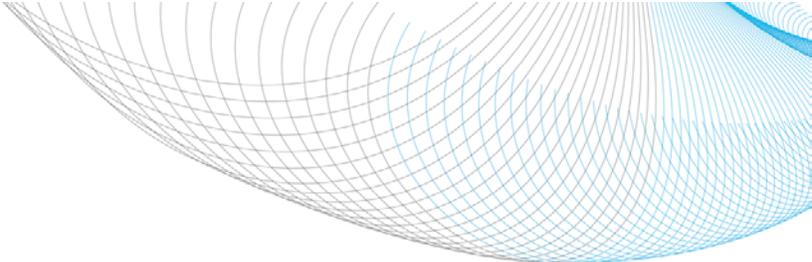
- How to Manage Teleworkers
- Culture Change
- Managing by Results
- Using Technology
- Being an Effective Teleworker
- Security Protocols
- New Office Concepts
- Non-Teleworker Training

10) Follow the leaders

There is no need to reinvent the wheel. Much can be learned about what works and what doesn't from public and private sector organizations that have pioneered telework. Some are listed in the Resources section of this paper.

11) Measure and refine

Decide from the onset what you are going to measure—absenteeism, customer service ratings, office expense, and so forth. This is important for many reasons. It will help you measure the return on investment of your program. It will show what is working and what is not. It will help you defend your program if at some future time a change in management or administration questions the program. And, it will help inform the public on the how telework in government is benefiting them.



Recommendations

More than a decade ago, the Washington State Department of Transportation commissioned Washington State University Extension's Energy Program to complete research resulting in a report called *Perspectives on Successful Telework Initiatives*. The contributor list reads like a “who’s who” in telework—the people who pioneered the concept—many of whom are considered the top experts even today. The report predicted: “. . . **the evolution (of telework) will continue towards programs that focus on opportunities to improve work processes that lead to more competitive, best practice organizations. For these organizations, telework is becoming transparent—it is just how they do business.**”⁶⁷

Whether the goal is saving money, saving the planet, or saving the state’s future, Washington State and Thurston region state and local government need telework and they need it yesterday.

There is no need to reinvent the wheel. Best practices, culled from over three decades of experimentation are available from around the world and even from within Washington state government. Indeed, at the conclusion of his recent North American tour, Paul Weller, Chair of the Regional and Rural Committee of the Parliament of Victoria (Australia) expressed his gratitude for the insights he gained from his visit to the Thurston region:

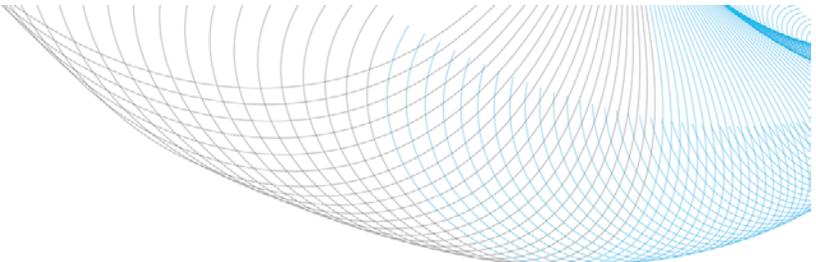
During our North American study tour visit to the Thurston Region in May 2013, we were so impressed with the tremendous partnerships and progress in both urban and rural areas regarding telework and e-business. The strategies and best practices that we saw being implemented in rural and regional areas of Washington are helping shape our efforts to increase remote work and electronic commerce for rural and regional Victoria, Australia. Many valuable lessons were learnt by the Committee about how to increase take up of telework and electronic commerce opportunities, through the insights provided in our meetings in Thurston County.

Based on the business case presented in this report, we recommend that Thurston government aggressively pursue telework and proceed quickly to:

- **Secure leadership support through:** reissuance of a Governor’s Telework Executive Order (based on lessons learned from the U.S. Telework Enhancement Act and others), issuance of relevant legislation, and advocacy from top and middle management within agencies.
- **Form an interdepartmental team** to: champion telework, establish specific participation goals, establish guidelines for setting qualitative and quantitative goals and success measures, ensure cooperation from managers and leaders, help integrate telework into strategic initiatives in a way that ensures efficiency and effectiveness, result in a workplace/workforce that is resilient, agile, and mobile.
- **Assess the current state of telework by:** inventorying existing telework programs and support structures, assessing technological and cultural readiness, and identifying telework potential within individual agencies.

- **Provide a mechanism for initial and ongoing support for:** outreach, training, data collection/analysis/reporting, sharing successes, and addressing technology needs.
- **Leverage its investment in telework by:** sharing resources it develops and publicly advocating for more telework among statewide public and private sector employers.

Economic, environmental, and societal realities demand immediate action. *Status quo* is not an option if the Thurston region is to prosper in years ahead. The business case for telework is made. The expertise to make it work is in hand. What is needed now is bold leadership that's committed to making the road less traveled the way to work.



Resources

[Federal Telework: Obstacles and Opportunities](#), Global Workplace Analytics white paper, 2013

[Federal Telework—Return on Taxpayer Investment](#), Global Workplace Analytics white paper, 2013

[The State of Telework in the US](#), Global Workplace Analytics white paper, 2011

Global Workplace Analytics' [Telework Savings Calculator™](#), [Federal Telework Savings Calculator™](#), and [Employee Telework Savings Calculator™](#)

[Results-Based Management: The Key to Unlocking Talent and Increasing Productivity](#), Global Workplace Analytics white paper, 2010

[Naming & Taming Telework Dragons](#), a 30-minute webinar about various telework challenges

[Washington State Department of Transportation \(WSDOT\) Telework Case Study Webinar](#), 60 minute overview of WSDOT's program

[Working from Home—Only in a Land Far, Far Away?](#) Blog by Thurston Bigfoot, Your Guide to getting from here to there in Thurston County WA

Thurston Regional Planning Commission [“Changing the Way We Travel”](#) program

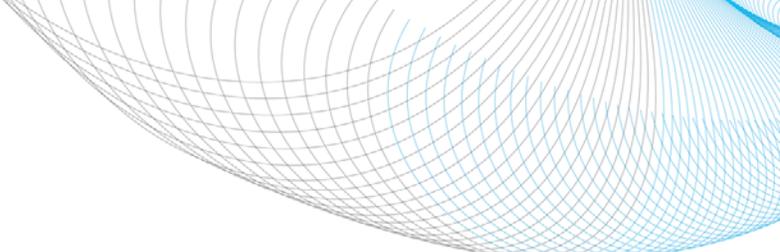
[U.S. Federal Government Telework Web Site](#)

[The State of Telework in State Governments](#), August 1, 2011

[WSU Extension Program for Digital Initiatives Web site](#)

[Perspectives on Successful Telework](#)

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Kate Lister

Kate Lister is the president of [Global Workplace Analytics](#), an independent research and consulting firm that specializes in making the management case for emerging workplace trends such as telework, office hoteling, and flexible work.

Her organization's proprietary Telework Savings Calculator™ and Workplace Savings Calculator™ have been used by hundreds of organizations to estimate the triple bottom line impacts of emerging workplace strategies. Their research has been cited in the Wall Street Journal, Harvard Business Review, the Washington Post, and hundreds of other publications.

Under contract with e-Work.com, a leading producer of web-based training for new workplace strategies, Kate co-authored a web-based course called “The Case For Change.” e-Work.com's training has been used to train over a hundred thousand employees worldwide, including many in government. It has received satisfaction ratings of over 97% from its Federal GSA participants.

Kate has created and delivered workshops and webinars for organizations including U.S. General Service Administration, USDA, FDA, WorldatWork, the Society for Human Resource Management, Citrix, WorkshiftCalgary, and many others. She has authored industry-sponsored white papers on results-based management, emerging workplace strategies in the U.S., U.K. and Canada, and numerous related topics.

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Tom Harnish is Senior Scientist and head of the Telework Research Network, the research arm of Global Workplace Analytics.

Tom's expertise lies in remote work research, emerging trends, and futures forecasting. He was a carrier-based Navy flyer, taught information management to senior military and government executives in Washington. He managed projects as a Consulting Scientist at Booz Allen & Hamilton, lead brilliant hardware and software engineers as Senior Scientist at the Online Computer Library Center (OCLC), and inspired five of seven innovations cited in the company's annual report as a Division Director at Reynolds and Reynolds. A serial entrepreneur, he has started a number of successful and not so successful companies.

Kate and Tom have co-authored three business books, all published by John Wiley & Sons. Their most recent, *Undress For Success—The Naked Truth About Making Money at Home*, was a popular press book aimed at empowering employees to negotiate, find, or create home-based work opportunities.

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About the Sponsor

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Endnotes

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- ³ American Community Survey, US Census Bureau, 2011
- ⁴ Federal Telework: Obstacles and Opportunities, Kate Lister and Tom Harnish of Global Workplace Analytics, Fall 2013
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