Flexible Telework

Cultural Change Afoot in the Workplace

September 2008

MITEL

Introduction

In the face of rising energy prices, globalization, and competitive differentiation, there has been a quiet revolution in the way organizations and employees are revisiting the notion of teleworking. Recent advances in voice and data are re-defining the very nature and form of work. Traditional work day activities are no longer tied to a specific time or location. In this new corporate scenario, employees across internal departments can now work collaboratively and access corporate knowledge distributed across remote locations – be it from home or across the globe.

Reducing overheads, improving customer satisfaction, increasing productivity and staff retention are the core business benefits that stem from flexible teleworking. However, companies are also starting to recognize that their environmental responsibilities can also be addressed, with teleworking helping to decrease North Americas ever burgeoning traffic congestion, air quality problems and cut carbon emissions.

"Working from WHERE Today?"

Telecommuting or telework is an alternative work arrangement where employees enjoy flexibility in working location and hours. Within the flexible telework context, the daily commute to a central place of work is replaced by telecommunication links. Many employees work from home, while others, occasionally also referred to as web commuters, utilize mobile telecommunications technology to work from coffee shops or myriad other locations.[1]

The idea of avoiding the daily commute to work is not a new one. The number of Americans whose employer allows them to work remotely at least one day per month increased 63 percent, from 7.6 million in 2004 to 12.4 million in 2006. In total, teleworkers working remotely at least one day per month has risen 10 percent from 26.1 million in 2005 to 28.7 million in 2006.[2]

Based on government estimates of 149.3 million workers in the U.S. labor force, the 2006 data means that roughly 8 percent of American workers have an employer that allows them to telecommute one day per month and roughly 20 percent of the workforce engages in telework. The rising trend in the past two years is likely a combination of factors, including the proliferation of high speed / broadband and other wireless access (which has made it both less expensive and more productive to work remotely) and the willingness of more employers to embrace flexibility and work-life balance.

The recent increase in teleworking has been attributed to a number of factors including the advent of new voice and data applications and devices (i.e softphones, PDAs, IM, web based audio and video conferencing), a shift in demographics from next gen X and Y workers and a retiring employee knowledge base who are looking for flexible work, and increasing concern for the environment.

[1] Nilles, Jack M. (1998). Managing Telework: Options for Managing the Virtual Workforce, John Wiley & Sons
[2] WorldatWork" (February 2007). "Telework Trend Lines for 2006". Based on data collected by The Dieringer Research Group

Corporate Challenges

Despite the rise in telecommuters, widespread acceptance of telework as a common business practice has been hindered by the following two top of mind concerns: employee productivity and network security.

One of the main barriers to telework has been management trust issues of employees working from home. According to a recent Mitel® research survey[3], the phrase "I'm working from home today" strikes fear into one in five (21%) managers who hear "Im taking it easy today". In fact, over a third (37%) of managers feel that if allowed to work from home, staff will use working hours to carry out personal activities, such as taking a longer lunch, while 30% believe employees will use the time to arrange their social life.

A common misperception is that telework is a fulltime arrangement. According to a meta-analysis of 46 telecommuting studies done by Journal of Psychology (2007), only 10 percent of telecommuting employees are involved in full-time arrangements. The typical telework schedule tends to be one to two days a week[4].

The research reveals that when it comes to attitudes towards teleworking, nearly one in five (18%) employees would like the opportunity to work from home two days a week, and that over half (55%) believe it is an acceptable option for any level. Two thirds (68%) of employees believe that by working from home they would actually take a more flexible approach to work, enabling them to be more productive (41%), and end up working longer hours (28%).

Psychologist and employee productivity expert, Dr David Lewis, said: "Managers must understand that every individual has a different style of working, so by allowing your staff to work how they feel best able to achieve results can only benefit their wellbeing and most importantly increase their productivity and ultimately customer service. It comes down to a matter of trust. If you trust and respect your employees to get the job done, they will trust and respect you in return and do the best they possibly can, regardless of whether they are in the office or not.

Security and confidentiality

In a 2008 Telework survey (CDW)[5], 42 percent of Federal government and 27 percent of private sector IT professionals cited security as one of their top concerns. They are concerned it will introduce additional risks to their organizations data and network based assets. In all cases, companies were taking steps to ensure there are security procedures in place so that teleworkers can connect securely to the corporate network. Some of the strategies undertaken to ensure network security include using proper user authentication, undertaking on-going vulnerability assessments to ensure all points of the network are covered, monitoring and tracking remote access user activity, and ensuring network resiliency and redundancy.

[3] SOM Research (April, 2007). "Telework and the Environment." Mitel.

[4] Ravi S. Gajendran and David A. Harrison (2007). "The Good, the Bad, and the Unknown About Telecommuting: Meta- Analysis of Psychological Mediators and Individual Consequences." Journal of Applied Psychology. Vol. 92, No. 6, 1524–1541

[5] CDW (March 31, 2008). "2008 CDW Telework Report: Feds Stuck in Second Gear: Private Sector Puts the Pedal to the Metal".

Benefits of Telecommuting

The benefits associated with teleworking fall in three categories: employee, company, and societal benefits. Employee related benefits are direct in terms of providing work life flexibility, reduced personal costs (fuel, work clothing), and zero commute times.

The benefits which companies derive from offering telework as an option are both qualitative and quantitative in nature. Benefits associated with telework range from a component in an overall corporate business continuity strategy, increases in employee productivity, to serving as a motivational tool to recruit and retain key talent.

Telework as a Business Continuity Strategy

Teleworking provides companies with a back up strategy to continue business operations given that telework employees are geographically distributed, that distribution provides a certain degree of resiliency. Teleworking enables continuity of operations during local weather disturbances or traffic congestion which prevents employees from being able to reach a central office location. It can also come in to play as a back up strategy in rare disaster / emergency health situations like a hurricane or an influenza pandemic.

Generating Operational Cost Efficiencies with Telework

As companies look for ways to generate cost efficiencies, telecommuting has been highlighted as a way to reduce real estate costs by decreasing overall office space requirements particularly in cities like New York and San Francisco where per square foot rental costs are very high. According to the U.S Telework Coalition (TelCoa)[6] companies who offer telework as an option are realizing average annual cost savings of $3,000 to $10,000 per employee. Two organizations in the TelCoa benchmarking survey reported annual cost savings of roughly $200 million related to real estate reduction through telework.

Increasing Employee Productivity through Telework

Productivity measures are an important aspect when it comes to the success of any business. According to a US Census Survey (2006)[7] the "average" teleworker can save 46.31 minutes a day by staying home and working. Studies looking at the impact of telework on employee productivity demonstrate increases from 10 % to 40%[8]. Productivity gains have been attributed not only to decreased commute times, but to less stress, less distraction, and the ability for workers to manage their time better. To a large extent, employees translate the saved commute time to additional working hours.

[6] The Telework Coalition (2006). "Telework Benchmarking Study: Best Practices for Large Scale Implementation in Public Sector and Private Organizations"
[7] U.S. Census Bureau (2006). "2006 American Community Survey: Mean Travel Time to Work".
[8] Crandall, W.; Gao, L. (2005). "An update on telecommuting: review and prospects for emerging issues." SAM Journal of Advanced Management.

Telework as a Tool to Recruit and Retain Key Talent

Increasing fuel costs combined with worsening traffic has begun to prompt employees to look to their companies to provide relief and in some cases think about changing jobs to improve their commutes. A recent BusinessWeek survey (2008) found that 48 percent of employees say their commute is getting worse. Further, 65 percent of employees say they expect their companies to step up and take the lead in easing their commuting difficulties.[9]

Teleworking directly impacts job satisfaction in terms of less motivation to leave the company, less stress, improved work-family balance, and higher performance ratings by supervisors. In a survey conducted by CitrixOnline[10], employees placed a higher relative value on telework ahead of stock options and on-site child care.

The Zero Commute

Advanced communication and collaboration technologies (soft phones, audio and video web conferencing, IM, high definition web conferencing, etc.) not only provide companies with a means to gain cost efficiencies but also provide a mechanism to lower their day-to-day carbon footprint in terms of decreased employee commuting and corporate travel. Since telework is a zero commute activity, it also helps in alleviating heavy traffic congestion during peak hours. A study commissioned by George Mason University found that traffic delays would drop by 10 percent for every 3 percent of commuters who work at home.

Transportation is the largest contributing end-use sector to total emissions. Since 1990, carbon dioxide emissions related to the transportation sector have increased at an average annual rate of 1.5 percent according to the U.S. Energy Information Administration. The growth since 1990 has meant that transportation emissions have increased by 391.8 million metric tons, representing 41 percent of the growth in unadjusted energy-related carbon dioxide emissions from all sectors.

Businesses contribute to transportation emissions through employees travelling on business, distribution and transportation of goods, employee commuting and other fleet operations. U.S. Environmental Protection Agency figures indicate that if just 10 percent of the nations workforce were to telecommute just one day a week, Americans would conserve more than 1.2 million gallons of fuel per week.

At Mitel, nearly 40 percent of our North American employees telework, with each mile not traveled between home and work saving on average 1.1 pounds of carbon dioxide from being released into the atmosphere. By encouraging the use of our unified conferencing and collaboration software we reduce not only our overall travel costs, but also 0.57 lbs of CO_2 per mile, per employee from being emitted into the atmosphere every time these tools are used instead of traveling to a meeting.

[9] July 23, 2008. "Employees Frustrated With Long Commutes". Environmental Leader. http://www.environmentalleader.com/2008/07/23/employees-frustrated-with-long-commutes/

[10] Citrix(2007). "Resolve to Telecommute or Web Commute in 2008". http://www.citrix.com/English/NE/news/news.asp?newsID=745713

With high speed broadband currently accounting for 90 per cent of all household internet connections, and a wealth of telecommunications technologies, such as IP telephony now an affordable business standard for seamless connectivity to the office, the technology to enable home working is now more sophisticated than ever.

Through the use of virtual teams using instant messaging to communicate, having the ability to set up video and conference calls and share documents from the network, there is no need for employers to panic that people working from home or outside the office cannot contribute to the business as a fully functioning member of the team.

Flexible working practices are becoming an integral part of a successful business strategy and can be a critical tool not only in improving the bottom line but also as a starting point to decrease corporate cabon footprint.

MedQuist and Mitel: Creating a Virtual Workplace

MedQuist is the worlds largest medical transcription company. Founded in 1970, its based in Mt. Laurel, New Jersey, with two other large offices in Georgia. The company employs more than 8,000 medical transcriptionists (MTs), all of whom work from home, as well as 3,000 corporate employees nationwide. In the clinical documentation workflow, they provide—in addition to medical transcription technology and services—digital dictation, speech recognition, electronic signature, and medical coding technology and services.

As MedQuist grew, so did their communications and real estate costs. With 130 service centers, multiple accounts and billing, contacts and escalation points, disparate communications systems, structural cabling costs, and real-estate expenses, the companys legacy communications system was becoming difficult to manage and its bottom line was suffering.

MedQuist needed to identify where the greatest cost savings could be realized, short of adjusting their work force. A new, long-range strategy had to be created to meet the growing needs of their customers without opening more service centers and accumulating real estate costs. The company wanted to attract the most qualified employees regardless of whether they lived near a service center.

"Mitel's Teleworker and Collaboration solutions have enabled us to interact with our employees, monitor their progress, and maintain cohesive communications. The Mitel system gives us and our employees a virtual and visual presence and availability at all times, and it even allowed us to dramatically reduce our real estate costs and make a contribution to lowering our carbon footprint."

– Lauren Johansson, Manager of IP Telephony Services, MedQuist.

Mitel delivers flexibility and simplicity in smart unified communications solutions and applications for organizations of all sizes. Mitel is reinventing how successful organizations gain competitive advantage by easily collaborating and communicating over distance and time with customers, colleagues and partners.

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GD 734_2591