

# CORNELL HR REVIEW

## TELEWORK IS WORK: NAVIGATING THE NEW NORMAL

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Over the past couple of decades, multiple factors have conspired to loosen the ties that once bound workers to their cubicles and 9-to-5 schedules. The practice of teleworking--also known as remote working or telecommuting--has been growing for years, with recent polls putting the proportion of teleworkers at 37% in the U.S.<sup>1</sup> Telework isn't so much a trend as it is the next stage in the evolution of the "normal" workplace. The standard style of teleworking has lately shifted from an after-hours supplement to the normal workday to a substitute for physically working at the office.<sup>2</sup> Telework's continued prevalence seems likely given recent polls showing that employees of all ages value flexibility above pay and promotion and younger workers in particular view work as a "thing" rather than a place.<sup>3</sup> Telework is a difficult issue for HR to develop policies around because the impacts of teleworking on the organization and individual worker are not yet clearly defined. This article will explore key teleworking outcomes thus far and propose strategies for HR managers to use when evaluating and implementing telework policies.

### **Benefits and Drawbacks of Telework**

It is important for managers to understand how telework affects individual workers and the organization as a whole. Decades of telework-related studies have yielded useful insights on both the positive and negative effects of telework across multiple organization types.

#### *Teleworkers Are Better Off*

Teleworkers seem to be psychologically better off than their office-working counterparts. They view their work in a positive manner<sup>4</sup> and are less stressed, more satisfied<sup>5</sup> and not as prone to seeking new jobs.<sup>6</sup> Teleworkers are also better able to manage their work-family balance<sup>7</sup>, an issue that has lately come to the forefront of the work culture conversation.

#### *Organizations Benefit Too*

Telework is a win for organizations, especially when it comes to engagement and turnover measures. Teleworkers are slightly more engaged than their office-working counterparts<sup>8</sup> suggesting that pervasive fears of disinterested, disconnected teleworkers are unfounded. Another organizational benefit appears to be lower turnover. When Chinese travel website Ctrip experimented with allowing telework, they found that the teleworking group experienced half the turnover rate of the in-office group.<sup>9</sup>

### *Teleworking is Not-So-Splendid Isolation*

The solo work environment that leaves some teleworkers feeling positive and satisfied may also leave them feeling isolated. Curiously, after the conclusion of the aforementioned CTrip study, 49% of employees who had teleworked opted to come back to the office, despite the positive outcomes and individual employee savings in commuting time and cost. The major reason given for this was the loneliness of working from home and the lack of opportunities to socialize in the office and after work.<sup>10</sup> High-intensity telecommuting is indeed associated with deterioration of relationships between coworkers<sup>11</sup> and professional and social isolation.<sup>12</sup> This should be noted by organizations as a major obstacle to successful teleworking programs.

### *Teamwork May Suffer*

Telework may inhibit the productivity of teams through isolation and the creation of social barriers. A study at MIT found that 35% of the variation in a team's performance can be accounted for by the number of face-to-face interactions and that teams that speak mainly via telephone make poorer decisions overall.<sup>13</sup> Teleworkers have been shown to exchange information less frequently than office-based employees<sup>14</sup>, and tend to communicate primarily via email or phone, both of which could hinder performance. Additionally, there's evidence to suggest that telecommuting creates in-group/out of group biases<sup>15</sup> that could socially frustrate teams.

## **Strategies for Organizations**

Translating telework-related research findings into practical strategies can be difficult given the wide variety of experimental environments and conclusions. Having said that, the clear patterns noted above provide guidance for HR managers when evaluating and implementing telework programs.

### *Finding the Right Mix*

An evaluation of telework must start with an evaluation of the organization. Though telework has many benefits, its ultimate implementation should be dictated by the needs of the organization and employees. For example, organizations that engage in heavy R&D may choose to limit teleworking in order to preserve creativity-inducing face-to-face interactions.

Workers are an important source of input when evaluating telework policies. Workers given an option between office or teleworking display higher levels of organizational commitment<sup>16</sup> and some may wish to experiment with schedules in order to find their balance. HR should promote flexibility within boundaries and continue to adjust policies on frequency, location, and permissibility as the practice of telework matures within the organization.

### *IT Investment is a Prerequisite*

A commitment to telework is a commitment to IT investment. For workers who do not come into the office, an organization's technology suite acts as company culture and office space rolled

into one. Organizations that seek to provide modern, functional workspaces and an inspirational culture for employees in the physical office must be financially and operationally ready to follow suit when it comes to technology.

HR's role in the IT challenge can be broken down into the two parts. The first is ensuring that both IT manpower and employee training are sufficient to support more teleworking employees, especially if fully remote, high-intensity teleworkers are part of the mix. The second is setting standards for communication cadence and appropriate channels across the organization. An important component of this is encouraging managers to set clear team expectations that are in-step with organizational goals, team goals, and team work styles. Successfully navigating IT-related challenges will ensure that remote workers and in-office workers are equally in the loop and accountable.

### *Solving Social Isolation*

Organizations considering high-intensity telework must be ready to mitigate the isolating effects of telework and actively foster idea exchange. For organizations with mostly local employees, setting certain in-house workdays or mandatory meetings at the office may help workers get the best of both worlds. Team building social events and off-sites may also be considered.

For organizations with completely remote, far-flung workforces, curbing isolation and fostering idea exchange may be more of a challenge. Video conferencing setups and regular meeting times may be helpful for increasing quality interactions. Organizations should also investigate purchasing memberships in shared or "co-working" workspaces for remote employees. These spaces have become popular with sole proprietors and remote workers who desire an office-style social experience. In addition to curbing loneliness, this can be a great way to expose the worker and organization to external sources of ideas.

### *Encouraging Best Practices*

There is a learning curve associated with teleworking for individuals<sup>17</sup> and it's not a stretch to imagine that the organization may face a similar learning curve. HR should commit to measuring outcomes and gathering feedback on the teleworking program from the start. Such data will allow for the formulation of best practices that can then be used to train potential teleworkers. This will shorten the learning curve for workers and the organization as a whole.

## **Telework is Equal Work: A Necessary Cultural Shift**

Workplace culture lags behind reality when it comes to teleworking. Social presence—physically "being there"—is still a huge part of corporate culture<sup>18</sup> and it's been found that telework has a significantly negative impact on worker advancement.<sup>19</sup> For an organization to successfully integrate telework into its operations, it must commit to viewing telework and in-office work as equally valuable.

Organizations seeking to unlock the full potential of teleworkers or encourage teleworking for economic reasons should be wary of policies and management practices that discriminate against

teleworkers. Once the organization has set telework policies, HR should lead the way in reevaluating performance review and promotion criteria from the teleworker's point of view in order to weed out any biases. Finally, organizations should continue to collect data on the performance and advancement of teleworkers in order to understand turnover, performance, and career trajectory trends over the long term.

## Conclusion

Telework is the next stage in the evolution of the workplace, powered by technology, embraced by forward-thinking organizations, and demanded by workers seeking flexibility. Organizations considering or reevaluating telework policies should first look to organizational goals, employee perspectives, and best practices to help set boundaries and manage downsides. Managers should also understand that telework best practices are neither one size fits all nor eternally valid. Continuous evaluation will be necessary as organizational, cultural, and technological environments evolve. X

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<sup>1</sup> Jones, J. (2015, August 2015). In U.S., Telecommuting for Work Climbs to 37%. Retrieved March 30, 2016, from Gallup.com: <http://www.gallup.com/poll/184649/telecommuting-work-climbs.aspx>

<sup>2</sup> Jones, J. (2015, August 2015). In U.S., Telecommuting for Work Climbs to 37%. Retrieved March 30, 2016, from Gallup.com: <http://www.gallup.com/poll/184649/telecommuting-work-climbs.aspx>

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<sup>5</sup> Bloom, N., Liang, J., Roberts, J., & Zhichun, J. (2013, March). Does Working From Home Work? Evidence from a Chinese Experiment. Retrieved March 30, 2016, from NBER.org: <http://www.nber.org/papers/w18871.pdf>

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<sup>10</sup> Bloom, N., Liang, J., Roberts, J., & Zhichun, J. (2013, March). Does Working From Home Work? Evidence from a Chinese Experiment. Retrieved March 30, 2016, from NBER.org: <http://www.nber.org/papers/w18871.pdf>

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