



# MANAGING OFF-SITE STAFF FOR SMALL BUSINESS

Lin Grensing-Pophal, SPHR

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# NOTICE TO READERS

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# FOREWORD

There's a wonderful old Dilbert comic strip in which Dilbert is meeting with the owner of a small business with which Dilbert's firm is forming a strategic alliance. Dilbert comes in with a very thick binder in his hands and tells the other man that the binder contains the procedures his company uses for project management. Dilbert then says, "I guess a small company such as yours is used to flying by the seat of your pants." The small-business owner replies, "Not exactly," prompting Dilbert to ask, "You mean you're flexible?" which draws the reply, "I mean I'm not wearing pants."

When it comes to implementing telecommuting, there is quite a collection of policies, guides, training programs, and all other kinds of resources available in books and on the Web — but most of them are directed at the large organizations that are typical of where telecommuting got its start.

(An aside: It is now time, in my view, to attach an asterisk to the word "telecommuting" or otherwise indicate that we have seen the beginning of the end of "telecommuting" as it was once known. It was a great term when it was coined by Jack Nilles in the mid-1970s but we are, as this book will show you, far beyond the "gee, isn't it cool to be able to work at home" stage. We have, finally, reached the point that

I and many other predicted and hoped for: the day when we begin to simply talk about “work” as an activity without segmenting it according to where it is being done.)

There’s nothing wrong with those procedures and manuals — in fact, most of the problems I see when companies try to implement telecommuting arise when they ignore the practices and knowledge that have developed and accumulated in the last 35 years.

The small-to medium-size organization has, unfortunately, been largely ignored in this scenario. As the Dilbert comic suggests, smaller firms aren’t generally as likely to have those six-inch-thick binders and multi-page policies and procedures. But that doesn’t mean the smaller firms don’t have the need for the same kind of guidance as do the big firms that prepare those behemoth policies.

That’s why this book is such an important resource. It bridges the gap between the unique needs of the smaller-business employer and the knowledge base and resources typically available to much larger firms. Most important, this book will inform your thinking about the many ways in which work gets done (and done well) independent of location and, in some cases, independent of organizational boundaries. There really isn’t a great deal of difference in how telecommuting can be used in smaller firms — the difference comes about because smaller firms just don’t have the internal staff, the time, and the bureaucratic inclinations that make those immense policies work elsewhere. Smaller businesses need the convenience of a field guide. They need this book.

Having been involved in the field of telecommuting\* (there’s that asterisk, signifying that we all need to wean ourselves from using that word as a transitional crutch) since 1982, I have seen it implemented in virtually every kind of organization — large and small, private sector and public sector, information-intensive and production or service-based, in the US and elsewhere. There are remarkably few differences across this range of firms. The underlying telecommuting concept of selectively decentralizing the office — and the business benefits of doing so — are more universal than most people realize.

This book takes those relatively universal experiences and methods and focuses them exclusively on the needs and characteristics of the smaller (but not necessarily small) organization. Lin Gensing-Pophal has done that exceptionally well — and has also packed the book with a range of checklists, sample forms, dos and don’ts, and other practical, easy-to-use tools that will make your job easier.

Let's face it: Organizations that continue to cling to the notion that work can only be done when workers are sitting in the same place at the same time have, or will soon, become antiquated and dysfunctional. We're not going to see offices and office buildings evaporate; what we will see, though, is phenomenally rapid growth in the number of organizations of all sizes that figure out how to enable and guide people to work together without being together.

Implementing off-site staffing in your business can provide excellent opportunities for business growth. You'll find this book to be a well-researched and thorough — yet highly readable and usable — guide to help you decide the best way to implement telecommuting.

Lin Gensing-Pophal has done the entire community of small- and medium-sized organizations a great service by tailoring what we know to this sector of our economy. Take advantage of her hard work and get going!

— Gil Gordon

# INTRODUCTION

Even in tight economic times — particularly in tight economic times — business owners want to attract and retain qualified, productive staff members. While rising unemployment rates mean that the availability of workers is greater than it was just a few years ago, the availability of highly skilled and highly motivated workers is always at a premium.

And, of course, as the economy improves and aging baby boomers begin to leave the workforce in droves, it will become harder and harder to find talented and qualified employees. The impact on organizations, large and small, will be considerable. Think of your own workforce and the number of employees who will be eligible for retirement in the near future. Think of the key positions that must remain filled with capable and competent staff in order to ensure quality products and services for your customers.

## **1. The Need to Retain Employees — Even in a Soft Economy**

Most employers will agree that the ability to retain employees, regardless of the economy, is always a critical need. To do this, many are looking for creative ways to meet employee needs. Flexibility is one critical

area of demand. For many companies, flexibility means providing the opportunity for employees to telecommute.

In the work environment of the twenty-first century, work is being defined differently than it has ever been defined in the past. The “typical” 9:00 a.m. to 5:00 p.m., Monday-to-Friday work week is a thing of the past. Instead, as jobs have become less structured, work has become less structured in terms of how, when, and where it gets done.

In a global, 24/7 world, the notion that all employees of an organization can work the same rigid schedule is obviously far outdated. Punching a time clock is, in fact, an artifact of the industrial revolution and no longer pertinent for what has largely become a service economy. In addition, today’s workers value flexibility more than ever, requiring employers that wish to attract and retain the best and the brightest to come up with flexible solutions to meet their needs.

A survey of human resource managers by the outsourcing services firm, Yoh, indicates that telecommuting is becoming an increasingly important aspect of organizations’ ability to recruit and retain top talent. Among the trends identified:

- 25 percent of managers allow working from home, 13 percent allow working from a satellite office, and 44 percent have other arrangements that support telecommuting. Only 19 percent say they have no telecommuting procedure.
- Most managers say they expect telecommuting to grow over the next two years. Only 35 percent said it was unlikely that telecommuting would increase.
- In addition to offering flexibility to desirable workers, telecommuting is growing due to available technologies such as wireless broadband, PDAs, and PCs capable of remote enterprise access.

## 2. Telecommuting versus Managing Off-site Staff

But while “telecommuting” is a term that has become increasingly familiar and a practice increasingly adopted by companies large and small, the ability to manage off-site staff is really the issue. The first edition of this book focused specifically on telecommuting; this second edition will take a broader look at the issue of managing off-site staff. The principles and practices are really the same — the terminology is just somewhat different. This shift in focus, however, broadens the value of the information in this book. Literally any manager

responsible for supervising people who are located “somewhere else” can benefit from the strategies and tactics presented here.

The term “telecommuting” continues to scare many managers. The prospect of being responsible for people who are off-site is often threatening — yet also often entirely misunderstood. Consider, for example, the banking industry, which has multiple branch locations where employees may physically be located, yet they work for a manager who may be located in the corporate office. In my own experience, while working as director of corporate communications for a major, integrated health care facility in the Midwest, I was physically located in a house that had been converted to offices which housed the corporate communications department. The house was near the main facility, but quite removed from the VP I reported to. We maintained contact via phone and email and would occasionally encounter each other at meetings but, the vast majority of time, we were not physically present in the same environment. The truth of the matter was that I could literally have been located anywhere and still performed the requirements of my job to a large degree.

The point here is that telecommuting should not be a concept that is feared. It is an option available to companies today that can add flexibility and value to both employees and managers. In this revised edition we will initially explore the concept of telecommuting and its current status, but will then take a broader approach to the issue of managing off-site staff.

### **3. Flexible Options, Morale, and Engagement**

Providing flexible options for employees remains important for a number of reasons, not the least of which is the impact on morale and “engagement.”

The advantages of offering flexibility in work arrangements are attracting more corporate attention, suggests a recent study by the Institute for Corporate Productivity (I4CP). The study found that a full 84 percent of companies overall believe that flexible work arrangements in their organization boosts employee morale. That figure is up from 76 percent in a similar 2008 study conducted by I4CP. Correspondingly, the 2009 study showed that 78 percent of polled companies say flexwork options bolster retention rates, up from 64 percent the previous year.

According to the most recent study results, “flextime” (flexible start/end times) is the most-used flexwork option, with 76 percent of companies overall selecting it as their top option. Working from home was the second-most favored, at 59 percent overall (that figure jumps to 70 percent in companies with more than 10,000 employees), followed by part-time work, pointed to by 56 percent of organizations.

Those most likely to request flexible work arrangements include employees in professional roles (topping the list at 85 percent), followed by those in administrative roles (60 percent). In general, younger employees — 29 percent (41 percent in large companies) — are more likely to request the benefit, and more females (35 percent) than males (6 percent) tend to make such requests.

The most common rationales cited for offering flexible work arrangements by 60 percent of the overall respondents (and 69 percent of large companies) were that the employees, “job doesn’t require presence in the office,” followed by 60 percent who said long commutes were a reason, and 47 percent of respondents cited offering flexible arrangements for employees returning from maternity leave.

Keeping tabs on flexible work arrangements is also a priority. Sixty-nine percent of polled companies use established deadlines to measure productivity in a flexible work situation, while 66 percent keep an eye on project completion and 39 percent rely on periodic status reports.

With today’s added focus on flexwork options, however, come additional concerns. When asked how flexible work options might be a detriment to the organization, almost two-thirds (64 percent) of the 2009 study respondents said that flexwork arrangements tend to frustrate workers who cannot utilize the benefit, compared to 36 percent a year ago, and 42 percent of 2009 respondents reported that the option is frustrating to managers, while just 20 percent felt so in 2008.

Also, the current economic situation appears to have limited bearing on flexwork programs. Sixty percent of all companies polled said the economy has had no effect on their programs, and 19 percent related they have increased flexible work options. Just 8 percent have reduced options in their companies.

## 4. Changing Employee Needs

The needs of employees have changed dramatically over the past 30 years. Fueled in part by a rapid increase in the number of women entering the workforce, more and more employees are expecting — and demanding — a balance between the expectations of work and the

demands of personal life. No longer can managers tell employees to leave their personal lives at home. Today's managers recognize that what happens at home has a dramatic impact on performance at work — and vice versa.

According to the Society for Human Resource Management (SHRM) in their “2008 Employee Job Satisfaction” survey report, 44 percent of employees cited the flexibility to balance work/life issues as a very important aspect of job satisfaction.

The SHRM study further indicated that many companies offer nontraditional scheduling options to employees to help them balance their work and personal lives. Fifty-nine percent of HR professionals indicated their organizations offered flextime, which allowed employees to select their work hours within limits established by the employer. In addition to flextime, 57 percent of human resource professionals indicated that their organizations offered some form of telecommuting: 47 percent of respondents reported that their organizations offered telecommuting on an ad-hoc basis, 35 percent on a part-time basis, and 21 percent on a full-time basis. Thirty-seven percent of HR professionals said their organizations offered compressed workweeks, where full-time employees are allowed to work longer days for part of a week or pay period in exchange for shorter days or a day off during that week or pay period. Eighteen percent of HR professionals reported that their organizations offered job sharing, in which two employees share the responsibilities, accountability and compensation of one full-time job. These types of flexible scheduling benefits allow organizations to recruit and retain motivated workers who may not be able or willing to work a traditional nine-to-five schedule.

Contributing to the change in expectations among employees is the aging of the baby boomer population and the advent of the Gen X and Gen Y (or millennial) employee. Gen X employees include the 46 million people born between 1960 and 1984 (although the exact years vary depending on who you ask). They have been characterized in the media as skeptical and impatient with the status quo, questioning of authority, and fiercely independent. Having witnessed the sacrifices their parents made for their jobs — and the subsequent impacts of staggering job losses in the 1980s and 1990s — they demand a balance between their work lives and home lives. Gen Y employees, generally the children of the baby boomer population, were born between 1977 and 1994 and make up more than 70 million people in the US — about 20 percent of the population. It is the largest generation since the baby boomers.

Gen Y is technologically competent, social-minded and very empowered — they are the offspring of perhaps the most indulgent

parents in history. Consequently, they are highly confident and very optimistic about the future. Their expectations may be too high, however, when those expectations butt up against the realities of the workforce. Interestingly, Gen Y is said to be most closely aligned with their baby boomer colleagues, with Gen X in the middle — representing a group that is likely to be less loyal to employers. In fact, the US Labor Department indicates that Gen Xers hold an average of nearly nine different jobs by their thirties. They change jobs in search of new skills, increased responsibility, and new experiences. Their tendency to change positions frequently has had a major impact on the temporary-worker industry.

## 5. The Impact of Technology

Technology has had a dramatic influence on the workplace and on the ways in which tasks are accomplished. Email, voice mail, and Internet technology mean that employees can literally be in touch with their employer 24 hours a day, 7 days a week. The 24/7 culture is changing the way that employees and employers interact — it is, in fact, changing the very nature of work. Under the old system, employees were tied to the workplace. Tools did not exist to allow contact from remote locations. Today, technology is providing both employers and employees with freedom and flexibility that they would never have imagined even ten short years ago.

Technology is allowing employees to question the status quo and challenge the old ways of doing business. “Why do I need to come to the office to work on a report when I can do it at home on my computer?” “Why can’t I access voice mail and email from home?” “Why do I have to be physically located in a phone center to answer customer calls? Why can’t I be set up from home to do this?”

And because employers are faced with a shrinking labor market and a growing gap between job seekers’ skills and employer needs, more and more are responding to these questions with “Why not?”

What does all this mean? It means that businesses must become more flexible and creative in both the recruitment and retention of employees. It means that the traditional brick-and-mortar workplace will soon give way — in fact, has given way, in many places — to a virtual workplace. It means that neither employees nor employers will be hampered by geographic constraints: An employee can live in Florida and work for a company in Georgia, Wisconsin, California, Ontario, or Saskatchewan.

It means that whether they are telecommuting, or simply working in another location as part of a global organization, branch office or “virtual company,” the ability to effectively manage off-site staff is no longer a luxury; it has become a necessity for companies that want to compete effectively in this new millennium.



# Chapter 1

## TELECOMMUTING: WHAT IT IS AND WHY YOU NEED TO KNOW

*Teleworking: "Any form of substitution of information technologies for work-related travel."*

*Telecommuting: "Moving the work to the workers instead of moving the workers to work."*

— Jack Nilles  
(a.k.a. "The father of telecommuting")

# Executive Summary

## What's the difference between teleworking and telecommuting?

There is certainly some confusion around these terms and they are often used incorrectly. Teleworking is a broad term that can be defined as working at a distance. Telecommuting is a form of teleworking, as are satellite offices, neighborhood work centers, and mobile working.

## How common is telecommuting?

SHRM's "2008 Employee Job Satisfaction" report indicates that many companies offer nontraditional scheduling options to employees to help them balance their work and personal lives. Fifty-nine percent of HR professionals indicated their organizations offered flextime, which allowed employees to select their work hours within limits established by the employer. In addition to flextime, 57 percent of human resource professionals indicated that their organizations offered some form of telecommuting: 47 percent of respondents reported that their organizations offered telecommuting on an ad-hoc basis, 35 percent on a part-time basis and 21 percent on a full-time basis.

## How many teleworkers will there be in the future?

A 2009 study by WorldatWork indicated that the number of US employees who worked remotely at least one day per month increased 39 percent the past two years, from approximately 12.4 million in 2006 to 17.2 million in 2008. In its survey brief *Telework Trendlines™ 2009*, WorldatWork reports that the sum of all teleworkers — employees, contractors and business owners — has risen 17 percent from 28.7 million in 2006 to 33.7 million in 2008.

## What is the biggest barrier to telecommuting?

The greatest barrier may very well be attitude. Managers and companies are often hesitant to consider the option because they fear the loss of control when employees are not located in one place. But the reality of today's workforce is dispersion — satellite offices and international firms mean that even employees who aren't considered telecommuters may be located halfway across the world from their coworkers.