

Who Benefits from Telecommuting?

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Working from home was not created during the pandemic; however, it did explode during it. “The trend of working from home has risen tremendously in the United States – from 3.4% before the pandemic to 42% working from home full-time mid-pandemic” (Davies, 2023). Some businesses are now calling workers back to the office, while others are keeping them working either remotely or hybrid. Many studies have concluded that remote workers are actually more productive. According to a recent study, “On average, those who work from home spend 10 minutes less a day being unproductive, work one more day a week, and are 47% more productive” (Surprising Working from Home Productivity Statics, 2023).

However, a recent study by the National Bureau of Economic Research contradicts those findings. Their study finds, “Workers who were randomly assigned to work from home full time were 18% less productive than in-office employees, either taking longer to complete tasks or getting less done” (Byran Robinson, 2023). Telecommuting is becoming very common, and some temporarily remote jobs have become permanently remote. “Gallup data show that over 70 million U.S. full-time workers can conduct their jobs remotely” (Silvermann, 2023). What does this trend mean for companies and workers? Is working remotely better for companies, employees, and families?

Working from home has been around for centuries. The earliest craftspeople plied their trade where they lived. The modern-day version has its roots in the early 1970’s. “In the history of remote working, the term telecommuting was coined in 1973 by Jack Nilles, a NASA engineer in his book, the Telecommunications-Transportation Tradeoff” (Jathanna, 2023). With the advent of the internet, many new kinds of remote work became possible in industries from insurance to real estate. The 21st century has seen a huge growth in remote work. “According to software reviewer giant Getapp, the number of people working from home has risen by 400% since 2010” (Jathanna, 2023). With the increase in telecommuting before and especially since the

pandemic, how has this affected current business models? Is telecommuting a benefit to companies?

There are several issues that companies might consider in relation to remote employees. Are remote workers as productive as their in-office counterparts? Is there a potential saving in the costs with remote workers? Will collaboration suffer if some of the work is not on site?

Employee productivity has been a major sticking point for companies when considering remote workers. Several studies have suggested that remote workers are more productive, but the most recent study by the National Bureau of Economic Research contradicts that. Employers are more likely to doubt remote worker productivity, whereas employees are convinced they are more productive. Where is the disconnect in perception between that of workers and employers?

Part of the disagreement seems to hinge on what people think counts as productivity. Employees tend to include commuting time in their mental calculation, and so they think not having to commute when they work from home counts as an increase in productivity. Managers tend to ignore commuting time when they think about productivity: They just care about how much work is getting done each day (Nicholas Bloom, 2023).

Research backs up this discrepancy. In an Owl Labs survey, "The survey found 55% of employees said they put in more hours while working remotely than at the office" (Byran Robinson, 2023). In the same survey, however, 60% of managers were concerned that remote workers were less productive. The question of productivity may come down to a case-by-case basis. Some employees may be well suited to remote work, and some may not. The type of industry, internet speed, and technology may factor in as well. Older workers may be less convinced that remote work can be as productive, while younger workers are more comfortable with the idea.

Another factor that may sway companies in favor of remote work is the potential for cost savings. Many companies that have adopted even a partial remote workforce may be able to downsize their office space. BenefitsNews.com stated, "Research shows that companies shifting to remote work save \$10,600 per employee annually" (Graham, 2023). The bulk of the savings come from the reduction in office space, while utilities are the next best cost savings. Many telecommuters use their own computers, telephones, and internet fees. The one-time cost of furniture, computer and copiers is often also saved if a company plans a remote workforce from the onset.

Another cost savings is employee turnover. Many employees are demanding at least a partial remote schedule and will often change jobs to work for a company that provides it. "Owl Labs found that 1 in 4 would even quit their jobs if working from home was no longer an option" (Silvermann, 2023). In addition, many employees are so committed to a remote work environment they would take less money. In fact, "38 percent of those surveyed would be willing to take a pay cut to continue working in a remote or hybrid environment" (Silvermann, 2023).

If there is such a cost saving to employers, then why is there such a resistance to telecommuting? The answer to that may be in collaboration. Many managers are concerned that the lack of in-person time will negatively impact the collaboration between employees. In some industries, collaboration and idea sharing of employees is very important. An article in Happeo found, "Collaborating and communicating from distance make it difficult for teams to work together on projects and meet their objectives on time" (Davies, 2023).

There are a variety of tools available from message boards to remote meeting software, but choosing the right ones can be confusing and potentially expensive. It may be difficult to keep all members of a team informed of progress and responsibilities. Technology such as internet speed can hamper collaboration if all parties don't have the same capabilities.

The cost benefit calculation for any company regarding remote workers can be a difficult one. Many variables come into play. Some organizations can navigate the challenges of a partial or even complete remote workforce whereas for others, it might not be the best solution.

The benefits for employees are more straightforward. Telecommuting offers more flexibility, better work-life balance, and often better productivity. But is there a downside for employees? Do the pros outweigh the cons?

Many studies have cited that a major advantage of remote work is not having to commute. "The national average commute time in the U.S. is 26.6 minutes, according to the Census Bureau" (Hallman, n.d.). That means the average person commutes just under one hour per day or five hours a week. Many commutes are even longer. Those five hours can be a huge pump in productivity.

It isn't just the time of commuting that is saved. The cost of commuting can be high as well. Gas prices, parking, or mass transit expenses are also saved when not commuting. Many families can even manage with only one car, if one of the cars isn't always needed for commuting. This can be an even greater savings. "A separate study highlights that employees who work remotely can save up to \$4,500 annually on commuting" (Simon, 2023)

It is no wonder that many workers prefer working from home. But remote work has its challenges. Not all workers are suited to telecommuting. To be productive at home, a remote worker must have the right technology, space, and equipment. They need to be able to work without distractions and have a personality that is comfortable with the isolation that remote work can bring.

"According to reviews, almost 30.9% of employees working remotely in the UK suffer from loneliness and isolation, which is a productivity challenge (Simon, 2023). Mental health can be a challenge for remote workers. "Being away from an office full-time can be isolating, especially when workers are used to casual water cooler talk and spur-of-the-moment conversations among colleagues" (Davies, 2023). For those workers for whom the office is a

major source of socialization, telecommuting can be difficult and even detrimental to their mental health.

Another source of consideration for employees can be the effect that being outside the office can have on their careers. Many managers consider remote workers less productive, and this impression can affect their decisions when considering promotions or raises. “Remote employees also may find themselves out of the loop due to proximity bias, in which leaders — intentionally or unintentionally — favor those who work in the office, leading to better opportunities and relationships for in-office employees” (Silvermann, 2023). The effect of this bias must be considered when comparing the benefits to the costs for telecommuters.

If a worker decides to work remotely, how does it affect their families? Are there benefits for families that go beyond those of the worker? For some, working remotely isn't just a work-life balance issue but necessary for them to meet the obligations they have at home. For those who have young children, family members with a disability or an elder parent for whom they are responsible, working from home may be the only way to accommodate all the worker's responsibilities at home and at work. “For a lot of caregivers, telecommuting allows them to manage a workload that is, if anything, way too big” (Murray, 2023).

If workers are trying to balance work and home responsibilities, how do they stay productive. That can be tricky and not all workers are well suited to it. “When employees work from home, distractions make it all too easy to get sidetracked. Household chores and family obligations have the biggest potential to take away employees' focus, while other people are tempted by social media apps” (Davies, 2023). There are many tips for limiting distractions and being productive at home which can include keeping to a schedule, having a designated workspace, setting priorities and defining boundaries. Each worker needs to find what works best for them.

One of the downsides of telecommuting is that the other work that gets done such as child or elder care doesn't get the same value placed on it by society as paid work (Murray, 2023). There can be a big cost savings for by not having to pay care givers, nursing instead of purchasing formula, and cooking meals at home. But these savings for the family are often undervalued since they don't show up as Gross Domestic Products. "GDP, for example, primarily measures goods and services bought and sold in the market economy, excluding those produced by households" (Murray, 2023). This can be disheartening to a worker who is essentially working two jobs, one paid and one unpaid.

With all the conflicting data and opinions one thing is clear. A remote workforce isn't for everyone. While remote workers may be advantageous for some organizations, it may not work well for others. Telecommuting may be optimal for some families and workers but not others. In this changing work environment, each stakeholder will have to decide for themselves what works best. If a company finds that remote or hybrid isn't a good fit, they may just need to let some workers go. If an individual needs the flexibility of telecommuting for their own situation, they may need to leave their employer to find a better fit. The advent of remote work was on the rise even before the pandemic and the shut down only accelerated it. While the debate on the merits of remote workers is going to continue, one thing is clear, working from home is not going to disappear anytime soon.

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