

Home Brouhaha

RUMORS ABOUT THE DEATH OF TELECOMMUTING
HAVE BEEN GREATLY EXAGGERATED

By Shane Kite

With Yahoo! imposing a ban on working remotely, and other big companies like Best Buy and Bank of America getting stricter about who is eligible to do so, it might seem like a telecommuting backlash is underway. According to nearly everyone, it's not.

Yahoo! CEO Marissa Mayer created a hullabaloo in February, just a few months into her job there, when her decision to put an outright ban on the practice leaked in a memo. A passionate public debate has been going on ever since, essentially asking, "Telecommuting: good or bad?"

But those who specialize in workplace strategy say the question is fundamentally flawed. Giving employees the flexibility to choose where they work is an endeavor far too nuanced for a simplistic approach.

Bernice Boucher, head of workplace strategy in the Americas for real-estate services firm Jones Lang LaSalle, says companies that curtail flex work often have lost their competitive edge. So the question is not so much one about telecommuting in general as about the culture at a particular company.

"For some, the idea of bringing peo-

ple back in is about building the culture back up," Boucher says. "Let's firm up the glue that holds the organization together through our people and see if we can't tap back into that vein of innovation."

In the financial services realm, some of the largest institutions are known for touting telecommuting as part of their work-life benefits, and for the most part they are continuing to do so.

American Express, Citigroup and Capital One all say they're growing their work-from-home programs, while Wells Fargo and U.S. Bank say they have not introduced any changes to their telecommuting policies that would curtail the practice. (JPMorgan Chase did not respond to inquiries.)

Bank of America is tweaking its approach. It updated the specific jobs eligible for telecommuting after reviewing its "My Work" program last year. The net result is that fewer BofA employees are expected to be telecommuting, according to some reports. But a spokeswoman says enrollment in the program is relatively unchanged so far.

Just a few years ago, BofA was talking up "My Work," saying it saved an estimated \$110 million annually, or \$5,500 per enrolled employee every year, mostly

on real estate. At the time it had a goal of doubling the nearly 20,000 employees who were enrolled globally, which would have boosted participation to 14 percent of its staff.

The spokeswoman would not provide updated details on the number of participants, nor would she specify how or why the telecommuting policy changed.

Those who study workplace strategy say many companies look for a quick fix when they are under earnings pressure. They want to show shareholders they are making changes, and telecommuting is vulnerable in those situations because a policy change is tangible, regardless of the results it might yield.

But more careful consideration is key to a successful workplace strategy, Boucher says. How to keep employees engaged and how to effectively use real estate are all part of the equation, and these factors change over time, meaning that the strategy needs to keep evolving.

"Just about every bank out there is looking at how to do this better," she says. "It's not one and done. As market forces change, leadership changes or the organization itself changes—restructures, acquires or divests itself—workplace strategy needs to be re-looked at."

Stephen Webster



The telecommuting debate, as it is playing out, is largely divided between two opinionated camps: face-time promoters who believe innovation mostly arises from workers interacting in an office space, and those who believe employees are more productive when they're allowed to work remotely. Each side points to academic research they say proves their claims.

Yet none of these studies suggest it would be a good idea to wholly exclude either practice within a company.

"The answer for senior management is not chaining staff to their desks or relegating them to their home offices," says Raymond Boggs, an analyst who oversees home-office research at IDC. "It's about empowering people to make them as productive, efficient and creative as possible. And that can be done via both face time and telecommuting."

The claim that office interaction promotes innovation stems from something known as the "Allen Curve," named for Thomas J. Allen, an emeritus professor of management and engineering at MIT. In the 1970s, Allen essentially found that the probability for frequent communications among engineers is greatest when they're located within about 100 feet of one another.

What his seminal research most definitely does not say is that proximity equals innovation, though many in the anti-telecommuting camp inaccurately claim it does. It only says that proximity of

staff increases the probability for chance encounters among co-workers, which in turn can foster speedier decision-making. But whether that decision-making is innovative, or even competent, has less to do with the proximity of the chatterers than it does with the fundamental quality of the ideas being discussed, and how they're later executed, if they are at all.

What managers can do is foster the best conditions for talented people to come up with good ideas. And idea generation is best enabled wherever there are fewer distractions from the task at hand. Such solace can be found at home, in the office, or elsewhere, depending on many variables, on any given day.

Yet, no doubt, face-time has its upsides. Colleagues chatting as they get a cup of coffee in the break room can yield a valuable idea, alleviate the need for an otherwise unwieldy chain of emails or buoy morale. Collaboration and camaraderie are hard to come by alone.

"You can't undervalue the impact of the group dynamic," says Dennis Moroney, an analyst at MLM Advisory Services who specializes in credit-card call centers. "It's like a good band: When you have someone that's really a good player, they play off one another and react. That's important."

Yet for many companies, the reality of having far-flung regional campuses as well as an employee base that is demanding better work-life balance, means that some portion of the spit-balling and refin-

ing of ideas, along with some of the work that goes into building team spirit, needs to be replicated digitally.

Rodney Nelsestuen, senior research director at CEB TowerGroup, says some of this already is occurring, as companies take advantage of chat functions, email, videoconferencing and tools like Skype and Yammer, all of which he says can actually increase socialization.

"It's a little bit of a generational issue," Nelsestuen adds. "I'm from a generation where I like to look somebody in the eye and shake hands with them. But I'm also a remote employee and I'm very comfortable doing that. All of us like human interaction. But if you can get people highly engaged in an interactive sense, through technology, to some extent it doesn't matter where they're located."

All the experts interviewed for this story agree that telecommuting can boost productivity and cut real-estate costs, and even spark innovation, in nearly any setting, if managed properly. But it's worth noting that successful oversight includes "knowing when to bring people together face to face," says Michael Boyer O'Leary, assistant professor of management at Georgetown University's McDonough School of Business.

The experts also concur that telecommuting tends to get cut at companies when they struggle. And what BofA, Best Buy and Yahoo! have most in common is that they're all trying to get back on the mend, financially and strategically. □

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THAT'S THE NEW BOTTOM LINE

CHASE CASE SHOWS COURT SUPPORT FOR TELECOMMUTING

The law now recognizes telecommuting as a viable way for employees to fulfill their job requirements, thanks to a case involving the banking sector. In an important federal ruling last year—*Bixby v. JPMorgan Chase*—the court said plainly for the first time that advances in technology have made telecommuting a legitimate part of the American workplace, and that old notions of home offices equating to subpar performance no longer apply.

David Bixby, a former information technology project manager who said telecommuting alleviated his depression and anxiety, sued Chase for denying his requests to work from home, claiming the company had violated the Americans with Disabilities Act. Chase argued Bixby's request to telecommute was unreasonable under the ADA, because he could not adequately perform his job duties from home. Both parties filed for summary judgment.

The judge for the Northern District of Illinois shot down Chase's argument in March 2012, saying it relied on a precedent decided more than 17 years ago, "when the Internet and technology had not yet made remote access to the job site and its operational systems as feasible as it is today." The judge cited language within the old precedent recognizing that advances in technology could eventually make working from home a reasonable option—an eventuality that apparently, in the court's view, has come to pass.

Evidence that three other Chase project managers were telecommuting on a full-time, permanent basis made it difficult for the company to convincingly argue that Bixby's request to work at home was unreasonable. The case never went to trial; the parties settled shortly after the judge's ruling.

Another ADA case, *Core v. Champaign County Board of County Commissioners*, was decided later in 2012 in federal court in Ohio, this time in favor of the employer. But in the ruling, the judge quoted the old precedent, stating: "Today, in this

court's view, it may not 'take a very extraordinary case for the employee to be able to create a triable issue of the employer's failure to allow the employee to work at home.' The ultimate determination of reasonableness is a fact-specific inquiry and a question for the fact-finder." The judge in a third ADA decision last year, *EEOC v. Ford Motor Co.*, also analyzed the plaintiff's job requirements to determine whether her telecommuting request was reasonable, before siding with her employer.

These decisions have implications outside of the specific confines of ADA case law. Not all of the rulings favored the employee, but taken together they signal how the courts' views have evolved toward a more favorable stance on telecommuting in general.

"It recognizes that because of the march of time and technology, the essential functions of some jobs may be performed remotely, without the need to be physically present within the employer's offices," says Christopher J. Moran, a partner in the labor and employment practice at Pepper Hamilton.

Paige O. Barnett, an attorney and consultant with Employment Practices Solutions, agrees. "It will always be a fact-specific inquiry and depends in large part on the position in question," she says. "But given the well-established ease and low costs of telecommuting, companies may have a hard time credibly arguing that a given employee must be physically present in the workplace five days a week."

Moran says that in the absence of clear, uniform policies, it could be unwise to let individual managers, who may have their own biases for or against telecommuting, determine who works from home. Barnett says it's ok for managers to make the decision, so long as the option to telecommute is consistently implemented. "Allowing one employee the benefit of working from home but denying another in a similar position with similar responsibilities exposes an employer to potential liability," she says. —S.K.

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