

The Business Case for Web Commuting

How to Reduce Workplace Costs and Increase Workforce Performance

A WHITE PAPER BY STEGMEIER CONSULTING GROUP



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INTRODUCTION

Today's workforce is increasingly mobile. In some instances, mobility may have simply resulted from evolving work styles and a corporate culture to "do whatever it takes to serve the customer." For many organizations, workplace strategies and structured Web commuting plans are being developed around mobilizing employees to accomplish two important objectives: 1) reduce workplace costs and 2) increase workforce performance.

These strategies are not about making a decision to "allow" staff members to work outside of their assigned workspaces. Employees are already conducting their work in a variety of places. In fact, Stegmeier Consulting Group's workplace research has revealed that the average employee spends 63 percent of his or her business day working anywhere but their dedicated workspace.

The challenge for the business enterprise is in creating the appropriate infrastructure—technology, security, policies, behavioral protocols, performance management, etc. — to best support the distributed workforce in how where and when they perform their jobs. It may seem a daunting task, but it is well worth the effort. With a strong business framework for Web commuting, the company can benefit from both cost savings and the maximum level of employee productivity.

DEFINING WEB COMMUTING

While the title of this white paper refers to the term "Web commuting," there are a number of other words and phrases currently being used to describe mobile work: workshifting, alternative workspace environment, flexible workspace, shared-space environment, hoteling, hot desking, distributed work, telework, telecommute, remote work, virtual workplace, working from third places, and others. Each of these terms has its own idiosyncrasies; however, in the business world, they are often used interchangeably. Further, many of Stegmeier Consulting Group's clients create their own terminology to brand the new work initiative (example: iWork, FlexSpace, WorkSmart, etc.). To ensure reader clarity, the terms Web commuting and Web commuter have been defined on this page.

DEFINITIONS

Web Commuting - the reliance on the Internet to get work done at any time, from anywhere

Web Commuter - a worker who has the ability to work remotely at least a few hours a week and relies on Web-based technology (including email or remote access technology) to complete work

KEY WORKPLACE RESEARCH FINDINGS

New perspectives on employee productivity and effectiveness surface from Stegmeier Consulting Group's research exploring the impact of physical space on behavior in the workplace and the resistance to workplace change initiatives that often contributed to a disappointing return on investment in the new workplace solution. This research was initiated in 1996 after witnessing numerous organizations' struggle in driving behavioral change through physical workplace transformation. In hearing the frustration of senior business leaders trying to overcome workforce resistance, we established the mission to learn what barriers existed, overtly or covertly, which were not being recognized and addressed by the enterprise.

Over a 10-year time frame, this study came to involve 140 organizations in 24 diverse industries. Many of these firms had intended to create environments that would improve productivity, enable flexibility, foster teamwork, inspire collaboration and produce more innovative outcomes. Every one of them expected better business results.

Organizations Studied Represent Diverse Industries

Financial	Consumer Products	High Tech
Pharmaceutical	Professional Services	Manufacturing
Telecom	Entertainment	Federal Government
Non-Profit	Energy	Healthcare
Education	Research	Transportation

Data was compiled on best practices in leading workplace change gathered from a broad range of enterprises throughout North America and Western Europe, with particular attention on winners of *Fortune Magazine's* "Best Companies to Work for in America" and the Great Places to Work® Institute's "Best Small and Best Medium Companies to Work for in America." In gleaning lessons learned from study participants, goals were established to discover recurring themes in resistance to workplace change and to identify factors having universal impact on behaviors in the work environment. Applying new knowledge of these factors when implementing workplace strategies could contribute to the attainment of the organization's desired results in behavioral change as well as ROI in the physical work environment.

Application of Research Findings

Many enterprises' efforts in implementing workplace change initiatives have produced less than optimal results, or have failed altogether, due to factors that business leaders may not know are linked. A key result of the research spanning more than a decade was the discovery of 15 interdependent tangible and intangible factors — Critical Influences™ — that impact behavior in the workplace, enable or hinder the success of the workplace strategy and, ultimately, the achievement of overall corporate goals. The results of the study demonstrate the universal impact these 15 factors have on behavior in the workplace — regardless of the type of business or the size of the organization. Workplace transformation teams can apply these findings to analyze their own firm. An examination of the 15 Critical Influences™ can begin to identify specific issues that should be addressed before they become barriers to the successful implementation of a Web commuting strategy.

DEFINITION

Critical Influences™ - 15 interdependent tangible and intangible factors impacting behavior in the workplace, the success of the workplace strategy and, ultimately, the achievement of organizational results. These key factors include: 1) Vision & Mission, 2) Core Values, 3) Culture, 4) Image, 5) Leadership Behavior, 6) Compensation, 7) Rewards & Consequences, 8) Technology, 9) Knowledge Management, 10) Organizational Structure, 11) Autonomy & Authority, 12) Business Processes, 13) Communications, 14) Performance Management and 15) Physical & Virtual Workplace

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Anticipating the Case Against Workforce Mobility



One of the first steps in strengthening the business case for Web commuting is anticipating the case your organization may have **against** workforce mobility and developing a plan for the enterprise to overcome the issues and concerns of six stakeholder groups: 1) organizational leaders, 2) managers and supervisors, 3) IT professionals, 4) facilities professionals, 5) individual contributors eligible to Web commute and 6) individual contributors not eligible for Web commuting initiatives.

The decision for an organization to formalize and offer a flexible work program to its employees is not an easy one. For many business leaders, the most difficult question is whether or not to grant employees the autonomy to control where and when they do their work. The true complexity surrounds gaining consensus on often-conflicting objectives, developing the appropriate policies, determining the best-in-class technologies, establishing a screening process to select Web commuters and ensuring performance management systems will support the mobile workforce.

The following lists comprise a compilation of key stakeholder issues surrounding the impact of Web commuting on human capital and on the business enterprise itself.

Key Issues of Organizational Leaders

- Can the organization quantify the benefits of Web commuting?
- How can the organization sustain its corporate culture with people spending more and more time outside of the physical office environment?
- What if the profiles of some workforce members do not align with the ideal profile of a Web commuter (trustworthy, self-motivated, energetic, highly focused and able to deal with ambiguity)?
- How do we begin creating a Web commuting program?

Key Issues of Managers and Supervisors

- Perception that the value of the manager/supervisor is measured by the number of people surrounding him or her in the workplace (i.e., less physical evidence of direct reports, resulting in an interpretation of lower value to the organization).
- Is this an all-or-nothing decision/situation, or can supervisors have input on those who will be eligible for Web commuting?
- How can the manager/supervisor monitor people he or she cannot see?
- Should supervisors and managers be Web commuters as well?
- Are there best practices in Web commuting we can use to train our people?
- How will manager/supervisors measure the productivity and effectiveness of Web commuters?

Key Issues of IT Professionals

- Can the company control what information the Web commuters are able to access outside of the office? Can various individuals within the enterprise have restrictions to data dependent upon their job grade, work group, or responsibilities?

- The IT Department is already spread thin in both staff and budget. We don't have the time to train end-users on new technology and would be unable to support Web commuters 24/7.
- Security and control are paramount! We must be able to require multiple forms of authentication when end-users access their desktops remotely.
- Our end-users have varying degrees of technical competency. How can we make Web commuting as easy as logging into an email account?
- Is the company going to expect our information technology specialists to make "house calls" to Web commuters' homes?

Key Issues of Facilities Professionals

- If a Web commuting program is implemented, can the company reduce the size of individual workspaces in the facility and reallocate real estate to increase the number of meeting rooms and collaborative team spaces?
- What would happen if all of the Web commuters showed up at the office on a given day, rather than working remotely?
- Is there a "paint-by-number" plan for developing a Web commuting program that has proven to be successful?
- What type of furniture is best suited for a home office? Can we provide a lesser quality, since it will be used only by one person?
- How much does the company need to provide versus what employees may already have in their homes (second phone line, high-speed Internet service, suitable lighting)?

Key Issues of Individual Contributors Eligible to Web Commute

- Concern that reduced visibility within the company will result in fewer career opportunities.
- Feelings of isolation.
- Fear to admit to the employer that they do not have the self-discipline to perform well without supervision.
- Is the organization going to provide state-of-the-art technology to ensure their productivity?
- Concern they will not have reliable access to corporate data where and when they need it.
- A desire for screen-sharing technology to be used when working with customers on their premises.
- What if the employee's spouse also Web commutes? How can they coordinate their needs for equipment, physical space, acoustics and so on?
- Fear they will not get technical support as quickly as needed.




Key Issues of Individual Contributors Not Eligible for Web Commuting

- Feeling that they are not trusted by management to work at home.
- Misconception that their roles can be performed anywhere (e.g. receptionist charged with greeting customers).
- Anger that all employees are not treated equally.

A Case Study in Web Commuting



For one organization in particular, a conservative approach proved to be the right solution to explore the benefits of Web commuting. The senior leaders, struggling with conflicting business objectives, engaged Stegmeier Consulting Group to support the company’s goal to balance cost reduction and performance improvement.

Reduce Costs		Improve Performance
<ul style="list-style-type: none"> ▪ Operate more productively with fewer resources. ▪ Analyze workspace utilization and refine workplace strategy based on actual usage. ▪ Establish business continuity strategy. ▪ Offer low-cost employee perks to offset reduction in company-paid healthcare coverage. ▪ Reduce energy consumption through corporate-wide Green initiative. ▪ Enhance security and control to prevent costly compromise of data. ▪ Implement productivity-enhancing technology and provide 24/7 support without increasing IT staff. ▪ Eliminate up-front costs of purchasing hardware and installing software by adopting browser-based solutions. 		<ul style="list-style-type: none"> ▪ Increase productivity through teamwork and collaboration despite the location. ▪ Improve employee morale. ▪ Provide staff more choices and control to balance work-life. ▪ Create a workplace to attract, inspire and retain talent. ▪ Accommodate the needs of the multigenerational workforce. ▪ Enhance employee access to company information where and when they need it. ▪ Challenge managers and supervisors to focus on the results, rather than on the tasks of their direct reports. ▪ Reinforce the corporate values of trust, teamwork and customer centricity.

Our client’s senior leaders knew the enterprise could benefit from enabling a greater level of workforce mobility, but were hesitant to jump headfirst into a new workplace strategy they felt could disrupt business operations and distract employees from their work. By developing and implementing a pilot Web commuting program, rather than starting out by instituting a major enterprise-wide initiative, the client could focus on clearly understanding how to best support a manageably-sized group of 67 mobile professionals, refining the model and reaching informed decisions prior to launching a more formalized mobility program to other individuals within the company.

The workplace pilot would greatly increase the degree of worker mobility, and the appropriate **technology** was, without a doubt, essential to supporting employees’ virtual work. While technology was identified as a key contributor to optimal employee performance, the **culture** of the business indicated a resistance to giving employees the **autonomy** to choose where they could work on a given day. Supervisors were concerned about **performance management** and how they would monitor direct reports who would be out of their lines of sight. It was anticipated that individual contributors may fear that Web commuting will result in stalled career advancement — a **consequence** of reduced visibility in the company. The senior leaders participated in a program introducing them to the 15 Critical

Influences™ and how these elements can be enablers or barriers to successful workplace change. The leadership team learned that if these interrelated factors were managed poorly, they could create conflict over limited resources, causing loss of productivity, damage to morale and increased employee turnover. The executives were then led through a strategic planning process focused on addressing the company-specific concerns of the various stakeholders.

To prepare members of the workforce who were selected to participate in the pilot study, Stegmeier Consulting Group conducted a series of training sessions focused on company-specific issues and requirements called “From Resistance to Results: Guiding Business Leaders on Managing in the New Workplace™” (for senior managers and directors), “Mobile Workforce Management™” (for supervisors and managers) and “MobilityWorks™” (for individual contributors).

A conservative approach was also reflected in the amount of time people could work outside of the corporate facility. Individual contributors were given the flexibility to Web commute two-to-three days per workweek. Managers were given the option to Web commute two-to-three days as well. Supervisors, still hesitant in trusting their direct reports who were out of sight, helped set the pilot program guidelines for their own job category and committed to Web commuting at least a half day per week. Senior managers and directors, who ordinarily traveled on company business three-to-four days per week, agreed to spend some of their non-travel time working in the open, collaborative spaces in the pilot work area.

Stegmeier Consulting Group conducted work-time studies prior to the initiation of the pilot Web commuting program to establish baseline metrics for employee productivity. We repeated the work-time studies approximately six months following the pilot launch and discovered strong improvements in several critical areas:

- The studies indicated a 37.6 percent reduction in the length of staff meetings.
- The results revealed that managers had an average decrease in interruptions of 43.2 percent.
- Individual contributors saved an average of 6.3 hours per week in commute time; in turn, they re-invested an average of 4.5 hours back into their work tasks.
- Supervisors logged an average increase of 90 minutes of planning, goal setting and strategizing per week.

While our client eased into a pilot Web commuting trial period, once the cost savings and performance improvements were evident, the senior leadership team had a high level of confidence to quickly expand the program to leverage the many benefits of workforce mobility. Within 18 months, the organization had nearly 250 people enrolled in its Web commuting program.

CONCLUSION

Many organizations are developing new workplace strategies to establish infrastructures to better support the increasingly mobile workforce. A strong Web commuting program can accomplish two important objectives: 1) reduce workplace costs and 2) increase workforce performance.

Technology, a Critical Influence™ on employee behavior, is one of the most significant of the 15 factors that contribute to both cost reduction and productivity improvement. However, companies embarking upon Web commuting initiatives can ensure greater acceptance of the program by examining the balance of the Critical Influences™ to identify and address key stakeholders’ areas of resistance to change before they become barriers to success.

Benefits of Web Commuting

- Creates a balance between reducing workplace costs and improving workforce performance
- Supports the organization's business continuity plan
- Reduces energy consumption
- Reinforces trust and accountability throughout the enterprise
- Contributes to the company's attraction and retention initiatives
- Provides employees more choices and control to balance work-life
- Develops a more adaptable workforce in preparation for the accelerating rate of change



ABOUT THE AUTHOR

Diane Stegmeier is founder of Stegmeier Consulting Group, a consultancy focused on workplace change management. The firm has been engaged by clients throughout North America and Western Europe seeking to reduce workplace costs and improve workforce productivity. Ms. Stegmeier is author of the book *Innovations in Office Design: The Critical Influence Approach to Effective Work Environments*, which was ranked the #1 Favorite Workplace Strategy Book by Amazon readers. She is the recipient of the International Facility Management Association's Distinguished Author Award of Excellence for a Book. She serves as a member of the Advisory Board for the Telework Coalition and the Industry Advisory Board for *The Journal of eWorking* published by Merlien Institute in The Netherlands.

The author's thought leadership on best practices in managing workplace change is garnering attention from around the globe, and she has been featured in interviews for a number of U.S. publications, as well as for business magazines in Singapore and Moscow. In the words of Dr. Prentice Knight, CEO of CoreNet Global, "Diane Stegmeier's landmark findings on workplace behavior in the corporate setting will prove vital in determining workplace strategy over the next ten years."

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