April 8, 2009

It's Time To Review — And Renew — Your Telecommuting Policy

by Brownlee Thomas, Ph.D.
for Sourcing & Vendor Management Professionals

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The Economic Downturn Spurs Many Firms To Revisit Telecommuting Costs And Opportunities

by Brownlee Thomas, Ph.D.
with Christine Ferrusi Ross and Sean Galvin

EXECUTIVE SUMMARY

Sourcing and vendor management teams should work with IT and human resources (HR) to regularly review the company's telecommuting policy. The current economic situation is pushing many companies to look for new ways to: 1) increase employee productivity; and 2) reduce operational costs. Over the past few months, we've had a growing number of client inquiries about telecommuting best practices. Some firms are trying to build a business case for expanding their telecommuting program. Others are standardizing their support for telecommuting with the aim of lowering costs. Most companies will save money by formalizing their telecommuting policies and standardizing support practices. Informal policies and ad hoc support result in inconsistencies about who can telecommute and what costs the company covers. Additionally, absent a formal policy, IT support costs will be higher when nonstandard and personal devices are connecting to the network.

TABLE OF CONTENTS

NOTES & RESOURCES

Forrester fielded several user company client inquiries about best practice telecommuting programs and policies, and used data from the Enterprise And SMB Networks And Telecommunications Survey, North America And Europe, Q1 2008.
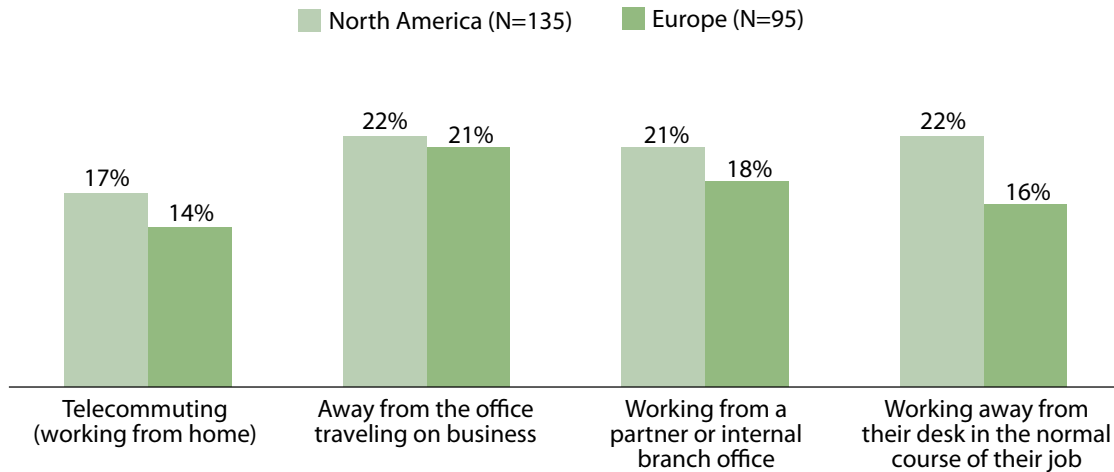
 Related Research Documents

COMPANIES HAVE SIGNIFICANT EXISTING TELECOMMUTING EFFORTS UNDERWAY

A growing number of enterprise employees are telecommuting — ranging from *ad hoc* work from home due to temporary family situations to full-time telework/home work arrangements. In fact, a recent Forrester survey found that 23% of the North American and European enterprises (companies with 1,000 or more employees) responded that a significant portion of employees spend 20% or more of their working time telecommuting or working away from the office (see Figure 1).[1] Among our findings from the survey:

- **More North American than European enterprises support regular telecommuting.** On average, 17% of employees at North American enterprises report having employees who spend at least 20% of their work time away from their normal work desk or work from home. This compares with an average of 14% of employees at the European enterprises surveyed.

- **French employers are more conservative than others about telecommuting.** The French companies that participated in the survey reported that an average of 9% of their employees telecommute 20% or more of the time. By contrast, 18% of employees working for large UK companies, and 15% of employees working for German enterprises telecommute regularly.

- **Size doesn't play a big role in an enterprise's decision to support telecommuting.** At companies with between 1,000 and 4,999 employees surveyed last year, an average of 16% of employees telecommute one or more days per week, compared with an average of 14% of employees at firms with between 5,000 and 19,999 employees, and an average of 18% of those working for organizations with 20,000 or more employees.

- **Firms with regular telecommuters have even more frequent travelers.** German enterprises reported the highest portion of employees away from the office traveling on business more than four days per month — 30%, compared with an average of 22% in North America, 18% in the UK, and 14% in France.

Figure 1 North American Versus European Employee Time Spent Working Away From The Office

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**"What percentage of the employees in your firm spend at least 20% (average of one day per week
or more than four days a month) of their working time in the following situations?"**

North America (N=135)   Europe (N=95)

	Telecommuting (working from home)	Away from the office traveling on business	Working from a partner or internal branch office	Working away from their desk in the normal course of their job
North America	17%	22%	21%	22%
Europe	14%	21%	18%	16%

Base: Network and telecom decision-makers at companies of
1,000 or more employees with employees that telecommute

Source: Enterprise And SMB Networks And Telecommunications Survey, North America And Europe, Q1 2008

48141   Source: Forrester Research, Inc.

Telecommuting Benefits Are Hard To Quantify

Enterprises have differing views on the benefits or potential benefits that telecommuting brings to
the organization. For example:

- **Some companies worry that the cost of supporting telecommuting is too high.** Many
  sourcing and IT groups — needing to curtail any unnecessary spending to offset the current
  economic situation — tell us they're worried they may be overspending on: 1) employees'
  discretionary out-of-office connectivity; and 2) providing remote IT support for telecommuting
  employees working from home for convenience and personal reasons.

- **Others view telecommuting as a way to save money . . .** Many Global 2000 companies
  cite their ability to save many millions of pounds, euros, or dollars per year on real estate
  by "sending employees home with broadband" and hiring into full-time telework/home work
  positions.

- **. . . and improve employee productivity.** While it is often hard to measure in financial terms,
  enterprise advocates of telecommuting — usually business-side executive champions of flexible
  work arrangements who have personal experience telecommuting — point to examples of

frequent work-extension and noninterrupted "offline" work accelerated work delivery including faster responses to urgent requests.

FORMAL TELECOMMUTING POLICIES ARE A MUST-HAVE FOR FIRMS TODAY

Organizations that have or want to establish a companywide telecommuting program should establish a formal, written telecommuting policy document that is regularly reviewed and updated by IT, human resources, legal, and finance. This will ensure that managers and the corporate services and technical support groups within the organization are aware of their respective role and responsibilities for enabling and supporting telecommuting. It also will help ensure that telecommuting employees know about their responsibilities too, along with new company and approved third-party applications and support services available outside company facilities. Enterprises typically approach establishing a telecommuting policy in three ways:

1. **As part of the corporate travel and expense (T&E) policy.** This is the traditional approach taken by most firms that have a longstanding telecommuting program in place. It assumes that telecommuting is a discretionary choice by the employee and a privilege that could be revoked at any time by their manager. In this case, a section is added to the T&E policy stating that telecommuting is an official but voluntary company program that requires the employee to obtain written approval by their manager for absence from company facilities, and that the only costs that will be reimbursed will be for long-distance business calls.

2. **As part of the corporate telecommunications policy.** Many companies want to enable and even encourage occasional telecommuting as part of their flexible work culture. They also want to enable and support day-extension type telecommuting. But support doesn't extend to paying any additional costs to either support or enable telecommuting. Under this approach, the policy is spelled out in the corporate telecommunications policy which discusses what will be paid for by the company and what will not — relative to things such as company liable and individual liable mobile phones or smartphones, mobile aircards, home broadband connectivity, and long-distance plans.

3. **As a standalone policy for an independent employment program.** Organizations that want to promote telecommuting as a flexible-work employment strategy are establishing formal programs and a policy aimed at attracting new talent and/or retaining specific-skill employees like staff over 40 years old who don't consider sitting in an open office space and commuting 60 to 90 minutes every day a requirement to make a valuable contribution.

Defining A Telecommuting Strategy Is The First Step

To ensure a successful telecommuting program, enterprises need a clearly defined and comprehensive strategy that covers:

- **The company's goals.** Companies need to first determine why they're formalizing their approach to telecommuting. What are the goals for enabling and supporting telecommuting? Are they to boost employee morale in economically difficult times? Do they include assisting employees to improve their work-life balance? Are they aimed at attracting special-skill millennials and select mid-lifers or boomers approaching retirement? Are they part of a broad "greening" program that includes giving employees incentives to stay home two or more times each month instead of driving into work? Are they to enable day-extension enhanced productivity? Spelling out these objectives will help determine other aspects of the policy, particularly when building consensus among decision-makers.

- **Eligibility for telecommuting.** Not all jobs are suitable for telecommuting. Likewise, not all employees are suited for it. HR and your legal department should play a key role in defining the eligibility parameters for telecommuting. HR also needs to be involved in establishing a methodology for measuring employee productivity and employment performance. Any employee should be able to determine their eligibility for telecommuting based on his or her job functions. Eligibility should not be arbitrarily decided by the employee's manager, although ultimately he or she should hold veto rights about regular absence from the workplace.

- **Who pays what?** Most companies are looking for ways to cut costs wherever they can. At the same time, they're looking for cost-neutral ways to improve employee productivity and increase revenues. A carefully thought out telecommuting strategy can help by identifying and avoiding costs for things such as additional hardware, software, work space, and IT support. A Total Economic Impact™ (TEI) assessment of your overall and situation-specific costs, benefits, risks, and flexibility associated with telecommuting can help you achieve a best practice strategy. It also can help you decide whether or how much to extend IT support — including help desk support hours and break-fix tools — for telecommuting employees, and what financial compensation to offer for home office and mobile worker connectivity, wireless, and voice services.

Effective Telecommuting Policies Should Include Answers To Four Key Questions

A formal written telecommuting policy doesn't have to be long but it should cover all the basics. It also should direct employees to other company policies that could affect their decision to telecommute (see Figure 2). A best practice telecommuting policy should answer four questions, including:

- **Who is eligible?** Work with HR and legal to help identify job functions that are suitable for part-time, regular telecommuting. Survey all managers to determine their experience and comfort level with employees working from home 20% or more of the time.

- **What are the telecommuter's responsibilities?** Telecommuting is considered a privilege that's offered to strong performing employees who request it in order to: 1) avoid lengthy commutes every day of the week; 2) book offline time to complete standalone weekly, monthly, or quarterly reports to management; or 3) have scheduled elder-care or child-care personal needs like a weekly medical appointments located at some distance in the opposite direction from the office. Employee responsibilities generally relate to accessibility to their manager, team, and customers during normal office hours — via phone and/or email, instant messaging, etc.

- **What are the employer's responsibilities?** In particular, what will the employer pay for and what will it not pay for? For occasional and regular telecommuting employees whose work doesn't necessitate their absence from the office more than one-quarter or one-third of work time, most companies will only pay for a mobile phone and, sometimes, depending on their job functions, either a cellular data aircard or, alternatively, a smartphone that can be tethered as a modem to the employee's laptop.

- **What remote support is provided?** Casual and occasional telecommuting employees should expect only very basic remote IT help desk support, because the alternative is to come into the office. For regular and frequent or mostly telecommuting employees, IT's support must increase accordingly. The hardest to support are mobile workers who need to access company information, applications, and customer databases from home, a hotel, a public Wi-Fi hotspot, an airport, or the side of the roadway.

Figure 2 Elements Of A Best Practice Telecommuting Policy

Guidelines on getting set up for telecommuting	Include a summary of general guidelines for telecommuting to help reduce administrative overhead/make it easier to set up employees for telecommuting. Include information about getting approval for telecommuting, corporate work safety rules when working off-site, and using personal vs. company equipment (computers, desktop phones, and mobile phones).
Training	Outline mandatory training requirements for telecommuters. For example, they should receive 90-minute IT training including practice activating a remote-access VPN session; using softphone and audioconferencing; and using both Web-based and client versions of company email and ERP applications to understand performance differences; creating out-of-office messages remotely; and scheduling antivirus and PC backup.
Applications	Provide descriptions about the company and telecommuting-specific applications that are preloaded on company-owned equipment. Provide links and instructions for downloading licensed and approved free applications to help telecommuters be more productive.
Security	Define general and remote-work/telecommuting specific security policies, particularly those related to network access authentication. Include rules about an employee's responsibility to protect and secure company-owned devices and also any personal equipment on which sensitive company information or information about customers is stored.
Privacy and confidentiality	Standard rules/centralized oversight of telecommuting policies will help ensure conformity with local laws and industry-specific regulations respecting customer/employee privacy, and will protect confidential information kept in a telecommuter's home, briefcase, or PC.
Troubleshooting	Provide a checklist of common problems and how to troubleshoot them that telecommuters can print out. These include things like: 1) reboot PC before calling help desk; 2) test ISP connection before calling help desk to report Internet connection problem; 3) try connecting to alternative VPN link before calling help desk; 4) if able to connect to Internet but not VPN, try connecting to help desk directly using a certain URL; and 5) list of important contacts for help desk, corporate services, HR , as well as space for manager's direct line/mobile/email.
IT support	Spell out levels of IT support available for different types of telecommuters. For example: 1) Casual telecommuters can contact the IT help desk via phone or email from [specify hours and time zone]; 2) Traveling telecommuters can contact the IT help desk via phone or email [specify hours for Europe, Americas, Asia, etc.] for x-type problems [describe] or provide international toll-free and toll phone numbers] for immediate off-hours emergency assistance; and 3) Home workers can contact the IT help desk via [describe].
Company directory and key contacts	Provide a description of how the telecommuter can access the company employee directory when not connected to the VPN. Also provide a list of key contacts together with their direct phone numbers, mobile numbers, and email addresses by function/alphabetical listing.
Cost reimbursement	Describe eligibility of different types of telecommuters for expense reimbursement (for broadband connectivity, landline phone calls, mobile calls, mobile data, office equipment). Types of telecommuters include casual/occasional, traveling, home workers, and mobile workers.
Self help and FAQ	Provide a URL link to an IT-monitored telecommuting chat room for submitting questions, "how to learn about" requests, and discussing problems. Post/update responses to FAQs.
Other company policies	**HR.** Employees need to know how their performance will be evaluated, about training/career advancement programs, and what their responsibilities are in terms of availability/accessibility by colleagues and customers, regular working hours, etc. **Finance.** These cover payroll/reimbursement policies and procedures to follow for obtaining approvals for travel and exceptional expenses. **Workplace safety.** Ensure a safe work environment/protect company-owned equipment and papers from theft/damage/misuse. Normally, company's insurance policy will cover all company-owned equipment, while personal home insurance policy would cover civil liability for at-home deliveries and meetings. **Corporate services.** Includes information about booking conference rooms/catering services, courier, building access passes, parking, and reserving temporary workspace.

48141   Source: Forrester Research, Inc.

Enforcement Is Necessary To Ensure Compliance

A paper tiger policy with no sanctions for noncompliance is worthless and potentially very risky with respect to securing and protecting company property and customer information. To prevent this, sourcing professionals should:

- **Make signing a telecommuting agreement mandatory.** Mere awareness of the policy is not enough to ensure compliance. Requiring employees interested in telecommuting to read the policy and also to sign a statement to that effect provides a strong message about the telecommuter's personal responsibility to secure company equipment and protect customer information. It should be filed with HR and retained in the employee's personnel file: IT should be notified when this has been done, completing the permission requirements for telecommuting.

- **Establish a compliance group to monitor, clarify, and update the policy.** Where they exist — usually in companies that have several thousand telecommuting employees — these groups are usually headed by a corporate security representative. Other members include direct reports to the CIO, to the head of HR, internal legal counsel, and to corporate and business unit CIOs or to major departmental and division heads.

- **Enforcement responsibility is shared — by IT, HR, and the telecommuter's manager.** To ensure policy enforcement, best practice involves having IT implement automated systems that track all off-premise connections to the corporate network, log any unusual or suspicious activity such as significant and repeated uploads from a corporate database or shared folders, and generating statistical reports about them. Managers also need to be vigilant about unusual behavior by telecommuting employees, including reporting to HR or IT any observed incidents or suspicions about the possible compromising of company rules including those around security, privacy, and confidentiality.

RECOMMENDATIONS

KEEP YOUR TELECOMMUTING POLICY CURRENT

Keeping your telecommuting policy useful and relevant will help ensure compliance. It also will help your company achieve the business goals that the policy is intended to address, including improving employee morale and loyalty, increasing overall productivity and possibly new revenue generation, and enhancing accessibility for customers. Some best practices include:

- **Reviewing the policy and publishing updates regularly.** An annual examination is recommended for reviewing the policy document in its entirety, while individual sections could be updated more often as needed. Who should be involved? Representatives from both business and IT, including direct reports to senior executives in HR, legal, finance,

and the corporate CIO. These policy reviews and refreshes also serve to remind corporate executives and managers about your organization's commitment to telecommuting.

- **Posting changes on the intranet and also emailing them to telecommuters.** When a significant change in policy is made, or when a section of the policy is revised, it should be date stamped, posted on the intranet telecommuting Web site, and also group emailed to registered telecommuters, along with their managers and the corporate services, help desk, and HR groups supporting them. This will help reassure telecommuters and their managers of its currency — and hence, its relevancy.

- **Using Web 2.0 tools to enable feedback, input, and recommendations.** In addition to providing an IT-monitored chat room accessible via the employee ePortal for sharing tips and submitting questions to IT and the telecommuting community, registered employees should be provided a social networking toolkit for blogging and creating wikis about the policy, and to submit anonymous as well as signed recommendations for amendments to it. The telecommuting Web site should also include a regularly refreshed list of reference documents (with hyperlinks) that users can download to their PC and handheld wireless devices.

SUPPLEMENTAL MATERIAL

Companies Interviewed For This Document

Verizon Business

ENDNOTES

[1] Source: Enterprise and SMB Networks and Telecommunications Survey, North America And Europe, Q1 2008.

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