

Gauging Perceived Benefits from 'Working from Home' as a Job Benefit

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Key Words

Telecommuting, working from home, employee benefits, organizational behavior, virtual employees, and employee satisfaction.

Abstract

This paper covers working from home as an employee benefit and looks to gauge the advantages and disadvantages for both employees and employers. The focus is on employees that work from home on behalf of an employer, not self-employed individuals. The article reviews secondary research on working from home.

The primary research included in this paper was conducted via anonymous online surveys. Respondents were assured of anonymity, and ranged in their functional roles. The survey included ranking questions, as well as freeform short answer questions. This primary research is not positioned to be statistically representative of all employees and employers. This primary research does reflect a gauge on perspectives on working from home as a job benefit.

Ultimately the results suggest that employees hold a very positive perspective on working from home, however, more can be done to help ensure perceptions on workplace promotional opportunities remain consistent for employees that work in an office or for home. Research also suggests that the greatest challenge for managers remains a lack of trust in results from employees they cannot physically see in the same location. Managers will find driving their employees' performance through clearly defined metrics which will improve the trust.

1. Introduction

Currently many organizations allow select employees an opportunity to telecommute, also known as working from home. The rationale is that the employee benefits by avoiding time lost in traffic, and instead can spend that wasted time engaging in work activities (Bernard, 2014). This situation is considered to be ideal for those employees who are not customer facing. The employer is expected to benefit from fewer dollars necessary for office space and increased productivity from the employee. There are advantages as well for the macro-environment, such as environmental benefits and fewer commuters adding to traffic congestion. (Rapoza, 2014) As with any job benefit there are also some potential disadvantages, some employees may be distracted, or perceived to be distracted, by their home environment (Bernard, 2014). Other disadvantages may include reduced sense of team cohesion as employees who work from home may feel less connected to their fellow team members, and there can be a perception of reduced likelihood for promotional opportunities.

This article will assess select secondary research, as well as conduct high-level primary research, in order to better gauge the effectiveness of working from home as a job benefit.

This article looks to conduct a "pulse check" on working from home as a job benefit for select employees, and to provide some thoughts on whether this benefit is perceived to add value to the employee and the employer. The article is focused on those employees working for employer organizations, and not individuals that are self-employed.

This paper covers working from home as an employee benefit and looks to gauge the advantages and disadvantages for both employees and employers. The focus is on employees that work from home on behalf of an employer, not self-employed individuals. This research has

a working hypothesis that both employees and managers find working from home an attractive job benefit; however, specific perception may challenge adoption.

2. Literature Review

2.1 Growth Trend

Looking at the overall market in the United States, more employers are allowing employees to work from home on a regular basis. According to research conducted by the Families and Work Institute, the percentage has gone from 23% of US based employers allowing select employees to work from home in 2008 to 38% in 2014 (Bernard, 2014). Consulting firm Global Workplace Analytics approximates an increase of 80% of those companies allowing employees to work from home, between the years of 2005 to 2013. This brings the total projected number of employees that work from home at least half time to 2.6% of the US employee workforce, or 3.3 million employees. This number excludes self-employed individuals (Lister, 2013). The number is larger when we look at employees allowed to work from home at least one day a week, with over 30 million US employees taking advantage of this opportunity (Rapoza, 2013).

It is interesting to look at the 2013 Forbes' "Top 25 Companies for Work-Life Balance," and notice that the #2 company listed, National Instruments, states the benefit of working from home is a large factor to why it has been in the Top 50 Best Places to work for five consecutive years (Smith, 2013).

2.2 Technology

Technology has proved to be a strong factor enabling this job benefit for more organizations, as improved broadband access for residences enables many categories of employees to work seamlessly from their home. Technology tools such as email, video conferencing, screen sharing, file sharing, VPN (Virtual Private Network), Telepresence and many more tools help to enable an option to work from home (Rapoza, 2013).

According to a survey conducted by Staples Advantage of 140 employees that worked from home for various employers, their respondents indicated email as the single largest communication tool leveraged (96%), followed by instant messaging (68%) and videoconferencing (44%) (Akerley, 2011).

2.3 Perceived Benefits

There are several perceived benefits to both employers and employees when working from home. Several advantages are highlighted below.

- 1) **Increase Productivity.** The time that it takes for an employee to travel from home to the office can be spent on being productive. An organization by the name of Telework approximates employees that work from home save an estimated 15-days of time, which would have been spent commuting (e.g. driving, buses, subways, etc...) (Rapoza, 2013). Telework also highlighted employers that witnessed increased productivity between those employees working from home versus in-office employees. "...Best Buy's average productivity had increased 35% through its flexible work program. British Telecom estimates productivity increased 20% through telecommuting... Alpine Access, one of the nation's largest all-virtual employers, attributes a 30% increase in sales and 90% reduction in customer complaints to its home-based agents. American Express teleworkers handled 26% more calls and produced 43% more business than their office-based counterparts..." (Rapoza, 2013).

- 2) Nicholas Bloom set up an experiment with a company by the name of “Ctrip,” where some workers were allowed to work from home for nine months, while others remained in the office. “The results we saw at Ctrip blew me away. Ctrip was thinking that it could save money on space and furniture if people worked from home and that the savings would outweigh the productivity hit it would take when employees left the discipline of the office environment. Instead, we found that people working from home completed 13.5% more calls than the staff in the office did—meaning that Ctrip got almost an extra workday a week out of them” (Bloom, 2014).
- 3) Reduction in Sick Days. Approximately 78% of sick days are actually due to stress or personal issues. Working from home allows employees to take fewer sick days as they can better handle those issues without requiring an entire day off from work (Hendricks, 2014). This allows employees to better achieve a work / life balance, as well as ties back to increased productivity. Additionally, many employees that work from home are able to return to work more quickly given the fact they work from home (Rapoza, 2014).
- 4) Cost savings. Working from home permits you to save precious time fighting the traffic to get to work, you save time, you save on gas and mileage, on clothing, accessories, grooming and etc. In addition to saving money for employee, this setup saves money for organizations. It saves on overhead and variable costs. The company in return can invest some of that money to expand and some to promote or increase benefits for their employees. Research by the organization Telework, has approximated employers save more than \$10,000 per employee annually. This is seen a consequence of “the increased productivity, reduced facility costs, lowered absenteeism, and reduced turnover” (Rapoza, 2013). The employees are expected to save as well. Telework approximates an annual saving to the employee between \$1,600 to \$6,800 (Rapoza, 2013). According to research conducted by Global Workplace Analytics, 36% of employees would be willing to trade a salary increase for the ability to work from home. 10% of technology professionals even indicated willingness to take a 10% pay-cut for the ability (Hendricks, 2014).
- 5) Job satisfaction. This benefit appears to be a large factor in increased job satisfaction from those employees allowed to leverage the option. Standard University Professor Bloom’s experiment with Ctrip observed the same result. Bloom observed that employees “...quit at half the rate of people in the office—way beyond what we anticipated. And predictably, at-home workers reported much higher job satisfaction” (Bloom, 2014). The Staples Advantage study also reflected higher job satisfaction rates. “Home workers reported 25% lower stress levels, 73% said they ate healthier working from home, 76% were more loyal to their company and 80% reported a better work-life balance” (Hendricks, 2014). A whitepaper by Microsoft called “Work without Walls” included survey results from employees that work from home, and the number one benefit stated by far was work / home life balance at 60% (Kruse, 2012).

2.4 Perceived Challenges

Like any benefit there is a spectrum of perceptions, which include several possible challenges. It is key to note that some of these are perceptual based challenges, or challenges that may not meet the facts.

- 1) Manager perception. The Microsoft whitepaper “Work without Walls” indicated one of the greatest challenges associated to employees working from home is the perception from a company’s management. Many managers are more comfortable when they are able to witness their employees’ work first-hand. “Business leaders assume employees

who work remotely and take advantage of the policy are not really working. This is because of the loss of control. Employers lose direct oversight and cannot witness productivity firsthand" (Kruse, 2012). Managers who set specific, measurable goals for all employees are more likely to have increased trust for any employees they select to work from home (Kruse, 2012).

- 2) Self-discipline. Not all employees are a right fit for working from home. Working from home does require self-discipline, and avoiding distractions at home. As with any benefit there are employees that will not use the benefit properly and set a bad example (Russell, 2013).
- 3) Face-to-face contact. Employees that work from home can often feel that they are missing out on face-to-face contact, including collaboration. There are several technology applications that can help counter-balance this aspect. Additionally, employees that work from home may find it helpful to make occasional trips to the office in order to engage in collaboration or networking opportunities (Russell, 2013).
- 4) Visibility. Indications seem to imply that those employees well suited for working from home work longer hours than their counter-parts that are in the office, however, it can be more difficult for that work to be visible (Russell, 2013). Employees can improve their visibility by increasing their diligence around communication (Healy, 2013).
- 5) Work / Life Balance. Although working from home can help many employees achieve a better work / life balance, it can also make it more difficult to do so. Working from employees' homes can complicate their process by no longer providing a physical separation between work and home. Employees who work from home may neglect to take breaks, or are not as structured on what time to end their work day (Russell, 2013).

3. Primary Research

3.1 Research Methodology

Secondary research was conducted via business related periodicals and articles.

Primary research was conducted via an online survey. The primary research conducted on this paper was via an anonymous descriptive online survey. The results were exported to spreadsheets, reviewed and tallied. All rating related questions were tallied and analyzed, including the average score based on the respondent size, as well as deriving the percentage of the total response per question. Freeform comment questions were analyzed for key words and consistent themes.

Employees were asked to self-select if they work from home on behalf of an employer. A total of 84 survey responses were submitted for employees that selected they do work from home on behalf of an employer. Respondents reflected employees that range from technology, project management, sales, marketing, insurance, training and education.

Managers were asked to self-select if they are a manager with employees that work from home. A total of 9 survey responses were submitted for managers that selected they do have employees that work from home. Respondents reflected employees that range from technology, project management, finance, recruiting and research.

Specific questions for both the employees and managers' surveys can be found in the appendix.

3.2 Results - Employees that work from home

The results below reflect that employees do seem to have very positive perceptions on working from home. All results reflect average responses that exceed the neutral state, or are greater than "3." Respondents do have a self-perception that they are highly motivated

employees, which aligns to the secondary research that working from home does require a more self-driven employee. It is interesting to note that the lowest ranking score can be seen around promotional opportunities. The results for this question have also been summarized in Figure 4 to highlight the distribution of responses. This observation aligns with the secondary research in that employees that work from home may feel that their work is harder to notice, or that their general visibility is less than those employees in the office.

Over half of the respondents (46 out of 84 respondents, or 54.76%) indicated that their manager also works from home. The comment analyses for those respondents suggest a trend that an employee may be more comfortable working from home when his or her manager works from home as well. The freeform comment analyses also indicated that the location of an employee's manager had little to no impact on the employees' perception of job satisfaction.

A vast majority of the employees felt that they did have the discipline to start their work on time; however, many felt that working from home does often have them working longer hours than when they worked in an office. This does support the secondary research that suggests working from home can increase productivity, which will likely see a lift due to these increased hours.

	Average	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
More productive working from home	3.99	33	26	16	9	0
Improved job satisfaction	4.42	48	25	8	1	1
Working from home cost beneficial	4.57	57	20	5	2	0
Employer saves money	4.14	41	22	13	8	0
Promotional opportunities remain strong	3.35	13	26	25	17	3
Able to maintain work / life balance	3.65	28	25	7	19	4
Able to work on team assignments	3.82	24	34	12	12	1
Highly motivated individual	4.54	50	29	3	1	0
Miss face-to-face interaction	3.71	17	35	24	7	1

Table 1 – Primary Research Results: Employees that work from home

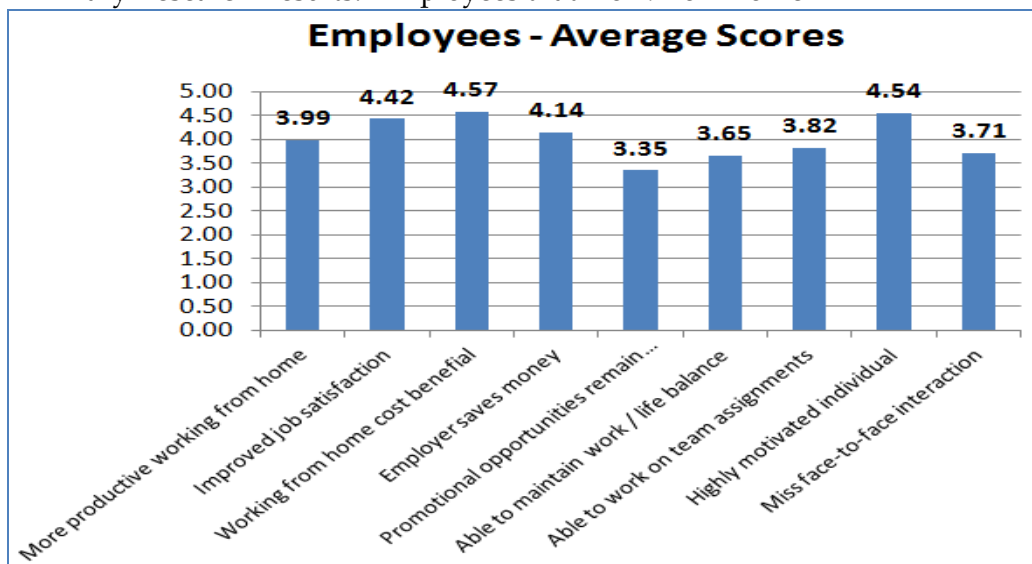


Figure 1 – Primary Research Results: Employees that work from home

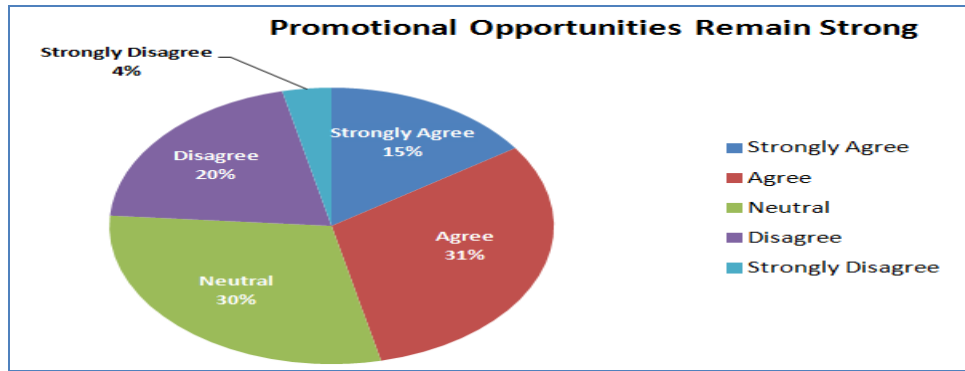


Figure 2 – Primary Research Results: Promotional Opportunities for employees

3.3 Results – Managers of employees that work from home

Although the number of respondents for managers was roughly 10% of the respondents for employees, one observation is that the averages for the managers are lower across all questions. In this survey the lowest ranking question is actually around the employees’ abilities to work in team assignments when working from home.

Managers’ comments did suggest that employees do have the discipline necessary to work from home; however, there was an emphasis that such programs are best aligned to specific type of high-performing employees.

Managers were asked for suggestions on how organizations can better be structured to ensure success when having specific employees that work from home. Comments included this benefit only being available for specific employees that have proven track records. Organizations should ensure to manage based on results, and have clear expectations. Suggestions also included attempting to ensure employees of various time zones had an overlap of working hours that help to ensure 6-hours where employees are all online at the same time.

	Average	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
More productive working from home	3.11	0	4	2	3	0
Improved job satisfaction	3.56	1	4	3	1	0
Employer saves money	3.44	1	4	2	2	0
Promotional opportunities remain strong	3.22	1	3	3	1	1
Able to maintain work / life balance	3.44	1	4	2	2	0
Able to work on team assignments	2.89	1	2	1	5	0
Highly motivated individual	4.33	3	6	0	0	0
Miss face-to-face interaction	3.67	1	5	2	1	0

Table 2 – Primary Research Results: Managers of employees that work from home

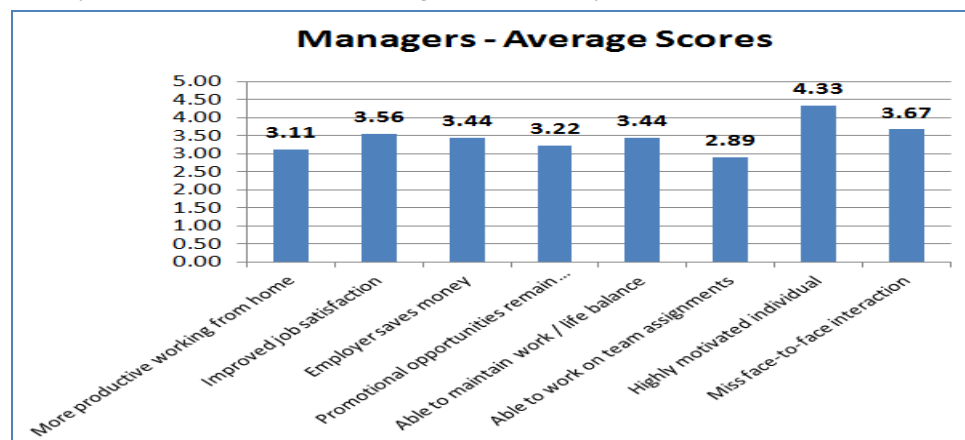


Figure 3 – Primary Research Results: Managers of employees that work from home

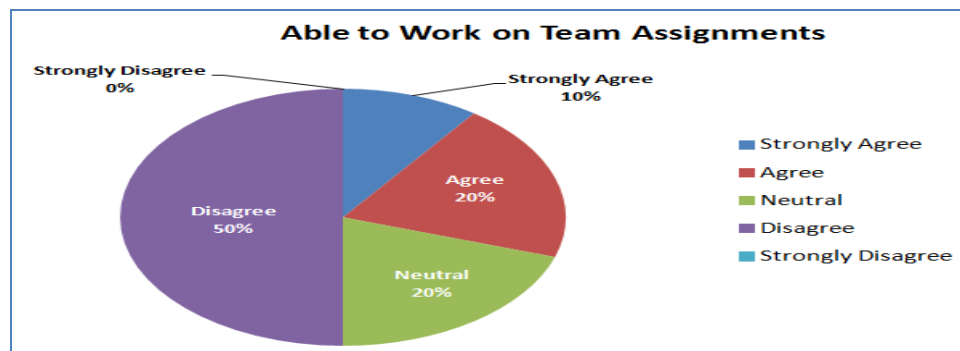


Figure 4 – Primary Research Results: Managers of Employees thoughts on Team Assignments

4. Discussions and Conclusion

The primary research in this article tracks very well to the secondary research in that many employees do have a strong, positive satisfaction associated with the flexibility to work from home.

Managers' results seem positive, although not to the degree of the employees' responses. The primary research here also seems aligned to secondary research in that managers may struggle to gauge effectiveness of employees that are not physically in the same location.

In general managers will find it beneficial to leverage smart, measurable metrics to ensure their employees are meeting expectations. Managers will find it even more beneficial to use metrics when dealing with employees that work from home, in order to help increase trust and visibility.

As organizations find themselves attempting to be more efficient with their budgets, they may want to seriously evaluate allowing select employees to work from home. Employees have indicated there is willingness to trade-off salary increases for an ability to work from home. This helps to signify how strongly desired this work-place benefit is perceived.

5. Limitations and further research

This primary research is not positioned to be statistically representative of all global employees/employers given the fairly small sample size. Expanding the primary research would continue to yield additional insight. Additionally, the primary research was derived from a survey and as such is subject to sample collection and related errors.

Further research that would extend this qualitative assessment may include research into performance evaluations for employees that work from home full time versus those in an office setting. This information would augment the productivity data available in secondary research, and may help to highlight if employees that work from home do encounter visibility issues.

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Recognition

I would like to take this opportunity and give my sincere thanks to everyone who filled out the survey questionnaire.

Appendix

Primary Research Questions - Employees who work from home

Please rate the following statements on a scale of 1-5, where 5 is strong agreement and 1 is strong disagreement.

- 1) You are more productive in your work when working from home.
- 2) Your job satisfaction has improved since working from home.
- 3) Working from home has been cost beneficial for you (e.g. cost of clothing, make-up, and gas & so on...).
- 4) Your employer saves money by allowing you to work from home.
- 5) Your promotional opportunities with your employer remain as strong as when you worked in the office.
- 6) You are able to balance work and life at the same level as when you worked in the office.
- 7) Your ability to work on team assignments remains as strong as when you worked in the office.
- 8) You are a highly motivated individual.

- 9) You miss face to face interactions with your co-workers.

Please answer the following questions.

- 1) Does your manager also work from home? (Yes / No)
- 2) How does your manager's work location impact your job satisfaction, if at all?
- 3) Please briefly explain what type of work you do.
- 4) Do you feel that you have the discipline to start on time, and finish on time, when you work from home? Please briefly explain your thoughts.

Primary Research Questions - Managers with employees who work from home

Please rate the following statements on a scale of 1-5, where 5 is strong agreement and 1 is strong disagreement.

- 1) Your employee(s) are more productive in his / her work when working from home.
- 2) Your employee(s)'s job satisfaction has improved since working from home.
- 3) Your organization saves money by allowing your employee(s) to work from home.
- 4) Your employee(s)'s promotional opportunities with your organization remain as strong as when he/she worked in the office.
- 5) Your employee(s) are able to balance work and life at the same level as when he/she worked in the office.
- 6) Your employee(s)'s ability to work on team assignments remains as strong as when he/she worked in the office.
- 7) Your employee(s) are highly motivated individual(s).
- 8) You feel your employee(s) miss face to face interactions with co-workers.

Please answer the following questions.

- 1) Please briefly explain what type of work your employee(s) conduct.
 - 2) Do you feel that your employee(s) have the discipline to start on time, and finish on time, when working from home? Please briefly explain your thoughts.
 - 3) Do you have any suggestions for organizations that want to leverage a work from home model for specific employee roles?
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