

White Paper

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## Post COVID-19: Improving your distributable workforce through formal telework programs

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Although organizations have used telework as an alternative work arrangement for decades, telework has never been so prevalent as it is amid the COVID-19 shelter-in-place orders. Telework provides continuity of operations (COOP) for private companies as well as state, local, and federal government agencies, in addition to the other benefits that telework traditionally bestows. Telework enriches employees' work/life balance, improves retention, and enhances team and organizational performance. Organizations lower their carbon footprint and costs, and help to reduce traffic congestion and commute times. Due to the COVID-19 pandemic, most organizations—whether they're prepared or not—must have all (or nearly all) of their employees teleworking full time. Having an existing telework program in place prior to stay-at-home orders facilitates the success of teleworking arrangements, while the lack of a program contributes to increased challenges of full-time and full-organization telework during this pandemic.

Implementing a formal telework program—either proactively or reactively—is a strategic way to create a distributable workforce that is flexible and provides broad benefits to a region, organizations, individual employees, and the environment (see Exhibit 1).

Exhibit 1: How a telework program generates extensive benefits via a distributable workforce



### What is a distributable workforce?

A **distributable workforce** is one in which employees regularly telework or can episodically telework, providing flexibility in location to the overall workforce.

- Teleworking refers to the individual arrangement of working offsite (usually from home), which creates the ability to have a distributable workforce broadly across an organization and/or a region.
- While telework is often thought of as an arrangement for individual employees, a distributable workforce refers to a larger group of people, such as in a metropolitan area or a region, who are able to work where it is best for the organization and the individual.

Organizations that formalize a telework program now, reactively, can better support employees teleworking due to the pandemic, be better prepared for recurring or new emergencies, and experience the myriad of benefits of well-run telework programs. Even organizations with established formal telework programs can refine them through program evaluation and evidence-based enhancements that build upon their successes and address challenge areas.

We know telework offers benefits, and we now have experienced how it can keep our organizations functioning in extraordinary circumstances. But how can organizations adjust existing telework programs (or establish new ones) after the COVID-19 pandemic? How can organizations take those actions today that best prepare them to sustain operations when faced with future emergencies of unpredictable scale and scope?

ICF is a multidisciplinary research, management, and policy consulting firm with experts in workforce research and telework implementation, emergency management, transportation demand management (TDM), and strategic communications. Our experts understand current best practices and consult with hundreds of organizations regarding how to optimize employee, team, and organizational performance. ICF's multidisciplinary team can work together to motivate and aid organizations in optimizing telework programs, transitioning back to normal operations, and better preparing organizations to sustain operations in possible future COVID-19 outbreaks and other emergencies, while also providing other benefits to organizations, individual employees, and the environment.

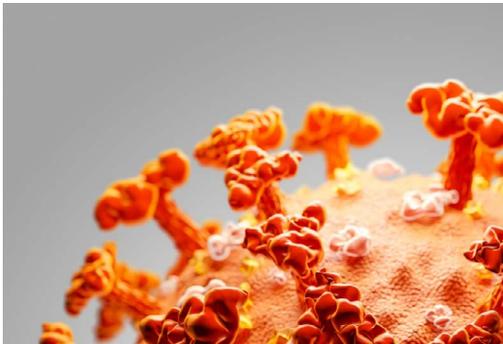
In what follows, ICF offers a summary of the benefits of telework programs and the nature of today's distributable workforce. We also present those elements of telework programs that maximize the benefits of a distributable workforce. We share our recommendations on how organizations can adjust policies to sustain operations in the face of future emergencies.



## Telework and continuity of operations



The COVID-19 pandemic swiftly and profoundly affected organizations' continuity of operations. Within several weeks, all employees who could telework did so on a full-time basis in order to reduce their exposure to this new and dangerous virus. Natural disasters, such as hurricanes, flooding, and large snowstorms, have also kept employees from being able to travel to their work locations, causing organizations to lose a significant amount of money in reduced employee productivity and delayed or stopped operations. Additionally, major events in cities (e.g., sporting events) can disrupt normal traffic patterns making it infeasible for employees to efficiently get to and from work. Early estimates predict most major economies will lose at least 2.4% of their gross domestic product (GDP) value during 2020 due to the COVID-19 pandemic.<sup>i</sup> During 2019, the California fire damage was estimated at 25.4 billion,<sup>ii</sup> and the economic impact of Pacific Gas & Electric (PG&E)'s preventative power cuts was approximately \$2 billion, according to some estimates.<sup>iii</sup> While 100% of such losses cannot be prevented using telework, having formal telework programs in place can help minimize business losses when normal operations are thwarted.



Telework can be a key component in planning for COOP as it allows organizations to develop a plan that will enable a distributed workforce and continued essential operations in the face of an emergency, such as a natural disaster or a pandemic.<sup>iv</sup> As the COVID-19 outbreak was becoming more extensive in the U.S., organizations with established telework programs could efficiently communicate with employees and apply an existing program that allowed work operations to continue. Those organizations could maintain pre-COVID productivity levels more readily than organizations forced by the circumstances to quickly ramp up a telework option for employees. Organizations implementing a telework program after COVID-19 began were reacting in a strained and stressful environment. Systems needed to be implemented, technology needed to be acquired (e.g., laptop computers, video conferencing software, secure access to organizational documents), employees needed to become familiar with the technology and able to use it, and supervisors needed to quickly learn how to manage their employees remotely.

Continued social distancing policies will require organizations to gradually decrease the proportion of the workforce that teleworks via a slow transition back to normal office operations. Organizations must be prepared to increase telework again should another wave of the COVID-19 pandemic occur, or if another emergency event occurs. To be responsive to employee needs and business demands, organizations must adjust existing telework programs or introduce a formal, permanent telework program. Without a formal program, organizations risk fostering perceptions of favoritism and inequity, or even worse—losing high performers who now desire or expect some kind of alternative work arrangement.

### Organizational improvement success story

The Federal Highway Administration (FHWA) was struggling with a lack of qualified applicants in the Washington D.C. area; they determined that cost of living was a major factor in why these jobs were remaining open. To combat this problem, they implemented an Alternative Duty Location (ADL) program in which employees live and work in areas where there is a lower cost of living. As such, employees do not need to be in the main office and the workforce is distributed in a way to maximize the effectiveness of the organization. Benefits of implementing a distributable workforce for FHWA included the following:

- Increased applicant pool with more qualified applicants.
- Increased employee morale.
- Lower turnover, as employees now feel that they can advance in the organization without relocating to Washington, D.C.

## Telework benefits during typical business operations

Not only can telework help to improve emergency management outcomes, such as providing continuity of operations, it can also offer benefits to employees, organizations, and the environment. This section describes these benefits, listing positive outcomes and examples of telework benefits realized by organizations.

One of the top organizational advantages of telework is cost savings. Examples of these cost savings include the following:

- **Reduced property rental costs:** Federal agencies reported a 13% savings in real estate/office space costs during fiscal year (FY) 2017, an increase of 3% from FY 2016. During FY 2017, the Department of the Treasury had \$101,059 savings in real estate leased space supported by telework, and the Department of Justice's Office of Justice Programs (OJP) saved \$3,051,345 in real estate costs over one year through reduced office square footage and the use of hoteling space.<sup>v</sup>
- **Reduced utility and operational costs:** During FY 2017, the Federal Emergency Management Agency (FEMA) achieved \$702,277 annual savings (i.e., energy, waste, real property, equipment costs) from 20% of employees teleworking at any given time. Further, the National Aeronautics and Space Administration (NASA) reported saving \$85,000 in utility costs during FY 2017.
- **Financial incentives:** In 2019 and earlier, Telework!VA offered a \$50,000 telework tax credit for businesses in Virginia.<sup>vi</sup> Several states including Oklahoma, Utah, Virginia, and Vermont have offered telework tax credits for businesses.
- **Additional cost reductions:** In FY 2017, the Consumer Finance Protection Bureau (CFPB) was able to avoid annual costs of nearly \$278,000 due to reductions in transit subsidy benefit programs due to telework.<sup>vii</sup>
- **Lower employee recruitment and training costs:** A flexible workplace that offers alternative work arrangements, such as telework, raises employee morale and lowers turnover. Telework is associated with a 20% decrease in employee turnover.<sup>viii</sup> Recruitment, hiring, and training expenses decrease when an organization increases employee retention.
- **Lower employee absenteeism:** Employers who offer telework programs enjoy a 60% decrease in absenteeism, on average, which can save 63% of the cost of absenteeism per teleworking employee (equal to \$2,086 per employee/year).<sup>ix</sup>

When employees are able to telework, organizations also experience improvements in performance and their workforce. These gains come in many forms, including the following:

- **Increased worker productivity:** Based on industry research, one author suggests an increase in productivity of 27% on days that employees were able to work from home (due to fewer interruptions, effective time management, and flexible hours).<sup>x</sup> Research shows that 86% of U.S.



companies and 83% of global companies that have implemented flexible work policies have seen an increase in employee productivity.<sup>xi</sup>

- **Increased employee retention:** Replacing employees can be very expensive due to the need to recruit and train new employees as well as the cost of lost productivity when trying to find a replacement employee. In fact, it has been suggested that the cost of turnover is approximately 138% of an employee's wages.<sup>xii</sup> Research shows that 88% of human resource managers said they have had an employee quit because of lack of telework opportunities.
- **Improved employee recruitment:** Thriving companies seek high performers who desire more than just high pay; they want challenging, interesting, supportive, and flexible work environments. Organizations with a telework program have a competitive edge over those that do not. 54% of human resource managers say they "occasionally miss out on the best job candidate because they cannot meet the candidates' telework requirements."<sup>xiii</sup> Additionally, organizations that embrace telework can hire the best talent, regardless of geographic location.<sup>xiv</sup>

Finally, telework programs provide benefits to employees, such as:

- **Less time and money spent on commuting:** Teleworkers who work at home 50% of the time gain back two to three weeks' worth of time in a year. This time can be spent with families, on personal hobbies, or can be used to work.<sup>xv</sup> Each year the U.S. Patent and Trademark Office's (USPTO) teleworkers have a dramatic impact on the environment in the Washington, D.C., metropolitan area, collectively saving around \$7.3 million on gas and avoiding driving about 93 million miles.<sup>xvi</sup>
- **Increased work/life balance:** When employees telework, they are often able to schedule work in a way that can meet their personal or family needs and spend less time away from home, thereby increasing their work/life balance. Research shows that 60% of employees in the U.S. use flexible work options to achieve better work/life balance.<sup>xvii</sup>
- **Reduced traffic congestion and air pollution:** Time spent commuting in traffic leads to lost productivity; teleworking helps decrease productivity loss and environmental problems associated with a high volume of commuters, as telework helps reduce carbon monoxide and other air pollution<sup>xviii</sup> due to the reduction in car travel.

Although many employees are working from home due to the COVID-19 pandemic, traditional telework programs can be implemented differently based on the needs of organizations and employees. For example, typical telework does not have to occur on a full-time basis. Employees can work from home on a specific day or days of the week or they can telework only when it is necessary or desired based on personal, organizational, or external (e.g., weather) needs.



## How can organizations adjust or introduce formal telework post COVID-19?



The pandemic forced organizations to use telework in a manner not typically permitted. For many working parents, telework occurred without dedicated childcare. For many employees, work transpired in less-than ideal physical configurations (e.g., without a dedicated workspace). Now that employees across multiple industries have experience teleworking, they likely have new desires and expectations about the future. Without systematically thinking through how to adjust an existing telework program—or introduce a new systematic and formalized telework program—organizations risk diminishing employee morale and engagement if steps are not logical and the rationale for actions are not explained.

Setting up a new program or formalizing an existing telework program can help organizations minimize challenges presented by COVID-19 and other future emergencies. Establishing a formal program or updating existing programs involves the steps outlined in Exhibit 2 and described in the sections that follow.

Exhibit 2: Steps to set up telework programs

Establishing NEW programs	Updating EXISTING programs
1. Determine position, task, and personal telework eligibility.	1. Evaluate successes and needed improvements with existing program.
2. Delineate telework policies and procedures.	2. Reconsider telework eligibility based on successes.
3. Train employees and provide support.	3. Adjust telework policies and procedures based on evaluation results.
4. Evaluate the success of the telework arrangement.	4. Train employees on existing policies and modifications.

### Telework policies and procedures

Establishing clear telework policies provides the parameters, standards, rules, and expectations for both employees and the organization to follow in preparing and implementing a telework arrangement to support a distributable workforce. Established policies provide consistency throughout the organization and increase trust and perceived fairness from employees. Teleworking in an undefined system can pit employees against each other and undermine company goals.<sup>xix</sup> Telework policies may be written around the following topics:

## Telework policy topics

- Telework eligibility
- The remote office
  - Telework location
  - Safety
  - Equipment
  - Technology
  - Security
- Teleworkers' responsibilities
- Supervisors' responsibilities
- Telework procedures
  - Telework schedule
  - Core work hours
  - Performance
  - Communication
  - Dependent care

Telework policies are often paired with a telework agreement. Each employee must sign the agreement outlining the policy before the commencement of a teleworking arrangement. Signing the telework agreement indicates that an employee understands and agrees to all policies contained in the agreement. The establishment of formal policies and an agreement proactively avoid—and legally protect organizations from—potential issues. Even if policies were not pre-established or consistently applied before the COVID-19 pandemic, organizations can now establish and communicate clear policies and expectations to protect the company and its employees as they transition back to the office and sustain more long-term telework programs.

### Employee training and support

Preparing for a successful telework arrangement requires employees to be well-trained on the details of their organization's telework policy, criteria for eligibility, roles and responsibilities, and expectations for maintaining high performance. Teleworkers, as well as non-teleworkers, will need to be highly competent with the new processes and procedures to facilitate remote communication. Regular and clear communication about all aspects of an organization's telework program, including strategy, policies, and open acknowledgement of the challenges, is essential to building trust and avoiding misperceptions. Additionally, ensuring all employees are familiar with the telework policies—even employees who do not plan to telework regularly—maximizes the success and use of telework in emergency situations, such as a resurgence of COVID-19 in future months or years.

A centralized website with telework information and resources can be created and disseminated as a resource for teleworking employees and their managers. This website can house a repository of telework resources, such as telework policies, preparation tools (e.g., criteria to identify eligible jobs and employees, supervisor checklist to complete prior to starting an arrangement), information about best practices, and common pitfalls to avoid.

### Telework evaluation

Even the most successful telework arrangement requires monitoring and the flexibility to adjust for new technology, new job demands, changes in culture, changes in context (e.g., COVID-19), and other organizational and societal



changes. Telework program evaluation can measure its success, including return on investment (ROI), and identify areas for improvement. Regular evaluation ensures that the program is maximizing its benefits to both the organization and its employees.

Evaluation is feasible and valuable at any stage of program implementation, from reviewing a subset of employees piloting a new formal program to assessing how telework is going now for all employees working at home during the COVID-19 pandemic. Any data collected—quantitative or qualitative—will provide baseline data on which improvements can be made. Without evaluating your telework program or ad-hoc arrangements, organizations run the risk of making changes based on anecdotal information that is inherently skewed and misrepresents what is actually happening.

Even without a formal telework program in place prior to COVID-19, evaluation of successes and areas for improvement promotes employee well-being and a more sustainable post-pandemic plan. Across all stages of evaluation, managers should evaluate employees' performance on results (e.g., products/services provided) or accomplishments since it is difficult to observe activities and behaviors remotely. Monitoring performance includes measuring performance and providing feedback.

Our telework, emergency management, TDM, and strategic communications teams at ICF collaborate to motivate and prepare organizations to create, maintain, and improve their distributable workforce. By implementing and maintaining effective telework programs, we help prepare organizations to sustain operations in times of emergencies and, during normal operations, reap ongoing organizational, environmental, and employee benefits of telework programs.



## About the Authors



**Beth A. Heinen, Ph.D.** is a human capital director with more than 17 years of organizational research and management consulting experience. She has worked with clients such as the U.S. House of Representatives, U.S. Department of Justice Office of Community Oriented Policing Services (COPS), California Department of Transportation, and U.S. Department of Defense Office of Military Community and Family Policy. Beth's primary work activities include addressing workforce issues, such as workforce well-being, employee attitudes, recruitment and retention, job analysis and selection, telework, and workforce planning.

Beth has extensive experience developing and administering surveys and hiring/promotional tests, conducting interviews and focus groups, and analyzing data. She has presented research at national conferences and has published articles in scholarly journals and book chapters on these and other topics. Beth has a Ph.D. in Industrial/Organizational Psychology.



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Michelle's emphasis on climate and culture change management and assessing the bottom-line impact of various human resource initiatives helps clients to improve individual, group, and organizational performance. Her clients include the National Aeronautics and Space Administration, the Department of Homeland Security's Science and Technology Directorate, the National Institutes of Health, and the Annie E. Casey Foundation. Michelle has a Ph.D. in Industrial/Organizational Psychology.

## Appendix

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