

## Debate

# The Work at Home Controversy

**ISSUE:** Is it fair to allow employees to work from home and then require them to only work in the office?

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Yahoo recently announced that it was making its employees that were working from home come back into the office. It believes that face-to-face contact is needed to increase collaboration and productivity. Many of its employees are upset over being forced to give up this perk. Some who have small children at home feel that Yahoo is being unfair. This has led to a controversial issue: do the benefits of working from home outweigh the costs of not being in the office?

Many companies over the past several years have allowed some of their employees to work remotely from home to increase their job flexibility. Companies take different approaches to this flexible working strategy, depending upon the type of company and the functions that their employees perform. For instance, employees may work from home but be required to come into the office for meetings to ensure that they are not left out of information that is crucial to their jobs. The work that must be done at the office is usually characterized by collaborative projects, whereas work that can be done by the employee alone can be done remotely. Smaller companies sometimes allow their employees to work completely from home.

Studies have shown that people who work from home tend to be more productive, sometimes putting in 57 hours of work per week than those who work only at the office. Office workers generally put in 38 hours of work before feeling burned out. On the other hand, there may be various reasons for a higher work load for work-at-home employees. People who work from home are often held to a different standard because it is harder to monitor their work and time spent on the job. Some managers have told employees that they are expected to work harder if they take their work home. This is a tradeoff that many are willing to take for the increased flexibility. Job satisfaction appears to be high among those who are allowed to work from home, which may lead to lower turnover.

Working from home has become a trend that has changed the way people work. Instead of situating their lives around work, work has now become situated around people's lives. Because people are not restrained to working a normal work day, they can start working early in the morning, take time for their personal lives in the middle of the day, and return to their work later in the evening. This is especially attractive to parents because it lends them the flexibility to tend to their children while still maintaining their jobs. On the other hand, this also has the disadvantage of blurring some employees' work lives and personal lives.

Monitoring the productivity of remote workers is another difficulty that some companies have, but many have found innovative ways to interact with employees outside of the office. For example, Salesforce.com utilizes a feature called "Chatter" to keep employees involved with each other and allow managers to monitor progress on projects. Some other managing techniques require employees to log on to a website that tracks their progress on the projects to which they are assigned as well as the time spent on them. Ultimately, good management of working at home depends on the level of trust between the manager and the employees.

Working from home has many advantages for both companies and employees. Firms find that having remote working as an option allows them to be flexible in whom they are able to consider for employment. For example, if they want to hire someone who is unable to relocate to where the company is located, they are able to do so through remote working. This method can save companies money because fewer workers enable them to downsize their offices, which reduces overhead costs. It even saves companies money in salaries. Employees can be paid rates that correspond to where they live rather than to where the company is located. Employees save money because they are not commuting to work. This also benefits the environment because emissions are reduced. Perhaps most importantly, working outside the office can lead to greater employee satisfaction. For instance, when Best Buy implemented its Results-Only Work Environment (ROWE)—in which certain employees could work from wherever they wanted as long as their work got done—employee satisfaction significantly increased.

One large company that has had much success with work-at-home employees is Cisco. By using its virtual office technology to allow employees to work from home, Cisco estimates that it has saved millions in productivity costs. Employees too have been able to save significantly on fuel costs. A survey by Cisco found that more than 60 percent of a work-at-home employee's time is spent collaborating and communicating with others through its technology, and more than 90 percent stated that the ability to telecommute is important to their job satisfaction. Approximately 85 percent of Cisco employees spend part of their time working outside the office.

On the other hand, studies have shown that people who work remotely are less likely to be promoted because they tend to be forgotten if management does not see them on a regular basis. Promotion decisions are mostly based on managers seeing their employees in action. The way employees engage in meetings and deal with conflict resolution can be a key factor in promotion. Employees who work remotely are left out of these situations, thus putting them at a disadvantage. Many companies often do not know how to adapt in order to gain the most advantage from work-at-home employees. Often companies run into difficulties if they try to structure work-at-home employees according to a traditional office model.

Additionally, companies such as Yahoo and Bank of America are moving away from work-at-home models due to their disadvantages. Both firms have struggled financially and must now find ways to cut costs and increase collaboration. At Bank of America, some employees were maintaining offices while spending most of the time working from home, which did not save the firm money on overhead and was considered to be wasteful. At Yahoo CEO Melissa Meyer stated that working from home often means sacrificing speed and quality. Communication through email is slower than simply talking to another person in the office, and oftentimes quality of work is higher when done with others' input. Another argument is that companies are becoming less cohesive. Thus, the move back toward working in the office is intended to promote a team spirit. Their belief is that innovation suffers when employees do not all work together in the same area. Creativity might also be sacrificed. For example, running into someone in the hallway or other informal encounters at work have been known to create spontaneous conversations that lead to new ideas or products. Since much communication happens through body language, much is lost over emails or video conferencing. Working at the office promotes relationships, friendships, and an opportunity for networking and meeting new people. It also allows for managers to be more involved in employees' work.

Unfortunately, changing work-at-home policies has created much debate for companies like Yahoo. Requiring employees to work from the office limits valued flexibility, especially for mothers or fathers with small children. Employees who live farther away from the office environment will now likely see their fuel costs increase.

Additionally, some feel that it is unfair that they were hired under the assumption that they could work from home, only to be told later that they were going to have to give it up and return to the office. Finally, critics allege that these changes could be a mask for the company's real reason for changing the policy: a need to eliminate jobs.

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There are two sides to every issue:

1. It is fair to allow employees to work from home because it lowers overhead costs, creates greater employee satisfaction, and leads to higher productivity.
  2. Companies should have the discretion to change policies if working from home is considered disadvantageous due to decreased speed and less collaboration.
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