

# VIRTUAL WORKERS: *Are They Worth the Risk?*

KEEP THESE POINTS IN MIND AS YOU WEIGH THE PROS AND CONS.

BY MARGARET TAN-SOLANO AND BRIAN KLEINER

You may be most familiar with the term “telecommuting,” coined in the ’70s to describe using telecommunications to let people work away from the office. Newer terms—“teleworking” and “virtual working”—emphasize the work rather than the travel.

While working at home is one avenue, other nontraditional work environments are emerging. These include “hoteling” through shared office space and a compressed work week, working at a satellite office, and establishing a mobile or virtual office through laptop computers or other technology.

If you don’t yet have any virtual employees, you probably are (or should be) looking into the idea. But you need to weigh all the pros and cons. Here are some things to keep in mind:

*Look at the benefits.* To be effective in today’s world, you need to streamline operations, downsize organizational structures, and reduce overhead and travel expenses. To meet people’s higher expectations for quality and service, you need ways to get your employees closer to the people they serve and help them achieve better results with fewer resources. And in an increasingly tight skilled-labor market, you’re looking for benefits that will help you attract and keep good workers and tap into new labor sources such as part-time, semi-retired, and disabled workers.

A virtual work program can help you do all that, and technology has made it practical. Fax, e-mail, pagers, cell phones, modems, personal computers, and teleconferencing have liberated workers from the need to be at the office. Substituting telecommuting for real-time travel can save time and money, especially with the globalization of organizations adding miles to every face-to-face encounter.

Since people can represent over 90% of an organization’s operating cost, it makes sense to let employees work at their most productive time and to match tasks to location. Such flexibility often leads to better and more creative results and gives you access to highly qualified people you couldn’t attract otherwise. In a recent survey, 25% of people said they would change jobs so that they could work at home.<sup>1</sup>

Social concerns about the environment and the family are also driving alternative work locations. In an effort to manage air pollution and traffic congestion, many government agencies are requiring organizations to reduce their employees’ work-related commute. A more market-driven influence is exerted by funders who want to do business with organizations that show an environmental consciousness. Studies show that teleworking increases civic involvement and volunteerism, as it gives people more control of their time and a greater opportunity to connect with their home neighborhoods.

Another benefit of telecommuting is the chance it offers people with disabilities who seek an accommodation under the Americans with Disabilities Act (ADA) or people who qualify for unpaid leave under the Family and Medical Leave Act but who would prefer to be paid while working at home. By allowing these employees to work remotely, you may be able to accommodate such employees and cut personnel costs.

*Look at the drawbacks.* Take a close look at your concerns about starting a teleworking program. You’ll probably find your fears unwarranted.

If you’re like most nonprofit executives, your biggest fear is that virtual employees won’t do their work. But if you measure performance, rather than attendance, it doesn’t matter if people are at their computers at 8:00 a.m. or at midnight, as long as they get the job done. You need to eliminate that false sense of security you get from busy-looking workers at their assigned desks. Research shows that telecommuters tend to work more hours than they would in an office. They also do more creative work.

Cost is another common worry. Again, a close look will probably show that a teleworking program will cut expenses in the long run. Helping someone set up a home office usually costs less than giving them office and desk space in your building, and the increased productivity adds up to cost savings. Better use of office real estate can lead to dramatic savings in the 20-40% of an organization’s assets that can be locked up in facilities.

*Understand workers’ concerns.* Many workers are leery of telecommuting for a variety of reasons.

*View a virtual work program as a benefit and accommodation rather than a business strategy.*

Anticipate some resistance and be ready to allay concerns, such as the following:

Some teleworkers worry that they will not have equal access to career advancement. They fear that on-site workers, being more visible, are more likely to receive raises and promotions. If you make it clear that you will support and reward teleworkers, you can alleviate this anxiety.

Isolation is another drawback. Teleworkers don't have as many chances for informal networking, a key element in today's work environment. You can keep problems of isolation to a minimum by encouraging employees to stay in touch with one another, whether they work at home or in the office. Also, be sure to invite teleworkers to staff meetings and get-togethers.

It's common for teleworkers to experience some initial concern about maintaining their professional image. They may wonder if they have the required technology skills to communicate effectively via the information super-highway. Assure them that you will provide all the training and resources they need to do their job.

If employees worry that their work will suffer, explain that telecommuters are usually more productive and their work of higher quality. Point out the control they will gain over the way they structure their work and lives. More control means less stress and a greater ability to work to their full potential.

*Be aware of legal issues.* Before starting a telecommuting program, be sure it doesn't run against any federal or state wage and hour laws. There are no regulations unique to telecommuters. Non-exempt employees are covered by the minimum wage and overtime restrictions of the Fair Labor Standards Act (FLSA) regardless of where they perform their work.<sup>2</sup>

The recordkeeping under FLSA can become tricky in the arena of telecommuting because it's difficult to supervise workers' hours and activities away from the office. Thus, it's imperative to create a mechanism that captures all time worked, including overtime hours, by non-exempt telecommuting staff. For clerical workers, it may be easier to keep track of hours through computer-generated reports that enumerate work hours and log-on times. You need a system to evaluate teleworkers' productivity without undermining the fact that they're paid on a salary basis.

You should also be aware of the requirements of the American with Disabilities Act.<sup>3</sup> The courts are divided on the circumstances in which an employer can be compelled to allow

disabled employees to work at home. It is important to evaluate jobs held by disabled people to see if telecommuting is a reasonable option. If employees can perform their essential functions effectively at home, you may be obligated to let them telecommute unless doing so would create an undue hardship for your organization.

Other legal questions may arise under workers' compensation laws and insurance policies. It is important to examine these laws before implementing or rejecting a telecommunication program. (See *Law & Taxation, Leadership Series* in "References").

*Plan carefully.* Setting up a telecommuting program involves many steps. Policies must be written, jobs evaluated, employees selected, equipment leased or purchased and placed in the home. The key is organization. After estimating costs and benefits, create a written plan and establish schedules for implementation. Be sure that everyone who will be affected by the new program is involved in the planning.<sup>4</sup>

*Be flexible in your arrangements.* There's no one style or pattern to follow.

People can telework on an occasional or permanent basis. They may work remotely one day a month or every day with an occasional meeting at your organization's office. Be open to what works for each employee.

*Do it for the right reasons.* To gain the most productivity from teleworking, view it as a benefit and accommodation rather than a business strategy. You should implement telecommuting for reasons such as greater productivity, reduced need for office space, more contact with clients, and increased use of highly qualified people who aren't available or affordable on a traditional, full-time basis.

*Pick the right jobs.* Most telecommuters are information or knowledge workers—people whose jobs involve cognitive rather than manual tasks and who rely heavily on digital information resources. But many other job functions are well suited to telecommuting. For instance, those who work with clients benefit from the remote access capabilities that let them spend more time in the field.<sup>5</sup> Fundraisers and marketers save

time by not having to report to the main office in person. Telecommuting can span all levels from vice-presidents to data-entry workers, writers to telemarketers, accountants to sales-people, customer support staff to field workers.

*Choose the right people.* The most important key to a successful telecommuting program is to select employees well-suited to such a lifestyle. Such people must be highly motivated and self-disciplined. They must be able to work alone without missing the mental stimulation of a busy workplace.

*Train managers.* Be sure all managers receive formal training in how to supervise teleworkers. They must move from monitoring attendance to managing performance. They may need to change performance appraisals to accommodate teleworking.

*Train teleworkers to maximize personal productivity.* Working from home doesn't necessarily mean less distractions. Teleworkers must stay organized and focused in the face of children, TV, neighbors, friends and family calling all hours of the day. At the same time, their family may resent the intrusion of work into the once-private domain. Children especially have trouble understanding the line between work and play when parents are at home all the time. Employees must learn to balance their work and home life to avoid family conflicts.

*Seek help.* In a recent survey, telework consultants identified two ingredients as necessary for a successful program: (1) Provide a reliable computer and communication lifeline from home to office. (2) Train managers and employees about teleworking. Consultants can help assure that those ingredients are in place. They can recommend sites for satellite telework offices, help select the technology you will need, and train those who will be involved. It's also useful to have consultants evaluate the success of your telecommuting program, including measuring changes in performance and developing cost and benefit data.

*Weigh the risks and benefits.* Although telecommuting isn't for all people or all jobs, it can play an important role in helping your organization increase output, reduce costs, and become more creative. Both the employee and employer gain from such a program provided it is implemented carefully and with planning. If you're still nervous, you may want to begin with just one job, one worker who is especially motivated, perhaps with just one day a week at first. If you follow these steps, you'll find that virtual workers are well worth the risk. ■

#### Footnotes

<sup>1</sup>"The Forces of Change: A Case Study" by Herman Miller.

<sup>2</sup>Of course, independent contractors are paid and evaluated in a completely different way. See "Employee or Independent Contractor?" in *Law & Taxation, Leadership Series, Volume II* (see "References").

<sup>3</sup>See "Nonprofits and the Americans with Disabilities Act" and "Do Your Job Descriptions Comply with ADA?" in *Law and Taxation, Leadership Series, Volume II* (see "References").

<sup>4</sup>See the articles on planning and preparing for change in *Management & Planning, Leadership Series, Volumes I and II* (see "References.")

<sup>5</sup>See Glasrud in "References."

#### References

Glasrud, Bruce, "Beyond the Database: The Future of Nonprofit Computing," *Nonprofit World*, Vol. 17, No. 5.

Muehrcke, Jill, ed., *Law & Taxation, Leadership Series, Volumes I and II*.

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Muehcke, Jill, ed., *Personnel & Human Resources Development, Leadership Series, Volumes I and II*.

These resources are available from the Society's Resource Center, [www.snpo.org](http://www.snpo.org).

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