

INTELLIGENCE

A tripling of energy prices could be the event that pushes people over the edge toward a whole new view of work.

/TREND/

Gas Prices Drive Telecommuting

As fuel costs soar, workers and employers examine alternatives.

By Eva Kaplan-Leiserson

THE PRICE OF GAS, it seems, has replaced the weather as everyone's favorite small-talk topic. While \$2 per gallon once seemed expensive in the United States, it now seems downright cheap. After Hurricane Katrina, the United States saw costs of \$3.50 or more a gallon. Fuel prices dipped back down slightly as rebuilding began, but at press time, Hurricane Rita was threatening to drive up the cost-per-gallon higher than ever.

But U.S. citizens should count their blessings: In Europe, prices are double or triple what they are in the United States due to government taxes. The *Washington Post* reported on prices at \$6.77 a gallon in Paris in early September.

Imagine...

In an article published in April entitled "In Our Humble Opinion: What Will a World of \$5 Gas Be Like?," Charlie Grantham and Jim Ware, executive pro-

ducers of the Work Design Collaborative, examined workplace implications for the rising fuel costs. But now they say their projection needs to be revised: With \$5 a gallon not seeming far off in the United States, they'd change their hypothetical figure to \$7 a gallon.

So what are the effects of the soaring gas costs for workers and employers? In their April article, Grantham and Ware predicted a rise in what they call "distributed work." They wrote, "When the cost of commuting goes up by a factor of three, we think people will start saying, 'It just ain't worth it.'"

With housing prices also sky-high, many workers have decided to live far away from their jobs in more affordable neighborhoods and commute in. But now people may be reassessing that decision. What's the answer, then?

If, just by telecommuting, people can cut their costs by a couple hundred dollars a month and increase their billable hours, Grantham and Ware think the de-

cision will start to become a no-brainer. They continue, "We think a tripling of energy prices in the United States over the next three to five years could just be the kind of event that flips people over the edge and drives them toward a whole new view of work...."

Grantham and Ware's organization, Work Design Collaborative, just received a grant from the Gaines Family Foundation to create an industry and professional association, the Distributed Work Industry Association, to develop industry standard productivity measurements, provide professional development programs for industry leaders, and seek to influence U.S. federal and state regulations that help or hinder the growth of distributed work.

Jerry Gaines, trustee of the Gaines Family Foundation says, "...Working from home—or close to home in a satellite office—can have a positive impact on families and communities,

such as reductions in traffic and commute times, air pollution, and the use of high-priced gasoline, as well as increased productivity.”

Implications for employers

According to a September article in *USA Today*, about 20 percent of companies are planning to take steps to help workers with higher gas prices. Those steps include organizing carpools, offering public transit discounts, raising mileage reimbursement, and providing telecommuting options.

Grantham and Ware urge employers to start thinking about setting up remote and satellite offices as well as distributed work programs. For example, government and private-sector workers in the Washington, D.C., area can work at telework centers funded by the U.S. government.

FAST FACT/Genesys Conferencing reports a 40 percent increase in the use of its multimedia conferencing services in the last few months. Nearly a quarter (24 percent) of users surveyed say reduced driving due to rising gas prices was responsible for their increased use.

Ware says more and more federal agencies are actively encouraging telecommuting lately. An article in the *Washington Post* reports that the U.S. Office of Personnel Management sent out a government-wide memo urging telecommuting after Hurricane Katrina

Employees Want Alternatives

According to a survey released by ComPsych Corporation, the majority of employees polled would rather telecommute, carpool, or take public transportation than continue to drive their cars with rising gas prices.

Employees were asked, “If gas prices become too high, will that affect your commute to work?” Seventeen percent replied that they would change the way they commute and 44 percent said they would prefer to change, but can’t.

SOURCE/CCH Human Resources Management Daily Document Update

to aid gas shortages.

An important result of distributed work, Ware points out, is business continuity in the event of an emergency. The importance of this was demonstrated after Katrina hit.

Telecommuting can also save companies money on office space. An article in *Computerworld* reports that at GE Energy’s division in Atlanta, telecommuting has allowed the company to cut the number of its office-based workstations by 50. Each workstation costs about \$15,000 a year in real estate and related costs, adding up to a savings of \$750,000.

GE pays for the costs of home computers and broadband connections. Some of the company’s employees telework one or two days a week, while others do so for the whole week.

Charlie Grantham says, “We’ve seen some companies reduce operating costs

by more than 30 percent when they fully embrace distributed work and alternative workplace strategies.”

A cultural, not technological, issue

Computerworld reports that more companies are prepared for telecommuting employees because of such recent innovations as more-common broadband connections and web-based collaboration tools. But one IT executive cautions in the article that telework can be a “cultural challenge” more than a technological one.

Skip Snow, an IT executive at a major financial institution, telecommutes long distance. He says, “The problems with telecommuting don’t have as much

to do with technology and tools as with whether a worker or manager will work as well with a guy on the phone as compared with the guy in the next office. But with globalization, remote workers are going to be the norm.”

At Georgia Power in Atlanta, *Computerworld* reports, the company’s 475 teleworkers (out of 8,800 total employees) must sign a set of guidelines for tele-

work along with their managers. Jane Franklin, a special projects coordinator overseeing telework and van pooling there says, “There’s always been a little hesitation on the part of managers and that’s one reason to formalize guidelines.”

Resources

- “Virtual Work,” *Intelligence*, August *T+D*
- www.thefutureofwork.net
- www.workingfromanywhere.org

More

- www.thefutureofwork.net/assets/July_2005_Newsletter.html#opinion
- www.thefutureofwork.net/blog/archives/000334.html
- www.usatoday.com/money/industries/energy/2005-09-20-commuting-costs_x.htm
- www.computerworld.com/careertopics/careers/labor/story/0,10801,104078,00.html
- www.washingtonpost.com/wp-dyn/content/article/2005/09/13/AR2005091301973.html?nav=rss_technology