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Virtual Work: Preparing for the Changing Labor Force

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Almost 50 percent of the workforce is mobile in some way, according to Runzheimer International's 2007 Total Employee Mobility® Benchmarking Report. When reviewing growth in various workplace mobility programs, 54 percent of the respondents to the benchmarking study reported maintaining or expecting an increase in the current level of their employees working virtually. "Virtual work" is work performed outside of traditional offices, either on a part-time or full-time basis. Organizations are beginning to recognize that enabling "virtual office" arrangements such as telework, remote office work, and other alternatives is an important means for reducing real estate costs and increasing organizational agility.

Finding and retaining the best talent has also been a key driver of change in alternative work arrangements. Technology has advanced rapidly, eliminating the advantages that were often associated with use of technology within a company-provided facility. This reality, coupled with an increasingly scarce supply of qualified labor, rising fuel costs and long commute times in many urban areas is prompting employers to think differently about where and how people work.

The demographics of the labor force are changing as well. The Generation Y (Gen Y) population, which includes adults born between 1980 and 2000, amounts to 70 million people in the United States alone, according to the 2007 BSG Alliance Concours Institute's research study, [Engaging Today's Young Employees](#) (link is to a press release). This substantial candidate pool represents not only opportunity but also a challenge to organizations in determining the most effective way to recruit them.

Gen Y employees think differently about work in comparison to many of their older colleagues. According to the recent blog entry "[10 Ways Generation Y Will Change the Workplace](#)" by [Employee Evolution](#), an on-line community and career center for Generation Y, the following mindset defines this demographic:

1. We'll Hold Only Productive Meetings
2. We'll Shorten the Work Day
3. We'll Bring Back the Administrative Assistants
4. We'll Redefine Retirement
5. We'll Find Real Mentors
6. We'll Restore Respect to the HR Department
7. We'll Promote Based on Emotional Intelligence
8. We'll Continue to Value What Our Parents Have to Offer
9. We'll Enjoy Higher Starting Salaries
10. We'll Re-invent the Performance Review

By embracing and encouraging “virtual office” arrangements, organizations recruiting Gen Y can address their desire to shorten, or at least add, more flexibility to the workday and increase productivity. Gen Y is demanding change to accommodate the elements of work and life that they feel are important, such as remaining close to their families while having a rewarding career that provides them with enough flexibility to be able to accomplish that work-life balance. Gen Y’s desire to be rewarded based on the results of their work versus the length of employment or putting in enough “face time” at the office are also benefits of well-designed, results-oriented virtual office programs. A growing focus on flexibility, productivity, work-life balance, and meritocracy are all elements that will play an increasingly important role in Gen Y recruitment into organizations.

So what should companies do to address this shift in worker needs in the most effective manner? Organizations need to be adaptive to the changing labor force. Promoting flexibility through various virtual office work arrangements, be it telework, compressed workweek, flexible work schedules, job sharing, or reimbursable commuting, can be an extremely attractive way to find and keep talent.

With this noted, organizations also need to prepare and modify their policies and support infrastructure to ensure that employees working outside of traditional offices are productive and that the results of their labor and the organization’s intellectual property remain secure.

Questions that must be answered include:

1. What types of mobile technology, if any, will employees require in order to work from home or from other remote locations?
2. What expenses will be reimbursed to help an employee maintain a home office environment? Eligibility for reimbursement of high-speed Internet, phone expenses, fax lines as well as office supply expenses should be clearly defined.
3. What ground rules will be required to enable an employee to retain status as a virtual employee?
4. Are there opportunities to make better use of the employee’s assigned office space? If so, what should the organization’s policy be in assigning space to employees who only work in the traditional company office part-time?
5. How will the expenses associated with supporting virtual office arrangements be managed?
6. Is the existing Help Desk infrastructure sufficient to support such employees? How will security and troubleshooting support be managed remotely?

Answering these questions requires ownership; and, unfortunately, in many organizations, there is no single department responsible for managing these kinds of alternative work arrangements. According to Runzheimer’s 2007 study, more than one quarter of respondents indicated that while virtual office work arrangements were in place, “no one” was responsible for managing the policies and programs required to support them.

The point is not to discourage organizations from providing greater flexibility in work arrangements but to reinforce that any type of alternative work arrangement requires clarity in terms of defining policy and processes to support such programs. For

organizations that take the steps to develop a clear policy along with support and implementation processes, the rewards are great. Improved talent management capabilities, the potential for reduced real estate requirements, and enhanced agility can follow, positioning organizations to compete effectively for talent in the 21st century.

About Runzheimer International

Founded in 1933, Runzheimer International serves 60 percent of the Fortune 500 and numerous government agencies. Recognized for providing innovative solutions relating to total employee mobility, Runzheimer is the global leader in workforce mobility programs including business vehicle, business travel, corporate aircraft, employee relocation and compensation, and virtual office.

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