

FlexBulletin #113 – “Telecommuting” Trumps Field at 40+

By Paul Rupert

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Since Jack Nilles coined the term in Nixon-era 1973, how has “telework” swept the country?

Jack Nilles, physicist and engineer, joined the faculty of USC’s Center for Futures Research in 1972. He is widely credited with coining the terms “telecommuting” and “telework” in 1973. A visionary, champion and researcher, he was a driving force in a movement that confronted the challenges and boasted the benefits. If we were to celebrate a triumphant telework birthday with a cake full of candles, an emcee might intone a litany of these four challenges overcome and benefits realized:

Key challenges

The “How will I know they’re working if I can’t see them?” belief
The concern that our ability to meet as needed and serve customers will evaporate
The assumption that this is not the way we’ve done and do business around here
The fear that the technology is inadequate, too pricey or unreliable

As we know, few of these concerns held up. While fear and mistrust can be powerful deterrents to change – and these attitudes persist in many workplaces – they have not stemmed the tide. This is due in part to negative assumptions being beaten down or dissolving. Equally important has been the gains companies achieved.

Powerful benefits

Talent recruitment and retention
Improved focus and productivity
Real estate savings
Expanded labor market

Unexpected outcomes prove a powerful motivator for new ways of working

When the pioneers of telework were lighting the candles on early birthday cakes, they were talking about “soft” benefits such as reduced commutes, increased employee satisfaction and productivity. (I was in a number of those conversations and campaigns.) It was only when strong employee demand turned telework into a more widespread practice that *the advantages of scale kicked in*.

In the last decade, telework has become so accepted that rather than being allowed only on a skeptical day-here or day-there basis, whole work groups and tens of thousands of people have been sent to work from home full-time. Real estate savings have been both prospect and driver. The trend continues.

This same broader use and acceptance is leading to the potential and practice of another unanticipated payoff: location-independent sourcing. This notion was raised to me by a colleague in a very large company. She raised the rhetorical question:

“What are the odds that the 1,000 best possible people in America to staff our demanding HQ all live within driving distance of our offices?”

No doubt some. But this question is being raised by more and more companies who are beginning to look for, hire and manage the best possible talent among our tens of millions of people wherever they are found – and leave them there. Who knew at the outset that this is where we would end up?

What does this experience tell us about other, less pervasive options like Phased Retirement?

Is there potential flexibility at scale for other options? We tend to think of flexible schedules or FWAs as a menu of comparable options. And a quick review of usage data – or probably a glance within your organization – suggests that is somewhat true. For example, the use of flextime's use has grown at a rate similar to that of telework. Part-time and compressed schedules are used visibly, but less widely.

But none of these things is true of Phased Retirement. It might offer some unique social and business impacts, but not at current levels of use. Below are a few interesting findings and facts which make Phased Retirement intriguing. In the next Bulletin we will explore the challenges and benefits of this option in more detail, and provide full quotes and cites on the items below.

Demand:

- ✓ *Among workers 18-64, "a strong majority (64%) envision a phased transition into retirement" (Transamerica survey)*
- ✓ *Among adults age 50+, "formal phased retirement programs were deemed 'very important' or 'somewhat important' by the majority of workers (AARP/SHRM)*
- ✓ *"While partial retirement was virtually non-existent for 60-62 year olds in 1960, the current rate for 65-67 year olds is over 20% (Soc. Sec. Admin. Data)*

Supply:

- ✓ *In 2016, 11% of companies offer "informal phased retirement" (SHRM survey)*
- ✓ *In 2016, 5% of companies offer "informal phased retirement" (SHRM survey)*
- ✓ *Just 21% of workers say their employers enable employees to reduce work hours and shift from full-time to part-time (Transamerica survey)*

Interestingly, the gap between demand and supply for this option is not that different from the telework numbers in the 1970s and 1980s. And the modest Phased Retirement supply numbers are inflated by conflating a set of options for older workers that are all over the map. Perhaps the time has come for change.

Let's get started next issue.

Best regards,
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