



# TELECOMMUTING

## **Kaiser Permanente Saves Office and Parking Space Through Telecommuting — and Gains Other Advantages**



*Senior Systems Analyst Debi Beal telecommutes four days a week, saving two hours and 20 minutes on her daily commute. Much of her work is providing customer support.*

**K**aaiser Permanente InterRegional Common Systems began to look into developing a telecommuting program in 1994 when it faced two problems at its office in Lake Oswego, Ore.

First, an increase in tenants in the business park — to 99 percent occupancy — created a serious shortage in employee parking as well as traffic problems. Second, growth in permanent staff and rapid increases in temporary staff and contractors during peak periods of product development meant the department had to move or find an alternative. Moving the department — along with equipment, wiring and phone lines — would have been a costly solution.

Administrative Manager Katie Vilander searched for a better way to meet these challenges, focusing on how to use office space in a different way. Telecommuting emerged as the best choice.

Her cost-benefit analysis suggested that both one-time and recurring expenses for telecommuting work arrangements would be less than for keeping workers on-site. Savings were primarily in facility rental and office furnishings. Vilander also anticipated other benefits from telecommuting, including improved employee morale.

“I sold the idea to the IRCS senior manager,” says Vilander. “He approved a three-month pilot program.”

### **PILOT EVOLVES INTO A PERMANENT TELECOMMUTING PROGRAM**

**I**n December 1995 management approved a permanent program and expansion beyond the initial 12 telecommuters.

All telecommuters are voluntary. Employees must work for the department at least three months before they're eligible for the program.

Telecommuters work at home two to four days a week. The median reduction in the weekly work commute for the 12 telecommuters is about 75 miles. As a group, they will reduce their commute for the work year by a total of roughly 55,000 miles.

Each telecommuter has an established telecommuting schedule that allows the work group to manage their

on-site technical environment. Most telecommuters perform their job from home by dialing into the Local Area Network with a computer modem. They have access to electronic messaging, network files and applications, and Kaiser Permanente's mainframe computer in Lexington, Ky.

None of the telecommuters has yet left the telecommuting program.

The program is a success, Vilander believes, because of close management involvement, consistently managed business practices for telecommuting and ongoing program evaluation. Vilander also credits getting advance input and support from staff who would participate in the program.

"If I didn't get a buy-in up-front from people who would actually be telecommuting, it wouldn't work," she says. Another ingredient for success is having one person manage all aspects and details of the program.

### **KAISER PERMANENTE INTERREGIONAL COMMON SYSTEMS**

Kaiser Permanente is a nonprofit health maintenance organization with 10 regional offices nationwide. The InterRegional Common Systems department develops and installs common mainframe software applications in the regional offices.

The department is housed in offices in Lake Oswego, Ore., and Raleigh, N.C. Employees spend up to half of their work time at the regional offices.

The 110 employees in the Lake Oswego office are primarily programmer analysts, systems analysts and industry consultants. Staff write software specifications and code, provide customer support, and work with customers to resolve business issues related to how they use the software.

### **TELECOMMUTING DEFINED**

Telecommuting is working at home or at an office near home one or more days a week instead of commuting to the main office or place of business. Because telecommuting reduces the work commute, it can conserve fuel, relieve traffic congestion and improve air quality.

### **MANAGEMENT SEES BENEFITS FOR THE ORGANIZATION**

It wasn't difficult to make the switch when staff began telecommuting, according to Michelle Wright, financial management systems product manager.

"I just had to start thinking differently about organizing work and communications. It's been necessary to form work teams and to break work out differently, so teams can meet in the office, make assignments and then just go do the work.

"As a result of having to organize how we do work, we're more productive," says Wright. "Telecommuting also has

reduced the level of interruption. Programmers need to be able to focus and crank out work. They really welcome the respite."

Wright has evidence that work quality has improved since employees began telecommuting. "We're seeing fewer quality assurance rejects," she reports.

Besides programmers, Wright's staff include system analysts and industry consultants. Nearly all of Wright's employees telecommute, as do contractors who also have desks at the office.

Work groups schedule meetings and "walk-throughs" on Mondays and Thursdays. Telecommuters who live far from the office make meeting dates their in-the-office days. Telecommuters who live close to the office work at home before or after meetings if their work space is being used by their cube-mate, or they can use hoteling sites at the office.

"People have accepted desk-sharing because they view their home office as their primary work space," says Wright.

Wright uses teleconferencing services to replace some face-to-face meetings. She simply sends staff an e-mail message with the time and number and they call in for the meeting.

Other business practices have changed too. For example, employees used to put their work in a folder that would be circulated to staff. Now they have that information on the network.



*Gene McReynolds, product manager for membership and patient accounting systems, has made room for new staff by consolidating work space for telecommuters. McReynolds tracks the status of their work tasks through weekly project team meetings.*

Like Wright, Gene McReynolds had to change the way his work group did business when some of his employees began to telecommute. McReynolds is product manager for membership and patient accounting systems. He initiated weekly project team meetings, and began to rely more on e-mail and the telephone to keep in touch with staff.

“At first there was some hesitation on my part in allowing telecommuting because of my concern about tracking the status of tasks that people were working on,” says McReynolds. “But I’ve been able to resolve that by holding weekly meetings. They allow me to interview the telecommuters and find out the status of tasks assigned to them.”

Teams also participate in McReynolds’ weekly all-staff meetings, where telecommuters see how they fit into the organization and update coworkers about their projects. “If we have to have telecommuters come in for a meeting for some reason on a day they’re telecommuting, they’re real good about coming in,” adds McReynolds.

McReynolds believes telecommuting has had a positive effect on productivity. “My sense is there’s an improvement because working at home, people are more focused and better able to concentrate in a more comfortable work environment than what we have here,” he says. “There’s a lot of background noise in the office. Many of the people who work for me are programmer analysts or system analysts. When they’re doing real detailed work they need as little interruption as possible.”

Telecommuters are learning, says McReynolds, that they are not limited to their own resources for solving a problem just because they can’t shout across a

partition to get help. “That might be a catalyst for solving the problem quicker,” says McReynolds. “But if they’re stumped they’re pretty good about picking up the phone.”

McReynolds already has two employees who are sharing a work space. Four more work spaces soon will be consolidated. That will free up office space for two employees he recently hired.

## **TELECOMMUTING PROGRAM HELPS RECRUIT AND RETAIN STAFF**

**A**dministrative Manager Katie Vilander points out that the Portland market for programmer and system analysts is highly competitive, and the department has a difficult time recruiting for open positions. She advertises the telecommuting program as a work option in employment advertisements.

Gene McReynolds says the department’s telecommuting program helped make the difference in successfully recruiting for a recent opening on his staff. He also has an employee who stayed with the organization because he was offered the opportunity to telecommute.

Michelle Wright agrees that the telecommuting program helps retain valued employees. “We haven’t had any raises recently in my work group,” she says. “They view telecommuting as an opportunity they may not have somewhere else.”

## **“CUBE-SHARING” AND “HOTELING” SAVE OFFICE SPACE**

Telecommuters had Vilander’s guarantee that there would be no consolidation of work space until they were certain telecommuting arrangements worked. With eight months of a successful program behind them, work space consolidation for telecommuters is well underway.

Each work space assigned to telecommuters will serve two employees. Cube-sharing requires some scheduling changes and increased collaboration among telecommuters and their managers.

“Hoteling” sites with ports for plugging in laptop computers are available for telecommuters who occasionally come into the main office on days they normally telecommute.

## TELECOMMUTERS APPRECIATE HOME OFFICE, PAY BACK THE ORGANIZATION

**D**ebi Beal wouldn't be working for Kaiser Permanente if she weren't telecommuting. "I would not make that drive everyday," she says.

She telecommutes four days a week, saving a whopping two hours and 20 minutes on her daily commute.

A senior systems analyst in Michelle Wright's group, much of Beal's work is providing customer support. She lives beyond the reach of voice mail and remote PBX extension services, and makes do with call waiting, an answering machine and manually forwarding her business extension to her home line from the main office.

Beal says she puts in 60 hours a week whether she works at home or at the office. But telecommuting has improved her work experience — mentally and emotionally — and her output. Morale has improved among telecommuters too, adds Beal.

"Health maintenance organizations are vying for customers. So everybody's trying to cut costs. That means no raises. I see telecommuting as a benefit that another company may not offer."

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Neil Ballard maintains and develops financial systems software. Like Beal, he works at his home office four days a week.

"I'm more productive here," says Ballard. "I don't have to commute so I sometimes start a little earlier and work a little later. I work harder at home, but it's definitely less stressful."

He goes to the main office one day a week to attend meetings with coworkers and Wright, his supervisor. Ballard shares an office cubicle with another telecommuter. They both have laptops with built-in fax-modems that plug into docking stations in the cubicle and at their home offices.

Ballard spends 30 to 40 percent of his workday on the computer — time he's not interacting with anyone. The rest of his time is spent largely on the telephone with system users across the country.

Ballard says it doesn't matter to the organization whether he's at the main office or at home when he's on those calls or working on the computer. But each day he telecommutes he saves an hour and a half in commute time.



*Senior Industry Consultant Steve Prickett says telecommuting has made him more productive. He helps programmers and system analysts design and maintain systems, develop software and training materials, and conduct product research.*

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Steve Prickett is a senior industry consultant in Wright's group. Like the programmers who troubleshoot problems for customers nationwide, Prickett works with staff and customers across the country, mostly by phone and fax. He helps programmers and system analysts design and maintain systems, develop software and training materials, and conduct product research — work Prickett finds well-suited to telecommuting.

"It's made me more productive," he says. "I have fewer distractions than when I'm in the office."

Another plus for Prickett is the increased flexibility that telecommuting offers. "If I have to let someone in my house to work on the furnace, it's a much bigger interruption if I'm working at the office than if I'm working at home."

Prickett avoids a 50-minute commute and the stress of the drive the three days a week he telecommutes. He believes that's a boon to the employer as well as the employee. "Less stressed employees are more likely to stick around longer," he says.

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Dave West is a programmer analyst under Gene McReynolds' supervision. He telecommutes four days a week, saving up to 90 minutes and 46 miles on the road each day.

West doesn't live on a bus route. "No matter what they do to improve public transportation, I'm still going to be on the road," West points out. Telecommuting is a way for him to conserve fuel and keep his car out of rush hour traffic most of the work week.

West estimates his savings on gas, car maintenance and reduced insurance premiums add up to as much as \$1,500 a year. "It's a good raise," he says.

West says his job and telecommuting are a good fit. "I work independently and coordinate by myself all the activities to get the project working from start to finish," he says. "Most of the people I coordinate with are outside the local work group so it's phones and faxes anyway. As long as I have the equipment and connectivity, it doesn't make much difference whether I do what I need to get done here or in the office."

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Steve Watson, another programmer analyst in McReynolds' group, does analysis, programming and design for Kaiser Permanente. He's also a team leader of a group of seven.

Watson volunteered to telecommute to reduce his stress level. "I think half the stress of the day comes from the commute," he says. "I save 150 hours a year in commuting, plus wear and tear on the car, plus aggravation."

He telecommutes three full days a week, avoiding the 44-mile commute. On Wednesdays he goes into the office late and leaves early, working at home before and after. He shares a cubicle with another telecommuter who works at the office that day. Watson could use a hoteling site, but prefers to avoid rush hour traffic.

He does much of his administrative work the days he's in the main office. Giving status reports and delegating work to team members are better done face-to-face, Watson believes.

Watson says he's gotten more work done since he began telecommuting. "I can work longer hours. That's good for the company. And I like it too. I set my own schedule and don't have to worry about interruptions."

Watson says he's considered other companies, some of which offered better pay. "The thing that stops me from making the jump," he says, "is that benefit of telecommuting. That's worth something to me. You add it all up in the total cost of things."

## DEVELOPING THE PILOT PROGRAM

Vilander began the telecommuting pilot program with a training and focus group discussion for project group managers. She solicited their recommendations for developing the program and employees who might be candidates for the first group of telecommuters.

Next, Vilander conducted training for all staff members. "I felt it was important to include all staff so that those who did not choose to telecommute would have a better understanding of telecommuting, how it affected telecommuters and non-telecommuters, and how our internal program was going to be developed," she explains.

At the training, Vilander asked staff to voice their concerns about the telecommuting program and make suggestions.

Once the entire staff had attended a training, Vilander solicited 12 volunteers for the pilot program. They participated in discussions to identify what they would need to be successful telecommuters. Vilander developed a composite telecommuter profile that identified equipment, scheduling and telecommunications requirements and potential barriers to successful telecommuting.

Telecommuter agreements specified telecommuting schedules, employer and employee responsibilities for equipment and expenses, and job tasks to be performed while telecommuting. Vilander, the employee's manager and the department's senior management reviewed the agreements. They were updated as telecommuting work arrangements or requirements changed.

Pilot program telecommuters agreed to participate in ongoing focus group discussions and program evaluation. Vilander consulted with the group anytime the organization was looking at a change in business practices to see how it might affect telecommuters.

Vilander surveyed managers, telecommuters and non-telecommuting employees to assess the effect of telecommuting on overall department productivity and work quality. Survey results are not yet compiled, but supervisors and telecommuters alike rate the program a success.

## MEETING COMMUNICATIONS AND EQUIPMENT NEEDS

Kaiser Permanente supplies all computer and telecommunications equipment for telecommuting employees. "It's a lot easier to standardize equipment that way, which makes maintenance and use of software applications easier," says Vilander. Kaiser Permanente also pays for telephone line installation, monthly fees and equipment maintenance.

To gain approval of the pilot program, Vilander had to guarantee that telecommuting would not affect communications with customers. "Everything is invisible to people who call in," says Vilander. "Our telecommunications system in-house connects callers to workers wherever they are."

Vilander works with employees and phone vendors to ensure that communications standards are consistent across the department and telecommuting group. She interviews each employee upon completion of the telecommuting agreement to determine the best way to accommodate individual telecommunication needs.

Many telecommuters are linked successfully through the company's own PBX switch with off-premise extensions, giving them access to the department's voice mail and telephone systems. The telecommuter's work number is set to ring at both their office and home extensions. Telecommuters who are unable to take advantage of the off-premise extensions manually forward their business extensions to their home offices the day before telecommuting.

Several telecommuters had problems getting their local phone companies to install additional phone lines in a timely manner and having their business extension ring at their home office. Problems eventually were solved, but in some cases took a month or two and several service visits. Home office data lines have not posed any technical problems.

## EXPANDING THE PROGRAM

**K**aaiser Permanente InterRegional Common Systems established a goal for increasing the number of telecommuters to 25 percent of its staff within 12 months — an increase to 25 to 28 telecommuters.

In preparation for achieving this goal, the department is revising its equipment strategies and replacing obsolete computers with portable laptops that can be used both at the main office and at home.

"We're extremely pleased that the telecommuting program is working and plan to extend the program further," says Dave Bowlan, InterRegional Common Systems acting manager. "It has allowed us to be a more flexible workplace."

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## **TELECOMMUTING SERVICES FOR OREGON EMPLOYERS**

The Oregon Department of Energy is working to help make telecommuting a successful work option. We offer a 35 percent state tax credit and low-interest loans for telecommuting equipment. We also help organizations determine how telecommuting can work for them and serve as an ongoing resource as they advance their telecommuting program. We train supervisors and employees on site. We research successful Oregon telecommuting programs and produce case studies. And we track down information employers need to develop a telecommuting program that works for them.

To learn more about telecommuting, call the Oregon Department of Energy toll-free: 1-800-221-8035.

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