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Research Report
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To: Joe Smith, COO of Law Firm
From: Jazzlyn Miller
Subject: Telecommuting Benefits Research Report

The ongoing global pandemic and the increased danger of gathering in public spaces has forced Bradley, like many other companies, into allowing their employees to telecommute. This is a dramatic shift that, for many, would have seemed impossible or, at the least inadvisable, in the past..

In this report, I will analyze the issue of telecommuting to determine whether Bradley employee productivity, happiness, and quality of work have been affected by working from home. If it has, I will also show whether that effect has been positive or negative. If the effect has been positive. The answer to these questions reveals the best course of action for the future in terms of telecommuting versus rushing a return to typical commuting.

Problem

Beginning last March, the United States has been greatly affected by the global COVID-19 pandemic. For over a year, many workplaces have been forced to mostly close their physical place of operations and to have their employees work from home.

Though telecommuting has been feasible for many years, this is the first time that many businesses have had the majority their workforce begin working remotely. Many were unsure about how telecommuting would impact their business, and were unwilling to take the risk to find out. However, the pandemic has forced the hand of many companies, requiring workers to not commute to and gather in traditional office spaces. With this drastic change, many people are asking whether this has made a positive or a negative impact on their workplace, on their worker's productivity, and their quality of work. Many are also beginning to wonder if the cost of running and maintaining a physical office space is worth the potential benefits that it brings when compared to telecommuting.

With vaccinations for COVID-19 beginning to be available to more and more of the population, we are coming to the point where employers will need to be deciding how they want to handle the return to working from an office space, and whether they would like to prolong the use of telecommuting. In Alabama specifically, every person over the age of 16 will be eligible to be vaccinated as of this week, meaning that this research is . Investigating the efficiency of telecommuting will give Bradley more information about the best course of action going forward.

Analysis of the Issue and Previous Research

To begin investigating this issue, I found some previously done research into this topic. The sources I found were from different locations and different industries, however, the results should still help to fully understand this issue. All of the industries investigated in these reports are office-based jobs, meaning that the work done by the employees being studied would be comparable to the work done by many of Bradley's employees that are currently working from home.

Of the research studies that I read and cited in my previous correspondence, two stood out as the most relevant to the topic and the most revealing of the issue. These reports are "Does Working from Home Work?" by Nicholas Bloom, James Liang, John Roberts, and Zhichun Jenny Ying and "Does Telecommuting Improve Productivity?" by E. Sonny Butler, Cheryl Aasheim, and Susan Williams.

"Does Working From Home Work? Evidence From a Chinese Experiment"

"Does Working from Home Work?" is the report on a study in which the researchers analyzed the effect of telecommuting, which they refer to as Work From Home (or WFH), on the employees Chinese travel agency call center. This study was specifically done to address the concerns of many employers that allowing employees to work from home would result in an increase in slacking and a decrease in productivity. Employees of the call center who volunteered to work from home were randomly assigned to either work from home or in the office for nine months.

The results of this study were very revealing of this issue. Rather than seeing an increase in what the researchers termed "shirking from home", the travel agency saw a 13% performance increase in the test subjects assigned to telecommute. Interestingly, they analyzed the source of the productivity increase, and found that 9% of the increase came from working more minutes per shift, as well as a decrease in the number of breaks and sick days taken by employees. The remaining 4% came from an increase in the number of calls made per minute, attributed in the study to a quieter and more convenient work environment.

Another concern that has been raised about working from home is a potential decrease in worker happiness or satisfaction, due to this increase in workload and decrease in breaks, as well as from decreased interactions with other employees. However, this study found that not only did the employees' productivity increase, but so did employees' satisfaction with their work. This is also reflected in the significant decrease in attrition, with the rates decreasing by half.

These results were so overwhelmingly positive in this experiment that the company decided to allow all employees to work from home if they wanted, and allowed the experiment subjects to choose again between working from home and returning to the office. Over half of the employees switched, and this led to gains increasing even more to 22%. This is particularly interesting in terms of our current moment, since this suggests that allowing employees to determine for themselves whether they work from home or from a traditional office results in the largest increase in productivity.

“Does Telecommuting Improve Productivity?”

“Does Telecommuting Improve Productivity” reports on research done into the effects of telecommuting on the employees of the Kentucky American Water Company or KAWC. They investigated the effect of telecommuting on productivity and absenteeism to answer several questions, including whether any changes seen in previous studies were due to placebo or Hawthorne effects, as well as if the changes are due to the process used to select telecommuters. This study is partially done in response to a previous study investigating the effects of telecommuting within the same company that was done a few years before their research.

That previous study into telecommuting at KAWC found that the average productivity of telecommuters in the 13 months of the study increased by 154%, while the productivity of the employees still working from the traditional office setting decreased by 13.3%. In response, the researchers decided to attempt to determine if this increase was caused by a placebo effect by looking at the productivity of employees over a longer period of time, comparing the changes over the first year to the following 27 months.

They found not only that the average productivity increased, but that this increased productivity was sustained over time. This is important, because it shows that this is not just a placebo effect or a temporary boost in productivity, but a significant difference.

They also investigated whether telecommuting has any effect on absenteeism of employees. They found that there was an increase in the number of hours worked by telecommuting employees of about 3.98 more hours per month. However, this increase was not statistically

significant, so they could not conclude that telecommuting had any effect on absenteeism, positively or negatively.

Conclusions from Previous Research

The two studies that I have cited above tell us a lot of useful information about how telecommuting has affected many of the companies that have attempted it in the past. In both cases, the productivity of the employees increased a significant amount. The second was even able to determine that those results were not a temporary effect, but a sustainable one.

This is important to know for determining whether or not telecommuting should continue to be allowed at Bradley. While these results cannot be extended directly to Bradley, since there may be other variables that cause this effect to not be seen in every company that attempts to allow their employees to telecommute, this same effect being seen across multiple companies that attempt this kind of study implies that the same may be seen at Bradley.

Recommendations

Based on my research, I would recommend that Bradley continue to allow employees to telecommute on a voluntary basis. Many of the studies I read as a part of this research, especially “Does Working from Home Work?”, imply that personal choice plays a major role in whether allowing employees to telecommute increased productivity and worker satisfaction as well as decreased absenteeism. Different workers work better in different atmospheres, so it makes sense that some employees would work better in a work from home setting than in a traditional office.

The best course of action going forward would be to allow those that would like to telecommute to continue working from home, and to slowly work towards reopening office locations as Bradley employees get vaccinated against COVID-19, and it becomes safe to return to an office environment.

However, I would also recommend continued study into this issue. After all employees that would like to return to the office are able to do so, I would recommend beginning a formal study into the productivity rates of Bradley employees over the next couple of years. The results of this should determine whether telecommuting will continue to be an option for employees. For now, though, I feel the research shows that this should continue to be an option for employees in the current moment.