

Yahoo! fuels fresh debate on telecommuting

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The Yahoo! headqarters, July 17, 2012 in Sunnyvale, California. Telecommuting, a growing trend in the US workplace, is coming under fresh scrutiny following news that Yahoo! is curbing the practice.

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The trend of working from home has been gaining steam for decades, as part of a workplace evolution which allows greater family-work balance and saves energy and commuting costs.



An internal <u>Yahoo</u>! memo from <u>chief executive</u> Marissa Meyer posted this week by the <u>Wall Street Journal</u> said employees will be required to come to their offices to "feel the energy and buzz" of the workplace.

"Speed and quality are often sacrificed when we work from home. We need to be one Yahoo!, and that starts with physically being together," according to the report.

Asked about the memo, a Yahoo! spokesman said Tuesday, "We don't discuss internal matters," but essentially confirmed the news by saying: "This isn't a broad industry view on working from home—this is about what is right for Yahoo!, right now."

The shift counters the overall trend: some 53 percent of US employers offered flexible work options in 2012, according to the Society for Human Resource Management. That compares with 48 percent in 2007.

A 2011 report by the US Labor Department found 24 percent of employed Americans reporting that they work at least some hours at home each week.

The trend is particularly noticeable in IT firms, where companies take advantage of technology to have virtual access to what they would have at the office.

<u>Cisco Systems</u>, which develops <u>virtual private networks</u> for remote access, said 40 percent of its employees are not in the same city as their manager, and the average employee telecommutes two days a week.

IBM, another strong telework advocate, said 29 percent of its 128,000 employees participate in a flex-work or work at home program, and that in 2011, in the US alone, this saved 6.4 million gallons of fuel and avoided more than 50,000 metric tons of <u>carbon emissions</u>.



The move by Yahoo! "goes against the grain of where a lot of organizations are going today," said Cindy Auten, general manager of Mobile Work Exchange, a public-private partnership that promotes telework.

"This is especially important in the tech industry; they are focused on recruiting and retaining the best and brightest."

Auten said telework is "a huge recruitment and retention tool," seen as a near necessity at some firms now, with the option offered in 85 percent of the employers rated as "best places to work."

She said telecommuting often improves productivity, but that in cases where it fails, "it may uncover other weaknesses" in an organization.

The Yahoo! decision drew criticism from others, including Virgin Group founder Richard Branson, who said in a tweet: "Perplexed by Yahoo! stopping remote working. Give people the freedom of where to work & they will excel."

Kelly Ann Collins, a Washington marketing consultant who blogs on work and family issues, called the Yahoo! move confusing.

"High-tech companies like Yahoo! that are completely digital have the ability to make the lives of their employees so much better," she wrote.

"Telecommuting is not only efficient, it is better for team morale and employee retention. It makes for happier employees that (actually like to) produce top-notch work."

But some analysts say Yahoo!'s move could be positive, even if it drives away those seeking a more flexible environment.



"Yahoo! is in a creative innovation race and they need to get back to their roots," said John Challenger, chief executive of the consultancy Challenger, Gray & Christmas.

"There are great benefits to telecommuting, and there are more companies that need to do more telecommuting, but (Yahoo!) is a case where they are seeking to pull themselves out from a position where they have been behind the curve."

Even before the Yahoo! news, some data suggested telecommuting was not the panacea it was cracked up to be.

The Labor Department report found that telecommuters often ended up working more hours than if they had come into the office, effectively doing overtime work without compensation.

"The ability of employees to work at home may actually allow employers to raise expectations for work availability during evenings and weekends and foster longer workdays and workweeks," the report said.

But Challenger said Yahoo! will not be able to turn back the clock completely, and that some employees are likely to do some of their work from home, despite the new policy,

"Some people have always worked from home," he said. "And now technology allows them to work on the weekends, at night or on vacation. There is no boundary between work and home anymore."

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