

A NEW WORKPLACE:
MODERNIZING WHERE, HOW, AND WHEN UTAH WORKS
Managing Performance Over Presence

UTAH WORKS **PILOT REPORT**

THE OPPORTUNITY FOR CHANGE

Throughout the past two decades, the nature of work has changed significantly. Knowledge work, characterized by unique problem solving, collaboration and mobility, now comprises a significant portion of work across our economy. Driven by greater complexity and enabled by advances in technology, the nature of work today both benefits from and permits more flexibility than ever before. A vast portion of work today is no longer bound to a specific location or schedule. In short, a majority of work can be conducted anywhere and anytime. Increased flexibility in where and when work can happen opens a broad set of opportunities for improving productivity, increasing efficiency, and making an impact.

Consequently, teleworking and other flexible work arrangements have been steadily increasing across the US workforce within both the private and public sector, including the federal government and a number of state governments and municipalities. Today, it is estimated that 3.2% of the US workforce relies on teleworking, marking an 11.7% increase since 2008. Additionally, 80 - 90% of the US workforce say they would like to telecommute at least part of the time¹ (for more detail on current telework trends, see “Business Case for A New Workplace: Modernizing Where, How, and When Utah Works”).

As one of its largest employers, the state of Utah has a unique opportunity to leverage greater flexibility, and telework specifically, to make a positive impact in a number of areas, including air quality, job growth in rural Utah, effective real estate utilization, employee productivity, and talent recruitment and retention. Despite its increase, teleworking poses some challenges that must be addressed to fully realize its benefits. In general, challenges can be summarized into three categories: communication, coordination, and culture (for more detail on the challenges of teleworking, see “Business Case for A New Workplace: Modernizing Where, How, and When Utah Works”).






TELEWORKING PILOT SUMMARY

Pilot Overview

Understanding the possible benefits of telework, its alignment with the state’s current concerns, and its main implementation challenges, the Governor’s Office commissioned a pilot to understand telework’s benefits and learn how to overcome obstacles to its success.

More specifically, the Governor’s Office of Management and Budget (GOMB) led the pilot telework program with the following desired outcomes:

DESIRED OUTCOMES OF THE PILOT

-  Improved² Air Quality
-  Enhanced Real Estate Utilization
-  Increased Job Growth in Rural³
-  Increased Employee Productivity
-  Increased Talent Recruitment and Retention

The pilot telework program took place between September 2018 and May 2019 and included the Departments of Administrative Services (DAS), Insurance, Technology Services (DTS), and Human Resource Management (DHRM).

¹ “Latest Telecommuting Statistics - Global ...” <https://globalworkplaceanalytics.com/telecommuting-statistics>. Accessed 18 Jun. 2019.

² “Envision Utah - Values Studies.” <https://www.envisionutah.org/tools/values-studies>. Accessed 4 Mar. 2019.

³ “Rural Economic Development - Governor Gary Herbert - Utah.gov.” <https://governor.utah.gov/issues/rural-economic-development/>. Accessed 4 Mar. 2019.

PILOT DESIGN

The teleworking pilot leveraged a simple design with only a few required elements. This simplicity allowed the program to be rolled out quickly and with moderate variation to begin the learning process around telework implementation. At its core, the pilot defined telework as working at an approved alternate location (e.g. employee residence) a minimum of three days per week. The required elements, which included evaluation of telework suitability, formal telework agreements, and policies defining performance, helped to address anticipated challenges, and guard against known pitfalls.

Eligibility for telework participation was determined for each employee through a multi-step process. First, each employee's roles and responsibilities were reviewed by their agency leadership for telework suitability. Second, any necessary business process refinements were completed so the employee could be successful working remotely. Third, each employee signed a teleworking agreement that detailed the expectations for the employee and supervisor, along with performance metrics and pictures of the approved alternate (i.e. telework) workspace. Lastly, telework policies were reviewed that provided direction around professional conduct and overall performance, specifying that decreases in productivity, dependent care, and coordination delays were considered unacceptable. Employee participation in the pilot was entirely voluntary.

Performance metrics were reported monthly by pilot participants to enable analysis and measurement of telework impact on employee productivity. At the culmination of the pilot, meetings were held with managers and many of the participating employees to understand the overall effect on communication, coordination, and culture.

A key aspect of the pilot included definition of work arrangements in addition to telework (aka "Work from Home"), including Mobile Work and Free Address. The full range of the program's work arrangements are detailed below (adapted from DAS Telework Policy (8.2018)).

Work from Home (Telework)

This work arrangement provides a qualified employee the opportunity to work at a place other than the employee's regularly assigned office location, such as the employee's residence or an alternate location approved by the employee's supervisor. An employee using this arrangement will work from the employee's residence, or another approved alternative location, a minimum of three days per week or upon a schedule mutually agreed upon by the supervisor and the employee. On the days the employee is not scheduled to work from home, the employee will report to the employee's regularly assigned office location. For an employee utilizing this arrangement, the employee's residence (or other approved alternate location) will be the employee's official designated reporting station for the days the employee works out of the office. In most cases, this space will likely be a free address location approved by the employee's hiring agency. The employee's official work station will remain as designated by the agency, as employees may be required to report to this office location as requested by management for meetings, etc.

Mobile Work

This work arrangement provides flexibility of schedules for employees whose responsibilities require them to be away from the office for much or all of the regular workday due to community interaction. A mobile worker will not be assigned a permanent office but will instead utilize the Free Address option when reporting to the regularly assigned office location. The employee's official work station will remain as designated by the agency.

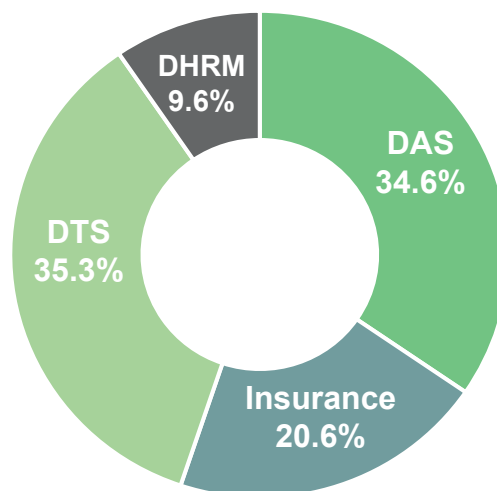
Free Address

This work arrangement may be suitable for an employee whose primary place to conduct State business is in a regularly assigned building, but who frequently collaborates with different groups, engages in a variety of different projects, or both. This arrangement is also suitable for Mobile-Work and Work-from-Home employees when they are physically present in the office. This option includes an arrangement whereby an employee utilizes unassigned, non-permanent workstations on an as-needed basis. An agency may require employees to reserve the workspace in advance, or the workspaces may be used on a first-come, first-serve basis.

The pilot also provided a clear distinction between “telecommuting” and “teleworking” to differentiate existing practices from the pilot and potential future program. “Telecommuting” - working from home 1 to 2 days a week on an ad hoc basis - has been taking place for years and does not address many concerns that would be anticipated with a large scale telework rollout. Several key examples of gaps in telecommuting include continued reliance on paper for daily operations, as well as meeting scheduling and collaboration practices.

PARTICIPATING AGENCIES

The pilot included 136 participants across DAS, Insurance, DTS, and DHRM. DAS and Insurance were the first to begin teleworking, followed by DTS and DHRM. More recently, work has begun at the Department of Health to work through situations with more security concerns. The pilot participant breakout is as follows:



PILOT RESULTS

The pilot was successful in demonstrating that telework can be leveraged across departments to deliver increases in employee performance while impacting a range of key objectives when implemented on a large scale.

Over 273 lbs
of emissions
saved



Improved Air Quality

By working with the Department of Environmental Quality, an emissions factor was calculated for each generic vehicle type, model year, and fuel type. Using this factor multiplied by the number of commute miles and days of teleworking, an amount of emissions saved was calculated. The total emissions saved during the pilot was 273 pounds.

1 new job
created in
rural Utah



Increased Job Growth and Creation in Rural Utah

Because teleworking was still in a pilot phase, a large number of recruiting events were not undertaken until it was clear the pilot would become a permanent program. Despite some hesitation, several recruitments were conducted in rural Utah with the option for full-time teleworking. These efforts resulted in DTS being able to hire one employee for its help desk in rural Utah.

DOH to save
\$220,000
annually



Enhanced Real Estate Utilization

The big wins for real estate utilization will be realized over time as the state is able to masterplan all the office space being used and implement alternative workplace solutions. These solutions will be more effective when leveraging teleworking, and thus joint efforts to coordinate the efforts of the two programs have been undertaken. As space needs are more effectively met and state assets more effectively utilized, the state will be less reliant on leased space and will slow down or eliminate the need for new building construction. In spite of the delay in realizing the benefits of this goal, the Department of Health has begun a plan, through teleworking, to eliminate its space requirements at the 44 Medical Drive building and lease the building to the University of Utah, which will result in a \$220,000 Operations and Maintenance savings annually.

20% increase
in productivity



Increased Employee Productivity

Analyzing the reported productivity metrics required in the program against the baseline values submitted showed an overall increase of just over 20% improvement. This does not suggest that all participating employees showed increases or that teleworking alone was the reason for the increase. It's important to note that teleworking is proving to be a catalyst for other worthwhile projects and improvements that the state has begun in the past and not fully completed.

3 employees
retained



Enhanced Talent Recruitment and Retention

In three separate instances, valued employees with life changes that would have historically required resignation of their positions were retained because of the teleworking program and remote working capabilities.

Impact on Employee Experience

While not a stated goal of the pilot, the telework program may have resulted in improved employee experience in some instances, which is expected to ultimately enhance talent recruitment and retention. While more data needs to be collected on employee experience, early indications are positive, as demonstrated by the following supervisor quote:

“Employee reaction is VERY positive. They much prefer to work from home instead of the office. Frankly, it appears they don’t miss us very much at all. We sense a bit of remorse from staff when they are required to work in the office on occasion.”

Telework as Catalyst for Change

An item of significant note is the impact of teleworking as a catalyst for broader change within the state of Utah, namely, master space planning, alternative workspace solutions, performance management, process refinements, paperless processes, voice over IP (VOIP) phone installations/upgrades, and improved virtual communication solutions.

PROGRAM DEVELOPMENT RECOMMENDATIONS

Based on the success of the teleworking pilot and the overwhelming interest from many of the departments and state employees, the state of Utah will be well served by developing and rolling out an enterprise wide teleworking program.

The program rollout should be organized and incremental in nature and provide departments with the tools and staff necessary for a successful implementation. Key areas for additional focus are as follows:

- Change communications will play a vital role in ensuring success and must address areas of concern that arose through the pilot, including helping teleworkers adapt to new ways of working and free address space (i.e. spaces without personal belongings).
- In the development of a full kit of tools and programs for the agencies, a consultant should be hired with expertise in teleworking and change management as a key pillar of success will be a culture shift in every department that reinforces a teleworking culture.
- IT systems must adapt to better support telework requirements. For instance, current computer systems and security updates require employees to be physically onsite and plugged into the network.
- Current training practices (e.g. seven weeks of in-person job shadowing in DHRM) may need to be redesigned to better support employees in rural locations who will be significantly challenged to spend weeks near Salt Lake City for training.

Finally, goals should be set that are measurable and demonstrate ongoing and overall success in the five goal areas of the program.

POTENTIAL TARGETED BENEFITS

To achieve these “Targeted Benefits” a 30% adoption rate of eligible employees (2,555 employees) will need to be met in the first 18 months.



Target: **2,555** 30% of eligible employees

Potential Targeted Benefits



1,300 lbs/month emissions saved



63,900 sq. feet saved



200 jobs in rural Utah



Maintain or increase baseline productivity



56 retained employees