

Work in Place: A Telework-Friendly Policy Framework



As technology continues to evolve and existing management mindsets change, telework or telecommuting provides a viable alternative to traditional jobs and results in a more resilient and diverse economy. The objective of this policy framework is to design policies, incentives, and mechanisms to strengthen telework and, in the process, help Mississippi become a telework-friendly state. Economic and workforce development policy should shift to support telework since teleworkers bring talent and income, pay taxes, and contribute to their communities (Erard 2016).

Background

The nature of work is shifting from the traditional 20th-century centralized locations such as offices and factories to more flexible arrangements that shift to meet employers' and employees' needs. Reasons for this shift include the rise of the millennial generation, which expects more flexibility and more sophisticated information technology (Schawbel 2011).

This changing nature of work can be called the "gig" economy. However, the gig economy itself is not new; alternative workers, independent contractors, and office temps have been around for a long time (Rinehart & Gitis 2015). The difference today is that—thanks to improved information technology and Internet availability—these gig workers can plug into a "collection of markets that match providers to consumers on a gig (or job) basis in support of on-demand commerce" (Donovan, Bradley, & Shimabukuro 2016). The end result is workers doing jobs for companies like Uber or TaskRabbit and being paid for their service.

A study by Intuit predicted that by 2020, about 40 percent of American workers will be contingent workers and that traditional full-time, full-benefit jobs will be harder to find (Intuit 2010). Further, the American Action Forum found that gig workers outpaced total employment

growth between 2002 and 2014. Gig workers increased by 8.8 percent to 14.2 percent (depending on how they were measured), compared to a 7.2 percent increase in total employment from 2002 to 2014 (Rinehart & Gitis 2015).

Telework is also changing the nature of work. Telework is defined as working away from a traditional office using information technology to maintain a link to the office (Belanger 1999). These may not necessarily be "stand-alone" gigs, but rather are wage and salary employees who conduct their work away from the office.

As technology access and adoption continue to expand, as more jobs become telework-eligible, and as administrators' mindsets shift toward work *successfully completed versus work completed in an office setting*, telework becomes a viable option to diversify local economies and increase quality of life.

According to Global Workplace Analytics telecommuting statistics, 50 percent of the U.S. workforce hold jobs that are compatible with at least partial telework; 75 percent of employees who work from home earn over \$65,000 per year; and regular work at home increased 103 percent between 2005 and 2014. Telework in the federal government increased 424.3 percent between 2005 and 2014, followed by state government with an increase of 130.9 percent, nonprofit organizations with an increase of 105.2 percent, and for-profit companies with an increase of 94.8 percent (Global Workplace Analytics 2016).

In addition, a 2015 Gallup poll found that 37 percent of U.S. workers telecommuted, up from 30 percent in 2005 and 9 percent in 1995. Of these, 44 percent worked in white-collar professions (executive/managerial, professional, technical, sales, or administrative) (Gallup 2015).

Some overlap exists between gig workers and teleworkers, but it is important to understand they are not the same. Both types of workers, however, share characteristics: flexibility and being able to work from anywhere (as

long as there is a decent Internet connection). The main difference is that the majority of gig workers do not have access to health care, retirement, paid leave, and similar benefits, while wage and salary teleworkers do have these benefits.

The policy framework described here is targeted for teleworkers, but, if implemented correctly, it can also benefit gig workers and may encourage workers to remain in the state. After all, a very effective mechanism to design and deploy incentives for industry and manufacturing is already in place. In addition, state laws were changed to make telehealth practice in the state much easier. Telework is the logical next step.

Four main areas need to be considered under this telework policy framework:

1. existing businesses;
2. business attraction;
3. workforce development; and
4. broadband availability and affordability.

Since each area influences the others, the resulting telework policy needs to consider all four areas to be comprehensive and robust.

Existing Businesses

Telework policies need to benefit existing companies, both large and small. Consider that in 2014, according to the Census Bureau, there were a total of 267,820 establishments in Mississippi. These establishments included those with paid employees and those without employees (non-employers) that filed and paid federal taxes. Of these, 78 percent were nonemployers, 11 percent had between one and four employees, and 7 percent had between 5 and 19 employees. In other words, only 4 percent of establishments in Mississippi had more than 20 employees. However, these establishments were responsible for 72 percent of all jobs (not including the nonemployers).

Rapid-growth businesses are great for communities, urban or rural, but many times they encounter barriers as they grow. Among the most prevalent is access to a skilled workforce. If this issue is not resolved (and many times it is beyond the control of local and regional policymakers), the businesses may decide to relocate to areas where access to a skilled workforce is not an issue. Although the prefer-

ence is for these businesses to hire Mississippi residents, if they end up hiring out of state, the *business itself may remain in Mississippi*.

On the other hand, existing administrative mindsets need to change. Research shows that an individual's choice to telecommute is affected by managers' willingness to accept this work arrangement (Bailey & Kurland 2002). The dominant mindset is influenced heavily by *where* work gets done rather than focusing on *performance* regardless of where it is achieved (assuming the job is telework-friendly). Organizations more amenable to telework increase quality of life among their workers by, for example, decreasing commute time and improving work-life balance. This makes the organization more attractive to work for and may also help it recruit and retain younger workers who prioritize flexibility.

Business Attraction

Telework policies also need to focus on attracting businesses. Attracting industry and manufacturing to rural communities is a challenge, and many industrial parks throughout the state are idle for this reason. In addition, smaller, rural communities tend to lack the workforce needed to support medium-sized manufacturing businesses.

Business attraction policies should attempt to attract businesses to a community, *but not physically*. Rather, these policies should make it easier for out-of-state companies (Amazon, Google, Facebook, IBM, etc.) to hire local residents to work from home. As long as the residents have decent broadband connectivity and telework skills, they could work for out-of-state companies in well-paid jobs *without leaving their communities*.

Workforce Development

With the changing nature of work, telework policies must focus on developing a telework-capable workforce. Workers need strong digital skills, as well as teamwork, organization, and customer service skills, *in addition to the skills required for the job itself*. Therefore, any policies dealing with telework need to focus on better training the workforce to conduct telework jobs. Fortunately, the state has numerous assets—the Mississippi State University Extension Service, community colleges, WIN Job Centers, libraries, and others—that can be used to make sure Mississippi residents are capable of teleworking.

Broadband Availability and Affordability

The final—and crucial—issue to address to make telework possible is broadband availability and affordability. Broadband connectivity must improve throughout the state, especially in areas outside municipalities and in smaller towns. Broadband carriers hesitate to invest in infrastructure in areas where households may not subscribe to the service or be able to afford it. However, if their jobs depend on a decent Internet connection, households will be more likely to prioritize subscribing to broadband.

Another driver of broadband adoption in rural areas is telehealth, which is the use of technology to deliver health care, health education, or health information to patients. Together, telework and telehealth could be the keys to making broadband infrastructure and adoption a reality in rural Mississippi. If residents' jobs, as well as their health, rely on a secure, fast, and affordable Internet connection, the technology will become a high priority.

Certain low-population-density, geographically isolated areas of the state do not make economic sense for carriers to invest in. In these cases, and taking the appropriate confidentiality measures, carriers could work with state government agencies to enhance existing broadband infrastructure. Several models of this type of partnership exist, ranging from solely private endeavors to private–public partnerships to community-based broadband networks.

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Publication 3010 (POD-10-16)

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Extension Service of Mississippi State University, cooperating with U.S. Department of Agriculture. Published in furtherance of Acts of Congress, May 8 and June 30, 1914. GARY B. JACKSON, Director