

Corporate Benefits of Teleworking

The following data is summarized from Workshifting Benefits: The Bottom Line, by TeleworkResearchNetwork.com/Kate Lister/May 2010¹.

The summary study analyzed data from multiple individual studies and concluded :

Half-time telework could save employers over \$10,000 per employee per year through increased productivity, reduced facility costs, lowered absenteeism and reduced turnover.

- **Productivity Gains:** Average productivity increase of 27%.
 - IBM: up to 50% productivity increase, American Express teleworkers produced 43% more business than office based workers, Compaq showed 15 to 45% increase.
 - Increases due to asynchronous communications (with less digressions), increased job satisfaction, working when most productive, 60% of commute time used for work.
- **Real Estate, Electricity, Office Expense Reductions:** Average office cost savings of 18% from workshifting; electricity savings of 4,400 kWh/person/year
 - Sun Microsystems saved \$68M/yr. in real estate costs, \$3M/yr. in power consumption, and \$25M/yr in IT expenditures for 17,000 employees.
 - Unisys reduced real estate costs by 87% through telecommuting; IBM's 80,000 teleworkers save \$700M/year.
- **Absenteeism Reduction:** 3.7 days/year average reduction per teleworker at \$310 per absence.
 - Teleworkers continue to work with minor illness; less exposed to sick co-workers
 - 78% of employees who call in sick , really aren't.
 - Unscheduled absences cost \$1,800/employee/year.
 - U.S. GSA and the American Management Association both show a 63% reduction in absences through telework.
- **Attraction and Retention Increase:** 25% reduction in attrition by offering telework
 - Average cost of turnover is 138% of wages
 - Almost 80% of employees say they would like to telecommute at least part time.
 - More than a third would choose this option over a pay raise.
 - 72% of employees say flexible work arrangements would cause them to choose one job over another, particularly Gen Y workers.

Total Annual Employer Savings				
Half-time Home-based Workers	50	100	500	U.S.
Productivity Increase	\$288,176	\$576,351	\$2,881,756	\$235.4B
RE/Electricity Savings	\$151,846	\$303,692	\$1,518,462	\$124.0B
Absenteeism Savings	\$56,700	\$113,400	\$567,000	\$46.3B
Turnover Savings	\$38,046	\$76,092	\$380,459	\$31.1B
Total Savings	\$534,768	\$1,069,535	\$5,347,676	\$436.8B