



WORKPLACE JANUARY 24, 2020

Is Working Remotely Effective? Gallup Research Says Yes


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STORY HIGHLIGHTS

- Federal agencies report cuts to remote work programs
- Gallup data show remote work improves business outcomes, attracts talent
- An engaged workforce has the best financial outcomes

Recently, several federal agencies reported they're scaling back remote work programs, citing a lack of data regarding remote workers' effectiveness.



"Given our current service challenges and lack of data on [the agency's telework policy's] impact on public service," Social Security Administration spokesman Mark Hinkle told *The Washington Post*, "now is not the time to experiment with working at home."

And a 2016 U.S. Government Accountability Office report on federal telework stated that the agencies it studied "had little data to support the benefits or costs associated with their telework programs. All of the selected agencies could provide some supporting documentation for some of the benefits and only two could provide supporting documentation for some of the costs."

Gallup analytics has the data.

And the data are clear: Remote work not only improves outcomes and employee branding but is a policy that the most talented employees desire.

Remote Work Is Becoming More Common

Remote work is on the rise. The number of hours spent working off-site is increasing, as is the number of workers. In 2012, Gallup data showed 39% of employees worked remotely in some capacity, meaning they spent at least some of their time working away from their coworkers. In 2016, that number had grown four percentage

points to 43%. And of those who do work remotely some of the time, the percentage of time spent working remotely increased from 2012 to 2016 as well. The Society for Human Resource Management (SHRM) found a threefold increase in the number of companies offering remote work options between 1996 and 2016.

Employees Spend More Time Working Remotely

% Time spent working remotely of those who work remotely

	2012	2016	Difference
	%	%	(pct. pts.)
Less than 20%	34	25	-9
20% to less than 40%	20	20	-
40% to less than 60%	12	13	+1
60% to less than 80%	10	11	+1
80% to 100%	24	31	+7

State of the American Workplace

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More and more industries are adopting remote work policies as well. Finance, insurance and real estate industries experienced the greatest surge in remote work in Gallup's research, followed by the transportation, manufacturing or construction, and retail industries.

54% of office workers say they'd leave their job for one that offers flexible work time.

Leaders and managers need to be aware that, as working remotely becomes more common, companies that can't accommodate it will become unusual. And those cultures, over time, may also struggle to keep their in-house workers engaged.

Job Flexibility Engages Remote Workers -- Which Drives Performance

Engagement is not an exercise in making employees feel happy -- it's a strategy for better business outcomes. It is true that engaged employees are more enthusiastic, energetic and positive, feel better about their work and workplace, and have better physical health, but engagement isn't a perk for leaders to dole out, it's a way leaders can improve KPIs. As decades of Gallup research shows, when employees are engaged their performance soars: Highly engaged workplaces can claim 41% lower absenteeism, 40% fewer quality defects, and 21% higher profitability.

And job flexibility increases engagement.

Gallup discovered that engagement climbs when employees spend some time working remotely and some time working in a location with their coworkers. Weekly face time with coworkers and managers seems to affect engagement: the optimal engagement boost occurs when employees spend 60% to 80% of their time working off-site -- or three to four days in a five-day workweek. It's worth noting that five years earlier, in 2012, the optimal engagement boost was experienced by workers who spent less than 20% of their time working remotely.

Gallup finds that this group -- those who work remotely 60% to 80% of the time -- is also the most likely of *all* employees to strongly agree that their engagement needs related to development and relationships are being met. Perhaps counterintuitively, they're also the most likely of all employees to strongly agree that someone at work cares about them as a person, encourages their development and has talked to them about their progress. This group is also the most likely of all employees to strongly agree they have a best friend at work *and* opportunities to learn and grow.

Engagement Highest Among Workers Who Spend Three to Four Days Working Remotely

% Time spent working remotely

	Engaged	Not engaged	Actively disengaged
	%	%	%
None of the time	30	55	15
1% to < 20%	36	53	11
20% to < 40%	37	52	11
40% to < 60%	37	50	13
60% to < 80%	41	48	11
80% to < 100%	32	51	17
All of the time	30	54	16

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These results should reassure leaders that employees who spend some time off-site won't suffer losses in their engagement and that there will be performance improvements that go with it. Much of the research indicates that remote workers are more productive than on-site workers as well. It's probable that, between the higher engagement and increased productivity of remote work, off-site workers offer leaders the greatest gains in business outcomes.

And those outcomes are significant. For example, in a 500-employee company where employees work remotely three days a week, if employees at a company with an average engagement rate improved productivity by 5% by working remotely, the company

would save approximately \$3,000 per employee. But the engaged -- who create an average 15% productivity bump -- would save the company up to \$8,000 per employee. That's an annual \$4 million premium.

That said, marked differences exist between workers who are remote part of the time and workers who are remote 100% of the time and between employees with differing job functions. These distinctions should factor into the math of flexible policies.

Remote Work Affects Your Environmental Impact

Remote work influences the environment, which should be an aspect of any environmentally-focused corporate social responsibility program and may fit environmental, social, and governance (ESG) criteria. The variables are fairly complex, though. A business could consider issues such as solid waste disposal -- people use far more paper in the office than at home -- reduced energy use (on-site workers use twice as much electricity as home-based employees), even the effects of maintenance products on air pollution.

The easiest way to measure a company's carbon footprint, however, is by the mile -- and every mile a worker doesn't drive improves the company's environmental impact. For instance, Sun Microsystems'

Open Work Program, which permitted 24,000 U.S. employees to work from home, prevented the release of 32,000 metric tons of carbon dioxide into the environment that year. In 2015, Xerox reported that its remote workers drove 92 million fewer miles, which reduced carbon dioxide emissions by nearly 41,000 metric tons. Corporate leaders can deduce the environmental impact of their in-house workers' commute with Gallup's data: In 2019, Gallup reported that the most common length of commute is less than 30 minutes, with the majority taking less than an hour. These figures seem to be holding steady over the past 10 years that Gallup has tracked it.

How much total time in minutes do you spend commuting to and from work on a typical day?

Base on adults employed full or part time

	2019 Aug 15-30	2008 Aug 7-10
	%	%
Less than 30 minutes	37	31
30 minutes to less than one hour	29	35
One hour to less than 90 minutes	17	16
90 minutes to less than 2 hours	6	7
2 hours or more	10	11
No answer	1	1

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Many workers genuinely care about their company's carbon footprint, especially notoriously job-fickle millennials. A Gallup poll found that 67% of people aged 18 to 29 and 49% of those aged 30 to 49 say global warming is real, man-made and a serious threat. Gallup's report on the generation revealed that 21% of millennials said they've changed jobs within the past year and that they want jobs that align with their values. Leaders who want to attract and retain millennials -- the largest age cohort in the workforce -- should consider environmental impact as part of their employee value proposition.

However, leaders who want to attract and retain talent of *any* age should know how important flexible policies are to the workforce.

Attraction, Retention and the Importance of Flexitime

The will of the workplace is changing, Gallup research finds, and companies that don't meet employees' needs will have trouble competing in the labor market. They'll have trouble keeping the employees they *do* have -- and the U.S. quit rate is at an all-time high. Gallup data show that 51% of workers are actively looking for a new job or are open to one.



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Coincidentally, 51% say they would switch to a job that allows them flextime.

These numbers are related to employees' changing demands. Gallup analytics reveal that the most talented, least engaged workers are the most likely to leave. Gallup scientists think it's because they have the highest expectations of their workplace and plenty of other job opportunities.

Meanwhile, 53% of employees say greater work-life balance and personal wellbeing are "very important" to them when considering whether to take a new job.

As Gallup's *How Millennials Want to Work and Live* report states, millennials "are not willing to sacrifice life for work. They look to companies that enable them to integrate the two." Gallup research on women in the workplace finds that 53% of stay-at-home mothers say flexible hours or work schedules are a "major factor" in their ability to take a job, and only a third of working mothers say their employers are doing "very well" at allowing them to work from home

when they need to.

Leaders who want to attract and retain talent of any age should know how important flexible policies are to the workforce.

Of course, all employees have requirements of the jobs they accept and keep, but 54% of workers say they'd change jobs for the choice to work remotely or not. Companies that give them that choice will be at the top of job candidates' lists and give the most talented workers a reason to stay.

**The Data Leaders Need to Make a Decision
About Remote Work**



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As leaders uncover the business benefit of engagement, the cost savings of remote work will only pile up: Higher employee productivity, lower environmental impact, better employee branding, lower turnover -- it all translates to lower costs. So as leaders consider the demands of the job and how remote work positively or negatively impacts financial outcomes and customer needs, they should know that the best financial results come from engaged employees, whether remote or in-house.

But they shouldn't assume the data on remote work doesn't exist. Even the government agencies that ended their telework arrangements have *some* data -- one found that ending remote work increased sick leave and vacation requests, returned no productivity increases, and made two-thirds of employees consider quitting.

Gallup has the data leaders need to make decisions, and leaders should use it when deciding how to handle remote work. More and more workers want to work remotely, and more and more

organizations are letting them. Companies that don't -- for whatever reason -- will soon be forced to compete for workers who can get the employee value proposition they want somewhere else. These organizations will spend money on things on-site workers need that don't return value, and they'll have to accept lower productivity as a result of lower engagement.

That may be an acceptable bargain for some leaders in some industries. But leaders should know what they're getting into before they decide about remote work.

Learn more about the changing demands of the workplace:

- Download the [*State of the American Workplace report*](#) for analytics and advice based on data collected from more than 195,600 U.S. employees.
- Register for a free webinar on Gallup's latest issue of [*The Real Future of Work*](#), a digital resource that delves into the most pressing topics facing leaders.
- Read our latest bestseller [*It's the Manager*](#), a collection of 52 of Gallup's most important discoveries from decades of research into the science of management.

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January 24, 2020

Gallup <https://www.gallup.com/workplace/283985/working-remotely-effective-gallup-research-says-yes.aspx>

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