



INFORMATION REPORT

TO:	Chair and Members Audit, Finance & Administration Committee
COMMITTEE DATE:	August 13, 2014
SUBJECT/REPORT NO:	Telecommuting Program HUR14006
WARD(S) AFFECTED:	City Wide
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Information

This report provides information regarding the Telecommuting Policy and Procedure at the City of Hamilton; its implementation, success and challenges; and the greater benefits and potential for costs savings that could be had with its expansion.

Telecommuting is a voluntary arrangement between a manager and employee that permits an employee to work by electronic means at a place other than the primary work-site. The most common example is where employees work from home or another location (such as a satellite office) on a temporary basis while working on particular projects. In many organizations, employees are encouraged to telecommute on a permanent basis because of the nature of their work and/or the opportunity to reduce employer costs. Within the municipal sector, the City of Calgary and the City of Ottawa are recognized for their telecommuting programs. Indeed, the ability to telecommute contributed to the City of Ottawa's recognition as a Top 100 Employer in 2013.

Background – Telecommuting at the City of Hamilton

In September 2009, Human Resources convened a Telecommuting Advisory Group to assess the City's readiness to implement telecommuting. Through a survey of non-union employees in December 2009 (79% response rate), it was determined that there were high levels of support for a telecommuting program, and that many employees were already participating informally in telecommuting arrangements.

Senior Management Team approved a telecommuting pilot project to determine the feasibility of establishing a formal program and to understand implementation issues. The pilot project ran from October 2011 to the end of March, 2012. The pilot was restricted to non-union staff and included 15 participants from various departments who telecommuted for 1 to 3 days per week. Telecommuters and their supervisors were surveyed to gauge success and satisfaction rates. While there was some concern expressed regarding the City's capacity to provide technological resources needed to support the expansion of the program, the pilot was deemed to be a success with telecommuters and supervisors reporting high levels of satisfaction and minimal costs.

Senior Management Team subsequently approved a Telecommuting Policy on June 27, 2013. Under the terms of the policy, the ability to telecommute is dependent on the nature of work, and as such telecommuting cannot be implemented for all positions. All regular telecommuting arrangements require the approval of an employee's manager/supervisor and General Manager (or equivalent). Each department must pre-determine which positions are telecommuting designated positions. These positions must meet the following criteria:

- Working off-site shall not negatively impact customer service, and shall not impact the ability of the employee's co-workers to perform their duties
- The employee's work is operationally feasible i.e. work can be reasonably done off-site.

To be eligible, employees must also have successfully completed their probationary period and have completed and received sign off from their Supervisor/Manager on a Telecommuting Agreement.

Ineligible telecommuting positions include:

- Positions that require special equipment or vehicles
- Positions necessary to protect the safety of City residents (e.g. fire-fighters, paramedics, etc.)

Supervisors/Managers are responsible for monitoring productivity and maintaining communication with the Telecommuting employee(s) regardless of the workplace location. Should there be performance issues, Supervisors are expected to deal with those issues as they would with any other employee who has a performance problem.

At the present time, the Telecommuting Policy is applicable to non-union employees only. However, Public Health Services and Labour Relations were successful in negotiating Letters of Understanding with two of the bargaining units (C.U.P.E. 5167 and C.U.P.E. 1041) to trial the Policy in Public Health Services exclusively. Discussions are ongoing with the Ontario Nurses Association (ONA) for potential telecommuting

arrangements with the City's Public Health Nurses. There is the potential to expand this program more broadly; however the implementation of a telecommuting program for unionized staff would require negotiation with the bargaining units.

Public Health Services is in the process of implementing some "hoteling" shared space arrangements as they continue to consolidate/move to office locations in the downtown core. At the present time, 180 Public Health employees who work primarily within the community have been set up in a hoteling arrangement at the primary work location. These individuals share desk space at a ratio of 2 employees per desk, with each employee having access to a secure file storage location. Employees participating have been given the technology to perform their work outside of the primary work location. At this early stage, employees are reporting high levels of satisfaction with the program and productivity levels have remained high. The model of hoteling and telecommuting is further being considered with Public Health Services' move to the McMaster Health Sciences Building. This has the potential to decrease the physical space required, but additionally the flexibility that this type of arrangement provides can improve employees' work-life balance and lead to more engaged, productive employees.

Since the approval of the policy, 15 employees have signed a formal telecommuting agreement. Human Resources believes there are many informal arrangements and is taking steps to encourage management to establish formal agreements so that organizationally we can gauge current and potential future use of the program and appropriately plan for technology supports and potential efficiencies in office space.

Benefits of Expanding the Telecommuting Program:

Telecommuting as a practice has benefits to employers and employees. Progressive telecommuting policies can result in reduced operational costs, reduced absenteeism, increased productivity and integration with alternative service delivery models.

As a desired benefit for employees, telecommuting can assist in the attraction and retention of top talent at the City of Hamilton. In a recent survey on flexibility and telework conducted with a sample of 300 leaders and office workers in Canada and the United States, 71% indicated that telecommuting was an important benefit in their consideration of a new job. A further 10% reported that they would take a reduction in pay to keep telecommuting as a benefit (HR Reporter, June 2, 2014). It has also been noted within many reports that flexibility and work-life balance are increasingly important issues for employees, and having an established telecommuting program could not only improve retention, but allow the corporation to draw upon a broader talent pool (Conference Board of Canada, October 2013). Similarly, not having a telecommuting

program could result in the loss of top performing employees; a survey of HR managers in the United States revealed that 71% of respondents indicated that employees were leaving their companies or that they were losing top contenders for positions due to a lack of telecommuting opportunities (Webb, 2014).

The broader implementation of a telecommuting program could provide cost savings to the City of Hamilton. Many companies who have telecommuting programs provide a shared “hoteling” station where employees work when in the office. Such provisions cut down on the physical space needed in workplaces. AT&T, for example, reported in 2002 that it saved approximately \$3000 US per telecommuting employee annually by reducing work space and energy used (Conference Board of Canada, 2013).

With a broader implementation of the telecommuting program, the City of Hamilton would be in a better position to have business continuity when there is a labour disruption, pandemic outbreak or natural disaster. In these potential situations, employees would have the opportunity to work from a remote location. This benefit was experienced in Washington DC in the 2013-2014 winter that saw significant snowfall. Due to their telecommuting program, employees in federal agencies were able to continue to work from home. It is estimated that federal agencies realized an average of \$300 million in productivity gains due to these programs (Webb, 2014). In the event of a medical emergency such as SARs, the City could continue operation while preventing the spread of infection by keeping non-essential staff out of the workplace.

Telecommuting can also have a positive impact through reductions in absenteeism and increased productivity rates. Studies have shown that telecommuting employees are more likely to work around appointments due to increased flexibility rather than take days off, and are more likely to continue working through minor illnesses. Telecommuting also increases the productive time of the employee; studies have shown that those who work from home tend to be more productive than their counterparts who report to primary work locations. This is likely due to the lack of distraction and the greater ability to focus on tasks (Conference Board of Canada, 2013).

For employees, telecommuting can result in improved quality of life, reduced work-life conflict, reduced commuting costs and reductions in stress levels. In addition, telecommuting policies are good for the environment; the broader implementation of the program has the potential to decrease traffic and congestion and reduce pollutants from car emissions.