

EXECUTIVE SUMMARY

This report is the result of an Office of Inspector General (OIG) review of potential costs and benefits of frequent telework at EEOC Headquarters, located at 1801 L Street, Northwest, Washington, D.C. These savings, and the detailed analysis presented in this study, relate only to the Headquarters Building which includes the Washington Field Office, which moved to the Headquarters Building in 2004. Telework, also referred to in the federal government as Flexiplace, is a work arrangement in which employees, occasionally or frequently, perform their job duties away from their central workplace. Many private and public organizations cite telework as a method to achieve many benefits, including real estate savings, improved productivity, and increased employee satisfaction. Our previous report, *Reducing Infrastructure Costs Through Increased Use of Telework*, OIG-01-13-AMR, (available at: <http://www.ignet.gov/internal/eec/eec.html>) identified potential savings at four EEOC field offices.

The primary objective was to determine potential savings on infrastructure costs and other costs/benefits through extensive use of telework, while sustaining or improving mission performance. We built a cost model to test whether such savings could occur. We believe that exploring this option is worthwhile because other organizations have saved money using this method and the Agency is likely to continue facing stringent budget constraints. Our analysis, using the cost model, shows that frequent telework at the Headquarters Building demonstrates strong potential for substantial cost savings while maintaining or improving performance, therefore, OIG recommends consideration of a frequent telework effort at Headquarters.

Use of frequent telework could result in substantial net savings for U.S. Equal Employment Opportunity Commission (EEOC) Headquarters. Our cost model shows net savings of about \$5.3 million in the first five years, with substantial savings every year thereafter:

2008	\$223,000
2009	1,255,000
2010	1,285,000
2011	1,207,000
2012	1,344,000
Total	\$5,315,000

Source: Office of Inspector General, EEOC Telework Cost Model, 2004 (the cost model is based on the 2002 cost model developed by Clifton Gunderson LLP, for the Office of Inspector General)

Note: figures may not total due to rounding to the nearest \$1,000

First year savings are lower than in other years because first year (start up) costs are \$1.48 million while costs for each year thereafter are about \$455,000. These cost savings are calculated whereby about 43 percent of those employees well suited for frequent telework work from home or a federal telework center two or more days per week, allowing more efficient use of central office space through office sharing for some, smaller offices for others, and elimination of many

vacant offices. Significantly lower costs for real estate occur, even though the cost model assumes less than one-half of well suited staff will frequently telework, a conservative estimate based on EEOC focus group and interview data. Net cost savings in the model include all costs needed to provide teleworkers with equipment and other items required by Headquarters staff. Cost savings for Headquarters could begin when the lease expires in 2008, or sooner if EEOC reaches agreement with the owner of the Headquarters Building regarding vacating space.

Key questions addressing the objective included:

- A. What types of Headquarters staff are suitable for frequent telework?
- B. What equipment, training, and other items do staff need for productive telework?
- C. What do senior managers, supervisors, and staff think about frequent telework?

Our review found:

- Most professional staff positions, including supervisory positions, are well suited for frequent telework
- Many senior managers, supervisors, and staff see substantial benefits from frequent telework, including fewer distractions, better work-life balance, monetary benefits, and reduced stress
- Many supervisors and staff are fearful that frequent telework will bring about unwelcome change in their lives (e.g., new work processes, additional administrative burdens), and that telework would mean their work group could not meet the needs of some customers
- Many staff are unaware of some major advantages of frequent telework, and are not familiar with fundamental telework concepts, including basic management concepts that are useful in both telework and non-telework environments
- Frequent teleworkers require several items and services to maintain or improve productivity and customer service, including laptop computer with standard EEOC software, capability for good quality copying, faxing, and printing, Internet service, high speed access to EEOC e-mail and the EEOC network, strong phone service—including call forwarding, simple to use long distance calling, substantive telework training, and technical support
- Frequent telework, by approximately 200 of the over 600 Headquarters staff, can result in significant net savings, averaging \$1.06 million per year--annual net savings are relatively small in the first year, due to start up costs. In the second through fifth years, net savings are large and steady, and continue thereafter
- For cost, planning and other reasons, EEOC should carefully consider whether to begin frequent telework prior to expiration of the lease in 2008.

Major conclusions and the recommendation are highlighted below. The full results of this review are described throughout the report.

CONCLUSIONS

1. Many staff, supervisors, and senior managers believe frequent telework has strong potential for improving Headquarters operations, but others are skeptical, and some are hostile to frequent telework.
2. The greatest barrier to successful implementation of frequent telework at EEOC Headquarters is a mistaken belief on the part of some that virtually all staff need to be on-site constantly to be productive, regardless of resources and telework structure.
3. There are no major technical (i.e., equipment and office configuration) barriers to successful frequent telework at Headquarters—however, staff will need in-depth training, efficient equipment, and more efficient office space.
4. With about 200 frequent teleworkers (less than half of those well suited for frequent telework), major cost savings can be achieved at Headquarters, beginning in the second year of frequent telework. Net savings under frequent telework at Headquarters would be substantial, about \$5.3 million over five years.
5. To reduce implementation risks, Headquarters frequent telework should begin with a small or medium scale pilot before real estate is reduced.
6. Implementation of frequent telework would substantially assist in meeting the EEOC's 5 Point Plan for EEOC as a model workplace.

RECOMMENDATION

Based on these conclusions, we make one recommendation to Cari M. Dominguez, Chair, EEOC.

Recommendation

- EEOC should consider implementing a frequent telework pilot to test the feasibility of achieving cost savings at Headquarters. The pilot will serve to reduce the significant risks that can occur if wide-scale implementation of frequent telework begins without a pilot.

The pilot should seek to maximize cost savings while minimizing financial and program risks. In order to ensure a successful pilot, we strongly advise the following:

- Conduct thorough planning
- Conduct training for all Headquarters staff prior to the date frequent telework begins
- Purchase and test equipment well in advance of frequent telework initiation
- Assess whether change management training (in addition to telework training) is necessary
- Assess changes to productivity and morale that result from the frequent telework pilot.

MANAGEMENT COMMENTS

We received comments on the draft report from senior management and other staff in headquarters. We thank those who responded. The following table summarizes several major comments. We addressed each of these comments in the Final Report, primarily in the sections noted in the table.

Subject Matter	Summary of Comments
Timing of implementation of frequent telework	It would be useful to provide costs and savings commencing upon expiration of the Headquarter's Building lease. (section 2.2.2)
Costs and Savings	More detail would be useful, including more information about the cost model. (sections 2.2.2 and 2.2.3, and Appendix C)
Frequent telework pilot and related issues	It would be useful to provide more detail/clarification about the conditions and implications of a pilot, and how to conduct a pilot. (Appendix B)

Additional details concerning findings, conclusions, and the recommendation are provided throughout this report and the Appendixes. The review was conducted in accordance with the applicable Generally Accepted Government Auditing Standards as published in Comptroller General's Government Auditing Standards, 2003 Revision, and took place from June 2003 through August 2004.

1.0 INTRODUCTION

This section provides an overview of the study, presents infrastructure information, and gives an overview of telework information useful in understanding the study. In addition, EEOC telework policies and practices are reviewed. Also, this section provides information on the purpose, scope, and methodology of this study. For more information on telework information useful in understanding the study, please refer to our January, 2003, assessment (*Reducing Infrastructure Costs Through Increased Use of Telework*, OIG-01-13-AMR available at <http://www.ignet.gov/internal/eoc/eoc.html>).

Because the lease expiration for Headquarters occurs in 2008, EEOC needs to focus now on plans for changes that might be accomplished more efficiently at lease expiration. This includes issues such as whether to move to a different Headquarters location and/or reduce the square footage of the Headquarters Building. Chapter Two identifies the major issues EEOC should consider when deciding whether to renegotiate the Headquarters lease before 2008, in order to implement frequent telework.

Study Overview

This study examines costs and benefits of implementing frequent telework in the EEOC Headquarters Building in Washington, D.C. Specifically, this study seeks to determine if EEOC could save on infrastructure costs and achieve other benefits at Headquarters through extensive use of telework, while sustaining or improving mission performance. Telework, also referred to as telecommuting or flexiplace, is a work arrangement in which employees perform their job duties away from their central workplace, occasionally or frequently. Many private and public organizations cite telework as a method to achieve many benefits, including real estate savings, improved productivity, and increased employee satisfaction.

In addition to potential cost savings and more efficient use of infrastructure, frequent telework may be an alternative to reductions in force, outsourcing, hiring freezes, and reduced opportunities for training. Other potential benefits to frequent telework include:

- Improving the ability of Headquarters to maintain continuity of operations in the case of an emergency
- Providing EEOC with an additional tool to acquire and retain the talent and leadership it needs at Headquarters
- Supporting the President(s) Management Reform Agenda and the EEOC's 5 Point Plan for EEOC as a model workplace.

Our 2003 study examined the costs and benefits of implementing frequent telework at four of EEOC's field offices. That study recommended EEOC consider implementing a frequent telework pilot at one or more of the four field offices reviewed. The National Academy of Public Administration's 2003 report, *EEOC: Organizing for the Future*, endorsed frequent telework as a potential method for more effectively managing Agency resources and operations. The 2003 study was a driver in EEOC reducing square footage amounts in its space allocation guidelines (e.g., the recommended amount of office space for a GS-13) and establishing a five year goal to reduce real estate costs by 35 percent.

For the purposes of this study, implementation includes all critical cost elements, including training and equipment. In addition, this study provides general information to cost and benefit issues for frequent telework at other EEOC facilities. This general information should not be considered a detailed analysis or recommendation concerning implementation of frequent telework in Field Office locations. Our Headquarters' assessment cost model calculates cost changes beginning in 2008. We note that for cost and/or other reasons, EEOC may wish to begin frequent telework before expiration of the Headquarters lease (July 2008).

Our analysis shows that frequent telework at the Headquarters Building demonstrates strong potential for substantial cost savings while maintaining or improving performance, therefore, OIG recommends consideration of a frequent telework effort at Headquarters.

1.1 BACKGROUND

1.1.1 Infrastructure: Importance and Costs

Importance of Infrastructure

We define infrastructure as the non-personnel items that EEOC needs to operate. Infrastructure plays a key role in supporting Agency activities, including staff recruitment and retention. For example, Agency real estate is used by Agency employees as individual workspace, meeting space, break areas, and to conduct other critical activities. Frequent telework may have significant effects on the following infrastructure components:

- Real estate (location and size)
- Telecommunications

- Information technology
- Workstations (size and configuration) and workstation furniture
- Other (e.g., printers).

Rental of office space and other key costs to support Agency staff are a substantial portion of EEOC's budget, about 14 percent. Real estate (rental payments to the General Services Administration) is about 9 percent. The real estate costs for the Headquarters Building are about 25 percent of all EEOC real estate costs. Exhibit 1 shows the cost of selected infrastructure components, by fiscal year (FY).

Exhibit 1. Selected EEOC Infrastructure Costs, Fiscal Years 2003-2005

A M O U N T (in \$millions)			
	FY 2003 Actual (% of Total Budget)	FY 2004 Actual (% of Total Budget)	FY 2005 Estimate (% of Total Budget)
Total Budget	\$321.7 (100%)	\$324.9 (100%)	326.8 (100%)
Real Estate	27.6 (8.6%) HQ= 7.8 (2.4%) Field = 19.8 (6.2%)	28.8 (8.9%) HQ = 7.8 (2.4%) Field = 21 (7.7%)	29.1 (8.9%) HQ = 7.9 (2.4%) Field = 21.2 (6.5%)
Information Technology	12.2 (3.8%)	12.0 (3.7%)	10.8 (3.3%)
Telecomummications	5.0 (1.6%)	3.5 (1.1%)	4.8 (1.5%)
Infrastructure Total*	\$44.8 (14.0%)	44.3 (13.6%)	44.7 (13.7%)

*Not all infrastructure items are included (e.g., overhead), therefore, total infrastructure costs are higher than cited.

Source: EEOC Office of the Chief Financial Officer and Administrative Services, February 2005.

1.1.2 Telework: Costs and Benefits

Definition

Many definitions are provided in literature describing telework. The definitions used for this report:

- *telework* is work performed on a regular basis in a location other than a principal office
- *frequent telework* is telework scheduled to be performed two or more days per week

Pros and Cons of Telework

Though the number of teleworkers nationwide is growing and many advantages may be accrued by employers and employees engaging in telework, telework may cause undesirable effects. Productivity gains, improved employee morale, and reduced infrastructure costs are cited as

telework advantages. However, each of these benefits may or may not occur to the extent expected, unless planning and implementation are well executed. Appendix D displays major advantages and disadvantages of telework.

1.1.3 Federal Government and Telework

The federal government endorses telework, encouraging telework through legislation, guidance, and other methods. The U.S. Office of Personnel Management (OPM) and the General Services Administration support telework as a tool federal agencies may use to:

- Reduce real estate costs
- Recruit and retain staff
- Improve continuity of operations
- Boost productivity and reduce absenteeism
- Improve work/life balance
- Conserve resources/improve the environment.

A 2004 OPM report states that the number of federal employees teleworking grew from 90,010 in 2002 to 102,921 in 2003. In an effort to encourage telework, the federal government sponsors Telecenters. These 16 centers are located in the Washington D.C. area, in the states of Maryland, Virginia, and West Virginia. For a fee, telecenters provide space, equipment, and support services for federal workers. In addition, several other organizations operate telecenters in the Washington, D.C. area.

1.1.4 EEOC Telework: Status and Context

Telework and Infrastructure Use in EEOC and Headquarters

EEOC reports that 566 staff teleworked once or more per week in 2003. Exhibit 2 shows eligible and actual teleworkers for 2003.

Exhibit 2. EEOC Telework Participation (Agency wide)

Frequency of Telework	Eligible	Actual
telework at least one day per week	1,453	566
telework that is occasional/non-routine	480	203
Totals	1,933	769

Source: EEOC, Office of Human Resources, 2004

EEOC is committed to reducing the cost of its real estate and is more actively promoting telework. A January, 2003, EEOC memorandum states that the Agency will seek to reduce infrastructure costs while continuing to meet customer and employee needs. The same memorandum established a 35 percent savings target for rent costs over five years. This includes

both Headquarters and Field Offices. Congressional testimony from the EEOC Chair in 2004 affirmed EEOC's commitment to reducing real estate costs.

The Headquarters Building has about 170 vacant offices (including private offices and cubicles). Recently, there were more vacant offices, but in August, 2004, the Washington Field Office moved into the Headquarters facility, filling about 40 vacant offices.

1.2 Purpose of Review

The main OIG objective was to determine if the use of frequent telework at Headquarters could result in cost savings without impairing Agency operations. Key questions to address the objective include:

- What types of Headquarters staff are suitable for frequent telework?
- What equipment, training, and other items does Headquarters staff need to be productive frequent teleworkers?
- What types of space adjustments could be used to enable staff to continue at productive levels, while driving down real estate costs?
- How do lease conditions at Headquarters affect the cost-effectiveness of frequent telework?
- What are the impressions of managers and staff on critical frequent telework issues?

While this study is *not* intended to recommend business process changes, effective frequent telework will bring about changes to the way teleworkers and their colleagues do business. For example, frequent teleworkers need to engage in greater use of teleconferencing than non-teleworkers. Therefore, our cost estimates include high quality telephone equipment and services for frequent teleworkers.

1.3 Scope and Methodology

Scope

This report examines potential use of frequent telework (i.e., two or more days per week) by EEOC Headquarters staff. In addition, the scope includes a detailed examination of major costs and savings categories, as well as other telework issues, at Headquarters. Because each office (e.g., Office of Research, Information and Planning) has a significant number of staff who could be well suited for frequent telework, we chose to assess all Offices located in Headquarters, including the Washington, D.C. Field Office.

Methodology

OIG used four primary data gathering and analysis methods to achieve the objectives:

- A. Research (including literature review)
- B. Interviews of key EEOC staff and telework experts
- C. Focus groups (supervisors and staff from all Headquarters offices)

D. OIG frequent telework cost model (a refined version of the cost model developed for OIG's previous study).

A. The OIG team conducted a literature review and analysis of information that included:

- Federal Government(s role in telework
- Costs and benefits of telework
- Private and public sector examples of telework
- Real estate issues involved in telework.

B. The OIG team also conducted interviews with EEOC staff and non-EEOC individuals that covered the following topics:

- Impressions of the existing telework program
- Pros and cons of implementing a frequent telework program
- Real estate and lease issues
- Recruiting and retention issues
- Cost savings and other potential benefits and costs to telework programs.

C. In addition, the OIG team facilitated 23 focus groups (about 184 participants, or 30 percent of Headquarters staff) in 10 Headquarters offices that included demographic questions and open-ended discussion questions, and covered the following topics:

- Type of work performed by each major group of employees
- Type of equipment and other items necessary and/or useful for the work the employee performs
- Key telework issues (e.g., reduction of office space options)
- Pros and cons (e.g., barriers to success) of a frequent telework program.

D. Lastly, the OIG team refined and adapted for Headquarters the frequent telework cost model created during our previous infrastructure review. The updated model was reviewed by staff from the General Services Administration. Then OIG refined, populated, and ran the cost model to determine if frequent use of telework could result in cost savings. The cost model in this report accounts for major costs and savings categories associated with implementing and maintaining a frequent telework program, including:

- Furniture
- Information Technology equipment and services
- Real Estate
- Telecommunication equipment and services
- Telework Center fees
- Training.

To properly isolate the costs and savings attributable to implementation of frequent telework, our study assumed that other key, non-telework factors, would remain constant (e.g., no changes in

employment levels). Findings from the cost model are included in Chapter 2. The OIG team for this study included:

- Deputy Inspector General
- A senior OIG evaluator
- An OIG analyst knowledgeable in EEOC work processes and information system technology
- A panel of telework experts, consisting of General Services Administration staff, and the Director of AT&T(s telework program.

The study does not include detailed analysis of:

- Implementing frequent telework in ways not contemplated by the study, and at locations other than Headquarters (see our previous report at <http://www.ignet.gov/internal/eec/eec.html> for details on opportunities for reducing costs for Field Offices)
- Real estate savings that could be achieved through non-telework means (e.g., relocating Headquarters to a less costly location, outsourcing, etc.).

The evaluation was conducted in accordance with the applicable Generally Accepted Government Auditing Standards as published in Comptroller General's Government Auditing Standards, 1994 2003 Revision, and took place from June 2003 through August 2004.

2.0 COSTS AND BENEFITS OF FREQUENT TELEWORK AT HEADQUARTERS

This chapter provides findings and conclusions regarding implementation of frequent telework in the Headquarters Building. This section presents overall results, Section 2.1 examines the key factors associated with frequent telework at the EEOC, Section 2.2 assesses costs and benefits of frequent telework at Headquarters, and Section 2.3 presents conclusions and recommendations.

Overall Results

Our cost model shows that implementation of frequent telework could result in substantial overall net savings and large savings in Headquarters.

Exhibit 3. Net Savings from Frequent Telework

Year	Annual Net Savings	Cumulative Net Savings
2008	\$223,000	\$223,000
2009	1,255,000	1,478,000
2010	1,285,000	2,763,000
2011	1,207,000	3,970,000

2012	1,345,000	5,315,000
------	-----------	-----------

Source: Office of Inspector General, EEOC Telework Cost Model, 2004 (the cost model is based on the 2002 cost model developed by Clifton Gunderson LLP, for the Office of Inspector General).

Note: figures may not total due to rounding to the nearest \$1,000

To achieve these cost savings, 196 employees, who are designated as well suited for frequent telework, would telework two or more days per week, allowing more efficient use of central office space through office sharing and cubicle reduction, or similar arrangements. The office sharing and cubicle size reductions include renovations that lead to reduced space needs. Additional space, in the form of unoccupied offices and associated shared space would create additional real estate savings. Total savings are substantially higher than the total costs to set up and maintain an effective frequent telework program.

Over 400 Headquarters employees would be designated as eligible for frequent telework, but, in our model, about 43 percent those would telework frequently. Many eligible staff would choose not to telework and some would not telework for other reasons (e.g., recently hired or major performance issues). The cost model for this study assumes:

- most frequent teleworkers telework from their homes, while a small number use federal telework centers
- non-frequent teleworkers retain their current office configuration (no space reductions)

2.1 Key Factors Affecting Frequent Telework at EEOC Headquarters

We identified the following as critical factors affecting whether frequent telework will allow a Headquarters work unit to maintain or improve overall performance:

- Suitability of position/staff member for frequent telework
- Staff and managers attitudes and knowledge concerning frequent telework
- Equipment and related needs
- Communication capabilities.

Cost and savings implications for key factors are discussed in Section 2.2

2.1.1 Suitability of Headquarters Positions for Frequent Telework

Different tasks are better suited for telework than others. Some tasks performed by EEOC staff, such as greeting or providing immediate assistance to walk-in clients, are so incompatible with working in alternate locations that little research was needed to determine their suitability.

However, much of the work that most staff performs at EEOC Headquarters is well suited for frequent telework. We found that most staff from the major groups do not perform work that requires their daily physical presence in Headquarters. Telework studies, results from over 20

focus groups, interviews with EEOC staff, and existing EEOC telework policies show that most major categories of EEOC staff perform tasks well suited for frequent telework. The major groups of Headquarters staff well suited for frequent telework are:

- All major groups of attorneys
 - general attorneys
 - trial attorneys
 - attorney advisors
 - attorney examiners
 - administrative judges
- Investigators
- Mediators
- Program and management analysts
- Most other analytic and professional positions (e.g., budget analysts).

Focus group data show that staff from the above groups perform many tasks successfully performed by teleworkers in the private or public sector. For example, many staff spent a great deal of time performing legal research, speaking with colleagues or customers on the telephone, reading and writing e-mails, or drafting documents. Within some of these groups, there may be a small number of individuals who perform tasks not well suited for frequent telework (e.g., staff who frequently meet with senior management officials on extremely sensitive subjects). Exhibit 4 shows the type of tasks performed by the major groups of EEOC field office staff and their general suitability for telework.

Exhibit 4. Summary of Tasks Suitable and Unsuitable for Frequent Telework

Tasks Well Suited for Telework	Selected HQ Staff Performing Task Frequently
Work that calls for concentration and large blocks of uninterrupted, independent time	Trial Attorneys, Administrative Judges, Investigators, Supervisors, Mediators, most analytic positions
Work that has well-defined beginning and end points	Attorneys, Administrative Judges, Investigators, Administrative/Support Staff, Supervisors, Mediators
Work containing materials that are easily portable	Judges, Investigators, Supervisors, Mediators, Most Attorneys, many Analytic Positions
Work requiring minimal costly specialized material or equipment at the alternate work-site	Trial Attorneys, Administrative Judges, Investigators, Supervisors, Mediators
Work that can be done with limited unplanned face-to-face communication and minimal supervision	Administrative Judges, Trial Attorneys, General Attorneys, most other Attorneys, Mediators
Tasks Not Well Suited for Telework	Selected HQ Staff Performing Task Frequently
Work that is not easily portable (such as handling EEOC survey forms, centralized filing tasks, maintenance	Those responsible for frequently receiving and sending large amounts of U.S. mail, some types of legal documents (often secretaries), some Attorneys, some

and repair of IT equipment)	information technology staff
Work that does not have well-defined beginning and end points	None
Work requiring specialized equipment or materials	Secretaries and others responsible for receiving, sending, and filing large amounts of traditional mail (i.e., not electronic mail) Some information technology staff, library staff
Work that requires a great deal of “unplanned” face-to-face communication and/or extensive supervision	Staff involved with intake/reception of walk-in customers (e.g., some Washington, D.C. Field Office staff and a small number of Headquarters staff, such as selected secretaries) Staff who are needed for sensitive and daily consultations with senior EEOC management and/or a limited number of other managers

Telephone, most personal computer related tasks (including access to Agency data and systems), and basic mailing and faxing of one’s own work, are not considered closely tied to the central workplace because of readily available and moderately priced portable technical solutions. Our cost model includes all items necessary for most staff to have efficient access (see section 2.2).

We note that because one type of position has one or more tasks that are closely tied to the central office, that type of staff is not excluded from frequent telework. In fact, many staff in these positions may be able to successfully telework on a frequent basis. However, these positions require closer examination before a well-considered decision to telework frequently could be made. For example, our focus groups showed that, generally, secretaries are not well suited for frequent telework because they frequently obtain and process mail, paper files, and other materials. However, because duties of individuals within a position can vary, this does not mean that some secretaries are not currently well suited for frequent telework.

2.1.2 Headquarters Personnel: Views Regarding Telework

Interviews with senior managers, and focus groups with supervisors and staff, show that Headquarters employees often believe frequent telework has both benefits and drawbacks. Employee views on frequent telework are an important factor in determining the ease and manner in which frequent telework can be implemented. While our project assumes that frequent telework can be implemented at the discretion of EEOC Headquarters’ management, (given appropriate consultations with employee groups), employee knowledge and attitudes are a critical component for successful implementation. For example, if the program resulted in long-term poor morale or inefficient working conditions, it could negatively affect overall office performance, thereby devaluing or even negating the effectiveness of frequent telework. In addition, staff views provide vital information (such as opinions about supervising teleworkers) for the planning and training that would take place prior to implementing frequent telework.

Members of each focus group were chosen by their Headquarters' office. OIG asked the offices for a diversity of telework experiences to be represented in the focus groups. Because we spoke with over 200 staff, including multiple staff from all major positions, we are confident that, as a whole, the views expressed in the focus group results are representative of all Headquarters staff.

Experience and Knowledge of Frequent Telework

Typically, one or two participants in each focus group teleworked, or had teleworked, at EEOC or for another employer. Most supervisors and staff had some knowledge about telework, but also displayed little knowledge or held incorrect assumptions about vital frequent telework issues. Some supervisors and staff understood that effective frequent telework requires flexibility on the part of both staff and supervisors, but others assumed frequent telework to be a rigid program that left supervisors and/or staff with little room for practical considerations, such as how to ensure staff is available and how to handle customer service issues. In addition, some staff incorrectly assumed that under no circumstances (because of rules or cost reasons) could they be provided with headquarters-equivalent capabilities at their telework location.

Several supervisors stated that frequent telework could not be effective because supervision requires daily visual inspection to ensure staff are working productively. This viewpoint is generally regarded as incorrect. Lack of physical proximity does not, generally, prevent sound supervision. A 2003 OPM telework guide (Telework, a Management Priority) states that "Managers can measure what the employee produces by examining the product or results of the employee's efforts. It is also helpful to use project schedules, key milestones, regular status reports, and team reviews." These tools are critical in accurately assessing non-teleworkers as well; therefore, using these tools should not add unnecessary time to a supervisor's duties. The same OPM guide states that there should not be significant differences in managing the performance of teleworkers and non-teleworkers.

Interest in Frequent Telework

Most of the focus group participants indicated they are very interested, or somewhat interested, in teleworking at least two days per week. Most participants indicated frequent telework has some benefits. This feedback provides a general indication that most Headquarters staff are favorably inclined or neutral towards frequent telework. Some staff stated they did not have adequate space in their dwelling, could not concentrate well outside the office, or for other reasons would not consider frequent telework. The head of the Headquarters employee union stated that those staff represented by the union generally favor increased use of frequent telework.

Perceived Benefits and Risks

Many managers, supervisors, and staff see substantial benefits for frequent telework. These benefits include increased ability to focus on certain tasks and reduced stress levels. However, many managers and some staff are also skeptical about staff, and their office as a whole, meeting the needs of customers and stakeholders in a frequent telework environment. Some staff share

those concerns and also have concerns regarding office space, collegiality, and management of a frequent telework program.

Several focus groups spent considerable time discussing how frequent telework could impact customer (internal and external) service. Opinions varied considerably, with some participants stating that frequent telework would allow their office to maintain or improve customer service. Some participants stated that phone coverage and other tasks could or would suffer, and lack of “face-time” would result in less satisfied internal customers. Call forwarding and instant access to e-mail were viewed favorably by many participants as methods to maintain immediate contact with customers. Several focus group participants asked how a “core day” could be maintained under frequent telework.

Some staff and supervisors strongly identified with the concept of an individual office with themselves as the only occupant, regardless of how often the office would be occupied. Needs for private conversation and meeting space, and the ability to store paper in a convenient location were two frequently stated opinions to justify individual offices. If the privacy and storage issues could be resolved, some staff, initially objecting to not having a private office, stated their objections could be overcome. Some stated that if they truly teleworked frequently (at least twice per week) a private office would not be necessary. Others stated that, if teleworkers could have some control over with whom they would share an office with, their objections could be overcome.

Some participants said frequent telework might make them feel isolated and/or lose out on the concrete and less tangible benefits of collegiality. Others stated they would welcome the opportunity to focus on their work while in a telework location, and that collegiality on their non-telework days would be sufficient. Several participants expressed interest in using tools (e.g., instant messaging and other methods for groups to communicate in real time) that would encourage informal communication.

Focus group participants and interviewees at all levels expressed mixed views about frequent telework and productivity. Some managers and supervisors stated that as long as frequent telework was a mutual decision, teleworking staff would be as productive as non-teleworkers, because productive staff are productive, regardless of location. However, many managers and supervisors we met with in focus groups, expressed skepticism about the ability of many individual staff, and the office as a whole, to be as productive in a frequent telework environment. Many comments in this area focused on teleworking staff simply not working as hard away from Headquarters as when in the Headquarters Building. Many supervisors stated they could note employee effort and give feedback to staff more effectively when that employee could be seen.

Many staff stated they were concerned that frequent telework would be implemented unfairly and could therefore dampen morale. Generally, these employees stated that a frequent telework program would need to be carefully structured, planned, and implemented to ensure equity. The necessity of training supervisors and managers in telework issues was stressed by some staff. Many supervisors and senior managers also emphasized the importance of thorough planning to improve the chances for success. In particular, several managers and supervisors emphasized that

frequent telework could not succeed unless it is understood that telework is a privilege, not a right.

2.2 Monetary Costs and Benefits of Frequent Telework

Without cost savings, implementing frequent telework for a large number of Headquarters staff would place severe strain on EEOC's budget. However, many private sector organizations and some public sector organizations have achieved cost savings in real estate and other categories through telework implementation. Therefore, careful examination of all major costs and savings are essential to determining if EEOC should proceed with a frequent telework program at Headquarters. To document and calculate costs and savings associated with implementing a frequent telework program at Headquarters, the OIG used a cost model reflecting all major costs and savings. The cost model was developed by updating and refining the field office frequent telework model (used in *Reducing Infrastructure Costs at EEOC Field Offices*, OIG-13-AMR) to account for several factors, including:

- Real estate differences between Headquarters and the field offices
- Telework suitability differences between Headquarters and the field offices
- Need for remote high-speed access to the Internet and EEOC systems.

The cost model shows net savings of \$5.1 million after five years. Net savings include equipment and other needs of frequent teleworkers.

2.2.1 Equipment and Other Needs of Frequent Teleworkers

If staff are not provided adequate equipment and other support, individual performance, group performance, and morale may suffer. The equipment needs for staff whose work is well suited for frequent telework were determined by:

- Conducting focus groups and interviews with supervisors and staff from each Headquarters office
- Interviewing staff from EEOC's Office of Information Technology
- Reviewing the equipment needs developed for the Field Office Cost Model.

The basic needs for all frequent teleworkers include:

- Computer with standard EEOC software (non-standard software creates compatibility issues and requires time consuming reformatting of text and data)
- Security hardware necessary to maintain adequate safeguards of EEOC systems and data, as well as personal data of employees and customers
- Capability for good quality copying, faxing, and printing
- High speed and secure access to the Internet and EEOC systems and various data, (e.g., e-mail, and the EEOC Intranet)
- Equipment and software support, including help desk support
- Phone service—a separate phone line for business facilitates work tasks and provides additional privacy, safety and security

- Long distance phone service (many Headquarters staff frequently need to contact internal and external customers outside the local calling area)
- Telework training—lessons learned from the public and private sectors, as well as the knowledge level among focus group participants and interviewees, indicate the need to train all affected employees
- Ability to transport the work related items without undue physical effort or inconvenience
- Secure storage space—frequent teleworkers may need additional secure storage space in the central office and/or at their remote work location.

Central Office Needs for Frequent Teleworkers

Another key need for frequent teleworkers is efficient central office space. All Headquarters staff need a workstation, access to several types of space, and equipment. Frequent teleworkers need not have space that is dedicated for their personal use. For example, in a system called hotelling, frequent teleworkers may reserve a given workspace for their use. Some teleworking programs use hotelling or desk sharing, where two people share the same workstation. However, because Headquarters culture and work processes would require extreme and time consuming changes to accommodate hotelling, we did not include hotelling in our cost model. Office sharing is conducive to meeting the needs of many Headquarters staff who frequently hold work-related telephone and in-person conversations of a private nature. Office sharing assures that each office usually has only one occupant per day because frequent teleworkers can arrange their schedules to be in the office when their office mate is out, and vice versa.

We designed Headquarters office space needs (and included costs/savings in our model) with these parameters:

- That some frequent teleworkers would share an office, some would use open workspace (i.e., cubicle)
- All non-frequent teleworkers retain their current space and equipment
- More efficient open workspaces would be used (they use less space than the current inefficient systems, but there is a significant start up cost)
- Reconfiguration of Headquarters space if EEOC releases space to the lessor and consolidates offices
- Frequent teleworkers reduce some Headquarters shared space needs (e.g., lounges and hallways)
- A Headquarters vacancy rate of five percent (to allow for new hires and office moves).

2.2.2 Major Cost and Savings Categories

The major cost and saving categories affected by adoption of a frequent telework program at the EEOC field offices we included in our cost model are:

- Information technology/internet access
- Telecommunication
- Technology support (installation/start-up, on-site support, and help desk for teleworkers)
- Training

- Facility/Real Estate

Information Technology/Internet Access

Replicating, to the extent practical, central office information technology capabilities for frequent teleworkers is the guiding principle we used to determine frequent teleworker needs.¹ Frequent teleworkers should be able to conduct the bulk of their duties from their home (or a telecenter). With this philosophy, and input from focus group participants, we developed the following needs that apply to all frequent teleworkers:

- Laptop - 1 laptop per teleworker for use in both central office and at the remote worksite (a stand alone keyboard will also be provided, as is a durable rolling bag, which makes it simple and safe to transport both computer and over 1,000 pages of paper)
 - Docking station - 1 per individual for central office use
 - Standard EEOC software, including security software - currently licensed software for laptop use (at no cost)
 - 4 in 1 multifunctional machine - printer, fax, copier and scanner.
 - High speed internet access (to allow efficient access to information, including large files)
- Our analysis shows that a single laptop computer is superior to a two computer configuration (one computer for the central office, one for the telework site) for several reasons, including a significant difference in price. Exhibit 5 summarizes the analysis.

Exhibit 5: Pros and Cons of Single Laptop for Frequent Teleworkers

Cost	Security & Software Updates	Technical Support	Productivity	Other
<p>Pro: Purchasing and maintaining a laptop and docking station is much less expensive than those costs for two computers</p>	<p>Con: Laptop must be brought into the central office to receive necessary updates and security</p>	<p>Pro: A single computer requires less technical support than two computers</p>	<p>Pro: Laptop avoids: - confusion over which files are on which computer - need to e-mail files or copy files onto disk, or use another device to transfer data between computers - requiring coworkers to access the HQ computer (on telework days)</p>	<p>Pro: Laptop takes up less space Con: Laptop requires user to transport the laptop to and from remote worksite</p>

Telecommunication

In order to maximize teleworker effectiveness, we decided to include costs for a Federal Telephone System phone line, a telephone that is dual line and speaker-capable, and the following services:

- Caller ID
- Call number block
- Conference call
- Call forwarding (available to all Headquarters employees for a minimal cost).

Cell phones and other telecommunication devices are not part of our cost model because cell phones are much more expensive than the alternate telephone lines and other services listed above that provide the same level of functionality and connectivity for frequent teleworkers. Frequent teleworkers work primarily in Headquarters and one other location (i.e., home or nearby telecenter), thereby negating the portability advantage of cell phones. While cell phones, pagers, and other telecommunication devices may be appropriate for a small number of frequent teleworkers, they are better suited for mobile workers.

Technical Support

Frequent teleworkers require considerable support in installing and troubleshooting their home offices (support for frequent teleworkers in telework centers is provided by the centers). Common sense, experience by other organizations, and initial OIG experience with our own frequent telework pilot show that some teleworkers require minimal assistance, while others may require extensive assistance with the initial set-up and operation of their equipment. Ongoing technical support for frequent teleworkers is also required.

Miscellaneous Needs

Because many Agency staff rely heavily on paper files, we included a filing cabinet for use in the home office or the Headquarters Office. Also included is a sturdy and secure rolling case to hold the computer and documents. A rolling case allows workers to be more productive by protecting the equipment and enabling hassle-free transportation of documents and supplies.

Facility/Real Estate

One of the benefits organizations may realize from frequent teleworking is the need for less office space, resulting in reduced real estate costs. To ensure cost accuracy and limit the number of variables in the model, we decided to employ the concept of office sharing for staff currently in private offices. This means that for many teleworkers, there will be one office they share with one other teleworker. Each shared office will contain two workstations, including telephones. Therefore, on the occasions where both employees find themselves in the central office, each can perform their work with minimal disruption. On occasions when both workers are present, adequate protocols and facilities will need to be available (e.g., when new lease is obtained, space may be configured so that meeting rooms better accommodate the needs of teleworkers). For staff currently in cubicles, smaller but more efficient cubicles will be provided.

OIG believes that other positions and/or individuals in other positions may be well suited for telework. Therefore, as appropriate, offices could include other types of staff and/or individuals in a frequent telework program, thereby increasing savings resulting from reduced real estate costs.

Timing of Frequent Telework Implementation and Related Issues

For an office in a commercial space, such as the Headquarters Building, timing for implementing telework affects cost savings. Cost analysis and expert opinion show commercial space is prohibitively expensive to unilaterally vacate before the lease expires without negotiating favorable terms. Therefore, in order to produce a simple-to-understand cost model, we assumed frequent telework would begin in 2008, after the current Headquarters lease expires, but with the same square footage costs.

However, for cost and/or other reasons, EEOC may wish to begin frequent telework before expiration of the Headquarters lease (July 2008). Therefore, EEOC could seek to renegotiate the current lease, or enter into a new lease that does not force EEOC to pay a substantial monetary penalty and does not significantly increase the square footage costs. Given such favorable negotiations, cost analysis shows that frequent telework savings are similar. In addition, the savings would begin to accrue sooner under the renegotiation scenario.

Additional real estate savings will accrue from consolidation of currently unoccupied space. Savings from reducing unoccupied offices so that Headquarters has a five percent vacancy rate are included in the cost model. Such savings are unlikely to occur without the stimulus of frequent telework.

If EEOC remains in the Headquarters Building during implementation of frequent telework, sharing of building space with other tenants would be necessary to achieve cost savings. Discussions with EEOC facilities staff indicate that such sharing will not present large cost or major security concerns. Naturally, sound planning would be necessary to minimize inconvenience to staff and to provide proper security for persons, equipment, and data.

Training

We obtained estimates of costs required to educate employees on how to be productive in a remote setting while working away from the central office. Training costs also include courses for non-teleworkers, supervisors, and managers. We also encourage EEOC to take advantage of two free telework training courses offered through the federal government's Gov Online Learning Center. One class is for managers, one for employees.

Total Costs

We calculated the amounts for each cost category described above. Costs are for the five-year period covered by the cost model. Our analysis shows that savings far outweigh the costs (see section 2.2.3). Exhibit 6 shows the combined five-year costs for each category required for successful implementation of frequent telework.

Exhibit 6. Costs to Implement Frequent Telework (2008-2012)

Category	Cost
Information Technology	\$891,000
Telecommunication	1,325,000
Facility/Real Estate	892,000
Training	274,000
Total	\$3,382,000

Source: Office of Inspector General, EEOC Telework Cost Model, 2004 (the cost model is based on the 2002 cost model developed by Clifton Gunderson LLP, for the Office of Inspector General).

Note: figures rounded to the nearest \$1,000.

Savings Not Quantified in the Model

Savings in recruitment/retention costs, a major potential monetary benefit of frequent telework, is not included in the cost model because we did not identify reliable data showing the benefits of frequent telework in this area. However, given that telework is highly valued by many employees, we believe there will be substantial cost savings in the retention/recruitment area. For example, according to the American Society of Employers, it costs over \$10,000 to recruit an employee, so if Headquarters retained 10 staff annually due to the frequent telework program, \$100,000 in savings would accrue to EEOC annually. This figure does not include training that is provided to new employees or lost productivity due to the learning curve for a new employee.

There will also be cost savings from reduced costs for transit subsidies. Savings will accrue as a result of frequent telework because some frequent teleworkers will not receive a subsidy, or will receive a lesser subsidy, because they would incur lower transit costs. However, we did not estimate these savings because of the uncertainty in accurately projecting the number or the amount of reduced subsidies. Likewise, savings resulting from increased productivity due to reduction in lateness caused by congested roads, and enhanced continuity of operations during emergencies were not estimated due to uncertainty in estimating accurately.

Costs Not Quantified in the Model

In addition to telework training, change management workshops may be needed. These workshops help to shift office culture and provide employees, including management and supervisors, with information and tools to successfully manage change in the workplace.

Ergonomic items may be needed for some staff. Currently, some Headquarters staff have special needs. Items that these, or other staff, could need include:

- Special keyboard

- Accessibility software for the hearing and sight impaired
- Large and/or high resolution computer monitor.

Additional protection of data contained on laptop computers may be useful. In particular, encryption technology could be advisable.

Some frequent teleworkers will require more, or fewer, resources than those allocated to the teleworkers in the cost model. For example, some attorneys may need a laser printer in order to expedite delivery of documents to the courts or law firms, while some staff may not need additional storage or the 4 in 1 printer. Because considerable cost savings would accrue for Headquarters, and that some teleworkers will not require all items budgeted to them in the cost model, we believe that additional costs to accommodate individual needs will not have a major impact on cost savings.

Other Assumptions and Features of the Cost Model

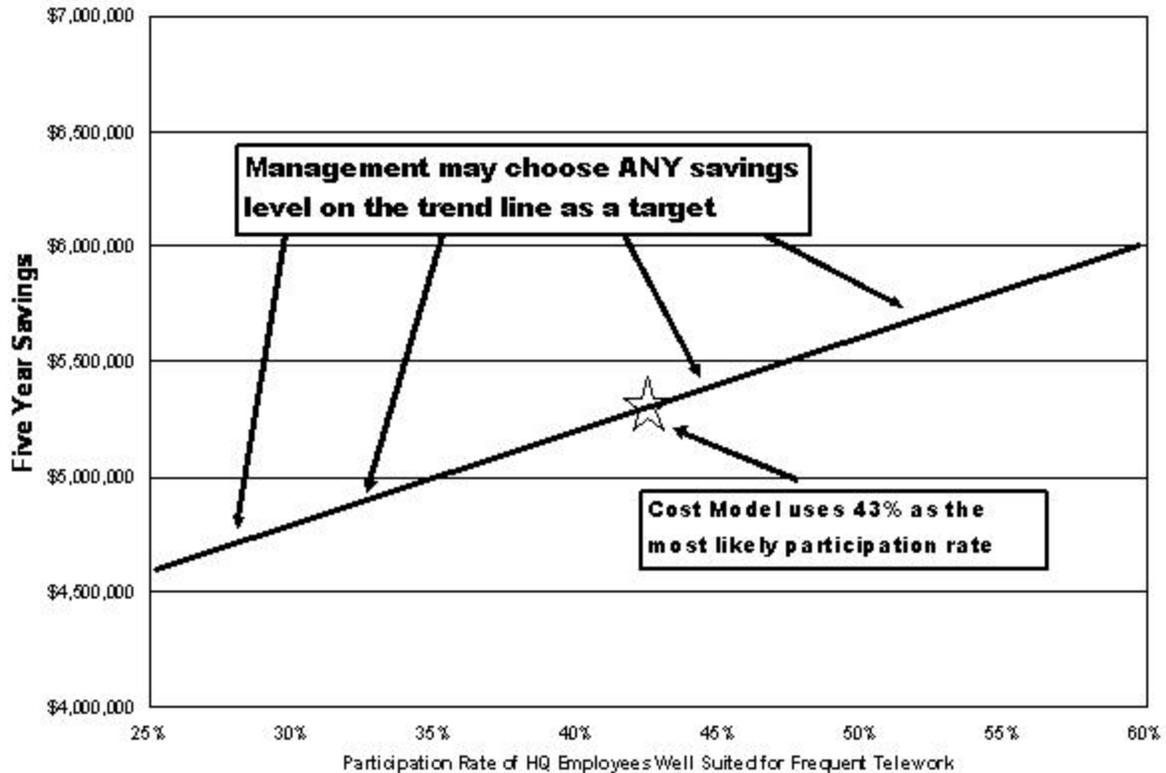
The cost model does not include changes to Headquarters infrastructure backbone or acquisition of central office scanners and accompanying resources to reduce the need to access paper files. To maximize teleworker productivity, it would be useful, though not essential, to procure central office scanners and staff to make documents available in electronic format. Because such acquisitions are not core to implementing telework in Headquarters, they are not included. We note that EEOC is working towards reducing its dependency on paper and that this development would likely assist in frequent telework efforts, without increasing the budget needed to implement frequent telework.

2.2.3 Results from the Cost Model

The cost model shows large cumulative savings, about \$5.3 million in the first five years. Start up costs of \$1.48 million cause first year savings to be modest, about \$223,000. In the second through fifth year, savings are substantial and steady, over \$1.2 million per year. Savings continue to accrue beyond five years, but for cost model calculations and display purposes, only the first five years of savings are used.

Cost savings are affected greatly by participation rates. Analysis of the participation levels shows that cumulative five-year savings increase/decrease by about \$300,000 when participation increases/decreases by ten percent. Exhibit 7 shows the savings at varying participation rates.

Exhibit 7: The Continuum of Savings Under Frequent Telework (Cumulative Savings, 2008-2012)



Frequent telework at Headquarters could occur at any participation level. The 43 percent figure used in our cost model simply is one point along a continuum of savings/participation. We illustrated savings at the 25-60 percent levels to show the most likely range of voluntary participation and because significant real estate savings are unlikely to occur with extremely low levels of frequent telework (e.g., common space reductions are very difficult to achieve with low levels of frequent telework). EEOC management can determine the optimum saving/participation target level by weighing budget and other considerations, as well as reassessing targets based on the results of any pilot programs that occur.

Barring severe price spikes and valleys for equipment and services, savings will not be fundamentally affected by changes to prices for these items: laptops, telephones and telephone service, printers, high speed Internet access, training, and other items (e.g., roller for transporting laptop, supplies, and work papers) included in the Headquarters cost model.

2.3 Conclusions, Recommendations, and Observations

Conclusions

1. Large real estate costs for EEOC illustrate the importance of focusing on ways to more effectively manage its infrastructure.
2. Most Headquarters employees hold positions that are well suited for frequent telework.

3. While many EEOC employees recognize the benefits of frequent telework, some managers, supervisors, and staff believe that a significant number of staff will not/may not produce as much work product or be able to provide services as effectively if they telework frequently.
4. Staff, managers, and supervisors share concerns for ensuring that EEOC conducts business efficiently if frequent telework is implemented in Headquarters (e.g., ensuring phone calls are answered promptly).
5. Lack of adequate training, equipment, and attention to central office layout, will endanger success of a frequent telework program, and could lead to reduced productivity and decreased morale.
6. If EEOC implements frequent telework, major cost savings can be achieved at Headquarters, beginning in the second year of frequent telework. Cumulative savings of over \$5.3 million accrue in the fifth year.
7. If EEOC begins frequent telework before lease expiration in 2008, the amount of savings would be affected by the terms of the agreement necessary to end occupancy of particular areas of the Headquarters Building.
8. A frequent telework program would likely result in a variety of cost savings for EEOC that are not captured by the cost model. Productivity, due to increased retention and/or improved morale and working conditions, could also increase.
9. Implementation of frequent telework would substantially assist in meeting the EEOC's 5 Point Plan for EEOC as a model workplace.
10. A frequent telework pilot should begin before space is reconfigured, in order to test equipment and procedures and to ensure continuity of Agency activities.

Recommendation

Based on the conclusions, we make one recommendation to Cari M. Dominguez, Chair, EEOC.

- EEOC should consider implementing a frequent telework pilot to test the feasibility of achieving cost savings at Headquarters. The pilot will serve to reduce the significant risks that can occur if wide-scale implementation of frequent telework begins without a pilot.

In order to minimize risks with implementing frequent telework, we strongly advise the following for the Headquarters pilot:

- Conduct thorough planning
- Include enough staff to thoroughly test key frequent telework elements
- Conduct training (including change management sessions as necessary) prior to the date frequent telework begins
- Purchase and test equipment prior to the date frequent telework begins
- Assess whether change management (in addition to telework training) is necessary
- Assess changes to productivity (including customer service), and morale that result from telework. In these efforts, it is critical to gather data over extended periods of time and for a large number of staff, in order to produce reliable and meaningful data.

We note that the CFO, in response to the Draft Report, stated that EEOC's budget and information technology environment are not barriers to implementing a frequent telework pilot. Additional information regarding responses/comments on the Draft Report and telework pilots can be found in Appendixes A and B, respectively.

Observations

1. It is necessary for EEOC to make the important distinctions between needs of its mobile workforce, occasional teleworkers, and frequent teleworkers. EEOC staff are increasingly mobile, due to the use of cell phones, laptop computers, and other technology. The uses and costs of technology and other support for each type of worker differ. For example, providing solutions, such as cell phones, to frequent telework staff, on the basis of mobile workforce experience or expectations, is not prudent and may lead to wasteful/inefficient use of Agency funds.
2. This assessment was not designed to estimate potential savings for the entire EEOC inventory of space. Significant savings due to frequent telework may occur for EEOC offices in the field, as cited in *Reducing Infrastructure Costs Through Increased Use of Telework*, OIG-01-13-AMR, available at: <http://www.ignet.gov/internal/eoc/eoc.html>. That study stated "Without thorough testing of frequent telework at [one or more field offices] it is difficult to determine if other locations could realize substantial savings." Conditions (e.g., real estate costs, type of staff, culture) are different in the field than Headquarters, and differ between field offices. Therefore, we encourage both field and Headquarters to obtain more reliable cost data via appropriately designed pilots. Our comments above in the Recommendation section and Appendix B are relevant to pilot design and implementation.
3. Discussions with Agency managers about the Draft Report included the topic of managing a frequent telework pilot/implementation effort. Successful frequent telework efforts usually include an effective advocate. The advocate is someone who leads the telework efforts, rather than simply serving as a coordinator. The duties of a coordinator need not be performed by the advocate.
4. The General Services Agency (GSA) could be helpful to EEOC's telework efforts. GSA possesses policy and practice expertise, and is devoting resources to support agencies engaged in innovative workplace activities, including frequent telework. For example, GSA officials stated GSA could provide telework:

- Policy development
- Guidance
- Evaluation and related services.

In addition, the outcomes of the EEOC program could be used to help develop governmentwide policy and guidance.

Appendix A: Comments on the Draft Report

We received comments on the draft report from senior management and other staff in headquarters. We thank those who responded. Frequent telework savings are now presented beginning in 2008, upon expiration of the Headquarter’s Building lease. In response to other comments, where appropriate, we clarified language and/or added details.

The table below summarizes several major comments. We addressed each of these comments in the Final Report, primarily in the sections noted in the table.

Subject Matter	Summary of Comments
Timing of implementation of frequent telework	It would be useful to provide costs and savings commencing upon expiration of the Headquarter’s Building lease. (section 2.2.2)
Costs and Savings	More detail would be useful, including more information about the cost model. (sections 2.2.2 and 2.2.3, and Appendix C)
Frequent telework pilot and related issues	It would be useful to provide more detail/clarification about the conditions and implications of a pilot, and how to conduct a pilot. (Appendix B)

The written comments we received are attached and numbered separately.

Appendix B: Issues and Recommended Practices for Implementing a Frequent Telework Pilot at EEOC Headquarters

Recommended practices are designed to overcome: lack of experience with frequent telework; senior and mid-level resistance; staff lacking in telework knowledge; and inadequate equipment

ISSUE	RECOMMENDED PRACTICES
Planning	<ul style="list-style-type: none"> -develop clear pilot objectives (e.g., testing, confirming, refining selection and operating policies and practices) -provide training before beginning pilot and, as needed, during the pilot (use free OPM on-line telework training to minimize costs) -provide managing for results training for supervisors -build a team consisting of human resources, information technology, facilities, legal, purchasing and contracts and public information representatives that convene to field and resolve issues promptly, as well as revisit all levels of policy to eliminate overlap, anticipate any legal issues, and standardize policies, measurements and processes -ensure methods are in place for adjusting/intervening as necessary (e.g., instances of non-use of scheduled telework) -take advantage of free and/or low cost frequent telework expertise (e.g., GSA)
Leadership and Communication	<ul style="list-style-type: none"> -determine the individual who will champion the pilot (i.e., not simply a coordinator, but an advocate of the pilot) and which group(s) will coordinate the pilot -send clear communication (from senior management) endorsing the pilot

	<p>and requesting full cooperation from all</p> <p>-inform all Agency staff, about the pilot before it begins and keep all Agency staff informed (consider various media—a telework website, brochures, e-mails, etc)</p> <p>-make telework policies/agreements consistent and meet Agency/teleworker needs)</p> <p>-provide complete results of the pilot to all agency staff</p>
Duration and Size of Pilot	<p>-extend for about six months (i.e., long enough to both implement and test all major elements, and make basic adjustments)</p> <p>-include a minimum of 10 participants in a particular category</p> <p>-include a total of 60-100 participants because a pilot with fewer participants 1) will not uncover all the technical and cultural issues requiring attention, 2) will not capture a critical mass of participants in each category, or 3) make it simple for frequent teleworkers to feel at ease and 4) overcome a variety of hurdles associated with lack of experience with frequent telework</p>
Participation Organizations and Individuals	<p>-include a variety of occupations, including some that may be considered by many to be challenging to telework (e.g., mid-level managers and secretaries)</p> <p>-include organizations and managers known to supportive of telework as well as organizations and managers known to be dubious of telework</p> <p>-include outstanding, as well as marginal performers</p> <p>-include all Headquarters offices with large number of staff (the pilot could have several phases to enhance integration of multiple offices in the pilot)</p> <p>-all participants (not organizations) should be volunteers</p>
Managing for Results/Costs	<p>-determine which results to measure, develop instruments to capture data prior to pilot</p> <p>-do not create pilot with pilot-specific procedures that interfere with normal business</p> <p>-learn how frequent telework affects use of different space types in Headquarters</p>

Appendix C: Cost Model Information

- The cost model used in this assessment is based on the 2002 cost model developed by Clifton Gunderson LLP, for the Office of Inspector General. Net savings are calculated, for each year, by subtracting total costs from total savings. The following are assumptions and decisions in the cost model:
- Assumes enactment of frequent telework in 2008 (we also analyzed costs for enactment beginning in 2005, see Chapter 2)
- Reflects costs associated with procuring new modular furniture to accommodate needs of frequent teleworkers)
- Includes information technology needs for each teleworker, (details in Chapter 2)
- Includes voice communication needs (details in Chapter 2)

- Includes costs for efficient workspace and furnishings
- Includes training (details in Chapter 2)
- Includes costs of labor, materials, and equipment for planners to arrange for more efficient use of space
- Derives number of staff that would participate in frequent telework from focus group information, interviews with EEOC staff, including Office of Information Technology, and OIG and expert panel knowledge of telework and EEOC Headquarters operations and processes
- Assumes annual turnover rate of teleworking employees equals 7.35%
- Assigns frequent teleworkers currently in private offices to office sharing, and those in open space offices (i.e., cubicles) would have smaller, more efficient open space offices
- Uses lease cost information and other real estate information obtained from EEOC Headquarters staff and GSA experts
- Accounts for inflation/price hikes in costs of equipment, training, real estate, and other categories.

Appendix D: Advantages and Disadvantages of Telework

ADVANTAGES	DISADVANTAGES
Business Costs and Productivity	
<ul style="list-style-type: none"> • Provides opportunity to reduce real estate and related costs (e.g., payment for rent and subsidized transit) • Allows some employees to work in a less distracting environment • Promotes use of efficient technologies • Reduces recruiting and training costs due to higher retention rate and the attraction of telework for many potential employees • Continuity of operations (less disruption from business emergencies) • Provides employer with greater opportunity to hire productive workers who would have difficulty commuting frequently (e.g., workers who live 40-100 miles from the central office and mobility-impaired workers) • Greater productivity from a more satisfied and experienced (due to higher retention rate) workforce • Fewer lost work hours due to traffic jams and road conditions that cause workers to be late to work • Extra work hours from marginally sick workers, parents of school-age children, a variety of care givers, and those who attend to 	<ul style="list-style-type: none"> • Risk of increased business costs (cost of outfitting employees for telework and related costs) • Potential for some employees to try to work from a highly distracting home environment • Inadequate equipment in the home/telecenter could hinder communication and productivity (e.g., lack of Internet access) • Risk of increased unhappiness for those employees unable to telework • Risk of comprising job productivity and effectiveness • Inadequate safeguards/firewalls could lead to reduced security of proprietary and sensitive data

medical and personal issues close to home	
E n v i r o n m e n t a l	
<ul style="list-style-type: none"> • Reduced air pollution (fewer miles driven) • Reduced land use requirements (e.g., parking lots) • Decreased use of resources (e.g., roads and buildings) 	<ul style="list-style-type: none"> • None
Q u a l i t y o f L i f e a n d O t h e r I s s u e s	
<ul style="list-style-type: none"> • Less time spent commuting • Greater opportunities to increase family involvement -flexibility for dependent care • Decrease costs for employees (e.g., transportation, clothes, food) • Increased flexibility in residence location • Fewer traffic injuries and deaths 	<ul style="list-style-type: none"> • Risk of increased feelings of isolation (especially for full-time teleworkers) • Higher home energy costs

Appendix E: Frequently Asked Questions

QUESTION	ANSWER
<i>#1. Does the study recommend that all of HQ should immediately adopt frequent telework?</i>	No. The study recommends that EEOC consider trying telework (in a pilot format) in Headquarters. A pilot could have a very small or moderate number of teleworkers.
<i>#2 Wasn't there already a study done recommending frequent telework?</i>	Yes, but the recommendation did NOT cover Headquarters. The OIG's 2003 report [available at http://www.ignet.gov/internal/eecoc/eecoc.html] focused on frequent telework at selected field offices and recommended EEOC consider piloting telework at one or more field offices. This study only examines frequent telework as it relates to Headquarters.
<i>#3. If a frequent telework program begins in Headquarters, will it be mandatory?</i>	No. Our study uses a voluntary telework model. Most successful programs use voluntary telework. OPM states that telework is not mandatory. Telework, as it operates currently in EEOC, is a privilege, and is therefore neither a right nor a mandatory condition of employment.
<i>#4. How was it determined that most teleworking staff do not need private offices?</i>	Several sources of information were used. Analysis of telework studies, interviews, and focus groups comprised of all major types of Headquarters staff, show that most attorneys, analysts, and other groups are well suited for frequent telework. In addition, many public and private sector employees, with positions quite similar to most staff in EEOC, do not have private offices. For frequent

	telework to benefit everyone, each teleworker needs the proper support, including efficient office space, computer equipment, and telecommunications equipment. The cost model includes these elements.
<i>#5. If some staff do not have a suitable work area, or have other conditions that make their homes unsuitable for frequent telework, how can they be expected to telework?</i>	They are not expected to telework. Our study projects frequent teleworkers will comprise less than one-half of those in positions well suited for frequent telework. Our cost model takes into account staff who do not wish to telework, those with unsuitable home workspaces, new hires, and those in a variety of other situations who would not telework.
<i>#6. If staff need to come to the office unexpectedly, can they do so in a frequent telework program?</i>	Yes, they can and they should. Frequent telework, as contemplated in this study, does not require rigid adherence to a schedule. In fact, flexibility on the part of both managers and staff is necessary for frequent telework to succeed. The teleworker should report to the central office whenever the teleworker and/or her supervisor deem it necessary to be in the office for all or part of a day normally designated for telework. Likewise, a day normally designated for central office work could, upon mutual agreement, become a telework day.
<i>#7. If my office is already cramped, how can I work effectively in a smaller space?</i>	Our study includes costs for more efficient furniture systems, including paper storage. In addition, there are various ways to work effectively in a smaller space: <ul style="list-style-type: none"> • Reduce the amount of paper (throw out, store more efficiently, store elsewhere) • Obtain more efficient storage units
<i>#8. I need my privacy, how much can I expect under frequent telework?</i>	Quite a bit. One advantage of working from home is more privacy and decreased distractions versus the central office. In Headquarters, office-sharing teleworkers would be expected to coordinate with his office partner to ensure as little overlap as possible. In most cases, shared offices would be occupied by two people one or zero times per week. For those staff in cubicles, frequent telework means fewer staff in the building each day, lowering the noise level and walk-ins that reduce privacy.
<i>#9 Will my group's "core day" be eliminated if frequent telework is implemented?</i>	That would be up to your group's management team. Frequent telework and the reduced space needs for Headquarters allow for core days (e.g., a core day every other Wednesday would simply mean that day could not be used as a telework day). We note that core days are not a common practice or best practice in high performance professional organizations and that our focus group and interviews with Headquarters staff produced little justification for the practice. Policy on core days should be spelled out in telework

	policy.
<i>#10 How do different work schedules, such as a compressed work schedule, affect frequent telework?</i>	Not very much. Frequent telework is working at a remote location (such as one's home) two or more days per week, regardless of whether one works eight, nine, or ten hours a day. We note that conditions concerning teleworkers work schedules are subject to management-labor discussions.
<i>#11 Would the existing EEOC telework program change?</i>	Parameters for participation would change (e.g., the type of staff and number of days frequent telework is permitted). Changes to other major aspects, such as management of teleworkers compared to other workers, should also be examined.

Footnotes

¹ We note that a 2002 study, conducted by Booz Allen Hamilton at the request of Congress, found that while some technology hurdles exist, there is no single information technology barrier preventing or impeding telework implementation[0].