



WHAT LEADERS NEED TO KNOW ABOUT REMOTE WORKERS Surprising Differences in Workplace Happiness & Relationships Today's workplace is a global one, with companies and even teams that stretch across geographical boundaries. Distance is no longer a barrier to collaboration, thanks to technologies that allow for instantaneous communication across state and country borders. The idea of supervising and working with employees you rarely meet in person — if at all — is more and more commonplace.

According to <u>Gallup</u>, 37% of of U.S. workers say they have telecommuted, a massive increase from the 9% who said the same back in 1995. Employment site <u>FlexJobs</u> saw a 26% jump in remote work postings between 2013 and 2014.

It's safe to say that, even if your company does not currently employ remote workers at the moment, you're likely to hire or work with them soon.

If that worries you — or if you already have remote employees and are concerned about them — it might be because of the stereotypes that run rampant about telecommuters being lazy, unreliable, or disconnected from the rest of the company. But the reality is that remote workers have a lot of potential to contribute to their organizations in unique ways.

We surveyed 509 U.S. employees who work remotely at all times to find out about their experiences in the workplace. And to put their responses in context, we compared them with benchmarks calculated from responses from over 200,000 employees across all work arrangements.

There were some striking differences. We found these three notable themes: in comparison to all employees, remote workers ...

- Are happier at work ( $p = < .001; d = .38^{+}$ )
- Feel more valued at work (*p* = < .001; *d* = .47)
- But have a lower relationship with their coworkers (p = < .001; d = -.41)



<sup>1</sup> One-sample t tests measure the difference between a score and a single (benchmark) value. Cohen's *d* is used to assess the extent of the difference between the score and the single value. Cohen's *d* values above .50 are considered moderate differences, while those above .80 are considered large differences. *p* is the probability that no difference or relationship is present; therefore a *p* value below .05 indicates statistical significance.

The picture that emerges is one of a workforce that has the potential for high levels of employee engagement but also struggles to be connected with the rest of their company.

In our analysis, we looked at four aspects of remote employees' workplace experience:

- What does the remote workforce look like? From the 58% of employees who work on an all-remote team to the 51% who don't work a typical 9-to-5 schedule, this group looks very different from a traditional workforce.
- What are the best ways to get the most out of them? An overwhelming 91% of respondents say they're more productive when working remotely. To maximize that productivity, we need to see what factors are helping or hampering their work.
- How strong are their relationships with supervisors and colleagues? 27% of remote workers say they have experienced a work-related problem because they weren't in the same place as their team. We need to take measures to mitigate these issues.
- What impact does experience have? Not all remote workers are created equal. We found significant differences between respondents based on their tenure at their remote job. Those who have been telecommuting between 6 and 10 years report being 11% happier than those in their first year.

The insights provided to us by these workers can act as a guide map for leaders to figure out best practices for managing their remote employees — or leaders who want to start preparing for them.

# **The Demographics of Remote Workers**

Of the 509 employees we surveyed, the majority (58%) are between the ages of 25 and 44. So while there are some millennials — a.k.a. the mobile-first generation — in this group, it's mostly made up of Gen X.

And they're not just a typical workforce that has been transplanted outside of the office; while 49% of respondents have a typical 9-to-5 workweek, the majority of them hold schedules that range from nights and weekends to being 100% on call. In addition, 58% work an a team made up entirely of remote employees. For these workers, there is no division between a "main" office and the telecommuters.

In regards to income, respondents ranged from below U.S. \$25,000 to 6-figure salaries beyond \$150,000. However, the largest group was solidly in the middle, in the \$50,000 to \$74,999 range.

There was a notable difference according to gender: though there was a fairly even mix of men and women, the number of female remote workers earning \$25,000 or less was more than double the number of men. The majority of respondents with salaries below \$50,000 were female (87 women compared to 61 men).

# **Creating the Best Workplace Experience**

Drop the stereotypes, say these remote workers: 91% assert that they get more work done outside of the office. Having engaged, productive employees doesn't require being in the same room as them.

That's a number that should grab the attention of any manager, whether or not they currently supervise remote employees.



But that doesn't mean it's a good idea to boot employees out the office doors. Further responses from the remote workers show how beneficial some workplace arrangements can be, and how detrimental others are.

For one thing, the reasons employees have for working remotely can vary widely. The most popular one given was that they enjoy having the freedom of choosing when and where to work (41%). Others cited family needs and a dislike of working in an office.

A sizeable group (22%) work remotely because their job requires them to. And these employees had very different answers from the freedom-loving workers when it came to workplace happiness, feelings of appreciation, and retention.

On a scale of 1 to 10	Employees who work remotely because they enjoy the freedom and flexibility	Employees who work are required to work remotely by their job	d	p
how happy are you at work?	8.33	7.88	.26	.027
how valued do you feel at work?	8.12	7.33	.40	.001
how likely do you see yourself working here in one year?	8.28	7.58	.30	.015

So consider carefully what kind of remote work arrangements you introduce in your organization. It's safe to say that flexibility is important — and that includes the flexibility to not work remotely. Forcing the issue could leave employees feeling unappreciated and even increase your company's turnover risk.

Another factor that impacts workplace happiness is a remote worker's schedule. Are they working the same hours as their office counterparts, just from their couch? Or do they work nights or have to be on call?

The happiest employees, it turns out, are those who typically work every day of the week.



In contrast, those who have more standard-length workdays but not the usual set of days (or days at all) report some of the lowest levels of happiness.

We also looked at the role salary plays. It's easier to assume that the more a person is paid, the happier that they'll be. But <u>Forbes</u> points out that employees reach a point of diminishing returns, specifically when salaries surpass \$75,000, where earning more money doesn't give a significant boost to happiness.

Interestingly, our results somewhat matched up to that assertion. The happiest employees are those who earn between \$75,000 and \$99,000 range (slightly higher than Forbes's cut-off point). And in fact, happiness decreases slightly at salaries beyond that.



This doesn't mean adding a salary cap at \$100,000 will guarantee employee happiness, of course. Just that it's important to be aware that money can't be used as a silver bullet for workplace satisfaction.

# **Improving Relationships & Culture**

For all the apparent benefits of remote work for the employee experience, we did note that remote workers reported a lower level of satisfaction with their coworkers (7.88) when compared to the benchmark of all employees (8.47). This isn't particularly surprising, given that these employees have limited interaction with their colleagues, with most, if not all, of that interaction happening virtually.

27% of respondents reported having experienced a work-related problem because they weren't in the same place as their team. It's not hard to imagine what kinds of problems might arise: an employee missing a vital update about a project because it was only shared to the team in person, a connection failure excluding a remote worker from an office meeting, or perhaps a coworker who is rude over email.

One of our clients received the following comment from a remote employee in their TINYpulse survey. The employee noted the difference in their experience with coworkers when they transitioned from office to remote work:

"The one thing I have noticed is that it is sometimes harder to get a response from someone and get something moving when I'm not in the office to get 'in their face,' if you will. ;) I also find it harder to keep appointments with people — I feel like someone who is in the office will bail on a meeting last minute more readily now that I'm working remotely than they would have when I was in the office."

Victor Lipman, management consultant and author of <u>The Type B Manager: Leading Successfully in a</u> <u>Type A World</u>, has seen this dynamic occur with remote employees throughout his career. He says:

"It underscores the need for increased communication. As important as communication always is in management, it becomes even more when individuals or teams are remote and thus the potential for disconnection and confusion is greater."

Let's take another look at employees who are required to work remotely versus those who choose it for the freedom. As with happiness and retention, workers who are required to be remote tend to rate their colleagues and company culture lower than those who opt in for the flexibility.

On a scale of 1 to 10		remotely because they are required to work enjoy the freedom and remotely by their job		p
rate your relationship with your coworkers. how would you rate your organization's culture?	8.08 7.75	7.45 7.08	.33 .32	.006 .009

There is, however, one way in which remote work seems to actually benefit collegial relationships. We asked employees how much of a difference there was between their time zone and the main time zone of their team, then compared those responses to their ratings of their coworkers. As you might expect, a time difference of 3 hours or more correlates with a lower rating. However, the people who are happiest with their coworkers? Those whose team doesn't have a single main time zone.



There could be any number of reasons for this trend, but one possibility is that having teammates scattered across locations eliminates the "us versus them" mentality that might spring up when there is one centrally located team and remote employees isolated outside of it. When everyone has to put in effort to engage with their colleagues, the whole team benefits.

Our findings also uncovered some good news, and that's how remote workers feel about their direct supervisors.

Here's what another remote worker said in their TINYpulse survey:

"As a remote employee, I am impressed with the support I get from my coaching team members. There is a significant time difference, I am always impressed with how [my manager] and coaches make themselves available for me when I need them. If I see an opportunity to gain support, I share [it] with my manager and she supports me!"

We predicted that employees outside of the office would have infrequent contact, and that appears to be the case, with more employees having contact with their supervisors once a week instead of on a daily basis.



Fortunately, this isn't necessarily a problem. When we asked how often remote employees wanted contact with their supervisor, the most popular choice was a weekly frequency.



This level of satisfaction also applies to communication about their performance. The majority of remote workers, unsurprisingly, do not receive their feedback in person. Instead, they rely on communication technologies ranging from texting to Skype.



The vast majority of respondents are happy with the way their supervisor gives them feedback on their performance.



What these responses indicate is that it's not necessarily a matter of *how* or even *when* — effective management and feedback can happen even in ways that we don't typically expect to see.

Lipman boils it down to this primary requirement:

"[E]stablishing, and managing to, very clear, measurable and mutually agreed-upon employee objectives. In the absence of more regular in-person contact, periodic check-ins to review performance against clearly established goals becomes critically important. As I like to say, when it comes to managing for success (whether or not remotely, but especially remotely), clarity is king and queen."

Eric Siu, founder of <u>Growth Everywhere</u> and CEO of <u>SingleGrain</u>, achieves that clarity for his remote employees with these key communication practices:

"Daily 1-on-1s (yes, daily) and using Objectives and Key Results (OKRs)."

To facilitate communication and culture with the team as a whole, he makes sure to get everyone face to face on a regular basis:

#### "Quarterly get-togethers with the whole company. The in-person meetings are invaluable."

Between those quarterly meetings, remote employees may only "see" their colleagues virtually. But that interaction can be just as positive, if handled right.

In fact, one remote worker who spoke to us anonymously pointed to chat platforms such as Campfire, Yammer, or Slack as a great solution to the disconnect she and other remote workers feel. The key to building relationships is communication, she said, and the beauty of chat tools is that they let off-site employees participate in group conversations all day, unlike videoconferencing or other methods that have a limited timeframe.

"It's important for remote workers to get a sense of how people talk to each other all day during the work day. Remote staff should be encouraged to participate, if necessary, by pinging them specifically to contribute to the conversation. While this wouldn't fly for introverts in a face-to-face meeting situation, it's much easier to draw people out online. A channel dedicated to random thoughts, jokes, etc., is also great for remote workers as it replicates the type of banter that happens spontaneously in a shared physical workspace."

This means that virtual communication has value beyond just getting information to or from a remote worker. It's about the morale boost of being included with and laughing at the same jokes as their coworkers, being addressed (and appreciated for) more than just their work output.

# The Importance of Timing

There's a vast difference between an employee who has been remote for years versus the new hire who is just logging on for the first time away from the office. And the difference shows in these employees' feelings about their workplace.

When compared to employees who have been at their remote job for less than a year, those who have been in their position from 3 to 5 years:

- Are 11% happier
- Feel 14% more valued
- Rate their relationship with coworkers as 11% better



What's good about these numbers is that it means a remote employee's experience isn't static. While there may be a rough patch early on in the experience, things can improve. And this is where leaders can play a big role.

# Conclusion

Leaders can draw a lot of useful information from the responses of these remote employees. We can target specific areas for action:

- Treat them like the productive workers they are: 91% of remote workers do better outside of the office. Don't treat them with suspicion just because they're not in your physical sight. After all, many of them love freedom, so micromanagement can crush their engagement.
- **Emphasize flexibility:** Freedom is the number one draw for remote workers. (And at the same time, freedom *from* remote work might be the best option for some.) Allow these employees to determine their own location and hours as much as possible. Many would be happy to work every day, in fact, albeit with shorter hours. It's an easy way to boost workplace happiness.
- Make efforts to reach out: Remote workers don't need you to replicate the in-person interaction you have with your employees at the office. You don't have to talk to them every day or give them feedback face to face. But encourage your team to reach out, giving their remote colleagues the same level of consideration and respect as their office counterparts. And make sure that your communication with them, however frequent, is meaningful.
- **Remember that a remote work experience is dynamic:** The state of a remote worker's engagement or collegial interaction in the first year will not be the case forever. Don't assume that early unhappiness has to persist, or that happiness will stick around without effort on your part.

By using the input from remote workers to inform best practices, leaders can find ways to make this workforce into an engaged, loyal, and thriving part of their organization.

# **Research Approach**

This study analyzed responses from 509 U.S. employees who work remotely at all times. Averages were then compared to benchmarks based on responses from over 200,000 employees at organizations that use the TINYpulse employee engagement platform, collected between March 2015 and March 2016.

One-sample *t* tests were used to conduct the analytics. One-sample *t* tests measure the difference between a score and a single (benchmark) value. Cohen's *d* is used to assess the extent of the difference between the score and the single value. Cohen's *d* values above .50 are considered moderate differences, while those above .80 are considered large differences. *p* is the probability that no difference or relationship is present; therefore a *p* value below .05 indicates statistical significance.

#### Contributors

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# Appendix

Question		
Income	n	%
\$0 - 24,999	29	6
\$25,000 - 49,999	119	23
\$50,000 - 74,999	139	27
\$75,000 - 99,999	104	20
\$100,000 - 149,999	90	18
\$150,000 and above	28	6
Work-week		
Typical workweek hour (M-F, 9-5)	250	49
Unusual workweek hours (Night hours, Sunday-Thursday, etc.)	97	19
Random / On-call / Sporadic throughout the day	84	17
Seven days a week with shorter hours	75	15
Other	3	0
How long have you been working remotely at your current job?		
Less than 1 year	63	12
1 - 2 years	172	34
3 - 5 years	160	31
6 - 10 years	82	16
11 or more years	32	6

Do you work on a team of all remote workers?	n	%
Νο	213	42
Yes	296	58
What is the primary reason you work remotely?		
It is required for my job	114	22
I do not like working in an office	38	8
I enjoy the freedom of choosing when or where to work	208	41
It accommodates my family needs	140	28
Other	9	2
How often do you have contact with your direct supervisor?		
Never	17	3
Once per month	52	10
Once per week	173	34
Once per day	159	31
Multiple times per day	108	21
How often would you like to have contact with your direct superv	/isor	
Never	24	5
Once per month	67	13
Once per week	172	34
Once per day	156	31
Multiple times per day	90	18

#### WHAT LEADERS NEED TO KNOW ABOUT REMOTE WORKERS Surprising Differences in Workplace Happiness & Relationships

low do you receive foodback on your nerformence of work		%
low do you receive feedback on your performance at work rom your supervisor?	n	
Digital communication (text, email, etc.)	172	34
Phone / Skype / Google Hangouts	166	33
In person	145	29
Do not have a direct supervisor	15	3
I don't receiver feedback from my direct supervisor	6	1
Other	5	1
re you happy with how you receive feedback?		
Νο	37	8
Yes	451	92
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# **TINYpulse**

### About **TINYpulse**

Companies make an effort to consistently track revenue, financial returns, and productivity. But they're forgetting one of the most important aspects of their organization: their people. And that's where TINYpulse comes in.

#### **Our Mission**

Founded in 2012, TINYpulse works hard to make employees happy. Our goal is to give leaders a pulse on how engaged or frustrated their employees are, helping managers spark dialogue that results in organizational change.

#### What We Do

We believe that information empowers leaders to create an engaging work environment and culture where people can thrive. Here is how we do that:

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12					7.3 Industry Benchma		
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6					7.4 Overall Benchmark		
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- **Pulsing surveys:** Our weekly pulse survey measures employee engagement using just one question. TINYpulse is a lightweight solution that captures anonymous feedback from your team to reveal insights, trends, and opportunities so you can improve retention, culture, and results.
- Peer-to-peer recognition: TINYpulse's Cheers for Peers<sup>™</sup> peer-to-peer recognition tool captures the appreciation, extra effort, and little things that are often overlooked by leaders. Peers can easily send a quick shout-out to their colleagues to brighten up their day—because a little recognition goes a long way.
- Virtual suggestions: Our virtual suggestion box lets employees have direct input on how to improve the workplace. The anonymous format makes employees feel comfortable being honest and offering actionable ideas to improve their workplace.