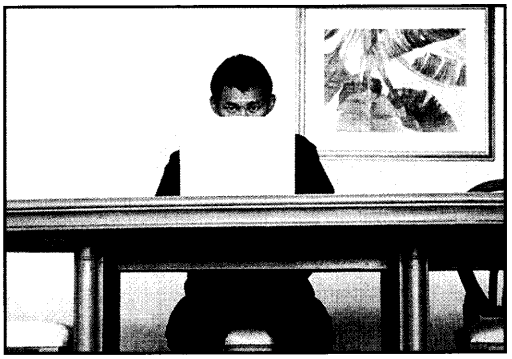
Telework: Canada's Answer to Lower Healthcare Costs

By: ***Linda Russell***
Managing Partner
T.C.I.
ACT Telework Council – Canadian Liaison



If you are one of 32 million Canadians, you get a card that entitles you to universal public health care on demand. It is our, big time, National Group Plan that we fund with our tax dollars. From Montreal to Nunavut and anyplace in between, across the second biggest land mass in the world, you can walk into a doctor's office or hospital in your jammies and, of course, parka, and as long as you have your Canada health number, you're in and it's covered.

Ten percent of Canada's GDP is spent on healthcare (less than the 14 percent in the USA), so Health Canada is naturally quite interested in what is making us sick. For the last few years, they have funded research on the effects of work on our health, probably because working people tend to pay taxes more consistently than those not working.

Information is collected from more than 30,000 Canadians from coast to coast, and the conclusions are usually pretty consistent: our jobs are making more of us more sick, more often. Further, the way we work is creating a huge burden, a current and future danger to the load-bearing capacity of our public - and highly socialized - health care system.

A key finding in the recent November 2004 installment of this study is that 58 percent of respondents are experiencing what the report refers to as "role overload," defined as having too much to do and not enough time to do it. Others are suffering from "high care-giver strain" or the inability to cope with competing work and home-life demands.

According to the study, since tax-paying Canadians provide the financial support for the healthcare system, we, the people, are subsidizing some pretty dodgy organizational practices; precisely the ones, in fact, that seem to be threatening our health. Since there is no reason to believe Canadian employers are any better or worse than those in the US, see if you can spot the practices at use in your workplace. They include "'doing more with less," downsizing, basing promotions on hours at work and setting unrealistic work expectations."

The suggestion is that Canadian employers are using our health tax dollars as a source of venture capital to prop up a system dedicated to overwork. This, in turn, is creating imbalances and longer term diseconomies in our healthcare funding.

The potential that such a reciprocal link exists between health care and bad employer practices is real. A good example of smoking gun evidence can be found in a 2002 paper issued by the Conference Board of Canada, an influential source of economic trends for Canada's Fortune 100. In it, Canadians are urged to consider not just the "symbolic value of universal health care, but its economic contribution to the competitiveness of Canadian businesses."

In addition to the effects that heavy work loads, longer hours and unpaid overtime are having on our health, the Health Canada study also identifies two other abuses which, to the objective observer, it seems could be well served by the intelligent application of telework and virtual work practices.

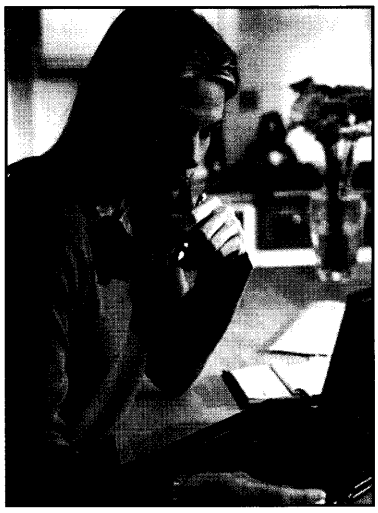
First, the report says that employees spend increasing amounts of time traveling for business. Long experience has shown that one of the most facile and unthreatening entry points for telework in any enterprise is the use of remote technology as a proxy for the costs and time involved with business travel. While using technology as a substitute for hitting the road ("frappé la rue" - en Français) does not work every time, adult-type staff should have the tools to "gauge the need for a trip," or the ability to "replace a trip" with any one of the tried

and true technological solutions which are now in common use by pre-teens in most malls.

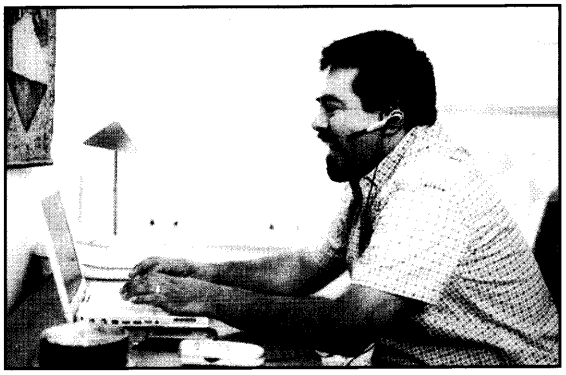
On the topic of not being there, Andrew Gaudes, a Professor of Management at University of New Brunswick, has just completed a unique piece of research. He tested the difference in performance and cohesiveness of two types of virtual teams, ones that made a point to meet in person at the beginning of a new project and ones that did not. Professor Gaudes' results challenge the traditional notion that the first and best budget items and actions of a newly minted team should be to arrange to travel, and meet, en masse, in person.

The data showed that virtual teams, which did not meet at the start of the project, generated greater overall performance than virtual teams that had a face-to-face launch. Also, team members that did not meet face-to-face reported greater satisfaction with their team as well as greater trust among members. Only team cohesiveness scored lower when compared to virtual teams that did have a face-to-face launch. If you really think about it, this is not counter intuitive. If the project is the focus, the project will probably win. If team solidarity is the focus, the project may get short shrift. This outcome may prove especially true when a short-term project is under scrutiny, versus a longer term one. In the coming year, Andrew Gaudes would like to repeat the research in a larger context.

Another telework and virtual work practice-related issue mentioned in the Health Canada Report concerns our culture of "face time." Chris Higgins, one of the authors of the study, uses the term "presenteeism," which puts an emphasis on the concept of "being there" instead of on "measurable performance." The report quite correctly points out that technology can have negative effects on lives already on overtime, in the form of "always on email" and expectations of 7-24 response times. But it completely avoids or fails to draw links between the possibilities of using remote technology as a way to reverse the trend to "role overload" in our workplace culture.



It hardly seems worth pointing out that while attendance may have been a good measure of performance in high school, it may not quite turn shareholders' cranks. According to the usually reliable McGill School of



Management, and doubtless many others like it, employee productivity has always been, and will remain, a function of the quality and quantity of output. What you do and how you do it is more important than where you do it, or whom you do it in front of.

So, this study joins the long list of others that have missed or ignored something very important. Like when the engineers said that our building was making us sick, or when the furniture manufacturers said it's really our chairs or screens, or the HR experts that said it is definitely the nature of the personalities of people we work for that are a threat to our health.

It is not that these links are invalid. But the truth is that although our jobs, buildings, chairs, bosses and business travel may make us sick, it is probably the fact that we have to "be there" and the daily commute to get us there that will eventually drive the nails into our coffin.

Verily, commutes are doing us in as we speak. In October 2004, the New England Journal of Medicine identified the last, most common activity that a victim was engaged in before the onset of a heart attack. And it was not breathing the air in a building, using an unergonomic chair or talking with a peer or boss. The activity was commuting through traffic - on the way to work. After adjusting for anxiety, strenuous activity and other stresses, the study found that the likelihood of a heart attack was almost three times as great if the subjects had been in cars in the previous hour, four times as high if they had just been on bikes and three times as high if they had used public transportation.

So, in the big scheme of things, it doesn't matter how you get there, just that you have to go. This medical study confirms something that health experts have suspected for some time; that air pollution affects not just our respiratory parts, but our cardiovascular systems as well.

The study experts suggest that one way of reducing your risk of dying post commute is to keep yourself healthy in the first place. Basic training for the morning trip to

head office could include keeping fit, no smoking, sleeping well and eating carefully. Maybe some Bran Flakes. And, for those of you who rely on your bike work route through heavy traffic, to keep you fit, try lightening up on those hills, you are four times as likely to have a darn attack!

The fact is that we know more about the effects of working and commuting on health than ever before. For most of us, not working is not an option, but what about not commuting?

For more than fourteen years, our firm has collected normative data on the outcomes of virtual work on the enterprise and its effects on the end users. Based on the data collected from thousands of our clients' teleworkers and their managers, we can't say categorically that if you telework, you will stay healthy or you will get sick. But for those of us who implement, track or manage programs, there is a felicity in the convergence of evidence that might lead the more rational among us to believe that virtual work practices may do more good than harm.

Here are some sobering highlights from a recent program track.

Commute Avoidances

The high cost of housing and the increased volume of traffic in and out of large Canadian cities means that many staff have long, demanding commutes. After working, sleeping and watching pre-strike hockey reruns, commuting now commands significant portions of our personal time. Pre-telework, the pattern of the staff in this sample were commuting an average of almost 9 hours per week, so each of them needed a full work day of 7.5 hours plus another 2 to 3 hours just to get to work each week.

Over a month, they were spending almost 36 hours on the road - the equivalent to one extra, full 35-hour week of work per month. Over a year, these employees were spending 408 hours per capita on the road. This translates into 54 - 7.5 hour work days traveling to work, which is the equivalent of a second job or a nice 11-week vacation.

Current Commute Before Telework:
Weekly: 9 hours each
Monthly: 36 hours each
Yearly: 408 hours each
Source: TCI = 2003

Commute Time Saved on Telework
Weekly: 3 hours each
Monthly: 12 hours each
Yearly: 144 hours each - 33% Reduction
Source: TCI = 2003

The reverse of commute avoidance is time recoup. If commute time cannot exactly be considered productive time, the effects of a one to two day a week telework option was to reduce the time these staff spent commuting by 33 percent. That produced a per capita recoup to each telecommuter of three hours per week, 12 hours per month and 144 hours per year, in "found" time, they did not have to spend on the road. That is the equivalent of close to 20 - 7.5 hours work days over a year or a nice four week vacation.

Distance Not Traveled

The telework option also reduced the distance traveled by remote workers by 37 percent. That produced a per capita recoup to each commuter of 388 kilometers per month, 4,626 kilometers per year, in distance not traveled. To put that into perspective, telework allowed each remote worker to avoid, over the course of a year, the equivalent of one 2,965 mile long road trip between Chicago and Whitehorse NWT.

Commute Distance Saved on Telework
Weekly Kilometers: 97 kl each
Monthly Kilometers: 388 kl each
Yearly Kilometers: 4,462 kl each
Equivalent: Chicago - Whitehorse
Reduction Percentage: 37%
Source: TCI = 2003

Environmental Benefits

These avoidances also produced environmental benefits, of interest because Canada is a co-signatory to the Kyoto Accord. Based on the new commute patterns of these teleworkers and general emission data estimates, each driver in either a passenger car or light truck, produced the following environmental benefits, over the course of one year:

Each Teleworker Driver Saves per Year	Effects
24 pounds of hydrocarbons	*produce smog*
181 pounds of carbon monoxide	*poisonous gas*
12.36 pounds of nitrogen oxides	*produce smog & acid rain*
3,001 pounds of carbon dioxide	*contributes to global warming*
166.39 gallons of gasoline	*$0.80 per litre*

Source: TCI = 2003

That 3,000 pounds of CO2 nicely takes care of the One Tonne Challenge that our Federal Government wants each of us to contribute to GHG reductions by lightening our ecological footprint.

And, although the commute avoidance itself may not produce any specific, hard-cost benefits to the organization, the difference that the ability to avoid commute made to these teleworkers cannot be underestimated.

Effects on Personal - Family

Commute reductions had direct and positive effects on the personal and family aspects of their work days.

Telework Respondents	Staff Positive - Neutral
Effects on balance work-family schedule	*92%*
Effects on childcare arrange, family needs	*86%*
Family adapted well to Telework	*100%*
Reduction in stress levels	*40%*

Source: TCI = 2003

Ninety-two percent of staff in the sample reported that they found it easier to establish a balance between their work and family schedules. Eighty-six percent said that telework had a positive effect on their arrangements for childcare or other family needs, and 100 percent said that their families adapted well to telework. Finally, 40 percent said that telework had made a contribution to stress reduction in their personal and professional lives.

The most compelling data, however, came from a comparison between the experiences of the teleworkers and the experiences of the staff that remained in-house. Based on a number of key indicators, including job satisfaction, work-life balance, stress levels and absenteeism, staff who telework are actually having a better overall job experience than their in-office counterparts. The implication is that someone who does the same job that you do and works at the same place, who teleworks occasionally, is having a better go than you are. They may also, parenthetically, be doing a better job.

This data report is similar to that of many other studies we have conducted, as well as to many from around the world, designed to capture the outcomes of virtual work options. It gives us a quick look at what users have to say about effects of telework on their physical and psychological health and well-being. And based on the reasonable link between not spending nine hours or more a week just driving to work, along with feeling, working and living better, it is hardly surprising that staff who are offered telework in a supportive environment, have little trouble making a long-term commitment to this one or two day a week modal change. When it works, there may not be another transportation demand management strategy with the veracity or degree of outcomes that result from telework.

"Being there," along with a commitment to a car culture and an oil and gas based economy has empowered an inappropriate and unfortunate misuse of non-renewal resources, in order to protect one activity - the daily commute. The intensity of this activity, patently devoid of any redeemable social value, escalates yearly, with peak hour travel times doubling every ten years, according to some experts. Since the distance between two points typically has not changed since the dinosaurs walked the earth, much of the extra time is spent "not moving," and "not getting there," just waiting, in traffic.

Unfortunately, aside from the Fortune 100 and 500, where remote work has been common since the late 1980s, the inclination to adopt virtual practices in Canada, especially within the public sector are negligible. Recent research indicated that only one half of one percent of Canadian Federal staff telework, even though there has been a policy on the books since 1999.
The few good and true signals come, as always, from the grassroots, from smaller areas in Canada, where city halls are yet receptive to candid rate payer concerns about air and water quality and traffic congestion.

A few brave TDM managers from places like British Columbia, Ontario and the Yukon are exploring how telework could work for some of their cities, positioned as business continuity and space strategies, as well as a way to gain experience in a new TDM option that they can teach to local companies.

But the question remains. If using virtual practices as proxy for commute become more entrenched, is there a potential for abuses? Can working offsite a few days a week or month be used as a weapon to negatively affect the health and well-being of employees? The short answer is yes, I guess so.

But let's put this into perspective. The World Health Organization reports that the use of motor vehicles accounts for more air pollution than any other single human activity.

So, while the idea of telework may scare the daylights out of most managers in Canada and the US, as a threat, it is simply not in the same class as the effects of commute on our health and our habitat. We have had the remote technology to fix this for more than fifteen years now. We might as well get down to it, because it's not like humanity has some other place to go. ■

A full list of references are available on the Web at www.actweb.org.