

In telecommuting debate, Aetna sticks by big at-home workforce

Caroline Humer, Reuters

(Reuters) - For more than six years, Tammy Saunders has woken at 5:30 a.m., showered, dressed and walked upstairs - to her office.

A nurse practitioner, Saunders works as a case manager for Hartford, Connecticut-based health insurer [Aetna Inc](#) [1], helping college students recovering from accidents or surgery get the follow-up services they need.

The bonuses? No ironing, no commute and no need for after-school care for the kids. Also, less chatting with other employees - so fewer distractions.

"There are days when I sit at my desk, and I don't move all day," said Saunders, a proud member of the 47 percent of Aetna employees who work at home. She lives 20 minutes away from headquarters by car.

Of course, that also means no coffee breaks, lunches or group chats about, say, the Oscars. "I miss them, but not enough to go back into the office."

Ever since Yahoo!'s new chief executive, Marissa Mayer, called at-home workers back to the office last Friday, American workplaces are buzzing with debate over the benefits of telecommuting. Mayer said employees needed to be back together to innovate better at the technology firm.

Silicon Valley may swear by its brainstorming-together-in-the-office culture, but many private companies and even the federal government have put their weight behind telecommuting.

In 2012, 63 percent of companies allowed employees to work some hours from home compared with 34 percent in 2005, according to the National Study of Employers, which was produced by the Society for Human Resource Management and the Families and Work Institute.

A 2010 survey by SHRM, the human resources industry's largest trade group, said that providing flexible work arrangements such as telecommuting, part-time work and phased-in retirement was the best way to attract and retain the best workers. And 20 percent of companies allow workers to work full-time from home.

Of health insurer Aetna's 35,000 employees, 14,500 do not have a desk at Aetna, a move that the company's top executives, CEO Mark Bertolini and national business chief Joseph Zubretsky, have said helps cut costs in real estate.

Another almost 2,000 people work from home a few days a week, putting

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teleworkers at 47 percent of its total.

That number has grown steadily since 2005, when about 9 percent of its employees were logging on outside of an office. Another 1,800 people spend half their time in an Aetna office. In part, that migration was hastened when the company closed down its Middletown, Connecticut campus in 2010, home to some 4,000 employees.

Through telecommuting, the company has cut 2.7 million square feet of office space at \$29 a square foot, for about \$78 million in cost savings a year including utilities, housekeeping, mail service and document shredding.

Teleworkers, who in addition to nurses and physicians include customer service representatives, claims processors, network managers, communications and human resources professionals, lawyers, underwriters, actuaries and others, have high productivity, Aetna says. Many are likely to be women as about three-quarters of the company's workforce is female.

SO HAPPY NOT TOGETHER

The company has built a culture around it. When CEO Bertolini, an admitted technophile, does his quarterly company-wide address, Aetna's employees don't dial into a conference call, they watch a video conference.

Another benefit of teleworking is retention, with annual voluntary turnover for those Aetna employees who work at home in the 2 to 3 percent range, Bertolini said this week at the Detroit Economic Club where he spoke to local business and health care leaders. That compares with company-wide turnover that is about 8 percent.

Shelly Ferensic is head of claims at Aetna, which processes 1 million claims a day. Her department has 2,000 employees around the country, about half of whom work from home.

These processors are responsible for handling more than 100 medical or dental claims a day, a largely electronic job. They receive the claims online, work out issues such as which provider needs to be reimbursed and then push them out.

Aetna provides a secure laptop or desktop computer, a separate modem and router, a separate phone line, a paper shredder and a locking file cabinet. Before workers can start, the company inspects the home office.

Ferensic, who works out of an office in Jacksonville, Florida, says that the claims teleworkers are 10 to 20 percent more productive than their in-office counterparts and produce comparable quality.

"They work a 40-hour work week, but it's flexible as long as they put in the hours and meet their productivity objective," she said. They are measured on producing a certain number of average claims per hour.

Workers have webcams on their computers for monthly one-on-one meetings,

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attend videoconferences and work with a local office for support.

The main downsides are that employees who work at home aren't there to meet with customers and some issues have to be handled in person, Ferensic said, who has also worked from home.

And there is a limit to how much the company can handle in terms of at-home workforce and still ensure an Aetna culture.

"I think it's reached a point where it's a comfortable number at about half. I don't envision growing it much from that," Ferensic said, referring to her division.

(Reporting by Caroline Humer in New York; Editing by Jilian Mincer, Mary Milliken and Tim Dobbyn)

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