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## **Compass: Living and Working with High-Cost Energy**

*By Jim Ware*

Few “trends” have appeared as suddenly or become as widespread overnight as the new sensitivity to the cost of energy and its first cousin, global climate change. We’ve been struck not just by recent media attention to the price of gasoline but also by the truly radical ideas being actively discussed by the CEO’s and other senior executives we’ve spoken with in just the last three weeks.

The concern is real, and we are absolutely convinced there’s a “perfect storm” brewing that is taking us well beyond a tipping point. Hang on tight, because we’re in for a wild ride of change – in basic habits, in values, and in which products and services will be in high demand – and which won’t.

Okay, okay, enough with the clichés already. Now that we’ve got your attention, we’ll get serious; really serious.

Here are just a few of the signals we’re picking up on and things we’re hearing:

- With \$4-and-then-some a gallon gas now common across the United States, many organizations are seriously considering shifting (at least temporarily) to a four-day, twelve-hour a day workweek to enable their employees to cut their commute cost by 20% immediately.
- One CEO, who values having her employees in the office most of the time, is seriously considering offering subsidies to commuters when they are expected to travel to the office to meet with other employees or visiting customers.
- The State of California has passed legislation that, when it goes into effect, will hold companies responsible for the greenhouse gasses their employees produce during their regular commutes.
- The House of Representatives recently passed a bill requiring the heads of federal agencies to allow any government employee who asks for it to be able to “tele-commute” at least part-time (see [“With Fuel Prices Rising, U.S. Companies Work Quickly to Reduce Employee Travel,”](#) from the Institute for Corporate Productivity, for details)
- We learned recently that employees commuting to a corporate facility typically produce twice the volume of greenhouse gasses that the building itself generates. So for all your focus on green buildings and LEED certification you may want to think long and hard about where that building is located and what your employees’ average commute time and cost amounts to.

- The State of Georgia has enacted a program to subsidize any local employer that offers employees a flexible work program that allows them to work from home two or more days a week.
- The federal government has embarked on a serious nationwide “green buildings” program that will involve audits, renovations, and regulations all designed to save energy and reduce costs.
- While you may not have a corporate jet, it’s worth noting that within five years the entire US Air Force fleet of jets will be equipped to fly on biodiesel and other alternative fuels. Becoming independent of oil from outside the United States is clearly an issue of national security, but it’s also good for the environment.
- A recent “Trends of the Future” newsletter from Challenger, Gray, and Christmas predicts that business travel is virtually dead, and will disappear almost completely within five years. We know one company that is in the process of figuring out how to cut its inter-office travel by 50% **this year**.

We actually speculated about \$5 a gallon gas almost three years ago – see [“What Will a World of \\$5 Gas Be Like?”](#) (*Future of Work Agenda*, April 2005). Looking back at what we said then, we humbly admit to having had a reasonably accurate vision of the future; we were just a bit off on our timing.

But one thing is clear today: it’s time invest in video conferencing, collaborative technologies, and other web-based tools; get airlines, hotels, rental cars, restaurants, and resort communities out of your stock portfolio. We are convinced this summer will see an unprecedented drop in vacation and business travel. The airlines may be struggling already, but – to go back to the cliché bin for a moment – we ain’t seen nothing yet.

I’ll close on one other sobering note: implementing an alternative/flexible/remote/web commuting program is an obvious – and essential – response to these new conditions. However, it’s a whole lot easier said than done. We are working with one organization that committed to moving up to 150 people into a work-at-home and mobile work program almost two years ago. The first pilot group actually began working at home in January of this year.

Why did our client take so long to move from commitment to action? Details, details, details. It took over a year to work out and agree on the policies that had to be in place before the program began – policies covering technology support, home office furniture, reimbursement for added heating/cooling costs in employees’ homes, meeting OSHA, ADA, and fair labor standards, designing and implementing training programs for both the at-home workers and their managers, educating the rest of the organization about the new program, and defining success metrics – both for the affected individuals and for the program as a whole.

Our bottom line: implement an alternative work program now – and do it aggressively. But be smart about it; do it thoughtfully and deliberately. One thing clearly worse than having no program for dealing with this new era of high-cost energy is having a bad or ill-defined one.

[Send your comments directly to us](#), or post a comment on the blog version of this article. We look forward to learning from you.

### **About the Work Design Collaborative and *Future of Work Agenda***

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We are focused on defining the future of work and helping our members and clients achieve new levels of workforce and workplace productivity. *Future of Work* produces and distributes management tools, surveys, benchmark databases, white papers and technical reports, conferences and workshops, newsletters, books and articles, and public presentations on the changing nature of work. The Work Design Collaborative, LLC, provides leadership and infrastructure services for the *Future of Work* community.

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