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## Yahoo! CEO ends remote workers, telecommuters. Really?

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Isaac M. O'Bannon • Feb. 26, 2013

I don't get this.

On Monday, the CEO of Yahoo!, Marissa Mayer, put out word that she would no longer allow the pioneering internet search engine's employees to work from home. No more telecommuting, if you work for Yahoo!

I've been a fan of Yahoo since about 1996, two years before Google was founded. Is this the beginning of the end for the company?

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From the San Jose Mercury News:

Advocates for working parents criticized Mayer for abandoning what they view as a modern, enlightened approach to accommodating workers' needs. Since it was announced last week, the move has even drawn fire from Sir Richard Branson, the British travel and media mogul, who tweeted Monday that he was "perplexed" by the move and wrote on his blog that it "seems a backward step in an age when remote working is easier and more effective than ever."

But others say the order's not entirely surprising, given Mayer's stated goal of shaking things up at a once-vaunted Internet company that had gained a reputation in recent years for being sluggish and behind the curve of innovation and competition.

Plenty of Silicon Valley companies allow employees to work from home, using the latest in cloud-based software, videoconferencing and other high-tech tools. But some of Yahoo's biggest competitors, including Facebook and Google (GOOG), have spent vast sums to make their worksites comfortable and fun, providing free gourmet meals, dry-cleaning and other personal services that make it easier for workers to spend long hours at the office.

Google and Facebook have no formal policies on working from home, according to company representatives. Both companies allow it, yet both have also said they see a huge benefit in the creative sparks that ignite when engineers and other workers chat in hallways, talk shop in the cafeteria or even lean across each others' desks at work.

"There is something magical about spending time together, about noodling on ideas," said Google's chief financial officer, Patrick Pichette, in a recent talk with an Australian tech audience that was reported in the Sydney Morning Herald. He described the number of Googlers who telecommute as being "as few as possible."

That's the reason cited by Yahoo human resources chief Jackie Reses, in an company memo that was leaked Friday to the tech news blog All Things D. A Yahoo spokesperson declined comment on what she called an internal matter, but the company has not disputed the memo's authenticity.

"We need to be working side-by-side," Reses wrote in the memo, citing the importance of "communication and collaboration" as well as the "decisions and insights" that can arise from impromptu meetings. "Speed and quality are often sacrificed when we work from home," Reses added, before announcing that Yahoo will ask all employees to work in company offices, starting in June.

Mayer, a former Google executive, has previously announced steps to improve work conditions at Yahoo by upgrading employees' phones and offering free meals, among other amenities. But the Reses memo sparked an uproar on tech blogs and social networking sites, where some critics said it seemed ham-handed and oppressive.

“A desperate move by a desperate company that has trouble trusting their employees,” wrote Stewart Bauman, who works in tech but not at Yahoo, in a post on the Mercury News Facebook page.

Some saw further signs of a crackdown in Reses’s statement that “for the rest of us who occasionally have to stay home for the cable guy, please use your best judgment in the spirit of collaboration.” And some experts warned the memo could backfire.

“The question is whether this move will result in an exodus among the company’s top talent,” said John Challenger, CEO of the outplacement firm Challenger Gray & Christmas, in an email which added: “At a time when many Silicon Valley tech firms are battling each other to attract and retain the best talent, the decision by Yahoo! Inc. to end its telecommuting program may prove to be shortsighted.”

Surveys show that telecommuting is increasing across the United States and elsewhere. In a paper published just last week, Stanford economics professor Nicholas Bloom described a recent nine-month study of workers at a Chinese online travel firm, CTrip, which found call-center employees were more productive and performed at a higher level when allowed to work from home.

The downside, he said, is that workers who performed just as well as their in-office counterparts were less likely to get promotions. In part, he said that’s likely because they weren’t getting as much personal “face-time” with their bosses.

But Bloom drew a distinction between call-center workers and higher-skilled professionals, such as executives or software developers. He said the latter can benefit from the flexibility of working at home but also from collaboration in the office.

“It’s typical for high-end employees to work from home one or two days a week,” he said. “They get time away to think and time to be creative and to have a work-life balance. But it’s not helpful to have them permanently absent from the workplace.”

Referring to Mayer’s decision, Bloom added, “I can understand why she’s doing it, but it seems extreme.”

Given the modern tools that let people be productive at home, he said, companies should let skilled employees work at home part of the time, and see how it goes. “It’s a privilege that can be abused,” he said, “but if they continue to perform well, let them continue.”

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