

What's the Deal By [Daniel Lesser](#)

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blogger

The demise of telecommuting?

(The views and opinions expressed in this blog are strictly those of the author.)

As technology has advanced over the past decade, the number of freelance and remote office professionals has increased dramatically. With only an Internet connection, employees can work virtually anywhere, and many companies embraced the perceived benefits of allowing employees to telecommute.

However, among this trend, International Business Machines Corp. (IBM) recently reversed its previous position and recently announce recalling remote employees back to the office, as management now believes that working in an office setting improves collaboration, accelerates the pace of work and maximizes productivity. Other large organizations that plan to or have already reduced telecommuting include: Yahoo, Bank of America, and Aetna.

Across the nation, companies are investing significant capital in their offices to maximize what they perceive is the most productive work structure to keep pace with a rapidly changing technology landscape.

While there continues to be a rational for remote employees, there is also downside. The original thesis for many large organizations that decided to have employees work remotely was predicated in large part upon the assumption that the enterprise would save on real estate occupancy costs.

Today, a key element of a modern office environment is sufficient area for employees and visitors as well as open spaces that invite collaboration, resulting in leased areas that do not end up being as small as initially envisioned. Furthermore, the cost of setting up remote employees is expensive, particularly since many also require hoteling space in their permanent offices. Finally, employee turnover tends to be greater when there is a lack of connection to an organization when not domiciled in an office.

The recent major shift for one of the world's most iconic companies may very well be the beginning of a trend to physically move workers back into office space and a positive influence on the demand for transient hotel accommodations. History has proven a strong correlation between occupied office space and lodging room nights. Generally, when new companies and employees occupy office space within a lodging market, there is a higher likelihood that more transient and corporate group related room nights will be generated.

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