



We said in an earlier Bulletin: "when flexibility regularly scores at the top of employee wish lists... and comp and benefits are flat, flexibility should lead any total rewards approach."

Several of you asked us to expand on that assertion. Some data and our thoughts follow:

**1. In a deepening recession, comp and benefits are likely to be flat**

David Leonhardt wrote in the *New York Times* on October 15 an article entitled, "Next Victim of Turmoil May Be Your Salary:"

*What, then, will the next stage of the downturn be about? It is likely to revolve around the worst slump in worker pay since...the Great Depression. This slump won't be anywhere near as bad as the one during the Depression, but it also won't be like anything the country has experienced in a long time. Income for the median household...It probably be lower in 2010 than it was, amazingly enough, a full decade earlier. That hasn't happened since the 1930s.*

**2. Employee surveys say flexibility rivals comp and benefits as a reward**

Over the last decade numerous company, multi-company and public surveys have documented employee desire for greater work-life balance, with flexibility as a central element. While prospects for pay could dwindle, the motivational power of flexibility may increase strongly.

- > IBM internal research over two decades shows high performers in particular increasingly say work-life/flex supports are as important as comp/benefits in stay/go decisions
- > A periodic Towers Perrin global survey on drivers of employee retention showed work/life balance + flex increasing in importance from 4th to 2<sup>nd</sup> place between 2005 and 2007. The value placed on competitive/fair compensation - at least as it influences retention - continues to lag in importance.

**3. Opportunities for flexibility at work may actually be waning**

Ironically, at a time when employees might want greater flexibility and work/life supports, economic pressures and company hesitation about new initiatives may reduce options. Sue Shellenbarger writes in the *Wall Street Journal*:

*"The economic downturn is forcing many to defer dreams of striking a better work-life balance...Downturns tend to quash such luxuries as cutting back to part-time work hours by choice, dropping out voluntarily for a while to stay home with the kids, or taking a sabbatical. At-home moms are already marching back to work."*

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**Turning flexible work into flexible rewards - how to put flex on the "fast track"**

We believe it is time to embrace, not just tolerate flexibility. Companies that make wide, targeted and creative use of FWAs can engage and satisfy their workforces in ways that other reward strategies cannot. Some may increase part-time while others may ramp up telecommuting and compressed schedule offerings to offset the loss of part-time with net increases in family time. Whatever your priority, we have the tools, techniques and know-how to build a more flexible workplace rapidly and well. We will share our approach in two ways in the weeks ahead:

1. **Upcoming *Flex Bulletins* will outline our "Fast Track to Flex" strategies**
2. **We will be at the Work-Life Congress in NYC October 28-30 displaying our FlexWise™ toolkits and looking forward to meeting many of you**

We will be raffling off a **FlexWise™** online telecommuting kit at the conference. If you cannot attend and want to enter the drawing, email us your "virtual business cards."

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