



## **FlexBulletin #41: Notable Flex 2010, Opportunities 2011**

January 11, 2011

*[Winter is well upon us. Indeed, when New York City looks like Minneapolis with fewer snow plows, you know a unique winter is underway. And of course almost all the holidays have passed – hopefully giving you some relaxing personal and family time to recover from the plentiful work and the relentless pace that seems to have become almost EveryCompany’s new normal.*

*To welcome you back, and help reorient you a bit on where flex has been and where it might go in the next year, we thought we’d offer our annual retrospective/prospective. After all, a little perspective never hurt the pioneer trying to blaze new trails in what is still a bit of organizational wilderness. So here is a brief look backward at 2010 and forward to 2011 that we hope leads to equal parts caution and inspiration. As we indicate throughout, we will address some of the issues at greater length in future **FlexBulletins**. Feel free to call or write with your thoughts and comments.*

*Happy New Year to all of you – and to your increasingly flexible organizations.]*

### **FLEX IN 2010 – DOES A RISING TIDE LIFT ALL BOATS?**

The answer is “No!” – especially if the tide is a highly uneven one. And there may be no better description of 2010’s economic climate than an “uneven tide.” In one 12-month period we saw in rapid order:

- A fragile economy opening the year with more than 10 million people out of work
- The beginning of slow, light but steady employment growth
- A national stall mid-year while everyone contemplated the feared “double-dip”
- An end of year unemployment rate (9.8%) higher than January’s

With these record levels of unemployment, the continuing skepticism of business leaders toward flex and a tendency to pull back from innovation in such times, it could have been the worst of times for flex champions, projects and users. But it was not. Nor was it the best of times. The uneven tide led to uneven times, including these most notable trends:

- Offsite work (remote and telecommuting) continued its dynamic growth
- Flex remodeling took hold, adding such features as hourly options
- Phased and Partial Retirement showed promise before it seemed to tank

### **TELEWORK TRANSCENDS: Is it Becoming Synonymous with “Flexibility?”**

In my first two decades in flexibility consulting (the 1970s and 80s), the term “flexitime” – a specific and highly popular option – was used to refer to all Flexible Work Arrangements (FWAs.) Clients, the media, employees saw these terms as interchangeable. It took intensive battles in that era to promote telecommuting as a distinct FWA. Flash forward two decades and the signs are all around us that telecommuting and remote work – or the 8-letter, media-friendly term “telework” – has become the new Flexitime. This year marked strong movement in that direction.

There are many reasons for this rapid growth. First and foremost, millions of people want to work from home – and the tools to make it happen just get better and cheaper every day. Further, in challenging times, options perceived to be space and cost savers are an easy first choice on the

menu. These are full-time arrangements that pose little benefit or compensation challenge. And several years of disabling weather have raised the powerful cry of “business continuity” to a pitch that led Congress to mandate telework capability for all 2 million Federal workers.

With this wide and enthusiastic embrace come numerous risks and downsides. Since decisions about such options and their promotion are likely to be coming soon to a C-suite near you, we will devote one of our 1<sup>st</sup> Quarter **Bulletins** to a much fuller discussion of this significant change. This powerful 2010 wave will clearly wash strongly into 2011.

#### **FLEX REMODELING took hold, adding such features as options for hourlies**

As early as May 2010, we saw an emerging trend and discussed it in [FlexBulletin #34: A Flex Remodel may be in Order](#). The phenomenon of revisiting and updating existing tools continued through the year and will likely expand in 2011. We explained this remodeling trend this way:

- As with kitchens, it’s just clear when the time for remodeling has come:
  - There are holes in the guidelines and new staff don’t know flex exists
  - There’s no time or money for live training and nothing on line
  - Everyone skipped metrics last time around and now they are needed
- Given many pressing priorities, senior leaders are far from engaged
- Managers see flex as having retention value only, which is not a bonus now

New initiatives were off the table and one sought the best possible blend of employee and system demands with limited enthusiasm for new investment. This trend will doubtless continue into the New Year, while beginning to give way to both major rebuilding and new construction projects.

#### **PHASED AND PARTIAL RETIREMENT showed promise before it seemed to tank**

A flurry of major consulting firm studies, demographics-driven articles and media and conference predictions suggested that 2010 would finally be the Year of true Phased Retirement – not the retire/rehire without benefits model that has passed for PPR. We supported this view in [FlexBulletin #30: Phasing into Retirement – NOW](#). How wrong we all were. Data on decisions **not** to do something are hard to come by. But there are a few likely reasons:

- No matter how you define it, this is part-time for older workers – and a challenge
- Whether you face a key talent brain drain or not, the large unemployed workforce makes decision-makers feel that what they need can be bought – when they need it
- You can claim to be flexible, but not deliver; pre-retirees expect follow through

As you will see in our **Bulletin** on this topic, all these issues can be addressed, and an improved economic climate this year could lead to movement. But just as telework and remodeling may carry their momentum into 2011, so might Phased Retirement carry its inertia.

#### **FLEX IN 2011 – IS THERE LIGHT AT THE END OF THE TUNNEL?**

The answer is “Yes” – although there is plenty of room to quibble about the tunnel’s length and the brightness of the light. We take the bullish position that there will be at least continuing real growth in the economy and employment throughout 2011. As the recession recedes, the pace of recovery will quicken AND the general psychology of abundant labor will give way to more rational assessments of what’s needed and possible. We believe this will lead to the following three noteworthy trends in 2011:

- Productivity and clear metrics will be real flex drivers, not afterthoughts
- Enhanced training – both live and online – will reemerge as a crucial flex enabler
- Flexibility and wellness will blend in new and powerful ways

#### **PRODUCTIVITY AND CLEAR METRICS will be real flex drivers, not afterthoughts**

The challenging times ahead will demand flexibility that delivers. Flexibility has been host to vague claims and squishy metrics for a long time – not always and everywhere, but too frequently and in too many settings. A hallmark of the slow return from the current recession has been a broad focus on efficiencies, savings and return on investment. The space- and productivity-driven upsurge in telework adds to this growing pressure to capture the business value of all forms of

flexibility and the cumulative effect of well-designed initiatives. Survey results, usage tracking and testimonials will be necessary but not sufficient steps in the New Year. For consideration in 2011:

- Insist on designing and finalizing productivity goals and metrics as an essential step
- Use enhanced proposal processes to identify individual business gains
- Engage target users (employees and managers) in developing credible outcomes

**ENHANCED TRAINING – both live and online – will reemerge as a crucial flex enabler**

If you read the last **Bulletin** of 2010, this projection for the New Year should come as no surprise. As we said in ***FlexBulletin #40: Visions of Flex Training Dance in His Head***, the time has come to address what seems more and more like the challenge of a marginal flexibility infrastructure. The likely focus on – and success with – flex as a productivity tool will need more and better training than has become the recent standard. Likely areas for training to emerge are:

- More intensive training of managers and HR staff on making remote work work
- Development of HR staff expertise in training, coaching and managing metrics
- Cultivation of coaching skills in making and deciding business-beneficial proposals

Each company will have to assemble its mixture of online and live vehicles, homegrown and off-the-shelf creations. The shift we may see this year is from choosing the least possible training time and budget to looking at the package that will produce the greatest possible impact.

**FLEXIBILITY AND WELLNESS will blend in new and powerful ways**

Despite many efforts to overcome smokestacks in our work, the fact is that we toil in distinct areas. The advent of robust Wellness programs in many companies has already included many of you, and seems to offer an intriguing opportunity to develop new approaches that harness aspects of flexibility and the goals of sustaining health and wellness. The concrete forms that this impulse will take are less clear than those above. But we have confidence that this trend will emerge in the New Year

*[To comment or offer your own version of last year and this, please send a note to my email address below. And this is a good time of the year to have your colleagues sign up for the **Bulletin** or to sign them up directly. To do so, go to our website below.*

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