



Rupert & COMPANY

Guides to a changing workplace

FlexBulletin #60: Flex 2011, 2012 - The Floodgates

January 5, 2012

Greetings to All for a More Flexible, Engaged New Year!

Imagining the Future Each year I try to make sense of the ebb and flow of flexibility in the 12 months past and the year ahead. Usually the look back is pretty straightforward and the projection ahead is a largely linear extension of the prior year. Not so in 2011-12. As this **Bulletin** will show, this look both backward and forward is cloudier and less certain than usual.

Although I review dozens - and often way too many -- retrospectives and prophecies in preparation for this piece, I typically eschew quoting them. But this year one survey of popular perceptions of 2011 and 2012 fit so well with my own conjecture - and had such direct language - that I thought it offered a compelling starting point. All the other opinions are mine and mine alone. [**To add yours, and we'd love to see them, just reply with a brief email and we will include them in the next issue.**]

ACCORDING TO AN AP-GfK/ROPER SURVEY, 2011 and 2012 Will be Worlds Apart

"Americans are hopeful for what 2012 will bring for their families and the country, according to a new Associated Press-GfK poll, though most say 2011 was a year they would rather forget.

- Nearly seven in 10 say the year gone by was a bad one, more than double those who consider it a success according to the poll.
 - But 62 percent are optimistic about what 2012 will bring for the nation
 - And more, 78 percent are hopeful about the year their family will have in 2012."
- [See full survey below]

In short, few people will miss the conditions of 2011, yet strong majorities expect a dramatically better 2012. While this may seem anomalous, my view of the state of flexibility in these periods is similar. Over your years in the field, most of you have encountered many times the enduring metaphor of the Floodgate -- the Great Fear that flexibility unchecked will open the floodgates to a host of negative outcomes. Never demonstrated, but powerful nonetheless. In my view, these two years, and the transition between them, represent the shift from closed to open (and welcome) floodgates. The survey and my flex perceptions reinforce this view. Why is that?

COMPANIES KEPT THE FLOODGATES MOSTLY CLOSED Throughout 2011

There were many indicators that a reduced flow of flex marked last year. Among them:

- **High unemployment** enabled limited attention to proven employee satisfiers
- **Limited investment** was made in areas seen as low-value
- **"Normal" projects** became smaller, stretched out and less ambitious
- **Flexibility mentions** shrank in the literature of engagement and retention

High Unemployment I've watched the rise and fall of enthusiasm for flexibility through numerous recessions - including this worst of all. I have often thought, and frequently heard directly, the view

that there is a direct correlation between the rates of unemployment and flex. As one senior manager put it, "Why get carried away with accommodation when there are millions of people willing to work without a hassle?" Not a universal view, but a factor in the closed floodgates in 2011. If retention is not a high value, why unleash a proven retention tool?

Limited Investment Cries of "Beware the Floodgates" were seldom heard in 2011 because few initiatives were taken that would have really affected usage levels. There is some tautology at work here. Flexibility is not valued; therefore there is little investment in new practices and tools that will expand it in 2011; that makes flex less available and valuable. 2011 saw a shift of resources - both human and financial - away from flexibility champions and innovation.

Shrinking projects As flexibility consultants we are both project-aware and project-sensitive for ourselves and our colleagues. We experienced 2011 as a year of modest goals, unique delays and diminishing scope. I was reminded of the memorable utterance of a high school pal: "Start slowly and taper off." With such modest activity it is hardly necessary to lean on the floodgates.

Vanishing Mentions One final indicator that "the year gone by was a bad one" was the virtual disappearance of flexibility from the HR, business and popular press. Flex articles are often a staple of feature, best practice and how-to sections of airplane magazines and the new media. In 2011, the mentions were few and far between.

CLOSED FLOODGATES, LIKE DAMS, Generate Water Pressure

Although the supply of flexibility may be pinched, demand often continues to grow. So it was in 2011. In our work over the year, we observed from many sources an enhanced interest in flexibility among a broad range of demographics. We published this summary late in the year:

- ***Millennials***, growing explosively, attach great value to flexibility as self-scheduling
- ***Customer-facing and hourly workers*** in the millions seek unique forms of flexibility
- ***Telecommuters and remotes*** represent serious growth and enormous demand
- ***Users of informal flex*** expand in scope and numbers
- ***Older workers*** in increasing numbers seek to combine work with gradual retirement

For better or worse, the prevalence of flexibility usually emerges from the contest of forces that mark the rest of business: **supply and demand**. *Assuming the thumbnail sketches above capture the dynamics of 2011, the year featured far less supply than demand. That demand may have been dampened by considerable job insecurity and aversion to rocking the boat. But we may approach 2012 with a considerable force for flexibility that includes much pent-up demand.*



RECONCILING SUPPLY AND DEMAND in a Turbulent 2012

Uncertainty is typically no friend of flexibility. Last year's high unemployment, slow growth, double-dip threat, cratering Europe and housing slump were a, if not the, textbook description of uncertainty. They laid the groundwork for limited flexibility initiatives. If those conditions persist or worsen in 2012, demand is likely to remain pent-up and supply will continue to be constrained. However, my core projection for 2012 again follows the survey results above: 2011 was bad and 2012 will be markedly better. My thinking flows in part from the simple idea of new forces affecting the growth of supply and the unleashing of latent demand. You might call it the Triumph of Recession Boredom or the Breakthrough of the American Spirit. One can read fascinating tomes of economists analyzing (or guessing) how and why unprecedented recessions like this will end. In the end, no one knows. So here is my best guess.

Time matters enormously to people, and flexibility is all about scheduling time. Pent-up demand will not stay bottled-up forever. The benefits of sharing control of schedules with staff cannot be ignored forever by employers. And our large, complex organizations abhor a vacuum. This recession has become unacceptably boring, and we are not a people who accept boredom for long. It's time to open the floodgates. Another year of marking time rather than creatively managing it is asking too much of a culture that values innovative action. A brief summary of likely actions follows.

DRIVING THE SUPPLY OF FLEXIBILITY in the Year Ahead

Companies have not always done a good job of connecting the dots: seizing on the links between business results and robust flexibility efforts. Nor have champions always helped that to happen. Major opportunities will exist in the year ahead to reframe flexibility as a multi-faceted business problem-solving tool. Potential targets include:

- **Engagement** The recession has taken many tolls on employees that directly affect companies. Study after study shows reduced employee engagement translating into lower productivity, quality, etc. Flexibility is a proven contributor to engagement matched by few other interventions. Companies would do well to launch major initiatives for this gain alone.
- **Retention** Again dozens of public and company surveys show high percentages of employees poised to leave soon or when the economy recovers. And again serious flexibility can be a mini-floodgate staunching the flow of valuable talent out of the organization.
- **Virtualization of work** Flexibility supports the relentless separation of work from the workplace. Whether the purpose of remote work is employee choice, real estate savings or business continuity, the challenge - and the enabler - is in creating a comprehensive flexibility infrastructure for success.
- **Wellness** If a floodgate opened up in 2011, it was labeled wellness. Many flexibility resources were shifted from work-life and flexibility to wellness. 2012 can be the year in which strong links are made between strategies for flex and wellness, strengthening both. Areas of focus can include links between stress and schedule control and enabling chronically ill employees to integrate work and recovery through use of flexible schedules.

DRIVING THE DEMAND FOR FLEXIBILITY in the Year Ahead

As has been the case for at least two decades, employee demand will pressure the floodgates to a more open position. How much and in what ways will depend on many factors. The likely drivers in the year ahead will be those showing pent-up demand in the year past. We end our look backward and forward with likelihood assessments for the predictable 2012 flex cohorts.

- **Millennials** This group grows as a percentage of the workforce every day - and will eventually number about 70 million employees. (See our focus group report [Millennials Speak](#) on this cohort's view of flex.) Their desire for flexibility, especially as they form families, will be quite insistent.
- **Customer-facing and hourly workers** number in the millions and are in the early stages of innovating and becoming comfortable seeking flexibility. Success here requires overcoming much skepticism and many negative attitudes of both managers and peers.
- **Telecommuters and remotes** continue to expand dramatically and there is reason to expect such growth to continue.
- **Users of informal flex** will expand as a category themselves and as a parallel percentage of most forms of formal flex. Tensions will develop between genuine use of informality and a desire to replace more formal approaches with less committed "informal" options.
- **Older workers** may show the most pent-up demand of any group. Their continuing desire for ways of phasing into retirement is seldom met - and offers substantial payoff to companies and older workers. Interestingly, the openness to flex for millennials vs. older workers may prove an intriguing metric on matters of age diversity.

Whatever happens in 2012, it should be exciting!

We hope you find this retrospective/prospective sketch helpful as you plan your work for 2012. We are not just hoping for more open floodgates in 2012, but plan to contribute to opening some up. Next week we will unveil some innovative and comprehensive toolkits that will help get the flex flowing.

And please contact us when you think we might be of assistance.

www.rupertandcompany.com

Best regards,
Paul Rupert

Rupert & Company
Chevy Chase, MD
301-873-8489
paulrupertdc@cs.com

Rupert & Company, publisher of the [FlexBulletin](#), is the global leader in creating business-beneficial Flexible Work Arrangements.

© 2012 Rupert & Company. All Rights Reserved



AP-GfK Poll: In 2012, it can only get better

JENNIFER AGIESTA
Associated Press

WASHINGTON (AP) - Americans are hopeful for what 2012 will bring for their families and the country, according to a new Associated Press-GfK poll, though most say 2011 was a year they would rather forget.

Nearly seven in 10 say the year gone by was a bad one, more than double those who consider it a success, according to the poll. But 62 percent are optimistic about what 2012 will bring for the nation, and more, 78 percent, are hopeful about the year their family will have in 2012.

Jeff Wolfe, 33, of Farmington, W.Va., said 2011 treated him well because he was able to find steady work as a lineman. But for the rest of the nation, things were "pretty rough," with so many Americans looking for jobs, he noted.

"For the first time since 2009, I worked all year," he said. Wolfe said he lost work in 2008 and again in 2010. But in 2011, the father of two school-age children said he was able to catch up on bills, buy his wife a new car and renovate his home.

Overall, the poll found 68 percent of Americans described 2011 as a bad year, compared with 29 percent who felt it was a good one.

A partisan divide, much like the one that ruled Washington this year, seems the only split in public opinion on 2011. Democrats were most likely to view 2011 positively (40 percent called it good), while independents and Republicans were less effusive. Beyond that, the poll found general agreement that 2011 is best left in the past.

Mary Burke, 57, of Ridgeland, S.C., felt economic pain in 2011. She saw prices rise for all of her expenses, from her light bill to groceries. "Paying \$5 for a jar of mayonnaise is outrageous," she said.

Food and gas prices surged in 2011, but the most recent Consumer Price Index shows inflation leveling off. November statistics from the government showed a year-over-year inflation rate of 3.4 percent, the smallest such rise since April.

The AP-GfK poll found consumers are sensing the change. Just 18 percent of adults expect consumer prices to rise at a faster pace in the coming year, the lowest share to say so since the poll first asked the question in March. Most (51 percent) expect prices to rise at the same rate or more slowly.

And as the nation's economic fortunes overall appear to be tilting slightly positive, the public's

expectations for the economy in the coming year are at their highest point since spring. According to the poll, 37 percent expect economic improvement in the next 12 months, compared with 24 percent who think the economy will slide downhill. That's the first time since May that significantly more people said things will get better than get worse.

On a personal level, 36 percent think their household's financial situation will improve over the next 12 months, while 11 percent think it will worsen. Americans' financial ebbs and flows affect their personal outlook for 2012. Those whose households have faced a job loss in the past six months or who describe their current financial situation as poor are less optimistic about what 2012 holds for them and their families than others, though that does not carry over to their forecast for the nation in 2012.

Optimism about the nation's path varies with views of the economy's direction. Those who say things have looked better in the past month are generally optimistic (79 percent), while just half of those who say things are getting worse feel positive about what 2012 holds for the country. And about 6 in 10 of those who distrust the two major political parties to handle the economy or job creation are pessimistic about how 2012 will turn out for the nation.

Burke said she is angered by politicians in Washington who she believes fail to look out for the interests of the American people.

"They don't care about me and you," she said. "They only care how they are going to line their pockets." As for the economy and nation improving in 2012, she said, "I pray and hope."

The partisan divide in impressions of 2011 persists in the outlook for 2012, with Democrats more optimistic than either Republicans or independents. But expectations for next year's presidential contest appear not to be a factor. Most partisans on both sides foresee victory for their side in the November 2012 presidential election: Three-quarters of Democrats say they think President Barack Obama will win re-election; three-quarters of Republicans say he will not.

The Associated Press-GfK Poll was conducted Dec. 8-12 by GfK Roper Public Affairs and Corporate Communications. It involved landline and cellphone interviews with 1,000 adults nationwide and has a margin of sampling error of plus or minus 4 percentage points.