



Rupert & COMPANY

Guides to a changing workplace

FlexBulletin #94: The Future of Flexibility for '15

January 8, 2015

*Welcome to the adventure that will be Flex 2015!
(aka Happy New Year!-we hope)*

Why open the New Year with such cautious optimism? Could it be the continuing cold grip of what's coming to be known as the Great Recession - and its molasses-paced recovery in the labor markets? Might it be the disturbing emergence in our fast-growing tech industry of work cultures with shallow or non-existent flexibility? Does it stem from employers ranging from the federal government to most large companies failing to develop true phased retirement programs that could successfully harness the reduced labor and accumulated knowledge of a huge portion of the workforce?

All right, all right. Enough said about the cautions. After all, "cautious" is the modifier of the more important predictive word: optimism. And there is plenty to be hopeful for, to anticipate, to observe and to promote in the coming year. While this year's challenges differ from those that have come before, they are all of human making and can be overcome.

So what follows are five central issues that confront the champions of flexibility and collaboration in the emerging workplace - including yours. In some cases we suggest solutions and all are likely to be followed in future Bulletins. Onward and upward!

+++++

***Will employee retention make its long-awaited return as a driver of flexibility?
Might the tortured conversation about Millennials and flex get grounded in reality?
Can we finally offer truly Phased Retirement to the largest retiring cohort in history?
What is the trajectory of the evolving and migrating technology workplace?
Will more cities and states legislate on flex - and broaden the field of play?***

Will employee retention make its long-awaited return as a driver of flexibility?

If you had the patience - or way too much time on your hands - and reviewed my predictive **Bulletins** of 2012, 2013 and last year, you would see my hopeful predictions that the falling unemployment rate would usher in a new round of flex offerings among employers. While a bit of that proved true, a wiser focus would have been on a different metric: the so-called *quit rate* from the Federal Jobs Opening and Labor Turnover Survey which monitors voluntary turnover. (See the [Pinnacle Advisory Group](#) brief.)

This number has been stable even as the unemployment rate and other indicators have slowly improved. Recently this rate has approached its pre-recession levels and indicates not people's yearning, but their actual willingness to leave for a new and/or better job. Since more confident higher performers are often the first to go, real concerns about retaining real people may begin to increase among decision-makers. With flex a widely proven and increasingly desirable practice, and at least work-from-home tools proliferating, we should see more movement toward greater flex. (Call this cautiously optimistic.)

Might the tortured conversation about Millennials and flex get grounded in reality?

Within a general movement toward greater flexibility, different cohorts will want different things. We'll review the millennial thrust here and next look at the Phased Retirement preferences of older workers. (And we should note that other sub-groups such as Moms, Dads and commuters have been and will be in the mix as we go forward; hopefully a rising tide lifts all boats.)

Seldom has a generation entered the workplace with an almost equal number of participants and websites, blogs, analyses, books and studies about them. The millennials and their attitudes toward flexibility and every other aspect of the workplace have been dissected and described with enormous confidence - and endless contradiction.

We were so confused and frustrated by all this contradiction that we undertook a nine-company, 220 millennial focus group study titled [MillennialsSpeak](#). Two broad conclusions emerged: they wanted greater collaboration on schedules and vaguely defined flexibility and most envisioned the need for greater flexibility as they formed families.

We should expect a more focused and insistent demand for flex from this group in 2015. As the cohort matures, it is also important to remember that yesterday's analyses may already be out of date. The needs of older and younger millennials may begin to diverge dramatically. Indeed recent research suggests a convergence of Millennial and Boomer workplace priorities, with work-life balance being first choice of both.

Can we finally offer truly Phased Retirement to the largest retiring cohort in history?

At the other end of the age spectrum from the millennials - at least for a while - sit millions of valuable and knowledgeable employees who are contemplating some form of retirement. Many of them would like to reduce their hours on a one-time basis (Partial Retirement to 50-80% time) or as a gradual decrease (Phased Retirement on an 80-70-60% progression.) Many are willing to participate in knowledge transfer processes to pass on the valuable things they know to the organization and/or specific individuals.

Unfortunately, this is not the "Phased Retirement" most employers offer or currently contemplate. Most existing programs involve the termination of regular employment (along with benefits coverage) and the re-hiring of these older workers as independent contractors. Some retirees like or prefer this arrangement. And in a buyer's (employer's) market, many more have accepted it. But changing demographics and rising quit rates could lead to serious revision of the approach to Phased Retirement.

An interesting bellwether will be the federal government's new initiative in this area - perhaps as significant as its impact in the telework arena. Confronting an aging workforce and potential "brain drain," the government has outlined a policy close to Phased Retirement, leaving implementation to the agencies. To date things have stalled on the implementation front. It seems that there is great interest in the program, but the retirement-eligible are losing patience and may simply depart. This effort bears watching as a crucible for great success - at least over time. And private sector initiatives should develop as well.

What is the trajectory of the evolving and migrating technology workplace?

I will address this issue more comprehensively in the next issue of the Bulletin. While many forces may press for increased flexibility, the great wild card will be the pressures and practices of the country's fastest-growing and widely admired industry: high tech in all its parts. Once thought of as a gaggle of companies around Palo Alto, the industry is rapidly outgrowing the Redwood City to San Jose confines of Silicon Valley. New York has a fast-developing "Silicon Alley," Austin Texas is awash in code and major cities from Boston to DC to LA each boast strong tech growth. Interestingly, New York's Silicon Alley added employees last year while Wall Street lost them.

This is not your father's workplace model. Forget the free food, the pong and the game rooms. There is a major, impactful difference in where, when and how tech people work. Marissa Mayer's "telecommuting ban" at Yahoo may have stirred protests in older industries where flex has become an assumption. But few critical voices were raised within tech. Asked at the time about their own practices, every major Silicon Valley firm said it had no ban - just "informal flex." Google's CFO went a little further, saying at a conference in Australia, "How many people telecommute at Google? Our answer is: 'As few as possible.'"

The industry may be dispersed, but its leadership and major role models remain in the San Francisco Bay Area. At the same time, there are mounting pressures for these industries to change. The recently released demographics of major firms show largely male staffs which are mostly white and Asian. Women are a distinct minority and Hispanics and African-Americans barely register. Enhanced flexibility will build diversity and greater diversity will strengthen the demand for flexibility.

Will more cities and states legislate on flex - and broaden the field of play?

We will follow this story and answer these questions as the year and the initiatives unfold. Two broad categories to watch are Right to Request legislation and so-called predictability laws. The UK, followed by several other countries, enacted Right to Request (RTR) legislation that enables employees to request flexible schedules without harassment or retaliation. The US Congress repeatedly refused to entertain such a federal law.

Thus the state of Vermont and the city of San Francisco adopted RTR laws independently. Berkeley passed a variant late last year, and New York City officials have been planning to enact similar legislation. It will be important to see how these laws perform in 2015 and what other entities join the fray in the next year or two. It is unlikely that Congress will act in this area in that period.

The final issue to keep an eye on is the emergence of what is being called predictability legislation. Again, San Francisco is first out of the gate on this with an ordinance that tries to bring greater stability and fairness to the working lives of hourly workers. As a complement to flexibility for largely salaried folks, the goal here is to offer more reliable schedules for hourly workers who may be on call and then are not needed or paid for a wasted day; for part-timers who are never offered full-time positions when they open up; etc. Such legislation could emerge independently or in a package with RTR.

Again: Welcome to the adventure that will be Flex 2015!

We welcome your comments on this Bulletin. When you write, please email me at: paulrupertdc@cs.com

Best regards,
Paul Rupert

Rupert & Company
Chevy Chase, MD
301-873-8489
PaulRupertDC@CS.com

*Rupert & Company, publisher of the **Bulletin**, is the global leader in business-beneficial flexibility.*

© 2015 Rupert & Company. All Rights Reserved