



Happy Holidays to you and your families - and may we all navigate the New Year well.

If 2008 was the year of "change", surely 2009 will be a year of "massive change." Workplace flexibility will be part of the shifts that occur. Flexibility has grown in a process of ceaseless change since Hewlett-Packard first rolled out flextime for individuals in Palo Alto in 1972 - more than three decades ago. I was running a start-up medical center in the next town that year and we were using flexibility to sweeten our recruiting offers to doctors and nurses.

In these early years as a practitioner and later as a consultant, I saw these new ways of working as valuable ways for a modest number of individuals to better integrate their work and lives. But I soon realized these early innovations were just the tip of an iceberg - part of a great glacial shift that would inexorably change the way tens of millions of us "went to work."

Just as the assembly line has given way to high-tech work stations and acres of cubicles are yielding to non-territorial offices, year in and year out our workplaces and our work habits are becoming more and more flexible. Since H-P announced flextime, every year has seen movement in the flexibility glacier. More and more companies offer more and more options. Individual choice gets harnessed to broad company business goals like space reduction and "green" strategies. The few hundred early flex timers have become tens of millions and counting.

Year end is a good time to look back and forward to discern the momentum of the flex glacier. What stands out in 2008 and what merits attention in 2009? Here are a few areas worth noting:

Valuing Flex Highly For a decade a series of public and company studies have shown the changing importance employees attach to the compensation, benefits and flexibility and work-life components of total rewards. Flexibility has risen steadily as a factor in employees', including high performers', stay/go decisions. **2008** saw no change in this trend.

2009 may be a trend-setter or breaker in this area. Given the likelihood of lower comp and benefits packages, flex could become significantly more or less attractive in the year ahead. While public surveys will track this trend over time, companies might want to consider targeted surveys. Employee attitudes are a swiftly moving target: Changes in the value attached to various forms of flex might suggest new initiatives.

Gas Prices Drive Telecommuting Observers have long assumed that if gas prices hit \$4.00 a gallon, demand for telecommuting would explode. The summer of **2008** proved it. We all read story after story, week after week about public and private employers offering telecommuting and compressed workweeks to tens of thousands of employees. As prices plummeted toward 10-year lows this fall, the stories ceased. Did new telecommuting follow? Whither the glacier?

2009 offers a very complex environment for telecommuting. Here are a few factors to consider:

- Will employees seek telecommuting or want to stay close to the shrinking office?
- Will employers aggressively offer quality telecommuting or hunker down?
- Will the new administration go green, reducing carbon footprints through telecommuting?
- Will Obama tax gas to \$4.00 (with rebates) to promote his alternative energy agenda?

It could be a remarkable year for offsite work - or a marked pause in the glacier.

New President and First Lady Promote Flexibility The **2008** Presidential campaign offered visibility and policy choices on flexibility from the candidate websites, interviews and (occasionally) the podium. Before the economic meltdown, President-elect Obama's team spoke of using the bully pulpit to encourage private employers to promote flexibility - a step beyond recent leaders' positions. Michele Obama has repeatedly identified work-family balance as a likely focus of her activities as First Lady. These were promising steps.

The realities of **2009** will present both leaders with revised and deeper lists of challenges. It is impossible to predict how their commitments to flexibility will fare in the maelstrom of the White House. At the level of national leadership, their decisions to advance or retreat on these issues will surely set the "tone from the very top."

Phased & Partial Retirement Emerges If demography is destiny, the aging baby boomers with their diverse economic needs should have already begun to reshape retirement. And some creative steps were taken in **2008**. Several companies began excellent programs offering true phased and partial retirement options in which regular employees were allowed to reduce the percentage of their schedule over several years. This slight shift away from wholesale early retirement seemed promising. And it was an advance over the common approach of having older workers retire and come back as contractors.

But **2009** poses slim opportunities and grave threats to this option. This is an excellent year for bold and innovative employers to lay the groundwork for the always demanding phased and partial retirement programs. But the massive layoffs already announced and predicted are likely to use early retirement as a major tool and maintain this area of rigidity for at least another year.

In Summary: 2009 will continue and amplify the wild flexibility ride of 2008. It could prove the best of times and the worst of times. For those companies and leaders who do not fall back on fear and tradition, there can be significant payoffs in advancing the flexible workplace. And despite a year or two of short-sighted decisions, in the end glacial change is always steady, slow and - by definition - irresistible.

Best regards,
Paul Rupert
President
Rupert & Company
Chevy Chase, MD
301-873-8489
paul@rupert-co.com