



Workplace Predictions For 2010 – Are You Ready For The Change?

SCG's thoughts on the year ahead & the potential changes in the way we work.

The majority of predictions are that 2010 is going to be a big year for business. At SCG we believe that the year will be marked by some significant changes in the evolving relationship between employer and employee. Most of these trends have been in the making for some time, but the most recent downturn of 2009 has accelerated and intensified the changing nature of the employee-employer relationship.

Most commentators would agree that the downturn has definitely left a mark on the Australian employment community and the way we work. The approaches companies have used to respond to the Global Financial Crisis (GFC) have left a lasting impression on the workers and these will start to manifest themselves throughout 2010, particularly as we start to see the economy coming back into a period of sustained growth.

For example the cutbacks, the redundancies, the relocation of work, the closing of sites, the pay-cuts, the forced time off, and the moratorium on bonuses has loosened the trust an employee has in an employer's care for them.

In response, employers will point out that the economy runs in cycles and may ask why the experience of the last 18-24 months was any different to previous recessions? The answer is that the difference was witnessed in two important ways: the use of pay cuts and furloughs (forced unpaid leave) to reduce costs. As smart as these two approaches may seem from a corporate standpoint, they have imprinted the workforce with a new understanding; that even a "full-time job" does not necessarily equate to full-time pay.

This is a new phenomenon and, as a result, we at SCG expect to see a number of characteristics in the way we work become even more prominent over the coming year. These are:

Two jobs: more people will maintain two sources of income than ever before. The holy grail of a salaried job with full benefits is no longer a safe option and in response many workers will create a series of backup options. A second job or even a small entrepreneurial venture will be the safety net that many employees seek out, giving them greater control over their fate in an increasingly unstable environment.

Adherence to standard hours: some of the GFC management approaches have planted questions in the mind of the employee about what is a standard working day (or week). Over the past decade, full-time employees have been working longer hours, including taking work home to continue in the evenings. Many companies have come to rely on these longer working weeks as staffing cuts have led to more work for the remaining employees and at the same time technology has facilitated round-the-clock work. However, with the latest cost cutting strategies



including the aforementioned pay-cuts and furloughs, the question workers are asking is “if they only want me to work four days a week, why am I doing more than 32 hours?”

A push-back against “off-hours work” is highly likely – in part because many individuals will be spending their time advancing a second work option as discussed above.

Rote work: engagement has been a hot topic in talent management circles for a long time now and the focus has primarily been on attracting and retaining employees. As workers focus on other out-of-work activities, manager will need to compete with other priorities in the employee’s life. In addition, employers will need to compete against employees who are “going through the motions”; especially as disengagement levels have increased over the last 18 months. As most managers and executives will testify, senior professional work cannot be done rotely; to be really successful requires a spark of extra effort, creativity, collaboration, and innovation. Getting workers to go that extra mile will be one of the challenges many employers face in 2010, particularly as businesses start seeing growth come back into their markets.

Diverse flexible work options: most companies have already put a variety of flexible work options in place, but 2010 will see those arrangements take hold in significant ways. In the main this will be driven by three factors:

1. the employees new work preferences,
2. the facilitation of work options by new technologies, and
3. the support by new managers, who are themselves more comfortable with the idea of “virtual work”.

In a nutshell, we can summarise the above trends by their “self-direction” and this is mainly a reaction to the experience of the last year. In essence, the downturn has left many employees questioning where their priorities lie. Despite the commitment that many people have made to their employers and despite the hard work they have put in over the years, they have seen that the relationship is not as equal or mutually beneficial as first thought. The result is that for the work they do, employees will be quick to ask “what is in it for me?”

For The Employer

As we witness these changes taking places in 2010, managers will need to use a variety of motivational methods to get the most from the employees. That being the case, at SCG we asked “what is the single best way to motivate workers?”

The answer: progress.

Teresa Amabile, Harvard Business School professor says “on days when workers have the sense they are making headway in their jobs, or when they receive support that helps them overcome obstacles, their emotions are most positive and their drive to succeed is at its peak. On the days when they feel they are spinning their wheel or encountering roadblocks to meaningful accomplishment, their moods and motivation are at the lowest”.



When you look at the motivational techniques being taught around corporate Australia there is a long list, which includes recognition, public praise, clear goals, support, etc, etc. These are indeed all good motivators, but not as good as giving workers the sense they are making headway (according to the researchers).

To set employees up to succeed is to provide the best motivation possible and there are 2 things managers can do for quick results.

1. The biggest thing a manager can do to up the progress quotient is to avoid impeding progress by changing goals, being indecisive, and holding up resources.
2. The second thing is to give workers feedback and let them know they are conquering obstacles and getting closer to the finish line.

At SCG we believe that 2010 will be a good year for commerce, but critical to a company's success will be the way managers respond to the "self-direction" trends caused by the GFC. Know what your employee is thinking, understand their motivation, and let them know they are progressing is the order of the year. May it be a prosperous one for us all!