
CHAPTER

1

Wake Up!

Go Beyond Telework

Nothing like starting out a book with a command, right? Consider it fair warning, though; this is a taste of the way we're going to interact with you as you continue reading. We're not going to pussyfoot around and make you wonder what we're *really* trying to say. You're going to know exactly how to move into the twenty-first century as a manager who is focused on what matters.

Now, could it get any more daunting to think about how things need to change as we continue down the road of this century? We talk with CEO after CEO who says "What got us to this point of success over the past

50 years will not keep us successful over the *next* 50 but we don't have a map that tells us what to change or how to do it." That's one of the reasons we decided to write this book, and I must admit that although I was excited to write it, I was also pretty anxious. Distilling the messages we want to share for approaching work and management for the next 87 years of this century (and maybe beyond) isn't something you can just sit down and whip out. But then I remembered something. When Jody and I were creating the Results-Only Work Environment (ROWE)—and experimenting with ways to design a work environment that catalyzed maximum happiness and productivity for employees' lives—we realized something. And that something *literally* made us stop in our tracks. I can vividly recall both of us walking back to our cubicles (ah, yes, the lovely cubicles) from Sandy's Place (Best Buy's in-house cafeteria), stopping at the same time, and saying, "Wait a minute. What we're doing is *simplifying* things. One of the reasons people are grabbing onto this is because we're taking away, not adding. We're not laying a program on top of an already screwed-up culture. We're rewiring the screwed-up culture so that anything that is added in the future will actually *work*." We weren't adding to the fog that hung over everyone's heads. We were helping people clear that away so that they could see, *really* see, how the world could be different.

As we started implementing a ROWE at Best Buy one department at a time, we could spot the differences in those groups immediately. And it wasn't just in their business results; it was in their attitudes, the way they

communicated with one another, the way they confidently held themselves as they walked through the main hub area of the campus, and the way their eyes lit up when we talked with them.

Then we'd walk by the corporate cafeteria at Best Buy, see people who had not transitioned to a ROWE yet, and say to each other, "Look at all of them in there. They're still sleeping." By *sleeping*, we meant that they hadn't been awakened yet to this world, one where they were free to make their own decisions, own their own time, feel attached to the ultimate outcome, and contribute to the organization and society the way they really *wanted to*. Those who hadn't gone to a ROWE yet still had empty eyes that were glazed over; they had resigned themselves to waiting for retirement to catch some glimpses of happiness. They hadn't had that fire lit from inside yet. They were still walking around like they were trying to claw their way out of the world that was holding them back from *living*.

Part of this state of sleeping is not even being aware of what you're missing. If you've never experienced what it's like to just do what you need to according to what *makes sense* instead of what time or day of the week it is, then you're sleeping. If you know it would be better to grocery shop on a Tuesday morning when it would take you 30 minutes instead of going on Sunday when it will take you 2 hours but you go on Sunday anyway, you're sleeping. If you keep telling your kids *every* day, "I can't have breakfast with you because I have to be at work by 8 AM," you're sleeping. If you've been putting off your hobbies, the things you love to do, and the people you love

and saving opportunities for retirement, you're sleeping. Like we said in *Why Work Sucks and How to Fix It*, we're programmed to think work is supposed to be awful. And sometimes, just *sometimes*, there might be glimmers of hope.

Case in point: One of the statements we use in a previous version of our pre-implementation survey to measure a work culture's baseline perception before teams go through ROWE training is, "I have complete control over how I spend my time every day." Employees use a Likert scale of Strongly Disagree, Disagree, Neither Agree nor Disagree, Agree, or Strongly Agree to rate the statements. For some clients, the response to this statement was fairly high, with most employees in the Agree and Strongly Agree categories.

Another survey entry stated: "I could arrive to the office at 11 AM or leave at 2 PM on any given day, not be judged, and not feel guilty." For the same clients where employees agreed or strongly agreed they had complete control over how they spent their time every day, this statement would come back with employees disagreeing or strongly disagreeing.

What does this tell us? People *want* to feel like they have autonomy. They want to be able to feel good about the amount of control they have over their lives and how they use their time. No one wants to truly admit feeling like a puppet whose life has been run by someone else or to face 1,023 deathbed regrets that all result from being unable to really enjoy his or her time on Earth. So people respond to the first statement the way they *want* to think things are. But when it really comes down to it, it's not

real. This is where the second statement comes in. When employees are forced to admit if they're actually executing on the control they *think* they have, they're not—plain and simple.

Jody: I remember hearing from a number of people that they were “ruined” after reading *Why Work Sucks and How to Fix It*, because it had opened their eyes to what was really missing; all the little perks they were “allowed” to have seemed empty. Now, all of a sudden—rather than being eternally grateful for being allowed to leave early on a Friday—they realized how absurd their world was. They became angered by how little control they had and realized it wasn't going to get any better. They knew that they could no longer be complacent and pretend everything was as good as it was ever going to get. Bottom line? It was unacceptable.

Enter managers.

The twenty-first century is about you waking up. And we wrote this book because we have faith that managers can do that.

We can already hear some of you saying, “Things are going so well with my business (or in my team). Good thing I'm already awake!” You might as well be saying, “Come and get me, competition. I've given it all I've got!” Really? We're actually surprised sometimes by how many

leaders say, “Well, we don’t really need to move to a ROWE right now. Maybe next year.” Maybe next year we can get our heads out of the sand and make sure we’re results-focused. Another year of focusing on the wrong things won’t hurt. Why not? We’ve been doing it for 40, 50, 60, or more years already.

WAKE UP.

You with us?

Good. (And if not, Jody will probably kick your ass.)

On your way to fully waking up in the twenty-first century and helping others do so as well, it’s time to start using the word *work* as a verb instead of a noun. As we discussed in *Why Work Sucks and How to Fix It*, work is *something we do*, not a place we go. Now we need to take those pretty words a bit further.

Every time we say, “I’m going to work now,” that promotes work as a place.

Every time we say, “I’m not at work yet,” that relays, “My brain is off.”

Every time we ask someone, “When are you getting to work?” we’re basically saying, “The physical location *is* work.”

When engaging with a group of nurses at a direct health care setting awhile back, we asked them what the most impactful part of a ROWE was for them. They agreed that it was coming to this incredibly crucial realization: that work wasn’t a place they went; it was something they did. This was powerful for me and, I have to admit, somewhat unexpected. Even for this group of people—who have residents to care for in specific locations—*work* had turned into a verb. They admitted that they thought

about work even when they weren't in the care facilities, not because anyone was forcing them to, but because that's the way our brains work. One nurse said, "I might be at home cooking dinner, and I start feeling anxious about how Miss Betty is doing. I'll call one of the nurses on shift to tell her that Miss Betty mentioned she might want to listen to some music tonight before going to sleep." This is a perfect example of how the nurses didn't have to *go* to work to *do* work. None of us do. If you're a zookeeper, the animals you care for are obviously at the zoo. But this doesn't mean you don't think about them and have ideas about how to care for them while you're not at the zoo. If you're a bus driver, you don't need to be on the bus to think about how tomorrow, when Ted gets on at 32nd and Smith Street, you're going to ask how his father is doing now that he's living in Arizona.

As *work* continues to shift from a noun to a verb, there's another remnant of the twentieth century that we can burn at the stake: the terms *remote work*, *virtual work*, and *mobile work*. Work is *work*—period.

Remote work insinuates that we're away from something, a physical location where work *should* be done. And really, isn't *all* work mobile? We always have our brains with us and could be thinking about work at any given moment. If I'm a retail employee taking a shower, I might think about a customer interaction I had that day and how I could improve the next. Am I working? Am I "mobile"? Maybe I'm a doctor imagining a new way to engage my pediatric patients while I'm falling asleep at night. Whether we're described as knowledge workers or not, our brains simply never turn off. And *virtual work* . . . as opposed to

what? *Real* work? Enough of these terms. We're simplifying things, remember?

Along with this simplification, we can also stop calling people names. That's right—labeling people is so 1990. Words to remove from your vocabulary if you're serious about moving into the twenty-first century include the following: *flex worker*, *teleworker*, *remote worker*, *virtual worker*, *mobile worker*, *telecommuter* . . . and, if we had it our way, *part-* and *full-timer*. Since when do we need to stick labels on people to be able to refer to them? Why do we label people in the first place? Simple: to mark that they are doing something different from the norm. And the insinuation that comes with the labeling is that they are doing something different from what they're *supposed* to be doing. "This is Jim. He's one of our remote workers." How about "This is Jim. He does great work for us!" Try it. It's one more step in the simplification process that will make you, and your employees, feel less constrained and contained by the practices of last century.

Okay, here comes a big one. Prepare yourself for the removal of a word that's been thrown around for the past 40 years but has done *nothing* to get us closer to focusing on results:

Flexibility—the new "F" word.

If you're cheering, you're with us. If your brow is furrowed, you're not quite sure why flexibility is so bad. If you're fuming, it's because you think flexibility has come a long way and you think we're disrespecting that. We've heard it all, and we're prepared to explain.

Flexibility had a place past century as a way to give employees some breathing room in their hectic, chaotic

lives. Coming in later, leaving early, working shorter days, working longer days with Fridays off—there were any number of “flexible work options” that organizations might offer to employees. And managers (well, most of them) have always wanted to motivate employees to do their best work. But they’re surrounded by employees buzzing about how they want work/life balance, complaining that they’re stressed out, and threatening to leave if something doesn’t change. Employees commiserate with one another daily about how they wish managers understood that they have lives in addition to the job. So to make it all stop and give them what they want, many managers instituted some flexibility. Employees were usually (and understandably) excited about this. They started chatting with one another about how their managers were so understanding, instead of venting about how much they sucked because they didn’t understand how many responsibilities they have in their lives. Managers felt like superheroes for a moment, because they were able to swoop in and give people what they needed.

But as fast as that moment arrived, it’s now gone. What managers thought would be the magic move to end all the madness creates even *more* chaos than they had started with. Everyone is focused on working from home for 4 days a week, and now they’re fighting about it. Half the team spends a good portion of the day complaining about how it’s not fair that some people get to come in at 8:30 AM instead of 8:00 AM. It seems like a good idea at this point to establish some guidelines around the flexibility, to make sure that employees know what the core

hours are, who can be flexible and who can't, and what the process is for requesting different schedules.

Jody: I'm sometimes disheartened when talking to our human resources (HR) partners in client organizations and I hear about how much time and energy they put into creating policies for work that doesn't take place in the office. Just recently, I had a conversation about some *crazed employees* who wanted to work from a location other than the office 100 percent of the time—when they came into the office every day prior to being in a ROWE. HR was busily trying to write policy around this. Perhaps we should tell them they have to be in the office at least 2 days a month! Our low performers shouldn't have this privilege! What bumpers can we put in place to discourage this behavior? WHAT? *Everyone* was hired to do a job. They need to be clear about their measurable results. If they can't meet results, no job. HR should be coaching managers to be results-focused and objective, and not to cling to old subjective beliefs about what work should look and feel like. This department is in a unique position to stop the insanity—and it's a role they must embrace.

What began as a move on the manager's part to alleviate stress levels and assist employees with their everyday lives has now turned into a different kind of

stress—all of which sits on managers' shoulders. They're stuck in a world of managing flexibility (say that aloud and notice how crazy it sounds—"managing" something that's supposed to be "flexible"?). They're in charge of how it happens, when it happens, where it happens, and who gets it. And not necessarily because it's what they *want* to be doing, but if no one takes control of it, how will the work ever get done?

Flexibility *is* the new "F" word.

It's disguised itself long enough as something that will help employees and be the "perk" that will catalyze more productivity, higher engagement levels, and overall happiness (in other words, it will stop employees from complaining about their lack of work/life balance). But flexibility is a trap. Like a shiny object, it takes everyone's eye off the ball: the results that employees need to achieve for organizations to thrive. Experts will try to tell you that you can have both: be focused on the work and also encourage people to work in a flexible manner. They might have you name it something different like Work-flex, but don't be fooled. They'll even tell you that flexibility is a business imperative that you must infuse into your culture to get the most out of your people. But that's not the way it works. You're either focused on results *or* flexibility.

It's really quite simple: When flexibility is in the mix, that's what people think about first. Results come second. They approach it as, "This is the way I want to work. Now let's hope I can get everything done this way."

When you're focused on results, however, flexibility manages itself. Employees are always looking at results

first and then figuring out how to accomplish them. In these situations, they say, “Here’s what I have to achieve. What’s the best way to do that?”

Once the word *flexibility* enters the equation, it simply becomes another thing to manage. Remember what we’re doing in this chapter: simplifying. Leave *flexibility* out of your vocabulary and see how accountability and productivity rise. Just the act of removing the word *flexibility* from your language or redirecting the conversation can be difficult to think about, so here are some quick, easy ways to start.

During the Recruiting Process

Candidate: Do you offer flexibility?

Recruiter/hiring manager: We focus on results here.

How you work, where you work, and when you work is completely up to you.

Candidate: But how much flexibility do you permit?

Recruiter/hiring manager: We don’t manage it. It’s completely up to you to make good, smart decisions about how to achieve your results.

Candidate: So do you have flexible work schedules or . . . ?

Recruiter/hiring manager: No. We trust our employees to manage their time how they best see fit. Anything goes as long as you meet your results.

With a Current Employee

Employee: I’d like to request some flexibility.

Manager: Let’s talk about the results you’re expected to achieve. From there, it’s up to you to figure out how you’ll make that happen.

Employee: But I want a fair amount of flexibility. I'm going back to school next quarter.

Manager: I'm here to manage results, not how you reach them. Let's make sure we're on the same page with what you need to achieve.

Employee: I'd like the comfort of knowing I'll be able to go back to school, so will we be able to work out my schedule?

Manager: Based on the results you need to achieve, you'll work out however you can do that and go back to school. Let's chat about those and how we're measuring them to make sure we're on the same page.

With a Peer

Peer: I'm thinking we should increase our level of flexibility to try to improve our engagement scores.

You: Let's focus on making sure everyone is clear about what they need to deliver and how they'll be measured. I think that's key to engagement.

Peer: But you've heard people begging to be able to work remotely. Let's try to figure out something that will work.

You: Whether people are working remotely or in the office, we still need to be sure they're focused on the right things. We need to start there.

With a Manager

Your manager: I've noticed you've been coming and going at some odd times over the past few weeks. If you're needing some more flexibility, we can talk about some options for your schedule.

You: I've actually found that I'm better able to focus on my results and serve my customers when I make those smart decisions every day about how I approach the work.

Your manager: Well, even though we don't have any real formal flexibility options, I think we can work something out.

You: Have you noticed anything slipping with my performance or my customers over the past few weeks?

Your manager: No, not at all.

You: Well, then I think we should just keep focusing on that and not worry about placing me into a flexibility box. If something suffers with my performance, let's talk about *that*.

With a Client/Customer

Client: I came by to see you yesterday, and you weren't around. That's actually happened the past couple of times I've dropped by. What's your schedule these days?

You: We didn't have an appointment that I missed, did we?

Client: No, no—nothing like that. Just swung in and didn't find you here.

You: I definitely want to make sure you get what you need when you need it. Call or e-mail me anytime, and I'm more than happy to set up a face-to-face appointment. I want to be sure you receive superior service from us.

Client: Well, if you tell me your schedule, then I'll just know when to stop by.

You: I work according to my clients' needs, so every day looks different. Is there something you need?

Kyle Pederson, owner of Learner's Edge—a client of ours that offers leading-edge, thought-provoking, versatile graduate credit courses for teachers—sums it up well:

ROWE is simply a more respectful, adult way of doing business. It's more respectful because it [entails] treating adults as adults. Who has given me, as a manager, the right to control the lives of my employees to such a degree as is typical in traditional work environments? In the traditional scenario, I dictate a number of things: how many weeks/hours of paid time off an employee gets; whether being 15–20 minutes late for a scheduled shift should be marked on a time card; whether a long lunch should result in an extended closing time; whether caring for a sick child is a good enough reason for not coming in, etc. The list is endless. And even in flexible work environments, where the specific examples of the heavy hand of management might be less onerous, the same management power exists—just beneath the surface.

In the end, you want everyone in your organization to go from thinking, “I need some flexibility,” to “I own the work, and it's up to *me* to decide how I'm going to get

it done.” And you can bet word will spread that yours is the organization to work for when the employee mind-set changes like this. Stopping the flexibility game and focusing on results will set you on a whole new platform for attracting and retaining talent. John Thompson, executive vice president of Dot Com at Best Buy, may have said it best when he stated, “All things being equal—great company, great business performance, great pay grades, great opportunities to grow and develop—with all things being equal, ROWE can, and will be, the swing factor.”

Right now, candidates go from organization to organization hearing the same tired spiels. Here’s what we offer, here’s how things work, here’s how much vacation time you’ll get, here’s your cube. How motivating. Now, try this on for size:

The “We’re Flexible Work Environment”	A Results-Only Work Environment
I get 3 weeks of vacation/year.	I manage my time all of the time.
I get 6 sick days/year.	I own the outcome of my work.
No merit increases this year.	Thank you for my freedom.
I get 12 weeks to bond with my new baby.	I <i>feel</i> like I’m always on maternity leave.
We have a fitness center!	I go to the gym in my neighborhood.
I can’t wait to retire.	I <i>feel</i> like I’m already retired.

One of the contemporary benefits that’s been catching on more and more in organizations is the idea

of unlimited vacation. We predict that a growing number of organizations will try jumping into this realm as this century continues. After all, about 57 percent of working Americans ended 2011 with an average of 11 unused vacation days, according to a Harris Interactive study. Although the intent behind instituting unlimited vacation is good, there are three main issues that may arise as you try to move in this direction:

1. Employees have been building up their vacation balances so that they get the paid value when they leave the organization. Instituting unlimited vacation and stopping the accrual practice as people have known it for decades might feel like you're closing down one of their savings accounts.
2. Employees with seniority might be upset that those just entering the organization will have the same amount of vacation time they do.
3. Sometimes people won't even know what unlimited vacation means. They'll interpret it as "no more vacation."

So how do you head these off? Our risk mitigation strategy of choice is to implement a ROWE *before* instituting unlimited paid time off. It will be a smoother transition—believe us. It's basically a choice of whether you want to have 70 percent of your population kicking and screaming as you drag them along or if you want to have somewhat of an easier time by reducing that cranky group to just 30 percent. Not everyone will be happy with the change, but when *is* everyone happy at the same time?

This at least allows you to increase the amount of happy campers by as much as possible.

Why the increase of people cheering about unlimited paid time off when a ROWE is already instituted? To remove a piece of work culture as strong as vacation time—and have (most) employees welcome and accept that removal—they need to let go on their terms. It can't be something the organization forces on them from out of the blue that requires them to undergo the grief cycle. Here's how it happens:

Learner's Edge executive director Julie Yaeger shares how her company's on-site ROWE training and subsequent evolution set the foundation for moving into a state of unlimited paid time off naturally instead of abruptly:

As a company, we did not bank vacation days; so when we began ROWE in October of 2011, we encouraged employees to use their vacation days through December—as we had done each year. It became clear to us during the first 3 months of ROWE, as employees were following the process of meeting responsibilities while not feeling tied to the office, that “giving” personal or vacation days just didn't seem to make sense. Our employees [took accountability for owning] their time, as we wanted—and we found that there was quite a natural transition from “giving” a number of days to be taken to simply having unlimited days. We did wait until the customary contractual and calendar break, so all employees had a chance to “use up” what days

had been given; and would recommend that process to others that don't bank, so no one felt they "lost" anything.

Another question is probably crossing your minds as we're talking about the future. What about all of this for nonexempt (hourly) employees? Can *they* have unlimited vacation? What about the regulations that exist that refer to tracking time? The US Department of Labor does require nonexempt employees to track the hours they work, which can seem very contradictory to focusing on results and letting that focus drive success. As you might imagine, we'd like to bring the Department of Labor and the powers-that-be who are keeping these regulations alive into the twenty-first century, too. We're working on it, but it hasn't happened yet. So, in the meantime, ROWE organizations have identified how to comply with these regulations but also help nonexempt employees move as close as they can to focusing on what's important: results, not time. ROWE organizations solve this problem by instituting what some call auto pay. In this system, nonexempt employees in the private sector are paid for 40 hours per week, regardless of whether they work fewer hours. According to Department of Labor regulations, nonexempt employees must track the time they work and record it according to company compliance policies. The key with auto pay is that if employees work fewer than 40 hours in a week, they are still paid for 40. If they work more than 40 hours, they are paid overtime, consistent with Department of Labor regulations.

Just like exempt employees, nonexempt employees become more efficient in a ROWE. But it doesn't take long for nonexempt employees to realize that they won't get paid their "full" paycheck if they work fewer than 40 hours. Efficiency is punished in the twentieth-century system, so most nonexempt employees have learned to spread out their work to get their 40 hours of pay. If you want to reward efficiency, auto pay is an important move to make. Jodie Monson is a business partner for corporate planning and functions at our client H.B. Fuller, a leading global adhesives manufacturer and solution provider. After completing our on-site training, Monson stated,

The focus on results, planning, and the ultimate in work/life balance were the key concepts that drew us to ROWE like bears to honey. At H.B. Fuller, we were committed to enhancing employee engagement. We spoke about empowering employees, building a high-performance culture, and retaining our top talent. Implementing a Results-Only Work Environment with CultureRx was an opportunity to walk the talk we'd been hearing from executive leadership.

Once we made the decision to transition to a ROWE, we needed the same latitude extended to salaried and nonexempt employees. We'd fall short on demonstrating a shift from time-focused to results-focused if we continued to measure our nonexempt employees by the number of hours they worked.

Unfortunately, federal, state, and local laws that were originally established to protect nonexempt employees require that this pool of workers record their hours on a weekly basis. Our first inclination was to pay everyone based on a fixed salary; however, we quickly learned from our legal staff that this wasn't a feasible legal solution on job classifications—since certain classifications required overtime pay for more than 40 hours worked in a week. Therefore, these same roles required time tracking.

We therefore established a policy that nonexempt employees would be paid for at least 40 hours per week, regardless of how many hours they worked, as long as they were meeting their expected results. We set up our time tracking system with a ROWE code that was to be used at the end of the pay period to get the recorded hours to 40 if needed. Overtime would still be paid for hours in excess of 40.

I know what you're thinking; does anyone use the ROWE code? The answer is YES. Employees have clearly set expectations, and in most cases, detailed service-level agreements. If they are meeting their expectations, delivering results, and doing it in fewer than 40 hours for the week, it is a win for everyone! H.B. Fuller is a pay-for-performance company [that focuses] on results. We are walking the talk. Employees are embracing the ability to deliver results to H.B. Fuller while being empowered to manage their lives.

Another outdated time element that is still very much alive in work culture is the concept of billable hours. I don't mean outdated as in organizations aren't doing this anymore (because they are); I mean outdated as in old, not necessary, and doesn't fit into where the world of work is going. Once you're in the ROWE mind-set, the notion of billable hours turns into a hot potato; you want to get rid of it right away and sure as hell don't want to be the last one in your industry holding onto it. It becomes so ludicrous to even think about charging clients for *time* that you want to determine another solution immediately. This is what happened at Diaz & Cooper, a Miami-based Web development and digital marketing agency.

When Diaz & Cooper signed on for our on-site ROWE training, management had already been kicking around the idea that hourly billing and time sheets were counterproductive, not to mention that the hourly billing model was ineffective and self-limiting. "Worse yet," said agency president Omara "Omi" Diaz-Cooper, "billing by the hour reduces the work we do to a commodity." Continuing to bow to time will keep producing these scenarios, shared by Diaz-Cooper:

- John gritted his teeth as he tried to recall how many hours he'd spent on the e-mail project; "I'll just put in 3 hours; yeah, that sounds about right." He'd fallen behind on his time sheets for the week and now was scrambling to get them done before his boss questioned him . . . again.
- Barbara sat idly as she often did at the end of the month. She was supposed to be processing invoices,

but because many employees had not turned in their time sheets, she couldn't do a darned thing—except sit at her desk and try to look busy. She worried that her boss would be mad that the billing cycle would be delayed . . . again.

- Charlie looked at the layout and sighed. He knew he could do a lot better with the colors and copy placement if only he had a few more hours to work on the piece. But he checked his task list and all of the design hours on the project were already used up, so he just gave up on it being an award winner . . . again.

“These scenarios pass for normal daily working conditions in almost every ad agency in the world. The culture of estimating, keeping track of, billing by time and worrying about not having enough *time* to count the time is so prevalent that it's practically a religion,” Diaz-Cooper states.

She goes on to explain, “As value pricing aligns your financial interests with those of your clients, so does ROWE align your values with those of your workforce.”

Speaking of aligning values with those of your workforce, another topic that we must address here is health and wellness programs in organizations. As we discuss the future of the work world—and having you waking up, little by little—it's time to recognize that these programs aren't the means to the end you're looking for. It always strikes us as very odd that the same organizations that chain their employees to their cubes from 8:00 to 5:00 Monday through Friday are the same ones that invest thousands, sometimes millions, of dollars

on programs that are meant to improve employee well-being. In fact, before we created ROWE, I was intimately connected to the health and wellness programs at Best Buy. When the organization built their state-of-the-art 16,000-square-foot fitness and wellness center, I was heading up a committee that was supposed to figure out how to increase employee utilization of the facility. The problem the organization was trying to solve? The center was packed before 8:00 AM, at lunchtime, and after 5:00 PM. During the other times of day, it was a ghost town. In *my* head, the reason for that was clear. And perhaps that was because I was entrenched in the everyday employee conversations that shed light on the answer: “If I’m seen in the fitness center and not at my desk at 10:00 AM, there will be hell to pay.” The belief permeating the culture was that people who used the fitness center at those “unacceptable” times were slackers. But my thoughts about this fell on painfully deaf ears. Instead, leadership wanted to schedule communications to come from them about their support for employee utilization of the fitness center in conjunction with the organization’s goals for improving employee well-being and bringing down health claims costs. Gag me. No amount of communication was going to make employees think they were safe from the wrath of Sludge, the language in the work environment that judges how people spend their time. Examples of Sludge:

“Wow, did you see Joe in the fitness center at 2:00 PM?
Wish I had time to run on the treadmill like that!”

“I saw Lisa signed up for the 1:00 PM yoga class. Isn’t she working on that big project? Guess we know where *her* priorities are.”

Jody: It certainly didn’t bode well for my *mental* health and well-being to be huffing and puffing away on the treadmill—in my spandex—when my boss walked by. Do I want my boss or coworkers to see me red, puffy, and sweating? I definitely don’t want to admit I’m out of shape but I *really* don’t want to display that in a place where the person who controls the fate of my promotion might see me. Worse yet, here I am with headphones on trying to be anonymous, and a coworker jumps on the treadmill next to me to ask me about a project! Are you kidding me? My physical health and well-being may have been improving, but mentally, I was a step away from institutionalization. And don’t even get me started on the shower room . . .”

The solution to this challenge of how to improve employee health and wellness seems so clear. Yet organizations position themselves as far away from it as they can get. Heaven forbid we actually lower blood pressure, improve mental health, combat obesity, and help people exercise more frequently by *giving them control* over their time and lives! In the December 2011 *Journal of Health*

and Social Behavior, a study by University of Minnesota professors Phyllis Moen and Erin Kelly discussed changes in the health behaviors and actual health of employees who had undergone ROWE training. They then measured those changes against those who hadn't completed training. The data show that a ROWE isn't just a morale booster; it's a way to improve your workforce's health and productivity. Professor Phyllis Moen shares, "These results show that working conditions—not just personal situations—can actually help make people healthy or unhealthy."

The following were associated with employees who reported better health behaviors in the study:

- ✓ More sleep (almost an extra hour each night)
- ✓ More exercise
- ✓ Ability to stay home when sick
- ✓ Early treatment for illness

Employees also reported greater schedule control and less work/family conflict, which led to greater health and well-being:

- ✓ Improved mental well-being
- ✓ Reduced stress
- ✓ Greater feelings of being in control of one's life
- ✓ Better overall health
- ✓ Improved energy

Another 2011 study showed that employees lowered their turnover intentions and actually turned over less than employees not in a ROWE. “There’s definitely a business case for improving employee health and well-being by giving people control over how they spend their time—which is exactly what ROWE does,” says Erin Kelly, professor of sociology at the University of Minnesota. “It’s important for organizations to understand that these initiatives have more to do with the level of autonomy they give employees than with the latest fad program.”

One of the most important things to recognize about where we’re at with “work” is that people are *done* with flavor-of-the-month programs. You’ve used up your free chances to try things and then take them away or to try things because they sound good but aren’t supported by leadership. Employees are completely numb to anything new that comes in. They don’t want to get attached, because they are all too aware of what will happen next. So why waste the energy trying to support Mr. or Ms. Big Cheese’s latest whim?

The future is not about the disingenuous pacification of employees. The employees of the twenty-first century can see right through that. The future is about stripping away all the layers of “management” skin that have formed over the past century and actually living within your own skin. It’s about doing what’s right and rejecting the management “devil on the shoulder” voice that says, “But that’s not what a good manager does.”

The *good manager* has died. *You* have been awakened.

Typical Questions

The following are typical questions managers ask when they're thinking about a ROWE for their team or organization. These questions are important because evolving to a ROWE requires a different way of solving common challenges. Lose no sleep! Here are the answers.

Q: Wait! Some people really like going into the office. Are you saying “no offices”?

A: Not at all. We're saying think about the outcome you need to accomplish first, not a physical location first and then the outcome. True confession time: Jody and I are guilty of thinking about this in the wrong order. Our first thought when we separated from Best Buy to start operating independently as CultureRx was: “Where will our office be?” We started looking at properties and even had one selected that we liked best. As we toured the space with our team during a final walk-through, it dawned on us: we didn't need a location like that; we'd never use it. But we had been laboring under the belief that you need to have a permanent common space that everyone can use. We walked away from that space, and for the past 5 years, our organization has been operating with the world as our “office.”

Now, obviously, there *are* some outcomes that will be tied to a physical location—and location is important for those. But don't become one of those organizations that focuses so much on physical location that you lose the opportunities that come from making work something you do, rather than someplace you go.

Q: Our clients like to see us in an office—not shopping—at 2:00.

A: This is true. And it's also crap. Think about it: your client would rather see you at a desk in an office staring straight ahead and dreaming about lying on a beach rather than shopping while coming up with the solution to the issue they've been trying to solve for 2 years. Over time, we've succumbed to, "Well, that's what the client wants to see, so we'll do it—even if it's not really providing the best service" . . . and even if it's killing our employees.

But let's not be too harsh on the clients or customers; after all, they're simply working off what they know. It makes them feel good to see you at your desk in the office because they equate that with good service. Anything else makes them uncomfortable. The question is, Do *you* want to continue doing what you know is going to impede your ability to move into the future? Or will you take this opportunity to gently retrain your clients on what good service *really* means?

Know that it won't be easy if you opt to gently retrain. Although we recommend taking this approach, our clients who do so generally endure some pain as they're rewiring clients' brains. However, there's a simple strategy to use with clients who try to draw you back into the twentieth century:

Client: Where is Jan?

You: Have you tried calling or e-mailing her?

Client: No, I just thought she'd be here, so I stopped by.

You: Give her a call or shoot her an e-mail. She'll be happy to assist with whatever you need.

Client: Well, when do you expect her back?

You: She'll take care of anything you need—just reach out to her.

Expect a little pain as you use this approach, but know that in the end, your organization will actually operate better and more efficiently against client needs—and clients *will* recognize that.

Q: Some people need to be managed and like structure.

A: “Some people like to have me breathing down their neck, telling them when they can use the restroom, rejecting their vacation requests, and identifying a good time for lunch. Some people just like that.” Really? Really?! And some people just like me to poke them in both eyes with rusty nails, too.

Actually, our favorite quote along these lines is, “Well, let’s face it. Jack is only a grade level 6. Those people aren’t really capable of operating with this kind of freedom.” We’re not even going to waste our breath here explaining how demeaning and demoralizing that is. If you’re a manager who has said something like that in the past, we forgive you—but don’t let it happen again.

Do some people like structure? Sure, they do. But they can decide that for themselves—and decide as well exactly what that structure needs to look like.

Do some people like to be managed? We’re going out on a limb here, but we’re going to say no. No one, anywhere, gets up and thinks, “I can’t wait to be managed today.” People do wake up and want to know how they’re

doing from a work perspective, how their performance is stacking up, and how they can improve. Always, always ask yourself whether you're focusing on managing the work or the people. If it's the people, your eye is on the wrong ball—and it's time to refocus.

Q: How do I determine what to pay part-time people?

A: This question can bring on some pretty intense pain. But it's a good sign if you're asking it, because it shows you're beginning to realize that part-time might not have a place in a ROWE. After all, part-time positions are all about how many hours, or how much time, someone is putting in. In a ROWE, of course, it's not about that at all; it's about the outcome you deliver.

We've had part-time employees who move into a ROWE say to their managers, "I should be able to go back to full-time salary because I'm still doing everything I was before but just in fewer days. And, I still find myself doing some work on my days off."

Traditionally, pay for someone who moves to or starts a part-time position is determined according to expected hours to be worked. Managers or organizations might not even address the actual workload. This is why workload is often never adjusted for people who go from full-time to part-time. The pay piece is adjusted only due to a change in the expectation of hours. People tend to accept this, because they view the new situation as one that gives them back some control over their life. But accepting less pay to do the same amount of work is a sick and twisted scenario.

The terms *full-time* and *part-time* won't exist in the future. Pay will instead be determined based on outcomes. For now, though—while we're in this agonizing limbo land where things can't change *too* fast—make sure you're determining whether workload or expected outcomes will change when adjusting pay for any reason. Time does not play into that equation, so don't let it creep in.

Q: How am I going to know if the people can get the work done if I don't do time estimates?

A: It's important to involve the team in conversations about outcomes and deadlines. It's not up to you to determine whether the people can get the work done. It's a joint effort between you and your employees to come to an agreement on what the outcome is, how it will be measured, and what the deadline is. Then it's up to your team to deliver. You should have the conversation about whether the deadline is unreasonable up front. Another option is to renegotiate the deadline, because other factors might come into play as the work process unfolds.

Time estimates do nothing but set up a weak expectation that people use as their guide, instead of using the outcome and customer expectations.

Q: I don't trust a system that's just a free-for-all. What about ethical behavior and making sure people are living our values? Does a ROWE just do away with all of that?

A: In a ROWE, people murder one another. They steal. They lie. They cheat. All the time. Every day. It's INSANE.

We've always wanted to say that in response to this question. A ROWE is most certainly *not* a free-for-all. It's an environment of responsibility and accountability, for the results and to one another. You should assume that people who are hired into an organization are trustworthy, ethical human beings; otherwise, you wouldn't have hired them. Adhering to organizational values is the ticket in.

Do a few people slip through the cracks? Yes. You might have some folks working with you who are a little less than stellar in the values category. If they're going to lie, cheat, and steal, they're going to do that whether or not you've moved into a ROWE. It's who they are. The advantage to a ROWE is that you'll spot their behavior much more quickly. They won't be able to hide because you'll be watching their outcomes, and unethical behavior will stand out in a big way. Not to mention that people start protecting the organization much more intensely in a ROWE. If coworkers in more of a traditional environment know that someone is stealing, they might think, "More power to them. If I could get away with it, I'd steal from this hellhole, too." In a ROWE, people are grateful for the autonomy they have and the lives they're able to live. So they call out the person who is acting in an unethical manner, because they don't want the organization to be hurt.

Things to Try

1. If you haven't already, read *Why Work Sucks and How to Fix It*, the manifesto of a ROWE.

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2. Challenge your brain to think about *work* as a verb. Work is something you *do*, no matter where you physically *are*.
3. Next time you hear someone say, “So-and-so’s teleworking,” examine your own use of useless labels about work location. Now, stop using them. Replace the language with a statement about the *work*.
4. Change your next “flexibility” conversation to a “performance” conversation.
5. Grocery shop on a Tuesday before 5 PM.

Things to Avoid

1. Paying for people’s mobile phones and home Internet. *So* past century.
2. Implementing an unlimited vacation policy on top of your current culture.
3. Paying nonexempt employees less money if they get their work done in less than 40 hours. Why would you punish them if the work is accomplished?
4. Managing by walking around. Let people *work*.
5. Tracking time or talking about number of hours worked with exempt-status employees.

Get Support!

Go to www.gorowe.com-books-and-tools to download a twenty-first century handbook that’s ROWE approved.

Creating an Accountability Culture

by *Karren Fink*

Karren Fink is the senior vice president, human resources, at Edmunds.com, Inc. Edmunds.com, Inc., is a Santa Monica-based company that publishes free car-shopping tools, including car prices, projected ownership costs, car reviews, and car dealer inventory listings, as well as automotive consumer advice articles, such as its renowned “Confessions of a Car Salesman” series. Each month, approximately 18 million people use Edmunds.com’s award-winning site and apps to research cars and automotive issues. The company is regularly recognized as a “Best Place to Work.”

Edmunds.com started its journey to a Results-Only Work Environment (ROWE) with CultureRx’s on-site training in February 2011. Since then, through a series of on-site training workshops, the company has established a ROWE within its entire organization.

Over the past several decades, the image of “work” has been carefully ingrained into American culture: “clock in” at the office at 9 AM, attend a meeting or two, break for lunch, and continue chugging along until the magical 5 PM hour (or, in most industries and companies, even later), at which time you’re free to resume your personal life. And we accept this schedule, by and large, because that’s just how work has always been done in most corporate environments.

But anyone who’s been a member of the professional world since before the turn of this century

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knows that we often get our work done at a variety of hours by using a variety of technologies. We could literally do our work 24/7. It's also clear these days that some work can be done without ever stepping foot in the office. Mobile technology has made it just as easy to respond to an e-mail message from a grocery store aisle as from a desktop computer. Analysts can present the same charts and graphs from several time zones away as if they were in the same room as the audience. We certainly still need to collaborate and build relationships to increase effectiveness and produce continual innovation, but we all know that the world of work has changed. Today's workers demand both flexibility and ownership of their time. They are just as dedicated—if not more so—to getting work done; they just don't want to be confined to the traditional norms to do so.

This evolving workplace is not lost on our human resources (HR) team at Edmunds.com. Our employees' needs go far beyond 401(k) packages and medical plans. They are craving environments that allow them the freedom to decide the appropriate work/life balance for themselves while fulfilling their obligations to the company.

To stay competitive, we've long strived to keep an external focus and, as such, are influenced by

strategic business thinkers. One day in 2010, the Edmunds.com chairman came to me after reading Charlene Li's *Open Leadership*. He shared an excerpt that focused on Netflix's efforts to eliminate rules and policies that get in the way of achieving excellence. The excerpt focused on how eliminating the company's vacation policy was in keeping with the company's culture: they don't track how much they work, so why would they track how much time they didn't work? Our chairman suggested that since this approach seemed to be consistent with our culture as well, we should further investigate how it might fit with our own company. The insinuation was that if we give our employees the liberty to take time off as needed, they would deliver all that they are accountable for—and more.

It was the latter part that left me feeling a little uneasy. Maybe it was my “old HR goblins” coming out, but I felt we needed to ensure that we had a culture of accountability before we could eliminate a vacation policy. I feared the extreme: no controls may lead to work not getting done at all. I felt we needed to focus on both sides of the liberty and accountability equation.

After researching more on this topic, I was fascinated by the work that Best Buy had done in this area. Its focus on results coupled with working “whenever, wherever” was intriguing to me. That's

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how I grew acquainted with the folks at CultureRx and the concept of a ROWE. Although I thought the concepts were interesting—and that they could help us reach the cultural and policy goals we were seeking—I didn’t want it to be a typical “HR policy initiative.” I wanted this to be a business initiative that we felt compelled to implement to ensure we were attracting and retaining top talent.

Our chief information officer (CIO) had also been exposed to similar encouragement from our chairman on this topic. As such, he could see the value in what a program like this could do for attracting top information technology (IT) talent (a competitive talent market anywhere, but particularly in Southern California). He was eager to test this out and recommended two of his teams to pilot a ROWE and evaluate the pilot’s success against three criteria:

1. Are we meeting results?
2. Do the employees like it?
3. Is it generating buzz in other parts of the company?

It didn’t take long for us to get our answers. The teams regularly finished their projects ahead of schedule, which allowed them to tackle even more

objectives. Employees felt a more powerful sense of pride in the work they accomplished, while at the same time reporting a more effective work/life balance. And others in the company took notice, especially as our CIO shared with other department leaders how satisfied he was with his teams' performances.

We took another three teams through the pilot with similar results. At that point, we knew we had "tested" enough and were ready to make the leap. Within 18 months from the first pilot, we rolled out ROWE into every part of our company.

Often times I find that an outsider's first reaction to a ROWE is, "Wow, that's really cool that you offer so much independence." And then that sentiment is almost always followed up with, "So it's a workplace that actually treats you like an adult!" This latter reaction strikes to the core of what makes a ROWE so successful: treat your employees like adults, and they will behave like adults.

But transitioning to a ROWE does not come without challenges. Perhaps above all else, ROWE participants need to always keep one theme in mind: results are king. It is not a *Remote-Only Work Environment*. Everyone is accountable for the results they are expected to achieve. Much of these changes, of course, start at the top, and it is important for department leaders to embrace these

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cultural transformations and reinforce them to their teams.

By instituting a ROWE, we've taken one giant step toward distinguishing ourselves from other companies, something that has allowed us to be more competitive in recruiting top talent. A ROWE also offers us the flexibility to eliminate the geographic restrictions in our recruiting process, which in turn allows us to consider the brightest and most motivated candidates, no matter where they're based. But there's also the huge perk of the freedom to avoid a commute at the height of rush hour for our local employees, especially in a city like Los Angeles, where Edmunds.com's headquarters office is located.

Oh, and by the way, we also changed our vacation policy to one that no longer considers formulas, tracking, or arbitrary limits. Our time away from work policy fits hand in hand with a ROWE: take time off whenever you need and want, as long as the work is covered.

What makes Edmunds.com such a unique and innovative company is our desire to fearlessly approach new ideas and mold them to suit the best interest of both our customers and the staff that serves them. Our shift to a ROWE fits perfectly within that philosophy. And even though we're still

in the relative infancy of a ROWE, we feel we've already taken the lead to usher in a new era of workplace culture that motivates employees to take more ownership and accountability.

And that's one result that we *all* want to see.

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