

What Is a Results-Only Work Environment?

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Ask any manager to describe the best way to evaluate direct reports and she's likely to mention results — that is, how well employees perform tasks and accomplish goals. But according to former Best Buy HR managers Cali Ressler and Jody Thompson, few managers actually evaluate on that basis. Instead, most managers reward employees based on how much time they log at the office or how well they navigate office politics. To correct this common problem, Ressler and Thompson developed the Results-Only Work Environment (ROWE) at Best Buy.

ROWE is a management philosophy based on the premise that giving employees complete control over their time is the best way to increase productivity in the workplace. If Best Buy is any example, the system can work: Departments that use ROWE report average productivity increases of 35 percent. Now Ressler and Thompson have spun off their own company, **CultureRx**, and written a book, *Why Work Sucks and How to Fix It*. As their idea gains media attention, the question is whether or not ROWE can work outside of Best Buy.

Key Stats

- **Buzzword coined:** 2003
- **Created by:** Former Best Buy HR managers Cali Ressler and Jody Thompson
- **Time to implement:** Moving a team to a ROWE takes an average of six months
- **Notable impacts:** At Best Buy, voluntary turnover (good people leaving) fell from 22 percent to 2 percent while involuntary turnover (pruning deadwood) increased 77 percent. (Based on a Best Buy study of three ROWE teams over two years.)

How It Works

As Ressler and Thompson put it in their book, "In a Results-Only Work Environment, people can do whatever they want, whenever they want, as long as the work gets done." This is not simply company-sanctioned flextime. A true ROWE has unlimited paid vacation time, no schedules, no mandatory meetings, and no judgments from co-workers and bosses about how employees spend their days. In other words, managers trust employees to get their work done and do not mandate — or even comment on — when, where, or how it happens. Because everyone is evaluated based on what they accomplish, as opposed to how much time they spend looking busy at their desks, it becomes clear very quickly who is actually getting work done and who isn't.

What this looks like on a daily basis is different for every employee. For example, one Best Buy e-learning specialist completes an entire month of work in two weeks so that he can spend the rest

of the month following his favorite bands around the country, checking in with the office via email and cell phone. For someone else, it might mean working from 6 a.m. to 10 a.m. and then logging back online at 8 p.m., whether from the office, home, or a resort in Hawaii.

Why It Works

ROWE advocates say that a relentless focus on results forces managers and employees to be clear about job descriptions and expectations. Scott Jauman, a Lean Six Sigma Master Black Belt at Best Buy, says teams learn how to communicate more effectively and plan ahead around each other's schedules. Plus, they learn to work together and back each other up in new ways. Ressler and Thompson call it cross-training: Employees tend to be more willing to fill in for co-workers when necessary, and in the process they learn new jobs.

Many of the productivity gains that result from a ROWE come from its effectiveness at retaining and motivating valued employees. At the same time, a ROWE exposes a team's underperformers, the ones who used to get away with contributing little. The net result is a stronger team that can do more with less. For example, after migrating to a ROWE, Best Buy's strategic sourcing and procurement team boosted employee retention by 27 percent and shed 10 low-performing employees. But the real proof was the huge uptick in performance: The department, which buys materials for the corporate environment, saw a 50 percent increase in cost reductions over two years.

Where It Works — and Where It Doesn't

So far, Best Buy has implemented ROWE in most departments at its Minneapolis headquarters, where the company's so-called knowledge work happens, but to date the philosophy has not made its way into environments other than offices. According to Best Buy, the company has discussed bringing ROWE to the retail floor but does not yet have a vision for how it would work. "ROWE obviously has some limitations in the service economy, where a number of jobs require coverage, like dealing with people in a hotel or retail store," says Tammy Erickson, author of the Harvard Business blog [Across the Ages](#).

Likewise, ROWE is ill-suited for industrial environments, says Lance Haun, who writes the [YourHRGuy](#) blog and heads up HR at an 800-person aerospace manufacturing company in Portland, Ore. "Our operation has a lot of cogs going at the same time," he says. "I think it would be very hard for [ROWE] to work even remotely well in this large-scale environment."

Also unclear is how inherently time-driven workplaces such as stock brokerages and doctors' offices, which must operate on the external schedules of entities like stock markets and patients, could offer employees complete control over their work hours. In addition to helping about 80 percent of Best Buy headquarters employees (roughly 3,200) migrate to a ROWE, Ressler and Thompson have successfully transitioned one other company, a small Wisconsin-based insurance brokerage firm. Several other companies are in the process of trying pilot programs.

Who It Works For

In theory, a ROWE would work for anyone whose work is project or task based, regardless of whether the employee is an individual contributor or part of a team. In practice, however, a ROWE comes with several caveats. Perhaps the most significant one is the fact that for a ROWE to be effective, it requires a mature, goal-oriented manager. Erickson points out that in traditional work environments, many employees complain that they can't be measured by results because their leaders don't articulate what they want them to accomplish. "A ROWE takes it to the next level and forces managers to figure out what they want done," Erickson says, and not every manager will live up to that challenge. Employees, for their part, need to deliver.

"If you don't have enough self-discipline to stay focused when away from the office, you will struggle," says Jauman. Even for workers who choose to go into the office every day from 8 to 5, a ROWE necessarily requires more self-motivation because managers no longer play the role of supervisor. After two years, Best Buy saw a 77 percent increase on average in involuntary turnover across three ROWE departments — meaning, the number of people the company fired for underperformance soared.

Legal Issues

Thompson and Ressler admit that ROWE is complicated when it comes to issues such as nonexempt (hourly) workers. Federal law requires that hourly workers log the time they work so that they can be paid overtime if necessary. But part of the migration to ROWE is a psychological shift away from thinking about work in terms of time. Nonexempt workers in a ROWE would have the freedom to set their own hours, but by law they would also have to meet the very non-ROWE requirement of tracking their time in order to be paid.