

The End of Time-Based Management?

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Tammy Erickson writes about employee values, changing demographics in the workplace, and how successful organizations work. She writes the Harvard Business blog *Across the Ages* and is the author of several books, including *Retire Retirement: Career Strategies for the Boomer Generation*. We asked for her honest assessment of Best Buy's *Results-Only Work Environment (ROWE)* and its philosophy of measuring work by tasks accomplished rather than by time spent.

Is ROWE the workplace of the future?

Erickson: The idea of decoupling time [from results] is the rule of the future, whether it will be in that form or not. We need to stop measuring work in hours and start measuring it in terms of task or production. If you look at the history of using time to measure work, it's a relatively recent concept starting around the 1930s, when assembly-line production became too complex to determine what you did or what I did. Prior to that, people were paid according to how many buttons they sewed: by task. In the overall scheme of history, the whole hourly thing has just about served its purpose; I think it will be associated with the industrial economy. It just doesn't make sense to pay by the hour to write a piece of software.

Why is ROWE important and relevant right now?

Erickson: Companies are really struggling hard with people in their 20s [Generation Yers] and 30s [Gen Xers]. The stats on the number of Gen X women dropping out of the workforce are alarming. A lot of it comes from an unwillingness to make family sacrifices. Companies are looking for creative, flexible arrangements for keeping workers in the workforce. I think that was at the heart of Best Buy's drive for a more family-friendly work environment. That's one thing a lot of Gen Yers don't tolerate well: the pace of corporate work. They're so critical of how long it takes to get things done and how slow their colleagues are. It's very attractive to Gen Yers to be in a ROWE and be able to get work done anytime, day or night, as fast as they can do it. They don't have to stay eight hours if they can get their work done in five. And anecdotally, many of them are a lot faster at their jobs.

Does a ROWE have any limitations?

Erickson: ROWE obviously has some limitations, especially in the service economy, where you need people present during certain hours. Even Best Buy would admit they haven't figured out how to apply

it in the retail environment. This kind of environment will become more flexible but not completely ROWE based.

Another interesting angle is the ethical question of whether it's fair to move to a ROWE when different classes of employees do tasks at very different speeds. If the company went to a ROWE, older employees might have to work 60 hours a week while younger employees work 30 hours to accomplish the same task. The question is: How do we feel about that? I can argue either way that it's fair or not fair. Companies haven't been able to get comfortable with that.

Is “face time” in the office overrated?

Erickson: Yep, I do think it is — with one caveat. We've done quite a bit of research and found that effective work relationships need trust. Most workers over 30 initially develop trust through face-to-face relationships. Once I trust you, then my need to get together for face-to-face time is quite minimal. My willingness to collaborate actually diminishes if I'm forced to spend a lot of time in meetings with you. One interesting question is: Will 20-year-olds be able to develop trust without ever meeting people face-to-face? I don't know the answer. Maybe they're already used to doing that online. Sometimes I think people have meetings just because they feel embarrassed. They think, “Why did we pay \$4.50 a gallon to drive to the office?”

Does ROWE ask more of the managers or the employees?

Erickson: It definitely asks more of managers. Even with something as simple as flextime, managers say to me, “But that would make my job more difficult.” Yes, it would! People don't want to complicate their own jobs. But by doing it they're going to attract more talent and a higher caliber workforce. My suspicion is that a lot of the evolution of the workforce is on hold as people are preoccupied with the economy. As the economy picks up speed, and hiring resumes in full force, we're going to find there aren't enough people. Reaching for ways to attract top talent will gain momentum.