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Reworking Work

The following is a digested version of an article that appeared in Time Magazine, Monday, July 18, 2005.

What happens when employees punch their own clock? They're happier--and more productive. An inside look at Best Buy's bold experiment.

By Jyoti Thottam

Jennifer Janssen is having one of those days. She works in the finance department of Best Buy, and one of the company's electronics suppliers is furious because he claims he has not been paid. "He told me, 'I'm not going to ship any more product to your company unless I get this issue resolved,'" she says. She has to fix the problem by the end of the day, but the 35-year-old mother of 5-year-old twins also has to pick up her children from day care. What happens next? Perhaps she makes a sheepish call to her husband, asking if he could skip out early while she puts out the fire at work. (Again?) Maybe she scrambles madly to find someone who can clean up the mess in time for her to sneak out at 4. (Did anyone see me?) Or perhaps, after another late night, she spends the car ride home wondering whether she should just quit. (This time, I swear!)

But no. Instead of "swarming around all over the place, trying to find a body" who can cover for her, Janssen is calm. As she figures out what happened to her vendor's check, she knows that she will walk out of the office at 4--without guilt, without looking over her shoulder--because even if a solution isn't found by then, she can keep working on it from her laptop at home. No one whispers that she's leaving. In fact, no one notices. That's because Janssen is part of an ambitious new experiment to solve the problem of overwork. Like many other U.S. companies, Best Buy has struggled to meet the demands of its business--how to do things better, faster and cheaper than its competitors--with an increasingly stressed-out work force.

The company's ethos has always glorified long hours and sacrifice. One boss gave a plaque to the employee "who turns on the lights in the morning and turns them off at night." Darrell Owens, a 14-year Best Buy veteran, once stayed up for three days in a row to write a report that was suddenly due. He got a bonus and a vacation, he says, but first, "I ended up in the hospital." Cali Ressler, a human-resources executive, had noticed an alarming trend: women were accepting the reduced pay and status of a part-time position but doing the same work because it was the only way to get the flexibility they needed. "If we keep moving the way we're moving," she says, "women are going to be in the same place we were 40 years ago."

Sound familiar? The number of people in the U.S. who say they are overworked has been rising, from 28% of Americans in 2001 to 44% last year, according to the Families and Work Institute. But instead of launching yet another "work-life balance" program, Best Buy is rethinking the very concept of work,

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challenging Ben Franklin's aphorism that "time is money." Under the results-oriented work environment, or ROWE, employees can work when and where they like, as long as they get the job done.

The experiment is only three years old, and TIME got an exclusive look at how it is going from the managers who have learned not to be control freaks to the hourly workers who no longer have to punch the clock. Entire departments join at once, so that no single employee is left out and made to feel less dedicated. Thus far, nearly half the 3,500 employees at Best Buy's headquarters in Minneapolis, Minn., are part of the effort. Each group finds a different way to keep flexibility from turning into chaos. The public relations team got pagers to make sure someone was always available in an emergency. Janssen got software that turns voice mail into e-mail files accessible from anywhere, making it easier for her to work at home. Many teams realized that they need only one regular weekly or monthly staff meeting, so they got rid of the unproductive ones.

The freedom, employees say, is changing their lives. They don't know if they work fewer hours--they've stopped counting--but they are more productive. That's welcome news for a company that hopes its employees will give it a competitive edge. Along the way, they go through a wrenching reprogramming of their attitudes toward work. What if you didn't get credit for putting in the longest hours? As a manager, how do you establish your authority? As an employee, how do you get ahead? "It takes away everything that you felt was normal," says Owens.

The ROWE experiment started quietly, when Ressler, who manages Best Buy's work-life balance programs, helped a troubled division of the retail group in Minneapolis deal with sinking employee morale. Ressler encouraged the manager to try flexible scheduling, trusting his team to work as it suited them. "He said, 'Well, trust doesn't cost me anything,'" she recalls. The innovation was that the whole team did it together. While the sample size was fewer than 300 employees, the early results were promising. Turnover in the first three months of employment fell from 14% to zero, job satisfaction rose 10%, and their team-performance scores rose 13%.

When Jody Thompson, Best Buy's "organizational change" guru, heard about Ressler's work, she pushed the company's management to make total flexibility available to everyone. No one is forced into it; teams sign up when they're ready. Best Buy expects that ROWE one day will apply to the whole company. At the moment, it is working on a version for the 100,000 retail employees in its stores, a much more difficult task because most of those employees are hourly, and their work is regulated by federal law.

The transition to a flexible workplace in Minneapolis was slow. "There was a lot of trepidation," says Traci Tobias, 36, who manages travel reimbursements for Best Buy. "A lot of, Can I really do this? Do I need to stop and tell someone? What will people think of me?" Each ROWE team had to deal with those fears. "We took baby steps," Tobias says. The first step was an online calendar in which everyone entered exactly where they were at any given time. After a few weeks, the employees abandoned the calendar and now just use an ad hoc combination of out-of-office messages and trust. "There is no typical day," Tobias says. On a recent Wednesday, she slept in, went to a doctor's appointment and arrived in the office around 10 a.m.

When Tobias needs to find people, she checks the whiteboards hanging outside their cubes, where she and her co-workers write down where they are on any given day: "In the office today." "Out of the office this afternoon, available by e-mail." The impromptu meetings are gone, but business done by cell phone is way up. Because she no longer assumes that everyone is around, Tobias makes more of an effort to catch up with her colleagues by phone or e-mail instead of just dropping by someone's office. "You can still have those conversations," she says, just not always in person. She noticed that e-mails have gotten more concise and meaningful, with much less "FYI." And as everyone started to rethink their priorities, guess what fell to the bottom of the list? "We spend a lot less time in meetings," Tobias says. They used to have a two-hour weekly staff meeting that often devolved into chit-chat. Now, if they don't need to meet, they don't.

The transition required a lot of deprogramming of old attitudes, and it produced a lot of pain. Some employees break down and cry in ROWE training sessions. "People in the baby-boom generation realize what they gave up to get ahead in the workplace, and a lot of times it's their families. They realize that it doesn't have to be that way," says Ressler, her eyes tearing up. In particular, men thank her and Thompson, who run the sessions, for giving them permission to spend more time with their families. "They know now they can do it and not be judged," says Thompson.

The change also has exposed some ugly attitudes among managers. When Thompson proposed extending flexibility to hourly workers, the managers resisted, arguing that "there are certain people that need to be managed differently than other people. 'Because we believe that administrative assistants need to be at their desk to 'serve' their bosses,'" she says. That issue is not yet resolved, but Thompson says ROWE is forcing the company to confront it.

For now, Best Buy's hybrid nature--half flexible, half 9 to 5--is stirring conflict too. Ressler and Thompson get desperate e-mails from a handful of ROWE employees--accustomed to freedom--who have moved to jobs in departments that still operate on traditional schedules. "We could have a counseling clinic up all day long," Thompson says. "They feel alone." On the other side, Denise LaMere, a Best Buy corporate strategist, has struggled to figure out how to prove herself in the new environment. "It made me very nervous," LaMere says. Without children, she once had an advantage--she could always be the first one in and the last one out. "I had all this panic," she says. "Everything we knew about success was suddenly changing."

The deprogramming begins with what Best Buy calls "sludge sessions," because they are where employees dig out the cultural barriers to change--the jokes and comments that reinforce overwork. "It's like, coming in at 10 o'clock and someone says, 'Wow, I wish I could come in at 10,'" Tobias says. "It's really hard to let that bounce off and not be defensive." LaMere, 32, says she used to gossip about who was taking an extra-long lunch break. "We were all watching each other," she says. "You don't want to be seen eating in the cafeteria." LaMere always ate at her desk.

During the first few weeks in ROWE, employees call "sludge" out loud when they hear an offending comment. They try to keep a sense of humor about it--some teams put a dollar into a kitty for every sludge infraction. Yes, it sounds weird, but it can help people break their bad habits, says Phyllis Moen, a sociologist at the University of Minnesota who is studying Best Buy's ROWE employees. "These are all examples of the way we use time to say how valuable we are," she says.

Managers have put up the most resistance. The hardest part of the transition to ROWE, says Tom Blesener, one of the first to go through it, was accepting responsibility for the stress his employees felt. "It was me," he says. "That was hard." Blesener also had to learn how to stop treating his employees as if they were "unruly children," he says. The 44-year-old supervises 27 people who handle the company's extended-warranty services. His 20 hourly employees told him they were sick of punching time clocks. "They felt it was almost inhumane," he says. Now these data-entry clerks and claims processors focus on how many forms they get through in a week, rather than when they do it. They still count their hours (Best Buy has to follow overtime rules), but they have more freedom to schedule their work around their families' needs.

In the end, Blesener had to give up some of his control. When a client needed someone to be available on Saturdays, Blesener left it up to his team to decide how to handle the coverage. Under ROWE, he can't stop by his employees' desks and spring deadlines on them--they might not be there. He now plans his whole team's work more carefully and meets with each of his direct reports weekly. "It requires you to get to know your people on a much deeper level," he says.

Total flexibility may not be for everyone. For instance, Best Buy's legal department so far has resisted the new way of working, partly because the in-house attorneys are worried that it will reduce their pay, says

one of them, Jane Kirshbaum, 40. Best Buy's lawyers are compensated in part based on how well they serve their clients--other departments that have legal issues--and they are not connected to any revenue-generating part of the business. Kirshbaum wonders if they will be criticized as unresponsive if they take off one afternoon. She admires the freedom the employees in the ROWE program seem to enjoy. She changed to a four-day schedule after the birth of her second child last year and struggles every day with the push of work and the pull of family. Still, she is not convinced that ROWE will work for her. She already checks e-mail and voice mail on her "day off." Will ROWE push even more work into her down time? Without everyone in the office, she asks, "How do you make sure that the person who's left is not the person who's dumped on?"

Those are serious concerns. In exchange for more autonomy, Best Buy employees give up the guidelines that signal where work ends and leisure begins. Janssen says the hardest adjustment was "not working 24 hours a day. Because you have that ability now. I had to learn when enough is enough." Moen says the old rigid system is comforting for routine-loving workers. ROWE, she says, "could be harder for people who want order in their lives."

Despite all the challenges, employees who have already made the switch say the benefits of "ROWE-ing," as they call it, are profound. Tobias says she has stopped avoiding her children. "I was getting up in the morning, rushing to get out of the door before my kids were awake," she says. If her children, ages 4 and 2, saw her, they would beg her to stay for breakfast. Now, because her quarterly goals are very clearly spelled out, she knows exactly what she has to finish in a given week--negotiate a rental-car contract or audit expense reports, for example. She can decide how and when to do it. If she wants to have a leisurely breakfast, she will. "My kids have stopped saying every morning, 'Mommy, I don't want you to go to work,'" she says. It isn't perfect. "The family doesn't always win," she says. But the family doesn't always lose either. "I don't feel guilty anymore."

Janssen, for her part, had considered leaving when she was pregnant. "Now, it's not even an issue," she says. As for Blesener, the retail supervisor, he went to his first parent-teacher conference, a task that had always fallen to his wife, a stay-at-home mother to their two sons. Joe Pagano, 55, a vice president who works in merchandising, looks back in sadness at all the sacrifices he made. While his wife stayed at home with their son and daughter, "I basically worked every Saturday, and some Sundays," he says. "It's one of the biggest regrets of my life." After his department switched to the new system, he started taking an afternoon here and there to play golf. He went to Special Persons Day at his grandson's school. If things had been different, "I probably would have been a better father and husband, and a better manager," he says. "I'm doing this so other people do not do what I did wrong."

Ultimately, for Best Buy, the new approach to work is about staying competitive, not just helping its employees. Like many other companies facing global competition, Best Buy expects more training, more initiative, more creativity from all its employees. The company doesn't guarantee job security: it laid off or outsourced 895 people last year at its headquarters. But management has realized that it can't expect so much from its employees without giving something in return. "We can embrace that reality and ride it, or we can try to fight it," says Shari Ballard, an executive vice president. Best Buy has decided to take the bumpy ride.