

ROWE BUSINESS CASE



1.1 CultureRx	3
1.2 Results-Only Work Environment	3
1.3 ROWE vs. Flexible Work Arrangements	4
1.4 ROWE Characteristics	4
Section 2. The Case for Change	5
2.1 The Challenge	5
Section 3. Case Study Results	6
3.1 Talent Retention — Productive Turnover	6
3.2 Productivity	7
3.3 Employee Experience	7
Section 4. Summary	9
4.1 Summary	9
Section 5. Appendices	10
5.1 ROWE and Communication — a Study	10
5.2 The University of Minnesota Study	10
5.3 Financial Services Firm Case Study Results	11
5.4 Fortune 200 Retailer Case Study Results	12
5.5 Non-Profit Organization Case Study Results	13

Section 1. Executive Summary

to learn more about a results-only work environment, visit us at www.culturere.com



CultureRx is committed to helping organizations take advantage of the next great wave of change in the global workplace: the movement to ROWE — Results-Only Work Environment.

CultureRx connects ROWE with individuals, small groups, departments, divisions, or entire, large organizations through its products and services.

This revolutionary approach to workplace culture is the centerpiece of our mission at CultureRx. We are committed to employees being vested in the “big picture” through a new lifestyle; a new way of thinking; a method of engagement and a new yardstick of their commitment to the workplace and their performance.

CultureRx bases its work in a new personal brand engagement strategy – on the belief that truly great brands are built from within the organization, one person at a time – and that they are best built when people can utilize a ROWE lifestyle to get the job done!

1.2 *Results-Only Work Environment*

ROWE is a bold, cultural transformation that permeates the attitudes and operating style of an entire workplace, leveling the playing field and giving people complete autonomy. Management can stop monitoring the hallways, and focus their energy on the business.

With ROWE:

- There is no need for schedules
- Nobody focuses on “how many hours did you work?”
- Nobody feels overworked, stressed out or guilty
- People at all levels stop wasting the company’s time and money
- Teamwork, morale, and engagement soar
- There’s no judgment on how people spend their time

ROWE is all about results. No results, no job. It’s that simple.

ROWE creates an environment that will best serve the needs of your customers, both internal and external, by allowing teams to meet the customer in a seamless and ubiquitous fashion.

1.3 *ROWE vs. Flexible Work Arrangements*

to learn more about a results-only work environment, visit us at www.culturerx.com



s this

ROWE is not Flextime. ROWE is not Telecommuting. ROWE is not Job-Sharing.

Results-Only Work Environment

Flexible Work Arrangements

No permission needed	□ □	→	Permission required
Unlimited options — fluid	□ □	→	Limited options — inflexible
Employee managed	□ □	→	Management controlled
Based on the work	□ □	→	Based on hours
Requires accountability/clear goals	□ □	→	Requires policies/guidelines
Focused on ‘the work’	□ □	→	Focused on ‘time off’
Adaptive solution to overwork challenge	□ □	→	Technical solution to overwork challenge

1.4 ROWE Characteristics

A Results-Only Work Environment culture has the following characteristics:

- Trust and mutual respect between managers and both hourly and salaried employees
- Flexible roles and responsibilities
- Constant focus on the customer’s needs
- Results-Only edge
- Sense of commitment to the team and to the Company
- Freedom to act and to be held accountable
- Personal ingenuity and risk-taking
- Dynamic and frequent change

Section 2. The Case for Change

to learn more about a results-only work environment, visit us at www.culturere.com



Companies today are facing many challenges in the quest to optimize work. Is your company attempting to solve for the following challenges?

- Maximize workforce capacity to drive productivity that supports growth strategy
- Attract and retain the best talent
- Increase employee satisfaction
- Eliminate waste & inefficiencies
- Create work/life balance
- Harness the talent of the multiple generations in today's workforce

The workforce is evolving demographically, requiring companies to begin rethinking the work, and how, when and where it will get done. A company's ability to attract and retain top talent, as well as motivate existing employees, will be critical to future growth & success. The following statistics from The Perfect Labor Storm (www.perfectlaborstorm.com) act as a 'wake-up call', requiring companies to act now — adopting strategies that will prepare them to move business into the future:

- By 2008 the number of young adult workers, from 25 to 40 years old, will DECLINE by 1.7 million. That's 1.7 million fewer workers to replace the nearly 77 million baby boomers who will be eligible for retirement.
- One-fifth of this country's large, established companies will be losing 40 percent or more of their toplevel talent in the next five years.
- The replacement pool of 35 to 44-year-olds will decline by 15 percent in the next five years.
- The 50 and older population from 2000-2050 will grow at a rate 68 times faster than the rate of growth for the total population

ROWE addresses current and future workforce challenges. Successfully adopting a Results-Only Work Environment (ROWE) will position your company to attract and retain a pool of talent that will show up energized, disciplined, fluid, flexible and focused—ready to deliver all results necessary to drive the business. The resulting workforce is more efficient, productive and loyal to the organization while feeling satisfied, fulfilled, and in control.

A Results-Only Work Environment is a proven Total Rewards differentiator. Your company can gain a competitive advantage by adopting a ROWE mindset.

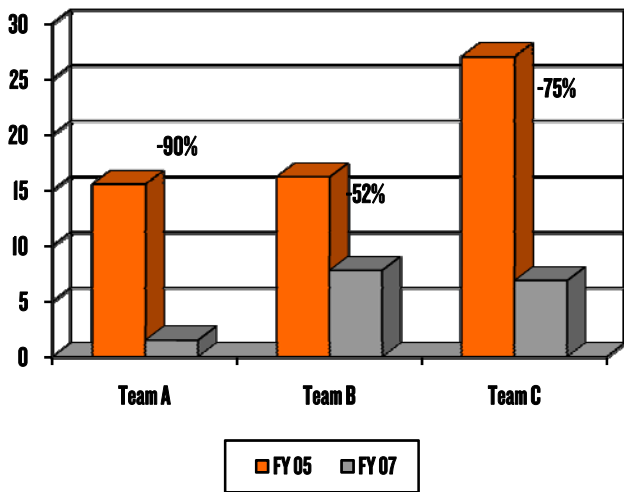
Section 3. Best Buy Co. , Inc. Case Study Results

to learn more about a results-only work environment, visit us at www.culturerx.com



ROWE teams at Best Buy Co., Inc. are experiencing a DECREASE in voluntary turnover rates — the company is retaining the right talent. ROWE teams also experience an INCREASE in involuntary turnover rates — unsatisfactory performance is exposed.

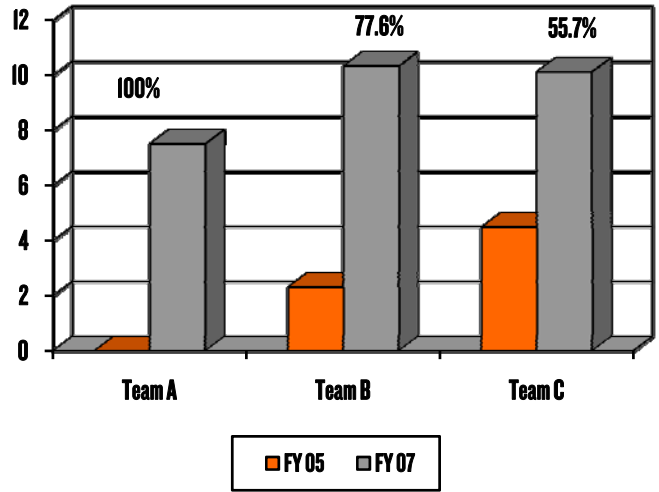
Voluntary Turnover Rates



In ROWE teams, Voluntary Turnover Rates are trending down.

The company is **RETAINING** Talent.

Involuntary Turnover Rates



In ROWE teams, Involuntary Turnover Rates are trending up.

Managers are focused on **PERFORMANCE**.

Cost Savings Associated with Reduction in Voluntary Turnover

3.2 Productivity

Knowledge Work

In a Results-Only Work Environment, productivity for knowledge workers is measured based on 'perceived

ROWE Team	Number of Employees	Voluntary Turnover FY05	Voluntary Turnover FY07	Voluntary Turnover Improvement (% points of change)	Average Turnover Cost per Employee	Voluntary Turnover Savings
Team A	~ 140	15.51%	0.00%	15.51%	\$102,000.00	\$2,148,288.00
						,080.60
						,470.00

to learn more about a results-only work environment, visit us at www.cultureRx.com



gain'. The CultureRx Post Migration Culture Audit uses a sliding scale of 1-100%. Managers and employees report individual perceptions of their productivity gains by choosing a point on the sliding scale. If an employee reports a perceived productivity gain of 40%, and the manager (who is measuring 'business outcomes') reports a gain in the outcome of projected business targets, then the perceived productivity gain is driving real results.

PERCEPTION: The CultureRx Post Migration Culture Audit reported an average **44.59% PERCEIVED gain in productivity** for 'Team C'.

REALITY: During the time that the PERCEIVED gain was measured (CY 2004 –2006), 'Team C' realized a more than **50% INCREASE IN BUSINESS RESULTS** (cost reductions) year over year without adding additional headcount.

Production Work

Production work is measured by managers in terms of outcome per hour with process remaining unchanged.

- In a department of 'Team A', management is reporting a 10-20% increase in productivity per employee which has resulted in an approximate \$10 MM annual benefit for the company.

3.3 Employee Experience

The following are comments from employees working in a ROWE about their experience at Best Buy's Corporate Headquarters:

- "In my 10+ years as a manager, I have never seen a concept that could more quickly or completely unleash the power of employees to focus on customers' needs, eliminate waste, motivate teams, or attract and retain talent better than ROWE. It is an essential tool for managers to be successful and for companies to remain competitive in today's business environment and it is the one tool I never want to be without."
- "I love the ROWE environment. It gives me balance and less stress! It also forces clear goals and expectations. It makes me feel like I'm in control of my destiny."
- "ROWE is the best thing that has happened to me in my work environment. I feel less stressed, more engaged and responsible for the work I put out, and I feel more trusted and empowered by my manager and others on my team. My whole view of my job and 'work' has changed significantly for the better. I truly believe my team has embraced the essence of ROWE, and since its rollout I feel even more confident in my co-workers' integrity and work ethics."
- "Since ROWE began my outlook on my job and team has improved tremendously. I am so much more productive and positive. My team is much more goal oriented and positioned to accomplish

- “The ROWE environment has re-energized me. This is a great program and has increased my production tremendously.”• “ROWE is awesome - my loyalty to the company is 100% as a result. [The Company] as a whole definitely cares about our work/personal happiness.”
- “I like working for a company that understands life outside of work. ROWE has enabled me to probably work more hours, however feel that I have time for everything in my life. I am therefore less stressed and can work more and more efficiently. I feel more in control of my work and that I have more to offer, which makes me feel good as a person.”
- “ROWE! It’s the greatest concept ever. Thank you for giving me the flexibility to choose when and where I work so long as I deliver results. I finally feel like I am being treated like an adult! Please help those that still think they need to sit in their cube and surf the internet or walk around and talk to people until their boss leaves for the day.”

Section 4. Summary

to learn more about a results-only work environment, visit us at www.culturerx.com



- ROWE is a bold, cultural transformation that permeates the attitudes and operating style of an entire workplace, leveling the playing field and giving people complete autonomy — as long as the work gets done.
- ROWE is not Flextime. ROWE is not Telecommuting. ROWE is not Job-Sharing.
- ROWE is different from other work/life programs because it is a business strategy that positively impacts the bottom line while simultaneously improving the employee experience.
- ROWE recognizes that life is an individual experience and that no two lives are identical — and leverages this to achieve better performance from each individual. ROWE improves employee engagement, morale and commitment to the organization.
- A Results-Only Work Environment is a proven Total Rewards differentiator. Your company can gain competitive advantage by adopting a ROWE mindset.
- ROWE affects the bottom line — ROWE is a proven business strategy that eliminates waste from the system resulting in increased employee capacity and productivity. ROWE teams report an average increase of 35% in productivity!
- ROWE affects the cost of turnover — ROWE teams are experiencing up to a 90% decrease in voluntary turnover rates. Today's labor market shortage is no laughing matter. Consider the following costs of turnover:
 - **Hard Costs:** Administrative time, vacancy cost, co-worker overburden, recruiting and advertising, selection and interviewing, training and on-boarding
 - **Soft Costs:** Waning productivity of exiting employees, lost productivity of co-workers who focus on the status of the workplace and the ever-increasing workload

Section 5. Appendices

A study conducted for The University of St. Thomas featured ROWE & internal communications at a Fortune 100 consumer electronics retailer. Based on the research, which included a survey of the corporate employee population, it was concluded that a Results-Only Work Environment does NOT negatively impact internal communications. In fact, in many cases, an improvement is noted after a team migrates to a ROWE.

- 65% of survey respondents indicated that since migrating to a Results-Only Work Environment, the quality of interactions with their manager had stayed the same. However, over 30% indicated that the quality of their interactions had actually improved or significantly improved.
- Migrated employees also felt that, for the most part, their working relationship with their team members had stayed the same, and 33% felt those working relationships had somewhat or significantly improved.
- 72% of those employees who had migrated to a ROWE felt that their working relationship with their clients/partners had stayed the same. Approximately 24% of employees who had migrated to ROWE indicated that their working relationship with clients/partners had actually improved or significantly improved.
- 77% of survey respondents who had migrated to ROWE, or are in the process of migrating, indicated that they felt their connection to the organization was strong or very strong. Employees who had migrated more than twelve months ago more often responded that their connection was very strong. Employees also felt their connection to the organization was strong or very strong, regardless of their age or gender.

5.2 *The University of Minnesota Study*

The University of Minnesota, sponsored by the National Institute of Health, has partnered with CultureRx and a large consumer electronics retailer to investigate the effect of ROWE on employee health & well-being.

Full research report can be found at: www.flexiblework.umn.edu.

Findings

More ROWE employees than comparison employees

- Have greater organizational commitment
- Report higher job satisfaction
- View the culture as 'family friendly'
- Report increased job security
- Report less work-family conflict
- Report a decrease in negative spillover from work-to-family
- Begin to sleep more than seven hours a night

to learn more about a results-only work environment, visit us at www.culturere.com



- report gains in energy

Fewer ROWE employees than comparison employees:

- Do low-value work
- Have high turnover intentions
- Experience interruptions at work
- Feel pressure to work overtime
- Come to the 'workplace' when sick

Why ROWE is a promising approach

- ROWE explicitly aims to increase schedule control. Many flexible work programs require a manager's approval for every change, so employees are less likely to benefit because their schedule control does not increase
- ROWE involves the whole team, making it normal and acceptable to change the way work is done. This reduces employees' legitimate fears that they will be penalized for working differently
- ROWE helps the team consider its everyday work practices and find ways to be more efficient
- The ROWE migration is a participative process which models key strategies for learning organizations including diagnosing, experimenting, and continual adjustment to achieve the team's goals.
- Increased schedule control has the potential to substantially reduce work-life conflicts and thereby benefit employees, their families, their work organizations, and society as a whole.

5.3 *Financial Services Firm Case Study Results*

Financial Services Firm
New Richmond, WI

June 2008

Pilot Results:

Measures taken 3 months post migration:

- Revenue per full-time employee improved 18%
- Profit per full time employee improved by 250%
- Accuracy rates in the Personal Markets Department improved by 14.45% effectively eliminating reprocessing at rep/admin and compliance/supervisory levels

5.4 *Fortune 200 Retailer Case Study Results*

Fortune 200 Retailer
San Francisco, CA

February 2008



Across all variables (*Employee Engagement/Satisfaction, Productivity, Business Performance*), performance of the pilot group *improved* over the course of the ROWE pilot. Below is a summary of quantitative results from the pilot survey:

Quantitative Results

In addition to the pilot survey results below, Pilot Division also observed the following **quantitative outcomes** of the ROWE Pilot:

- **Division 2 Stakeholder Survey Results**
Asked to evaluate Production team performance after the implementation of FWA and ROWE, Gap Inc. Sourcing (GIS) reported the following:
 - **72%** reported that efficiency between Pilot Division and Division 2 has increased
 - **45%** reported that responsiveness has increased
 - **85%** reported that Pilot Division has a high degree of accountability
 - **82%** reported that Pilot Division business partners are highly accessible

- **2008 EOS Balance Score:** Pilot Division’s EOS Balance score improved by 10 pts between 2007 and 2008 to 82%, the highest score in Pilot Division’s history.

ROWE Participant & Manager Pilot Survey Results

Category	Item	Pre-Pilot Pilot Division Total Score	Post-Pilot Pilot Division Total Score	Change	% Change
Productivity	Productivity	3.52	4.25	0.73	21%
Employee Engagement / Satisfaction	Engagement	4.33	4.64	0.31	7%
	Communication / Balance	4.03	4.47	0.44	11%
Performance	Quality	4.11	4.71	0.60	15%
	Service Levels	4.13	4.62	0.49	12%
	Managers	4.26	4.76	0.50	12%
	Total Score	4.07	4.57	0.50	12%

Qualitative Outcomes



In addition to quantitative results, the ROWE pilot survey produced over 150 employee, manager, and stakeholder comments attesting to the business benefits of the program. Below is a sample of those comments:

- “I was recruited very strongly for another position outside the company with slightly better pay but much closer to my home. I can honestly say that if it wasn’t for [ROWE] I would have taken that job.”
- “[ROWE] is the best ‘raise’ I’ve ever been given.”
- “Personally, I am 30 times more productive in the early morning. ROWE has allowed me to come in and complete work more efficiently and with better results when I am at my best.”
- “I love ROWE and I have never seen my employees happier, while at the same time having a rise in productivity.”
- I feel ROWE supports trusting and empowering our employees to make the right decisions. As a leader of a large team, I have also not seen any negative impact in performance, ability to reach team members, and in our overall ability to drive results.”

5.5 **Non-Profit Organization Case Study Results**

Non-Profit Organization San Geronio County, California

Executive Summary

In July 2008, “Non-Profit Organization” became the first non-profit organization in the country to migrate to a Results-Only Work Environment (ROWE). The aim of this analysis is to review the impact that migration to ROWE has had on the company’s employees and the company itself after six months of working in a Results-Only Work Environment.

An online Survey Monkey survey was sent to all full-time council staff. Out of 58 full-time employees, 44 employees responded. Part-time employees were not sent the survey because their positions already allowed them to control their time even before migrating to ROWE (e.g. they were able to determine which days and hours they were available and wanted to work).

Employees were asked to respond to multiple-choice and narrative questions regarding indicators such as work/life balance, work performance, health and wellness, and economic impact, both pre-ROWE and post-migration to ROWE. Data analysis focused on differences in responses pre- and post-ROWE.

Our analysis found that ROWE has had a remarkable positive impact on employees’ attitudes and behaviors.

Key Findings

Summarized below is the data of the key findings. Changes that are 60% or greater are highlighted in green. Changes that are 80% or greater are highlighted in orange.

Key Work Performance Indicators

Key Work Performance Indicators	Pre-ROWE – % “Good” or “Great” Rating	6-Months Post-ROWE - % “Good” or “Great” Rating	Percent Change
Focus when working	54%	95%	+76%
Productivity when working	58%	98%	+69%
Efficiency when working	54%	98%	+81%

Key Work/Life Balance Indicators

Key Work/Life Balance Indicators	Pre-ROWE – % “Good” or “Great” Rating	6-Months Post-ROWE - % “Good” or “Great” Rating	Percent Change
Control of time	29%	100%	+245%
Work-life balance	18%	93%	+417%
Adequacy of time to get things done	39%	93%	+138%

Key Employee Health and Wellness Indicators

Key Employee Health and Wellness Indicators	Pre-ROWE – %	6-Months Post-ROWE - %	Percent Change
Average 7 hours or more of sleep per night	25%	53%	+112%
Quality of sleep rated at good, very good or great	27%	86%	+219%
3 or more hours of work lost per month due to illness	39%	7%	-82%
After migrating to ROWE, % who reported being less likely to report to work sick	n/a	71%	n/a

Key Economic and Environmental Indicators

Key Economic and Environmental Indicators	Pre-ROWE	6-Months Post-ROWE	Percent Change
% of people who commute to work <u>less</u> than 4 days per week (standard work week)	2%	53%	+2,550%
Percent of employees who have	n/a	69%	n/a

<i>altered the time they commute in order to avoid traffic</i>			
<i>Percent of employees whose one-way commute time has been shortened by 10 minutes or more</i>	<i>n/a</i>	40%	<i>n/a</i>
<i>Average employee monthly personal cost savings</i>	<i>n/a</i>	\$155/month	<i>n/a</i>

Key Employee Satisfaction Indicators

Key Employee Satisfaction Indicators	Pre-ROWE	6-Months Post-ROWE	Percent Change
<i>Overall job satisfaction rating by employee of somewhat satisfied, satisfied, or very satisfied</i>	50%	90%	+80%
<i>Percent who rated likelihood of searching for another job over the next year as “not likely”</i>	43%	95%	+121%
<i>Voluntary turnover rate</i>	16.25%	9.75%	-40%

Additional Key Post-Rowe Indicators

Additional Key Post-Rowe Indicators	Percent of Employees Who Gave a Rating of Either “Agree” or “Strongly Agree”
ROWE has lead to better teamwork in our organization.	74%
ROWE has lead to better communication between staff.	69%
ROWE has lead to better cross-training of staff.	49%
ROWE makes me feel more engaged with our organization.	80%
ROWE makes me feel more valued as an employee.	88%
ROWE makes me feel equal to other employees of all levels.	79%
ROWE allows me to spend more time with my family.	88%
ROWE has made me feel more in control of my life.	93%

ROWE has helped me to understand my job duties better.	62%
ROWE has increased my productivity.	75%
ROWE has helped me to be more focused in my work.	69%
ROWE has helped me to be more efficient.	83%
ROWE is good for me as an employee.	93%
ROWE is good for our organization.	93%
ROWE makes me less likely to look for another job elsewhere.	100%

Employees also responded with significant narrative feedback, including:

“ROWE has given me true work - life balance. Before ROWE I was overworked, always tired and frustrated because I didn't have the time I needed to take care of my house and visit with family, now I have that time. I also have the time now to go to the gym or go for long runs. I am finally able to put myself back in shape which makes me feel good and it gives me more energy which is great because I have more energy to put into everything I do and I think I do a better job at work as a result.”

“It has given me the comfort to know that when I'm tired and can't think anymore, I can go home and not get in trouble. I'm not forced to be here for the full 9.5 hours. It has made my life less anxious. It has also given me the comfort that if something happens in my life that I have to take time off work to take care of, that I can without jeopardizing my job.”

“Family time. I can pick my children up from school, go to plays, drop them off in the morning and when they are tucked in for the night do more work and be productive. This is brilliant for a single mom!!!”

“It is a wonderful program and I love that I feel trusted & honored to work for this organization. It let us work when we are most productive.”

Our ROWE Story

June 2008 marked the beginning of our journey with ROWE...

As the new CEO for “Non-Profit Organization” (which serves 15,000 girls and 5,000 volunteers in Riverside and San Bernardino Counties in Southern California), I had been struggling with reconciling 100 years of “Non-Profit Organization” traditions and “we’ve always done it that way” attitudes with my more modern way of doing business. When I started in my position, I told our staff that I didn’t

believe in “butt in seat time”, which was my way of telling them that I knew that simply sitting in their chairs didn’t mean they were being as productive as possible and that I was open to them having more flexible schedules.

We were immediately able to shed some of the old ways of doing things, but even after making significant changes, I still felt there was something missing - people were still overly stressed, and creativity and innovation just weren’t happening the way I expected.

Then, at the beginning of June, I spotted a book called “Why Work Sucks and How to Fix It” by Cali Ressler and Jody Thompson in an airport bookstore - and after skimming the book quickly, I knew I had my hands on a tool that was going to change everything. I read it cover to cover on the plane, and e-mailed my HR Director soon after; telling him that he needed to read this amazing book. He read it that day, and we decided right then that our organization had to transform into a Results-Only Work Environment.

We moved fast (so fast that the ROWE Launch Kit that Cali and Jody developed wasn’t even ready yet!) and Daniel and I met with our management team, got our Board President behind the idea, and talked through all of the details of what ROWE would look like at our organization.

On July 11, 2008, we rolled ROWE out to our employees with a presentation we called “Hello ROWE!” We had custom “Hello ROWE” t-shirts made and created an interactive PowerPoint that we interspersed with “Sludge” skits performed by some of the best actors and actresses on staff. Our employees were in a state of shock at first - when we told them the core concept of ROWE (work wherever you want, whenever you want...as long as the work gets done), there was complete silence...and then everyone woke up to what was really happening and the room exploded with excitement. When staff asked “when does this start?” we said: “right now!”

Yes, that’s right – we went from purchasing the book to implementation across the entire organization of 80 staff in ONE month! As of July 11, 2008 we were officially “Non-Profit Organization” Gone ROWE!

Since we were already three-quarters of the way through our fiscal year, we decided that it was important for our staff to experience the ROWE way of work before we tackled the last two big pieces of the ROWE puzzle: new results for each employee and leave time policies.

We started the process of writing results in late September, and were done by mid-November. We asked each employee to write their own results, and then get together with their supervisor to review them and add or subtract items. Since this was the first time employees ever had to break their job duties down in that way, it often took some practice before they were able to write results for themselves that were both specific enough and measurable enough. Our HR Director, then reviewed all of the results for consistency, and we were off and ROWEing!

We started the process of thinking about leave time policies by asking staff what they wanted in a survey that gave them three options: keep things basically as they are; keep sick time basically as it is (with a little more of a cap) and make vacation and personal time completely open ended; or make all leave time completely open-ended.

Our employees overwhelmingly favored the following leave policy:

1. There is no accrued time for vacation or personal time. Employees take the time they need when they need it...as long as they are on track to meet their results.
2. Each employee can accrue up to 350 hours of sick time that will only be tapped into after an employee has been out sick for 3 days (we call it an extended sick leave policy).

Our Board of Directors supported the switch to the new policy, and we made the change to our leave system official as of October 1, 2008.

Narrative Summary of the Impact of ROWE

Benefits to the Employee

The benefits of a Results-Only Work Environment are clear in the employee responses to the survey questions and in particular in their responses to the narrative questions in which they asked to provide their feedback about ROWE. In general, the most significant ways in which ROWE benefits employees center around four key areas:

- Work/Life Balance
- Cost Savings
- Health & Wellness
- Job Satisfaction

Work/Life Balance

There was more than a 400% increase in the number of employees who reported feeling “good” or “great” about their work/life balance six months post-ROWE. This finding is reflected in other positive findings such as the increase in percent of employees who report “good” or “great” control of their time (+245%) and adequacy of time to get things done (+138%). This is also supported by the percent of employees who report that “ROWE allows me to spend more time with my family” (88%) and that “ROWE has made me feel more in control of my life” (93%).

Cost Savings

On average, employees report saving \$155 per month while working in a ROWE. This savings ranges from \$0 to over \$1,000 per employee per month. One of the largest savings areas is in childcare, as employees have been able to rework their schedules to manage their jobs and caring for their children, and can therefore reduce their reliance on outside childcare. In addition, employees are saving money on gas, tolls and other commuting costs such as car maintenance by commuting to work fewer days per week and by changing their commute times so that they don’t waste time and gas sitting in traffic. Employees are also saving money because they have enough time to eat breakfast at home and prepare a lunch from home to bring to work.

Health & Wellness

Changes in employee behaviors that impact their health and wellness were some of the most unexpected positive outcomes of ROWE. Not only did employees report an increase in the number of hours of sleep they average each night (112% increase in those reporting 7 hours or more), but there was also a 219% increase in the number of people who rated their sleep quality as “good” or “great”.

In addition, the number of employees who lost three or more hours of work time per month due to illness decreased by 82%. The number of employees who said they were now less likely to report to work sick was 71%.

Employees also reported being able to engage in more physical activity (such as running or swimming) and maintain better eating habits (like eating breakfast at home).

Job Satisfaction

Employees reported significant increases in their job satisfaction, with the number of employees who are “somewhat satisfied”, “satisfied” or “very satisfied” with their jobs increasing from 50% of employees to almost 90% of employees. In addition, the number of employees who expressed that they were “not likely” to look for another job over the next year increased from 43% to 95%. Furthermore, 100% of employees agreed with the statement that “ROWE makes me less likely to look for another job elsewhere.”

As further evidence of job satisfaction, our voluntary turnover decreased from 16.25% to 9.75% during the six-month period immediately following the transition to ROWE.

Benefits to the Company

In general, the specific costs savings to our company so far are somewhat difficult to quantify, with some exceptions. We know, for instance, that we’ve seen a decrease in voluntary turnover, which correlates to a significant cost savings. In a study done last year at our organization, it was determined that, on average, it costs the Council \$5,055 to recruit, interview, hire, train, etc. each new employee. The reduction in turnover since migrating to ROWE reflects approximately five less voluntarily separated employees, or \$25,000+ less dollars lost to filling vacant positions.

What is most difficult to determine is the benefit to the organization in relation to how employee satisfaction correlates with customer satisfaction and long-term financial outcomes. Anecdotally, our switch to a Results-Only Work Environment has correlated with volunteers (one of our key customers) reporting that they feel more supported and are happier with the service they receive from our employees.

In addition, the percent of employees who rated their productivity as either “good” or “great” increased from 58% pre-ROWE to 98% post-ROWE. Employee efficiency and focus increased in a similar manner – from 54% pre-ROWE to 98% post-ROWE, and from 54% pre-ROWE to 95% post-ROWE, respectively.

Studies on the connection between customer service variables (such as satisfaction and loyalty), employee variables (such as satisfaction, enthusiasm, loyalty, commitment, capability, and internal service quality), and financial results indicate that companies have found that³:

- Unhappy employees are less productive and more likely to have higher absence rates
- Satisfied employees are more productive, innovative, and loyal
- Increases in job satisfaction lead to increases in employee morale, which lead to increased employee productivity
- Employee satisfaction leads to customer retention

Multiple other companies, from CVS to Sun Microsystems, report similar correlations between employee satisfaction, customer satisfaction, and financial results.³

Benefits to the Community & Environment

The most significant area in which we see immediate community impact is in the reduction of employee commuting time. Before ROWE, only 2% of employees commuted to work less than 4 days a week (our standard work week). Now, 53% of employees commute to work less than 4 days per week on average. In addition, 69% of employees have altered their commuting times to avoid traffic. With the average length of an employee's commute being 29 miles round trip, the reduction in trips to the office and the efforts to avoid high-traffic periods start to add up and result in fewer cars on the road for a shorter amount of time.

Challenges of ROWE

The migration to a Results-Only Work Environment has not been without challenges. It took significant thought and effort to make changes to personnel policies, to ensure that all labor laws were being followed in the context of ROWE, and to write results for every employee.

There have been challenges along the way as employees have learned to communicate differently with each other. They now consistently let each other know when they will be in the office and how they can be reached when they are working away from the office. They are also taking advantage of the multiple ways of communicating that are available to them including cell phones, text messaging and instant messaging.

In addition, managers have had to significantly change their management styles in some cases. Since an employee can no longer in general be reprimanded for being "late" or "leaving early" or absenteeism, supervisors must have a clearly defined idea of what their expectations are for their employees and effectively communicate those expectations on an ongoing basis.

We have had no significant abuses of the ROWE way of working. We have not had significant unexplained absences or employees who have spent extended time away from the office while ignoring the results they need to achieve.

Conclusion

ROWE has been one of the best operational changes that our organization has ever made. Especially for a non-profit that has few funds to spare, we can build a deep level of employee satisfaction and commitment by ensuring that our employees are respected, feel trusted and in turn, are expected to contribute to the company by achieving significant results. Our employees have responded well to a high level of accountability because it is tied directly to giving them complete control of their time. ROWE is not an employee "perk" – it is a way of aligning the company's culture around key values that have a positive impact on both the employees and the company.

References

1. Ressler, Cali, and Jody Thompson. Why Work Sucks and How to Fix It. New York: Portfolio Hardcover, 2008.
2. www.culturerx.com



3. Author Unknown, "Linking Employee Satisfaction with Productivity Performance, and Customer Satisfaction", Corporate Executive Board July 2003.

