

CASE INCIDENT 1 The Pursuit of Happiness: Flexibility

The management team at Learner's Edge, an online continuing education company, decided to adopt a ROWE (results-only work environment) policy, developed by Best Buy employees and summarized in its slogan, "Work whenever you want, wherever you want, as long as the work gets done." Kyle Pederson was one of only three Learner's Edge employees who showed up the first day of the experiment. And the second day, and the third.

"For almost a month, everyone cleared out," Pederson said. "It was just me, my co-founder and our executive director all wondering, 'What on earth have we done?'"

Clearly, they were testing the outer limits of workplace flexibility, from which even Best Buy pulled back when it recently canceled the program. But while Best Buy reported

continuing financial woes as one reason for canceling their ROWE program, employers like Learner's Edge report

"better work, higher productivity" after the initial phase of the program in their companies. Employees have learned

the ways they work best. In fact, some of Pederson's employees have returned to the office, while others gather at

Starbucks or over dinner . . . whatever gets the work done.

Suntell president and chief operating officer, Veronica Wooten, whose risk management software firm adopted

the ROWE program a few years ago, is also a fan of the flexible workplace. "We made the transition, and started

letting go and letting people make their own decisions," Wooten says. Her company's customer base increased

20 percent, meetings were reduced by 50 percent, and expenses decreased 12 percent (Wooten used the savings

to give everyone a raise).

It seems that everyone should be happy with this degree of job flexibility, from the night-owl employee to the board

of directors. But happiness, like job satisfaction, is a complex construct.

Employees worldwide do seem to increasingly value flexible work environments, with roughly two of three

Yet research correlates job satisfaction most strongly with the nature of the work itself, not where it is performed. Thus, while as employees we say we want flexibility, what actually makes us satisfied is often something else. Then there are the costs of such work arrangements. Employers like Yahoo!'s Marissa Mayer are concerned that flexible workers will become detached from the organization, communicate less, be less available, and lose the benefits of teamwork. Employees have similar concerns: Will out of sight mean out of mind? International research suggests that employee and employer happiness depends on correctly motivating the individual. For ROWE or any flexible arrangement to work, companies need to create clear job descriptions, set attainable goals, and rely on strong metrics to indicate productivity. Managers need to foster close connections and communicate meaningfully to keep flexible workers engaged in the company, its culture, and its processes. And employees need to get the work done, no matter where and when they do it.

Questions

- 3-15. Do you think only certain individuals are attracted to flexible work arrangements (FWAs)? Why or why not?
- 3-16. What are some of the concerns executives have about flexible work arrangements?
- 3-17. How do you see FWAs affecting a company's bottom line?

Sources: "2013 Women's Research Reveals How to Make Women Happy (In the Workplace)," Accenture, www.accenture.com/us-en/pages/insight-what-means-have-all.aspx (March 1, 2013); L. Belkin, "Is ROWE the Future of Work? Or an Unworkable Fantasy?" *The Huffington Post Business* (April 17, 2013), www.huffingtonpost.com/2013/04/15/rowe-future-work_n_3084426.html; R. R. Hastings, "Full Engagement Lacking Around World," *Society for Human Resources Management* (January 3, 2011), www.shrm.org/hrdisciplines/employment/articles/Pages/FullEngagementLacking.aspx; A. McGroarty-Dixon, "Workplace Flexibility, Equity Important for Millennials," *Benefits Pro* (April 19, 2013), www.benefitspro.com/2013/04/19/workplace-flexibility-equity-important-for-millennials; and F. Origo and L. Pagani, "Workplace Flexibility and Job Satisfaction: Some Evidence from Europe," *International Journal of Manpower* 29 (2008), pp. 539-566.