

Sarah Barclay, Interviewed by Alison Konrad for Ivey Business School based on her work at Mabel's Labels

• What was the trigger that raised your interest in developing a Results Only Work Environment (ROWE)?

We were in the midst of creating 'flexible work arrangement policies', and there was an undercurrent of a perception some employees had more flexibility than others. We decided that instead of trying to police a system that really shouldn't be monitored at all (assumption being we have motivated dedicated employees who want to work), we would implement what we instinctively knew to be true: if you give employees the freedom to work in the way that suits them best, the organization will reap the rewards from an engagement perspective.

• What was the decision process used to determine whether or not to implement ROWE?

We looked at cost, and weighed against the potential productivity benefits as well as an attraction and retention tool. It really was a no brainer for us to try this out, as our culture and employee value proposition were already strong. We also had a very rigorous goal setting and performance appraisal process in place, which were essential tools for successfully implementing ROWE. We weren't trying to fix something, rather enhance our already unique culture.

• What were the first few steps in your ROWE implementation process?

We created a timeline and plan to ensure implementation at the correct time from a goal setting standpoint. We discussed what success would look like- i.e. what did we hope to achieve. We then set out to bring in Jodi Thompson (one of the ROWE co-founders) to host an offsite day to teach us about ROWE. From there, we worked with managers to ensure they were comfortable setting the new fiscal year goals that were in line with the a ROWE perspective and philosophy.

• How long did it take to implement ROWE? How long was the transition process?

There was a planning phase of about two months, and then we implemented full ROWE as soon as the offsite training session took place. The transition phase was longer; probably about 6 months.

• Describe the full roll-out of ROWE at Mabel's Labels. What were the glitches along the way?

Creating feedback mechanisms internally for employees and managers, working through 'sludge' (comments along the lines of "it's only 3:00- why is Julie not in her office?"), ensuring goals were created in a ROWE mindset, and figuring out how to ensure full compliance with applicable legislation (e.g. employment standards act – overtime) took some longer planning and creativity. We needed to continue using tracking systems for legal reasons, and determined tweaks we could make to ensure they were as ROWE friendly as possible. We also revised our vacation system, policies and employment contracts.

• How did you communicate the change to ROWE through your organization?

We made use of the one day offsite to communicate the changes, with weekly management checkins and quarterly all employee communication meetings. As the HR Leader and our "Driver/ Protector of Culture", I spoke a lot about what I call the "three circle test": when an employee is making decisions about how he/she will work under ROWE, employees must ask themselves: does it meet the needs of the business, the team and individual goals. If the answer is yes, then it is probably OK. For example, I would like to work from the

cottage and call in for a meeting. While that will work, if I have a brand new team member who requires orientation and assistance, it doesn't meet the business need for me to be offsite. Leadership presence is an essential goal across the Management team: ROWE simply means Management has the freedom to determine *how* they will deliver on this objective.

• Describe your company's experience with ROWE. What is going well? What challenges continue? What lessons have been learned?

Going well: fantastic employee culture and morale, decreased absenteeism, retention tool, unique perk, increased sales. Challenges; ensuring all employees are still collaborative and able to redefine what working as a team looks like. Lessons learned: not everyone will adapt in the same way or on the same schedule; some employees better suited for this type of culture. We've had both sides of the spectrum: employees who mistakenly believe this is a work from home arrangement, and also those who have chosen not to make any changes to their work schedule; they prefer to keep the same routine and that is OK to do. Figuring out the balance of communication- some teams feel it's too much required and some feel not enough takes place. We had a one year ROWE autopsy where we asked these questions of all employees and shared feedback with our leadership team.

• How has ROWE affected employee performance and productivity?

In some areas the changes are more significant than others. For example in teams that experience cyclical work volume, there is no "make work" on the days where there really isn't any need. The flip side is that we are seeing some employees (managers) who are not switching off: there is no defined time that is work and that is rest, and they may not be getting the down time necessary.

• How does ROWE change or affect the hiring process?

We communicate this unique perk to our candidates early on in the process. Information about ROWE is something we include in the job posting, is located on our careers website, and we discuss throughout the interview process. It's initially somewhat challenging to explain. We also want to make sure potential employees will be a good fit with our culture: we closely screen candidates on an additional front to ensure they will be compatible with ROWE (i.e. ensure they understand it is not a work from home plan).

• How has ROWE affected team cohesion or the feeling of being part of a team?

Team cohesion is still evident, but it is challenging for some departments more than others. Specifically those teams who tend to work offsite most often. We have to be very conscious of maintaining opportunities to interact within teams and across the business, and create opportunities for all company interaction monthly through committee events, and quarterly at our All Employee Communication meetings. Our new hires post-ROWE are having a different onboarding experience, and we are finding it takes longer for our new team members to get to know the group and build relationships outside their immediate department.

• How has ROWE affected the ability to coordinate work across individuals and teams?

Fairly minimally I would say. Meetings that were in place pre ROWE still exist, and teams "meet" in person or virtually. We have found that some meetings are more effective in person- we must remember that 90% of our communication is non- verbal, and for some topics (especially if there are many people speaking) attending in person is much more efficient than teleconferencing. We have noticed in some groups there is a need for more meetings to take place, as there are no longer opportunities to informally discuss things by dropping by a colleague's desk or sharing information in casual chat. This was an unintended consequence that we are still working out. While meetings are treated as "optional", if it is tied to your goals or deliverables (including working as part of a cross functional team, where members require info from you), it

is not acceptable to opt out. Employees are given the latitude to make these decisions, and if they made a decision that was not in line with their goals and deliverables, it leads to a coaching discussion between Manager and Employee.

• How have leaders been affected by ROWE? What new leadership challenges have arisen because of ROWE?

We had to get very good at articulating and measuring goals, both for ourselves and for our departments. Fortunately that process was already in place and well practiced, but it was still was a mental shift to manage the work and not the people. Thinking in terms of results rather than methodology; there is still some ingrained ‘back of mind’ thinking where we default to on occasion: ‘where is Nancy? I haven’t seen her, I wonder what she’s doing...’ and we have to be careful to switch that off very quickly.

• With the transition to ROWE has there been a shift in Mabel’s culture?

It has been subtle- we implemented ROWE to enhance rather than fix our culture, however I believe that the cohesion across the organization is not as evident. Within departments and teams it is still strong, but particularly with our new employees, I do notice that there are not as many opportunities to interact with staff outside the team. There is some loss of informal, naturally occurring opportunities to chat and form bonds between employees.

• How will you know if ROWE has been a success at Mabel’s Labels?

Great question- this is something I put forward to the Ownership team at the onset, and the consensus was “increased productivity and revenue”. We are working on tweaking this to identify exactly what we expect to see. In the areas of Talent Management, we are expecting to see some benefit with regard to retention, decreased absenteeism as well as increased attraction of top talent. Making the direct correlation with increased revenue will be more difficult, as culture is of course only one of many factors that impact revenue and growth.

• Would you consider ROWE to be Mabel’s competitive advantage?

Absolutely! From a talent management standpoint, once candidates learn about us, they really want to be a part of what we have built. The challenge is spreading the word far and wide enough. From an HR standpoint and my department’s contribution to the business growth goal, my objective is to increase brand awareness through ROWE exposure. Candidates are customers.

• What lessons can you share for other businesses looking to implement ROWE?

Make sure you have spent the time to implement a formalized goal setting system and training for managers- and that they are well versed in delivering feedback. Without very well developed goal setting and performance management abilities, ROWE will be difficult. Also, determine what it is that you are hoping to achieve with ROWE, so you know if you have been successful. Make sure there are benchmarks in place if you intend to measure a variable like for example employee engagement; know where you are starting. Finally, be prepared that not every employee will transition smoothly into this style of working- have contingency plans and determine ahead of time if you will be able to accommodate employees who will want to work in the same way and same routine as pre- ROWE. There are some potential legal issues that may arise from asking an employee to adjust his/ her schedule, (depending on the nature of the role and the employment contract) and agreements may need to be reviewed to ensure all is above board with regard to Employment Standards and potential legal issues.