

Make 'Em All Happy: Caring for hourly workers pays dividends through happy customers

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Think about the last time you shopped at your local department, grocery or home improvement store. For most of us, this is a daily or near-daily occurrence. Have you ever been so frustrated by an interaction with the cashier or sales clerk that you considered never returning to that store? Compare that to a time when you were graciously assisted by a store associate, even though you may have been impatient and overwhelmed by the shopping experience. Customer relationships with hourly employees in retail environments matter to business success. Yet few retail employers reflect that in their workplace practices. I recently reported released findings from the CitiSales Study at a Conference Board Work-Life conference in Atlanta that show investment in quality jobs for hourly workers makes good business sense.

The CitiSales Study is one of the first major research studies to focus on employee engagement among lower-wage, hourly workers. The study finds that six workplace dimensions are essential components to employee engagement and customer satisfaction in the retail industry. Funded by the Ford Foundation, the CitiSales Study was conducted in collaboration with a Fortune 100 retail firm referred to by the pseudonym "CitiSales."

One of the primary goals of the CitiSales Study was to identify the drivers of store-level employee engagement. An engaged employee is one who is invested in the job, is loyal to the company, and is willing to go the extra mile. Often, retail companies will promote employee engagement as a strategy to curtail costly turnover rates among their hourly workers. Companies with engaged employees often report increased customer satisfaction, organizational performance and other business outcomes. Satisfied customers are more likely to be frequent customers, and thereby increase sales. Store-level engagement is therefore used by CitiSales as an indicator of store performance.

Six dimensions of the work environment predict store-level employee engagement:

- Effective supervisors
- Job fit and adequate resources
- Opportunities for career development
- Teamwork
- Schedule satisfaction
- Schedule flexibility

CitiSales stores that are likely to produce high employee engagement are stores where employees are interested and challenged by their jobs while perceiving them to suit their skills and abilities. Stores with high employee engagement are also stores with supervisors who create career and promotional opportunities, give employees job autonomy, provide them with the resources to do the job well, consider employee schedule preferences and are flexible when last-minute work-family matters arise.

Convincing senior leadership or middle management to make changes in workplace practices will likely require demonstrating that quality jobs affect other aspects of the business, such as customer satisfaction. To answer these concerns, the CitiSales Study aimed to identify the job dimensions that are predictive of customer satisfaction. Retailers often structure store operations to

ensure high customer satisfaction, assuming that a satisfied customer will return and will recommend the store to others. We assume that the way employees treat customers is paramount to customer satisfaction and loyalty. Seldom, however, do we examine the effect of employees' job quality on customer satisfaction.

We found that five dimensions of the work environment and the relationships between these factors predict supervisor effectiveness. Supervisor effectiveness, in turn, is strongly associated with customer satisfaction, illustrating that the organizational culture that supervisors create within stores can affect business outcomes considerably. Thus, a supervisor will only be evaluated as effective if he or she devotes time and energy to development opportunities, allows employees flexibility for unexpected events, works with employees to ensure their job suits their skills, gives them autonomy in their jobs, and is sensitive to employees' schedule preferences.

"This study shows that investment in hourly workers is good for business and good for employees," said Helen Neuborne, senior program officer of the Ford Foundation. "It provides practical recommendations to help employers build quality job opportunities for their hourly employees while simultaneously increasing the company's bottom line."

Findings from the CitiSales Study have been translated into tools and resources for employers and are available at www.CitiSalesStudy.com. Here are some examples of helpful tips you'll find there:

- Invest in your supervisors. The organizational culture that supervisors create within stores can greatly impact employee engagement and customer satisfaction. Provide supervisors with the skills and resources necessary to create a positive work environment for employees. When employees learn and strive for new experiences, make independent decisions, have flexibility in regular schedule preferences and as-needed flexibility for emergency situations, they are more engaged, and are more engaging to customers.
- Develop operational strategies that provide employees input into their schedule. Employees want autonomy over the hours they are scheduled to work each week. Findings from the CitiSales Study indicate that schedule issues have an indirect effect on customer satisfaction. Devise an operational strategy for providing employees with a voice into when they work and a range of guaranteed work hours, especially for part-time workers. This strategy may be a companywide set of solutions, or a series of store-specific strategies to fit the operational and workforce needs of individual stores.
- Establish clear advancement paths. The opportunity to advance on the job matters to employees and motivates them. Create clear, attainable advancement paths for employees in hourly jobs, and provide different vocational opportunities as a way to determine the individual skills and interests of your staff. Then, inform and engage employees in the steps necessary to move forward.

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