



# citisales Jobs That Work study

## Can Business Benefit By Providing Workplace Flexibility to Hourly Workers?

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### INTRODUCTION

The business community is beginning to recognize that flexible work options benefit the organization as well as employees. Yet, many organizations that employ hourly workers have been slow to implement flexible work policies and practices.<sup>1</sup> Management is often concerned about the increased supervisory effort required to provide such policies and their impact on productivity.<sup>2</sup> There is a hard-to-shake perception that hourly-wage work just cannot be done without rigid work schedules. Supervisors are also concerned about equity issues.<sup>3</sup> Front-line supervisors often grapple with the idea that approving one employee's request for leaving work early will lead to all employees wanting the same privilege.<sup>4</sup> Organizations may resist offering flexible work options due to perceptions that flexible work options do not "fit" within the structural operations of the job, or because supervisors may be concerned about the ramifications associated with unfair workplace practices.

Findings from the *CitiSales Study* suggest that workplace flexibility is good for business. While managers admit that offering workplace flexibility to the hourly workforce is inherently complex, they perceive that flexible work options aid employee recruitment, retention, engagement and productivity – as well as customer service. This issue brief describes the business case and the challenges of providing workplace flexibility to hourly workers.

### WHAT IS THE BUSINESS CASE FOR OFFERING WORKPLACE FLEXIBILITY TO HOURLY WORKERS?

Most CitiSales managers perceive the use of flexibility as a strategic business practice, as opposed to an "employee benefit." They consider workplace flexibility a contributing factor to the company's success. From the manager's perspective, workplace flexibility is a business imperative because it:

### About this Issue Brief

This issue brief describes the business case for providing workplace flexibility to hourly workers in a large U.S. retail store, referred to as CitiSales, and discusses the challenges associated with offering flexible work arrangements to hourly workers. The quotes in this brief have been taken from interviews with CitiSales regional vice presidents and district managers that were conducted as part of the study.

Two primary research questions are examined:

- What is the business case for offering workplace flexibility to hourly workers?
- What are challenges to implementing workplace flexibility within a retail operation reliant on hourly workers?

- optimizes recruitment among the hourly workforce
- boosts retention of key talent
- promotes employee productivity
- engages employees
- cultivates quality customer service
- reduces costs associated with turnover

[Employees who have flexibility are] "... going to take better care of the customers when they're there. [Flexibility] builds the retention, which again-- when you get long-term, experienced employees that know how to do the things that they need to do in the store and are good at taking care of customers... So all of those things, to me, equal more sales, more repeat business by customers ...better store conditions, all of those things. So, if we're able to keep those people [employees], it's a lot easier than starting over with new people."

### Flexibility as a Recruitment Tool

CitiSales uses flexible work options as a recruitment tool for top talent. Many managers credit the company's promotion of flexibility as key to its "premium employer" status. Offering flexible work options helps to attract quality employees in two ways. First, it gives employees control of their work schedule, which for many employees is a necessity. Second, it shows potential employees that the company values its associates.

"I think in a way it conveys that as a company we do understand that your life is important, and we are not trying to restrict it...we want to work the best that we can with you... I think it's a good recruiting tool, you know, when you're not stringent and when someone has to work because... we recognize that everyone does have a life. We recognize that some people cannot work from 8:00 to 4:00 or 2:00 to 10:00."

### Flexibility Boosts Employee Retention

Some managers believe that the promotion of workplace flexibility has a positive impact on retention at CitiSales. These managers suggest that allowing employees to have control over their schedule creates a culture that demonstrates the value of employees to the organization and recognizes that employees' life off-the-job is important. Many CitiSales managers believe that providing flexible work options creates a more positive work environ-

ment, stronger employer loyalty and better work/life balance resulting in a number of important benefits to the company.

"I think we send a pretty clear message that we believe in a good balance, that we understand [that] family events are important to people, and we make every effort to balance those personal obligations with the business obligations that we have. And when we do that, we have employees that feel valued and that stick around with us longer."

### Flexibility Promotes Productivity

CitiSales managers often see that employees are less distracted, exhibit a better attitude and perform better on the job when they are able to work the hours they prefer. In essence, employees are happier. Managers see a clear connection between workplace flexibility, employee attitudes and customer service. When employees are happy, energetic and excited about where they work, "it bleeds over and customers can feel that, which [in turn] drives sales, and helps drive profits," according to one manager.

" [Flexibility] is good from a business standpoint as far as employee morale. And when your employee morale goes up, productivity goes up..."

### Flexibility Engages Employees

Workplace flexibility contributes to employee engagement in two primary ways. When store managers are responsive to employees' requests for flexibility, employees are more likely to be committed to their jobs and will go the extra mile for the company. Second, managers' responsiveness to flexible work requests seems to promote a quid pro quo phenomenon. When employees are given the requested flexibility, they are more willing, in turn, to be flexible with the company and assist the manager when asked to help out.

"I think it kind of goes both ways. And I actually think that as a tradeoff for the company, those employees of mine that have flexible schedules for whatever reason, I think that they feel a loyalty to you that's maybe a little deeper than others just because I know you bent over backwards – I know that you've gone out of your way. So, when I have a need, a lot of them are a little more apt to help me out with that or do what they can."

## Flexibility & Customer Service

At CitiSales, the link between flexibility and customer satisfaction is employee satisfaction. When employees have access to flexible work options, from managers' perspectives, employees seem to have a better attitude at work and are more satisfied with their job. From their experience, when employees are more satisfied with their job, they interact better with the customer, leaving the customer more satisfied. As one manager explained, "There is a direct correlation between happy employees and happy customers...if your employees are happy, they'll take care of your customers."

"What it does for us – we have good, well trained, satisfied employees and they project that to our customers. [Flexibility] helps build a customer base."

## Flexibility Can Reduce Operation Costs

A number of managers at CitiSales express the belief that flexibility has a direct impact on the bottom line by reducing operational costs, especially expenses associated with employee turnover, training and recruitment. While managers note that there are costs associated with offering flexible work options, most of the managers we interviewed concur that the return on investment far exceeds the upfront expense.

"I think it is cost savings. First of all, you've got an engaged employee; you've got an employee who understands and believes that the company cares."

"If you do it right, there's no cost associated in developing people. It's an investment. And if we invest money now, the time now, the payoff in the long term is huge."

## WHAT ARE CHALLENGES TO IMPLEMENTING WORKPLACE FLEXIBILITY WITHIN A RETAIL OPERATION RELIANT ON HOURLY WORKERS?

At CitiSales, workplace flexibility depends on the ability of store managers to create a mechanism for responding to employee requests within the context of the operational demands of the business. CitiSales managers identified four primary challenges associated with creating a flexible work environment for hourly workers:

- blending employee requests with business demands
- using managers' time efficiently
- ensuring fair and equitable practices
- maintaining customer loyalty

## Blending Employee Requests with Business Demands

Creating a schedule that incorporates employees' requests while meeting the needs of the business is the biggest burden associated with creating a flexible work environment at CitiSales. Some managers explained that they make an effort to hire workers who are available to work a variety of hours to ensure adequate store coverage. Even under the best of circumstances, however, managers note that it is sometimes a struggle to match store and employees' needs.

"I think a lot of employees get the schedule that they want versus what the store needs. This sometimes poses a disconnect on service, [on] which we cannot compromise -- service."

## Using Managers' Time Efficiently

The challenges associated with blending employee requests with the demands of the business leads to the second challenge—efficient use of managers' time. Developing a schedule every two weeks is time consuming, especially when managers try to respond to employees' requests. While store managers try to post schedules at least two weeks in advance, this often becomes difficult due to manager work loads, the time involved in developing the schedule, and the need to make sure that the schedule meets store demands while considering employee requests.

"If you are [a manager] that [provides] too much flexibility, you then actually run the risk of possibly actually having scheduling problems because all of a sudden you've honored everything, and you're looking at this one week and it's like – uh-oh, I have nobody here because I've been too nice about it."

"Sometimes there is a price that you have to pay in terms of time spent managing those scenarios that have to be weighed in. I mean, there is only so much time that you can spend constantly changing the schedule before you have to just make it what it should be."

### Ensuring Fair and Equitable Practices

While managers try to be responsive to employee requests, it is a challenge to provide flexibility in a fair and equitable manner. For instance, when two employees request time off for the same shift, there are few formal guidelines at CitiSales to inform a fair and equitable decision. Ultimately, store managers make decisions according to their style and the special ethos of the store. Despite managers' efforts to respond to schedule requests fairly, sometimes employees may perceive otherwise. One manager explained it this way:

"...when the schedule changes every two weeks, I've got to make those hard decisions about schedule preferences. Will I always make the right decision? Will I show favoritism towards one person over another? I don't know, I may...but I try my best..."

### Maintaining Customer Loyalty

Providing flexible work options to hourly workers may result in a lack of employee familiarity for customers. In the retail sector, customers often become accustomed to interacting with certain store associates with whom they feel most comfortable, and respond by frequenting that particular store. When workers use flexible options and are in the stores few consistent hours, shifts or days, customer loyalty may fade.

"There could be a cost factor – if somebody is not there as often as maybe a fulltime would be ...you know sometimes people like to see that same face."

"You know, there are ten students in this store, so you could walk in five days a week, and during the day you'll see the same faces, but during the evening, you're going to see ten different faces. So, I think [lack of] continuity of employees costs us sometimes."

Business Benefits & Challenges to Offering Workplace Flexibility to Hourly Workers	
Optimizes Employee Recruitment among the Hourly Workforce	Blending Employee Requests with Business Demand
Boosts Retention of Key, Hourly Worker Talent	Using Managers' Time Efficiently
Promotes Employee Productivity	Ensuring Fair and Equitable Practices
Engages Employees	Maintaining Customer Loyalty
Cultivates Quality Customer Service	
Reduces Operational Costs	

CitiSales managers generally make a clear case: workplace flexibility for hourly workers is vital for business success in the retail industry. Offering flexibility gives them a competitive edge in recruiting and retaining workers. Their efforts to blend employee scheduling requests with the business demands result in an engaged workforce that is more likely to offer better customer service than a workforce that is less enthusiastic about their job. While there are costs associated with creating a flexible work environment for hourly workers, the case is also clear that the benefits to the business far outweigh the costs.

*CitiSales Study Issue Brief #4, What Types of Management Strategies Promote a Culture of Flexibility for Hourly Workers?*, highlights strategies CitiSales managers use to create a culture of workplace flexibility.

## ACTION STEPS



### 1. Find out more about what your employees actually need.

Conduct internal surveys or focus groups. Flexibility is not one size-fits-all; it must be tailored to the needs of your particular employees and the needs of your particular business.



### 2. Inform senior-level management about the business case for workplace flexibility.

Buy-in from top-level management is critical to any effort to modify workplace practices to incorporate flexibility. One way to “pitch” workplace flexibility is to inform senior management of the benefits workplace flexibility can have on employee engagement and customer service. First, do your homework. Consider the ways in which topics discussed in this brief and others from the *CitiSales Study* might apply to your organization. Collect information that supports the approach and business case from other companies. Determine relevant information that will help build the case you want to make.



### 3. Establish a workplace flexibility committee.

Creating a culture of workplace flexibility is not easy. Consider establishing a committee to define or expand flexibility policies for hourly workers within your organization. Committee members should be representative of the company's flexibility stakeholders: senior management, front-line supervisors and employees. Ask an influential, senior-level manager to serve as a chair of the committee. Have the chair and other members of the committee present the recommendations for a workplace flexibility initiative to senior management.

<sup>1</sup> Richman, A., Johnson, A., & Buxbaum, L. (2006). Workplace Flexibility for Lower Wage Workers. *Corporate Voices for Working Families*.

<sup>2</sup> Swanberg, J. (2004). Illuminating gendered organization assumptions: An important step in creating a family-friendly organization. *Community, Work & Family*, 7(1), 3-26.

<sup>3</sup> ibid

<sup>4</sup> Behson, S. J. (2002). Which dominates? The relative importance of work-family organizational support and general organizational context on employee outcomes. *Journal of Vocational Behavior*, 61, 53-72.

## About the CitiSales Study

The data presented in this brief are part of a larger, multi-method study which examines the individual and organizational effects of quality workplace practices for employees in hourly, front-line retail jobs and for older workers in professional and hourly jobs in the same organization. The study was conducted in collaboration with a *Fortune 100* retail firm referred to as “CitiSales.” The company operates over 6,000 stores throughout the United States. Survey data were collected in 2006 from 6,085 employees within 388 stores in three geographical regions of the U.S.; 72% of employees surveyed responded. The hourly worker sample is 3,903. See Issue Brief #1: *Introduction to the CitiSales Study* for a detailed description of the hourly worker sample. Qualitative data were collected from 38 district managers and three regional vice presidents overseeing the operations in these stores.

*Sample and Methods:* Findings presented in this issue brief were gleaned from the qualitative interviews with senior management. Interviews were conducted in-person or by phone. Senior management were asked open-ended questions about managing an hourly workforce, types of flexible work options available to hourly workers at CitiSales, scheduling of hourly employees, and cost/benefit of offering flexible work options. Transcripts from the interviews were systematically coded and analyzed by the research team. For further details about the research methods, please contact Dr. Jennifer Swanberg at [jswanberg@iwin.uky.edu](mailto:jswanberg@iwin.uky.edu) or Dr. Jacquelyn James at [jamesjc@bc.edu](mailto:jamesjc@bc.edu).

This study was supported by grants from the Ford Foundation and the Sloan Center on Aging & Work/Workplace Flexibility at Boston College and by generous support from the *Fortune 100* retail firm referred to in the study as CitiSales.

## About the Research Team



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workplaces as a business and work-life effectiveness strategy, access to workplace flexibility among under-represented working populations, and the use of human capital and quality employment as a form of economic development. Dr. Swanberg’s research has been published in top-tier research journals, and she has appeared as a national and international work-family expert on television and radio including MSNBC, CNN, CBS, NPR, and BBC. She has been recognized by Alliance of Work-Life Progress as one of the profession’s Rising Stars, and her research has been recognized as among the top research articles by the Rosabeth Moss Kanter Award for Excellence in Work-Family Research.



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