



# citisales Jobs That Work study

## What Workplace Factors Drive Employee Engagement in an Hourly Retail Workforce?

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### INTRODUCTION

Retaining a qualified hourly workforce is a universal challenge among retail companies. Employers within this industry report turnover up to 60% depending on the type of company.<sup>1</sup> Costs associated with turnover among an hourly workforce can significantly burden retail businesses' profit margins. Such costs include hiring and training new employees, disruption in customer service, absenteeism and burnout among remaining employees, loss of morale, and loss of experience and institutional memory.<sup>2</sup>

One strategy retail companies use to address costly high turnover rates is to make efforts to promote employee engagement among their hourly workers. Engaged employees, it is said, are those who are invested in the job, willing to go the extra mile and loyal to the company. In addition, engaged employees have an impact on other business outcomes, such as customer satisfaction and organizational performance.<sup>3</sup> In effect, organizations with engaged employees are

likely to have increased customer satisfaction, and satisfied customers are more likely to frequent retail stores, which in turn may affect sales.

Thus, it becomes important to understand the elements of the job that increase employee loyalty and engagement. In general, employees feel engaged when they derive personal meaning and are motivated by their work, when they experience positive social support on the job, and when they operate in an efficient work environment.<sup>4</sup>

This issue brief describes the elements of the job that are associated with employee engagement among hourly workers at CitiSales.

### WHAT ARE THE DRIVERS OF EMPLOYEE ENGAGEMENT AMONG HOURLY WORKERS?

For the *CitiSales Study*, employee engagement is comprised of eight items which are categorized into cognitive, emotional and behavioral dimensions. (See *Table 1, next page.*)

## About this Issue Brief

This issue brief examines the drivers of employee engagement among an hourly workforce employed at a large U.S. retail store, referred to as CitiSales.

One primary research question is examined:

- What workplace factors drive employee engagement among hourly workers at CitiSales?

**Table 1  
Employee Engagement Items**

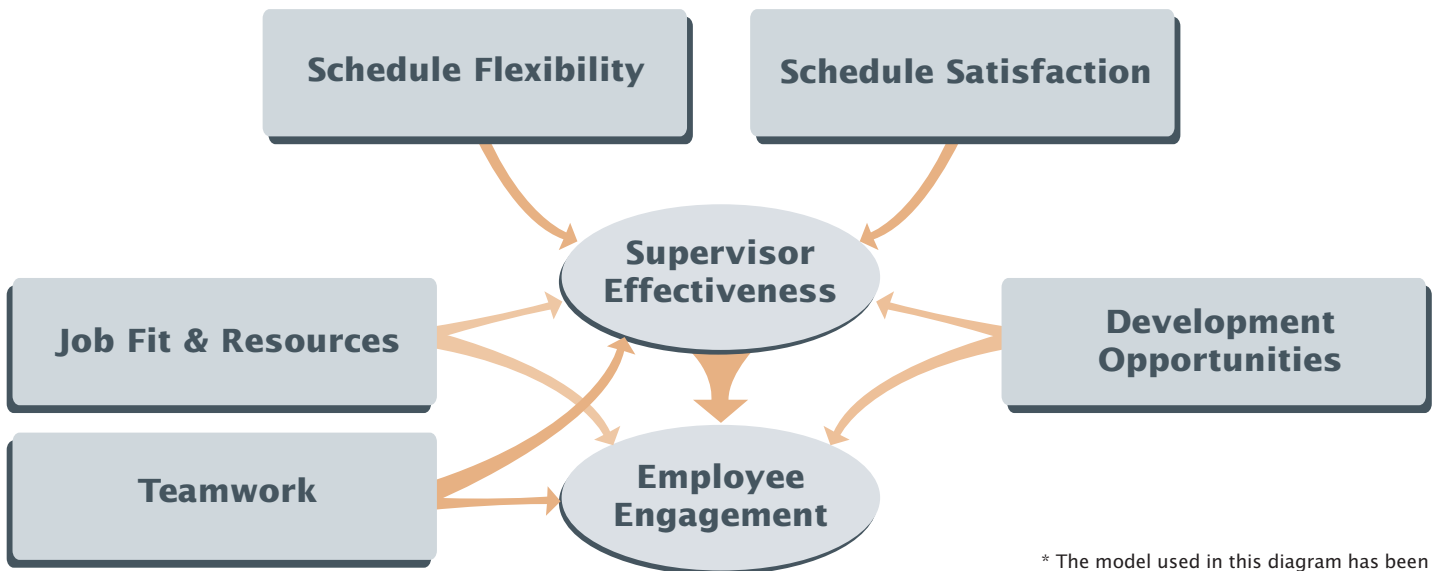
|                                    |   |
|------------------------------------|---|
| <p><b>Cognitive Dimension</b></p>  | <ul style="list-style-type: none"> <li>➤ It would take a lot to get me to leave CitiSales.</li> <li>➤ I would like to be working for the company one year from now.</li> <li>➤ Compared with other companies I know about, I think CitiSales is a great place to work.</li> </ul> |
| <p><b>Emotional Dimension</b></p>  | <ul style="list-style-type: none"> <li>➤ I really care about the future of CitiSales.</li> <li>➤ I feel like I am an important part of CitiSales.</li> <li>➤ I feel like my work makes an important contribution to CitiSales' success.</li> </ul>                                |
| <p><b>Behavioral Dimension</b></p> | <ul style="list-style-type: none"> <li>➤ I am always willing to give extra effort to help CitiSales succeed.</li> <li>➤ I would highly recommend CitiSales to a friend seeking employment.</li> </ul>   |

The *CitiSales Study* demonstrates that six workplace factors drive employee engagement:

- job fit and resources
- supervisor effectiveness
- teamwork
- development opportunities
- schedule satisfaction
- schedule flexibility

In one way or another, all of these dimensions of job quality predict employee engagement among CitiSales hourly workers. As illustrated by the arrows that point to employee engagement in Diagram 1, four core dimensions of job quality directly effect employee engagement: job fit and resources, supervisor effectiveness, teamwork, and development opportunities. Employees who are engaged in their jobs perceive their supervisors to be those who motivate and inspire rather than demand compliance, who consider work-family matters to be important, and who provide opportunities for growth and development on the job. In addition, they have jobs that suit their skills and interests, work with strong and cooperative teams, and have adequate resources and training to get the job done.

**Diagram 1 Drivers of Employee Engagement\***



\* The model used in this diagram has been simplified to illustrate the effects of job quality on store-level employee engagement, and does not include the interrelationships among the predictive variables.

The diagram also illustrates that the availability of schedule flexibility and satisfaction with schedules are important drivers of employee engagement in that they predict employee perceptions of supervisor effectiveness, which in turn predicts employee engagement. Employees who perceive their supervisor as one who considers employees' schedule preferences and is sensitive to employees' needs for schedule flexibility are more engaged than those who do not have these perceptions of supervisors. In fact, supervisors play a pivotal role in engaging employees, as illustrated by the number of arrows leading to supervisor effectiveness. An effective supervisor is one who cultivates a culture of teamwork, fits employees with the right job and resources, considers employees' schedule preferences, and provides employees with opportunities for growth and development.

## ACTION STEPS



### **Hire the right talent for the right job.**

Employee engagement starts with hiring people who are the right fit for the job and who can work the available hours. Most employees want to succeed. Yet, it is difficult to find people with the exact skills necessary for the job. Thus, it is important to consider the personality styles needed for certain positions. An employee who thrives on interaction with people is best suited for jobs that require building relationships with the customers rather than solely stocking shelves. Likewise, when hiring new personnel, be clear about the schedule requirements. Try to hire those whose personal or family circumstances fit best with the schedule needs of the store. If an employee seems the right fit for your firm but does not have the necessary skills, provide training opportunities.



### **Train supervisors to promote cooperation and collaboration among employees.**

Cultivating a spirit of teamwork increases the likelihood that employees will work together toward a shared goal, whether it is enhancing customer satisfaction, executing work related functions or covering work shifts. Schedule satisfaction and schedule flexibility require employees to collaborate to ensure that shifts are covered and work schedules fit employees' needs when possible. When last minute schedule changes arise, employees will look to their colleagues to help them out.



### **Create opportunities for hourly workers to learn on the job and to advance within the organization.**

Engage employees in on-the-job learning opportunities. While it is ideal to hire employees with the skills necessary to succeed on the job, this is not always possible. Provide opportunities for employees to learn skills that will ensure their success and possible career advancement. Find out what skills and interests an employee has, and provide her or him with the chance to develop these skills or interests. An employee may start out as cashier at a restaurant, but has an interest in learning more about food preparation. Moving this person to a food service position may increase the chances that she or he will stay with the company and continue to develop new skills.



### **Develop operational strategies that permit employees to express schedule preferences and last minute schedule changes without penalty when a personal or family matter arises.**

Retail scheduling requires a delicate balance among corporate requirements, customer needs and employees' availability. Considering employees' schedule preferences promotes engagement. Workers are more likely to be engaged in their work if their work schedules fit with their life off the job. Developing scheduling strategies that consider operational needs with employee preferences can optimize the fit between company needs and employee preferences. Additionally, developing operational solutions that permit last minute changes to set store schedules without penalty gives employees some flexibility to accommodate unexpected family or personal matters.

<sup>1</sup> U.S. Department of Labor, Bureau of Labor Statistics. (2008). *Job Openings and Labor Turnover Survey (JOLTS)*. Retrieved from [www.bls.gov](http://www.bls.gov)

<sup>2</sup> Tanke, M.L. (2001). *Human resource management for the hospitality industry* (2nd ed.). Albany, NY: Delmar of Thomas Learning, Inc.

<sup>3</sup> Forum for People Management and Measurement. (2007). *The Economic Case for People Performance Management and Measurement*. Evanston, IL: Frank Mulhern.

<sup>4</sup> Saks, A. (2006). Antecedents and consequences of employee engagement. *Journal of Managerial Psychology*, 21, 600-619.

## 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:* For the analyses presented in this brief, the sample was restricted to hourly workers 25 and older, working full-time and who reported working for CitiSales for one year or more. We restricted the file to workers for whom employment at CitiSales is their primary jobs because we wanted to determine if job quality factors that are good for employers are also good for employees. Path analyses were conducted using AMOS. For further details about the results of this study, please contact Dr. Swanberg, [jswanberg@uky.edu](mailto:jswanberg@uky.edu) or Dr. James, [jamesjc@bc.edu](mailto:jamesjc@bc.edu).

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## About the Research Team



**Jennifer E. Swanberg, Ph.D.**, is co-principal investigator of the CitiSales Study and is the executive director and founder of the Institute for Workplace Innovation (iWin) at the University of Kentucky, and an associate professor in the UK College of Social Work with joint appointments in the Colleges of Medicine and Public Health. Her research has focused on quality

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.



**Jacquelyn B. James, Ph.D.** is co-principal investigator of the CitiSales Study and is the director of research at Boston College’s Center for Work & Family. She received her Ph.D. in personality and developmental psychology at Boston University. Prior to coming to Boston College she was associate director of the Murray Research Center: A Center for the Study

of Lives at Harvard University. Her research has focused on the meaning and experience of work in women’s lives, gender roles, and adult development. She and her colleagues have published numerous articles, opinion pieces, and four edited books. The most recent volume (with co-author Dr. Paul Wink, professor of psychology at Wellesley College), *The Crown of Life: Dynamics of the Early Postretirement Period*, is about the opportunities and challenges inherent in the early retirement years for new generations of retirees. Dr. James is past-president of the Society for the Study of Human Development and serves on the editorial board of the society’s flagship journal, *Research in Human Development*.

**Mamta U. Ojha, MSW**, is pursuing her doctorate at the University of Kentucky College of Social Work. She works at the University of Kentucky Institute for Workplace Innovation as a research fellow. She has a BA in psychology from Lucknow University, India and an MSW from the University of Kentucky.