

Balancing the till

Increasing profits and building a better workforce



Report into finding and keeping good people in the retail sector

A report by the Australian Retailers Association, the federal Department of Employment and Workplace Relations Work and Family Unit, and the Equal Opportunity for Women in the Workplace Agency.



AUSTRALIAN
RETAILERS
ASSOCIATION



FEB 2002

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Balancing the till: increasing profits and building a better workforce was produced by:

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ISBN

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Designed and typeset by SpinCreative, Canberra

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Acknowledgements

Many individuals and organisations have made a significant contribution to this project and the development of the report. Firstly, we want to thank the retail businesses that contributed substantial time and effort to assist the research team conduct site visits. These visits provided a unique opportunity to see the issues under consideration in a number of very different settings. We also thank the retail businesses that responded to our survey, in particular those that participated in the pilot survey. Fiona Krautil and Alison Morehead designed the overall methodology for the project and established the project structure. Mark Cully of the National Institute of Labour Studies, Flinders University, helped with the development and design of the survey, and undertook its administration and analysis. Jane O’Leary played a key role in keeping the project on track until she went travelling in April 2001. Jenni Bushell wrote the earlier summary report and this project report.

Retailers that hosted site visits

Bakers Delight	Bevilles Jewellers
Calstores	DFS Australia
Esprit	Eurest Australia
Lone Star Asia Pacific	Lowes
McDonald’s	Mistearl (Northshore)
National Pharmacies	Radio Rentals
Safeway	Spotlight Stores
Suzanne Grae	The Body Shop
Woolworths	

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The Project

In the 21st century the retail industry is facing new and major challenges. Seven day trading, increased competition, increased diversity of customers, increasing customer expectations, new technology and an increasingly diverse workforce are putting new and expanded pressures on retailers to maintain profit margins.

Leading retailers view a quality workforce as critical to their business success. The way they manage their people is strategically linked to their core business objectives. However, many retailers have difficulty in attracting and retaining good staff.

In 2001 the Australian Retailers Association (ARA), the Work and Family Unit (WFU) in the federal Department of Employment and Workplace Relations, and the Equal Opportunity for Women in the Workplace Agency (EOWA) worked in partnership with some of Australia's leading retailers to undertake an in-depth study into staffing practices in the retail industry.

Sixty retailers, representing 278 000 employees, participated in the study by responding to a survey. Seventeen retailers hosted an extensive workplace visit.

The study, believed to be the first of its kind, revealed a number of challenges for the retail sector as well as highlighting key achievements.

This report presents the findings of the study and links you to helpful resources. It aims to provide all retailers with ideas and information to improve their business viability and profitability by understanding their workforce and managing it effectively. It looks to other retailers, both here and overseas, to provide examples of how to find, keep and develop good people.

Key Messages

Here are the key messages that emerged from the study:

- Leading retailers understand that attracting, training and retaining good staff increases customer satisfaction, improves productivity and maximises profits.
- Costing turnover is a critical starting point. It enables you to understand the cost of losing good staff and the savings that you can make by improving staff retention.
- Consulting with all levels of staff is key to identifying the critical factors that impact on your ability to attract and retain good staff.
- Effective people management indicators are an essential tool for CEO's looking to improve their business performance.
- Effective people management must be integrated into the business strategy so that workplace policies and practices support and complement the business goals.
- A commitment to invest in staff starts with the CEO. Managers and supervisors need to be assessed on their people management outcomes as part of their core business results.
- More and more companies recognise the significant benefits that family-friendly work practices can bring to the workplace through increased staff morale, higher productivity and reduced turnover of quality staff.
- Providing flexibility for management and supervisory staff remains a

key challenge for the Australian retail sector. It is a critical success factor in capturing the untapped talent of the large female workforce and delivering quality service to customers for 7 days a week.

- Surveys show part-time workers are just as committed to business success as full-time workers. Many want a career, and more and more are shopping around to find a good employer.
- A key characteristic of organisations that are successful at 'growing their own' managers is a working environment that values and supports development.
- Identifying and rewarding staff skill and contribution play an important part in attracting and keeping good people by creating a great place to work.
- Product and customer knowledge need to be valued and recognised in the industry. The important skills relating to effective equipment use, time management, creative shop display and quality customer service are often under recognised.
- Staff are the public face of the company and are a critical part of a retailer's branding effort. Corporate values and identity are communicated to customers through their interactions with staff at all levels of the company.
- Reflecting the values and make-up of their local community is identified as a critical success factor by local retail outlets.
- Good quality supervisors and managers, positive relations with fellow employees, customers and the community all work to create a great place to work.
- Contemporary work practices aligned with the needs of the 21st century workforce will significantly increase the management capability of the retail sector and increase its business competitiveness.

Leading retailers know their workforce.

1

The last two decades have seen a dramatic increase in the participation of women in the workforce. Population projections indicate that the workforce will continue to change, particularly as a result of the aging of the population.

The nature of the workforce impacts significantly on staffing practices. The growing drive towards work/life balance and flexible working hours has, in large part, been generated by women's increased participation in the labour market.

The competition for young talent and particular skills is likely to intensify. Also, as the population ages, it is likely that elder care and retirement-transition issues will become an increasingly important focus for both employees and employers.

In short, finding and keeping good staff is not a 'fad' concern – it will be an enduring key issue for retail employers. And knowing the workforce is critical to developing effective strategies.

Leading retailers are responsive to the changing nature of the workforce.

Want to profile your workforce?

You can download an electronic tool that will assist you to profile the composition of your workforce. It is available from EOWA. Visit them at: www.eowa.gov.au

The Retail Workforce in Australia — Vital Statistics¹

- Retail employs more people than any other industry sector in Australia. There are 1 347 800 employees in the retail sector. This is 14 per cent of the Australian labour force.
- The largest proportion of employees in retail is male full-time workers (34%), followed by female part-time workers (32%), female full-timers (19%), and male part-timers (15%).
- Women make up 51 per cent of the retail workforce.
- Part-time workers constitute 46 per cent of all employees.
- Nearly 41 per cent of retail employees are under 25 years of age.
- While only 22 per cent of managers are women, 67 per cent of these are employed at the lower levels of management.

International comparisons

In the UK, retailing accounts for 13 per cent of the workforce. Women make up 62 per cent of all employees, and almost half of all workers are employed on a part-time basis. Eighteen per cent of managers are women.

In the USA, retail trade makes up 18 per cent of employment. Women make up 53 per cent of all employees, and part-timers make up 36 per cent of the retail workforce. Thirty nine per cent of managers are women.

¹ ABS Labour Force Publication 6203 May 2001

Leading retailers know that it is critical to find and keep good staff.

2

With labour costs of \$21.4 billion, and profit margins at the lowest of any industry (3.4% in 1997/1998), maximising the investment in staff is critical for the retail industry and for individual retailers.

Because of extended opening hours and the unique make-up of the sector – a large number of part-time and casual employees – retail is presented with particular challenges when it comes to finding and keeping good staff.

\$397m is the estimated cost to Australian retailers of staff turnover.

Leading retailers say that good staff:

- share the company's values, and
- reflect the diversity of the customer base and surrounding community.

Leading retailers understand that finding, investing in and keeping good staff is critical to:

- customer satisfaction
- enhancing productivity, and
- maximising profits.

Leading Australian retailers know that keeping good staff reduces costs and increases profits.

"...finding and keeping good staff is a retailer's most pressing operational issue."

- Phil Naylor, CEO, Australian Retailers Association

Benchmarking data

Our survey found that most retailers appreciate the importance of good staff to their business.

- 69 per cent of retailers have a strategy to attract talented staff
- 72 per cent of retailers have developed a strategy to keep good staff
- 84 per cent of retailers have a strategy aimed at developing staff
- 74 per cent of retailers are working to improve their approach to recruitment, and
- 88 per cent of retailers provide incentive and bonus schemes to keep good staff.

In responding to our survey, retailers reported their voluntary turnover rates at:

- 19 per cent total for their business
- 12 per cent for their head-office staff
- 15 per cent for store managers
- 16 per cent for permanent store staff, and
- 34 per cent for casual staff.

ABS data

The ABS reports a staff turnover rate in the retail industry of 14.7 per cent.

Enhancing productivity

Effective recruitment, retention and development strategies succeed in making a good 'fit' between employer and employee, and serve the critical role of motivating staff and maintaining high productivity.

Studies have shown that good people practices lead to:

- maximisation of available labour
- reduction in workers compensation and other legal actions
- attraction of a wider range of job candidates
- reduction in absenteeism
- increased innovation, and
- enhancement of community and consumer perceptions.

The **Body Shop** is adopting traineeships to assist the company to attract and retain employees for Information Technology (IT) positions. New staff will be provided with specific TAFE training and then make a gradual transition into the workplace.

This is a long-term plan to improve training and retention in the company's IT area.

Attracting and retaining bakers is difficult for **Bakers Delight** due to the long working hours and night work. Bakers Delight now has a strategy to improve retention through an arrangement with Box Hill TAFE, which trains bakers in the "Bakers Delight way". This is part of a broader strategy that reduces night work and increases the number of baking shifts throughout the day so as to have day-round baking. Traineeships of 2 years are offered to staff that have been working with the company for over 3 months. The company is supporting staff to complete tertiary education degrees.

Benchmarking data

Our survey found:

- 31 per cent of Australian retailers use customer satisfaction as an indicator of the success of their recruitment initiatives, and
- 43 per cent use this indicator with respect to retention initiatives, and 21 per cent with respect to their career development strategy.

International comparisons

A recent joint study (PricewaterhouseCoopers and Roper Starch Worldwide Inc) examined the impact of staffing practices on customer satisfaction in six industries, including retail.

The study found:

- 33 per cent of consumers cited employee turnover as a major factor in the quality of service delivery, and
- 57 per cent of respondents identified poor employee training as a critical aspect of service deficiencies.

In an in-depth study of the retail industry in the USA, the Coca-Cola Retailing Research Council (Frank 2000) found that employee turnover costs the average supermarket \$US198 177 a year.

Sears, a major USA chain, has undertaken a study that links employee satisfaction with customer retention. The retailer worked with the University of Michigan to build a customer satisfaction index for the top 200 companies in the USA. Early data showed that if employee satisfaction were to improve by five points, there would be an improvement of customer satisfaction of two points, and revenue would grow by 1.6 per cent.

Length of service

One measure many retailers use to assess whether staff recruitment, retention and/or career development is an issue for them is the length of service of their employees.

If you are losing a significant number of staff after only a short time with your business, you may need to consider:

- Are we recruiting the right people?
- Do our work practices, management style, or culture cause people to leave?
- Do we offer enough development opportunities to make people want to stay longer?

Clearly staff that stay longer build more skills and are of more value to a retailer, and the cost of recruiting staff is reduced.

International comparisons

The Coca Cola Retailing Research Council found that, in the USA, the median tenure for hourly (casual) employees at top supermarkets was nearly double that of lower performing supermarkets.

For store managers the median tenure for the 'top' supermarkets was more than double that of the 'bottom' companies.

Australian stories

Our study revealed a range of views about how successful Australian retailers are at keeping their staff.

Opinions varied widely across the industry, and also within individual organisations. The way senior management, store management and employees viewed their employer's performance often differed significantly.

Across the industry, staff turnover was variously described as "horrific", "a fact of life", "our most pressing problem" and "something we don't pay enough attention to".

Benchmarking data

In our survey, retailers reported that the percentage of *staff who had worked with them for more than three years* was:

- 57 per cent of permanent shop staff
- 67 per cent of shop managers, and
- 60 per cent of head office staff.

From one retailer we heard that:

“ Our staff turnover is more than we'd like it to be. We do a fair bit of work to make sure we keep on top of the issues. ”

Senior Executive

“ High staff turnover is not a problem for me. My staff are enthusiastic and don't cause me problems. I give them flexibility and in return I get flexibility. ”

Store Manager

“ Staff turnover is very high here, and management say 'it's just a fact of life' and don't do anything. ”

Shop Floor Employee

Leading retailers know their real people costs.

3

A good costing exercise will not only tell you how much it costs to recruit, keep and lose good staff, but will also:

- help you identify problem areas
- feed into the business planning process, and
- inform people management strategies and budget allocation.

There are a number of ways to calculate costs and estimates can vary widely. Some methods relate strictly to turnover and direct costs such as advertising and recruitment. Others take a broader approach and incorporate 'opportunity costs' such as loss of productivity, giving wrong change to customers and improper use of equipment.

Knowing your people costs puts you in control of your people management strategies.

International comparisons

In the USA, the Coca-Cola Research Council (Frank 2000) calculated the direct and indirect costs of employee turnover (in \$US) in supermarkets at:

- for a store manager - \$13 936 direct and \$20 799 indirect
- for a department manager - \$1658 and \$5387
- for a cashier - \$736 and \$1550, and
- for other hourly (casual) employees - \$309 and \$3063.

Many fast food companies calculate the cost at \$US500 to replace one crew person, and about \$US1500 to replace a manager.

A USA society of Human Resource Management (Society of HRM 2000) survey estimated that the average cost per hire was lowest in the retail industry, but still significant at \$US1810.

Australian stories

A leading Australian supermarket told us it had estimated costs per lost staff member at:

- \$3800 per full-time staff member
- \$2000 per regular part-timer, and
- \$1200 per each casual staff member.

Have you considered all the costs?

- What are the costs of advertising for new staff?
- What are the costs of engaging a recruitment agency?
- How much time is spent interviewing for new employees?
- How long does it take for new employees to become fully effective?
- Do accidents to people or property occur as a result of new staff unfamiliarity with equipment and procedures?
- How many customers receive a negative signal about your turnover?
- How much do you invest in training and development for each lost employee?
- How much business or revenue is lost due to employees leaving?
- How many customers take their business elsewhere because you lost good employees?
- What is the negative impact on other employees (for example, sick days, low productivity, low morale)?
- Do you lose customers because your staff do not reflect the make-up of your local community?
- Are there any added costs due to grievance procedures or discrimination claims?

Calculating the cost

You can download an electronic tool that will assist you to calculate the cost of employee turnover from the EOWA website. Visit them at: www.eowa.gov.au

Successful retailers listen to their employees and then take action.

4

Consultation with employees is critical to:

- enable new and innovative ideas to be introduced
- find out what the good and bad things are about working in the business
- discover what factors impact on the organisation's ability to attract and retain good staff
- communicate to staff what can and can't be done, and why, and
- measure the impact of existing practices and strategies.

Consultation and listening can be done formally and informally – including through staff surveys, meetings, feedback sessions, daily 'walk throughs', and newsletters.

To properly tailor their people strategies to the needs of their particular business, leading retailers consult with, and listen to, their staff.

Employee survey

You can download a sample employee survey and analysis tool from the EOWA website. Visit them at: www.eowa.gov.au

Benchmarking data

In our survey 67 per cent of Australian retailers reported that they use staff morale and satisfaction to measure the impact of their initiatives to retain staff.

According to AWIRS 95 (Morehead), retail employees were the least likely of any industry, except for 'electricity, gas, and water supply', to believe that they were given a fair chance to have a say at work (43%).

Australian stories

Eurest has introduced surveys for employees that cover all staffing issues. The survey is completed anonymously, placed in a sealed envelope and analysed overseas. Honesty is impressed upon staff. Eurest says the objective of its staff survey is to decrease turnover.

McDonald's has 'communication days' every 4-6 weeks, where managers sit with staff and area managers to discuss any problems that may have arisen.

Spotlight has a 'talk back to the boss' scheme where staff are encouraged to openly discuss issues and concerns with their managers and supervisors.

The Body Shop has a suggestion box in the staff canteen. It also carries out a comprehensive staff survey each year.

Bakers Delight emails staff, and holds meetings which are telecast to different areas. Financial information and growth plans are disseminated to all staff, as well as information about who is joining/leaving the company.

Taking action

Leading companies express accountability for, and commitment to, good people management practices through company policy statements and, perhaps most effectively, through inclusion in performance agreements.

A commitment to invest in people must stem from the CEO and extend to managers and supervisors. This means using effective people management practices to achieve business goals.

International comparisons

A recent USA survey of 1400 retail workers found that the biggest deterrent to successful recruitment of graduates is negative perceptions gained from their part-time retail job experiences.

This research identified that managers at the shop level were not sufficiently accountable for providing employees with a good working environment.

Australian stories

Lone Star Steakhouse and Saloon has a designated Human Resource Manager in every restaurant.

“ They have accountability – if someone needs hiring, they do it. If someone needs firing, they do it. ”

Senior Executive, Lone Star Steakhouse and Saloon

“ It is our responsibility to get good staff and it is what we should be measured on. ”

Manager, Calstores

“ It would never get to the state where a manager is sacked for not being good enough. Our communication and accountability requirements mean that area management and head office would know about any potential problems straight away. ”

Manager, McDonald's

Benchmarking data

Our survey found:

- 63 per cent of retailers hold their store managers accountable for implementing recruitment and retention strategies.
- 76 per cent of retail stores conduct regular performance appraisals of managers.
- 57 per cent of performance agreements include the requirement to demonstrate that they are providing equal employment opportunity.

Leading retailers integrate their people management practices.

5

'Integrated strategies' are workplace practices and policies that support and complement each other and work together to achieve business goals.

For example, a speciality store may wish to expand its brand range to increase its competitiveness.

An integrated people management strategy ensures that all workplace practices will support this goal.

- An expected increase in customers may mean more staff need to be recruited.
- At a time of growth, it may be critical to retain existing staff.
- A new range of products may call for a review of staff training.
- Selection processes may need to be reviewed to ensure that the best person is selected for the job.

The Australian Retailers Association and its affiliated organisations provide a range of services to recruit, develop and manage staff. Contact details can be found at www.ara.com.au

Benchmarking data

Our survey clearly demonstrated that the more retailers integrate their strategic people management initiatives, the better their financial performance.

- One in two retailers had recruitment, retention and staff development strategies.
- One in three retailers had strategies in one or two of these areas, but not three.
 - 60 per cent had strategies to retain and develop staff
 - 64 per cent had strategies to attract and develop staff
 - 59 per cent had strategies to attract and retain staff
- One in ten retailers had no such strategies in place.

Australian stories

“ To achieve profits **Bevilles** feel that there must be an interactive arrangement between staff and management. Organisations must attract customers to stores and this is largely dependent on staff attitudes and training. ”

Executive, Bevilles

Bakers Delight has a key management priority of building an integrated people management approach and system.

Leading retailers provide for work/life balance.

6

Our study revealed that addressing work/life balance is a key challenge for the industry.

Over the last decade increasing attention has been paid to the significant benefits that family-friendly practices can bring to the workplace.

Studies have shown that employers benefit from work/life practices through:

- an increased ability to attract staff
- reduced labour turnover
- reduced absenteeism
- increased productivity, and
- higher staff morale, satisfaction and loyalty.

'Work/life balance' isn't just about enabling women to manage their jobs and their families – although this is an important aspect. It is about looking at working patterns so that all employees can fully contribute without short-changing their workplace or their other responsibilities.

Family-friendly working arrangements make sound business sense.

People's approach to balancing their work and family responsibilities varies according to what point of their life-cycle they are in.

Work and Family Awards

The Australian Chamber of Commerce and Industry (ACCI) National Work and Family Awards is an annual event that recognises best practice in family-friendly workplaces. They are open to any workplace, whether large or small, progressed or just starting, that is helping employees balance their work and personal lives. Further information can be found at www.dewr.gov.au/workplaceRelations/workAndFamily/default.asp

Benchmarking data

Our survey found that almost a quarter of all retailers believed that a major reason for staff leaving their company was to seek more supportive work/life conditions.

For retail outlet staff:

- 93 per cent of retailers offer part-time work
- 70 per cent provide family/carer's leave
- 57 per cent have flexible start/finish times
- 56 per cent say that rosters are negotiable to cater to staff's work/life situation
- 37 per cent offer school-term employment
- 27 per cent have flex-time
- 31 per cent have implemented job share arrangements
- 14 per cent have self-managed rosters
- 13 per cent allow working from home, and
- 9 per cent provide paid (or part-paid) maternity leave.

“ Our staff meetings always address the issue of how we can assist staff to have a healthy work/life balance. ”

Manager, Esprit

International comparisons

ASDA Superstores is one of the UK's leading grocery and clothing chains, with 240 stores, employing a total of 100 000 employees. Approximately 73 per cent of employees are part-time.

ASDA's wide range of working practices includes:

- child care leave – available for parents to stop work for a short period before the summer holidays, returning later with continuous service and maintained benefits
- shift swapping scheme – available for employees needing to be absent from work for family or domestic reasons
- school starter scheme – allows parents to take a half day holiday on their child's first day of school
- sabbaticals – up to 3 months unpaid leave, regardless of job status of length of service, for all staff over 50 years old, and
- paternity leave – provided to all male employees regardless of length of service.

Research carried out by Sainsbury's supermarkets in the UK revealed that work/life issues were as important to employees, if not more important, than salary (DFEE 2000).

Best Practice – Work and Family Initiatives Guide summarises key features and family-friendly measures that are in place in organisations that were finalists or winners of National Work and Family Award in 2000 and 2001. It also provides examples of family-friendly provisions in federal certified agreements. It is available from the Work and Family Unit - Ph 02 6121 7742 or email: workandfamily@dewr.gov.au

Australian stories

Mistearl enabled a team leader to move to an outlet closer to her home. This cut down on her travelling time, and meant that she could look after her children after school.

Lone Star Steakhouse and Saloon recently relocated a lead manager, whose family chose not to move due to the children's schooling. Lone Star pays for the manager to visit his family regularly throughout the year. When families do move, Lone Star pay for all relocation expenses for the family, including for pets.

Spotlight offers job-share to managers. And managers are able to take sabbaticals or extended leave funded by profit-share payments.

“ I work on a 3 day, 12 hour shift basis. These hours are chosen by me and they suit me fine. I have a hobby which I dedicate my time to for the four days I have off a week. ”

Employee, Baristas Coffee Shop

“ When a member of staff has undergone personal issues which has prevented them from working productively, we have provided paid leave so that the employee can go and deal with their problems and return to work. ”

Manager, Eurest

Some of **Lowe's** casual employees can work from 10am to 2pm. This provides both managers and staff with certainty, and is ideal for workers with school-age children.

McDonald's and **The Body Shop** provided unpaid maternity leave to their casual employees before this was introduced as a condition of employment for those under federal awards, following the test case in the Australian Industrial Relations Commission.

Return from maternity leave

Women leaving the workforce for childbearing reasons cost the retail industry millions of dollars in lost skills. By the time a woman leaves to have her first child she may have notched up years of experience, within the industry, and within your business.

Increasingly, Australian retailers are asking:

- can we really afford to lose those skills and experience?
- do we want these skills to be harnessed by a competitor?

A commonly used indicator of family-friendliness within an organisation is the rate at which women return from maternity leave, and the length of time they remain within the organisation. The more effective work/life initiatives are, the better these rates tend to be.

“ All managers that have gone on maternity leave have returned. ”

Senior Manager, Lonestar

International comparisons

In the UK a number of retailers report impressive improvements in their return from maternity leave rates, following the implementation of work/life initiatives.

At Littlewoods 98 per cent of staff on maternity leave returned to work.

Sainsbury's return rate has improved from 42 per cent in 89/90 to 84 per cent in 98/99, saving them hundreds of thousands of pounds.

The Guide to Evaluating Work and Family Strategies outlines a process to evaluate strategies and their impact on outcomes such as employee retention, return from parental leave and work satisfaction. It is available from the Work and Family Unit: Ph 02 6121 7742 or email: workandfamily@dewr.gov.au

Benchmarking data

Our survey found:

- only 41 per cent of Australian retailers keep records on the number of women who return from maternity leave.

In these companies their records show that:

- on average, 73 per cent of women return to work from maternity leave, and
- 63 per cent of staff who were once on maternity leave are with the same business 12 months after returning to work.

Esprit's work and family policies make a positive contribution to the development of the company's culture. This assists with recruitment as staff speak with others and spread the word on the Esprit culture – characterised as fun and fresh. As part of its effort to introduce more family friendly working arrangements, Esprit staff can use maternity leave over 3 years and staff returning from maternity leave can take up part-time positions. To build on the success of these policies, Esprit introduced paid maternity leave to attract and retain valuable staff and cut down on recruitment and training costs. Esprit offers 12 weeks paid maternity leave.

Staff and management meetings address the issues of how the company can assist staff to have a healthy work/life balance. A number of staff, including those at management level, are operating on flexible hours. Managers are flexible about staff having time off to participate in parent-teacher meetings and other family-related responsibilities.

For more information on implementing a work and family program visit the Work and Family Unit:
<http://www.dewr.gov.au/workplaceRelations/workAndFamily/default.asp>

Flexible work practices.

7

It is becoming increasingly evident that the capacity of employees to advance in an organisation is often tied to their ability to balance their work and family responsibilities. Based on our study, employers have responded to the need for more flexibility in their workplace. However, flexibility is much more likely to be available to shop staff than to shop management.

While it may be more difficult to provide flexibility to management staff, it may be of critical importance to keeping and growing female talent within your organisation and is well worth doing.

Control over working hours

Some control over working hours is important to all employees, but particularly to women who may need to organise their other responsibilities around work. This aspect of staffing presents particular challenges to retailers – naturally, shops open and close at fixed times, and must be staffed during these times.

However, retail relies on rosters. Coping with fluctuations in business, means that part-time, casual and full-time workers are being rostered in such a way to ensure maximum staff coverage at critical times of the day and week. This usually results in a range of shifts being available over the week – at different times of the day, and different times of the week.

Many retailers give employees some choice in what shifts they work. Employees may have made known their preferences from the start, which are often accommodated. Or employees may have a say in the weekly, fortnightly or monthly design of rosters.

Building a better business: how agreement making can help

This publication contains information for small to medium retail outlets and service providers. It contains a range of examples and ideas that you may want to consider when developing an enterprise agreement for your business.

For a copy contact the Industries Branch of the Department of Employment and Workplace Relations: Ph 6121 7081. It is also available on the publications sections of DEWR's website at www.dewr.gov.au

Benchmarking data

Our survey found:

- only 52 per cent of shop managers have access to part-time work, compared to 93 per cent of shop staff
- only 38 per cent of shop managers have flexible start/finish times compared to 57 per cent of shop staff, and
- only 4 per cent of shop managers can have school term employment, compared to 37 per cent of shop staff.

Suzanne Grae, a clothing retailer with stores Australia-wide, has a vision and values program that aims to set it apart from its competition. Its vision "exceptional people providing exceptional product for exceptional people" identifies the link between staff, product and customers. The company values of "trust, responsibility, pride, recognition, development, integrity and equality" provide clear directions for their actions.

Suzanne Grae has a strong commitment to work and life balance. The company's recruitment emphasises work and life balance, and their recent certified agreement specifies that store managers work a 38 hour week plus overtime if necessary. The agreement also makes it easier to employ permanent part-time employees. The Business Development Managers, who operate as area managers and training and development consultants, work a five-day week.

International comparisons

In German stores there is a time-bank system which enables employees to accumulate a number of plus- or minus-hours over the year. The extent of the margin varies between stores, but employees can work fewer hours in one period, and more in another, and even build up a 30-hour deficit with no financial penalties. The time-bank system is available to full-timers, part-timers, shop workers and managers.

“The first thing I do is check staff availability. Some of my staff can only work weekends, some only want the lunchtime shift. It's always done in consultation with staff.”

Store Manager, Baristas Coffee Shop

“Shop floor rostering is a negotiation process – it requires give and take flexibility on both sides.”

Regional Manager, Safeway Supermarkets

“Being a female dominated industry with the majority of staff in their late 20s we envisage that there will be a large number of people going on maternity leave. Our challenge will be accommodating these people, keeping positions for them and addressing the issue that most of these employees could prefer returning to work on a part-time basis, in all areas of the company including management positions.”

Executive, National Pharmacies

International comparisons

A **German sports store** achieved a remarkable reduction in personnel costs by upgrading qualifications and enhancing time flexibility. Employees were trained so that they could competently serve customers in various

departments, and new working time arrangements were introduced which were fully oriented towards the daily, weekly and monthly variations in turnover and demand. The working time model introduced was based on a high level of autonomy, allowing employee teams to work out their own rostering arrangements.

The **Bristol City Council** recently introduced Sunday opening for many of its services, including its libraries. To make working on Sundays more acceptable to its staff, it introduced self-rostering. This involved staff and management working together to produce a framework detailing all the tasks that needed to be fulfilled. It was then left to staff to determine how the tasks would be achieved.

Benchmarking data

Our survey found:

- 44 per cent of retailers said staff left their business because they wanted more control over their working hours,
- 14 per cent of retailers offer self-managed rosters, and
- 56 per cent of retailers say that their rosters are negotiable to cater for work/life needs.

Flexible hours are a popular and effective family-friendly provision. A good way to implement these is through a workplace agreement.

Office of the Employment Advocate

For information and instructions on the implementation of Australian workplace agreements (AWAs), as well as guides, examples and contact information, phone 1300 366 632 for the price of a local call between 8.30am – 7.00pm Monday to Friday or visit www.oea.gov.au

The Office of the Employment Advocate can send you a free copy of *How to profit from family-friendly workplaces*.

Leading retailers know that part-timers are central to their business.

8

Employers value part-time employees as a means of organising labour over the peaks and troughs of the workday and workweek trade. And many people – particularly workers with family responsibilities – appreciate the opportunity to work less than full-time hours.

However the nature of work, and the make-up and expectations of part-time staff has changed. They are no longer a ‘stop gap’ measure; they are more often than not an integral part of the business.

Part-time workers need to be taken seriously, many want a career, and many will shop around to find a good employer.

During our research, a few employers expressed the view that full-time workers were more desirable and more valuable because they had ‘a greater commitment to the job’ and/or were perceived as being more responsible or reliable.

This may be true in some cases, but the important question is ‘why?’. It could be the case that it is not part-time workers that are less committed to their jobs, but that it is the nature of some part-time jobs that engenders less commitment and enthusiasm from workers.

Good jobs, whether part-time or full-time, attract good people.

Australian story

An Australian department store undertook extensive market research to ascertain the nature of their customers; the key 'wants' of their customers; and trading patterns (including shopping preferences). Their research showed that their customers:

- were primarily in the middle to upper income range and that many of them held tertiary qualifications
- were most concerned with (in order of priority) speed of purchases, staff service, and pricing, and
- did most of their shopping at the end of the week.

Prior to their work reorganisation, this retailer had addressed the increased demand at the end of the week with casual staff. However, while effective in minimising direct costs, this did not adequately service their other business objectives of quality customer service. The higher spending customers expected and sought detailed product knowledge from staff, which casual staff often could not provide.

The retailer responded in two ways:

- it introduced a two-week roster which successfully shifted some of the more experienced full-time staff to the peak trading times, and
- it embarked on a process of reducing its casual workforce in favour of regular part-timers.

Good employers recognise the value of part-time employees, and make an effort to find out the needs and expectations of this important sector of their workforce.

Achieving roster flexibility

The type of flexibility your company needs depends on your business. For some retailers the key consideration is the fluctuation of business over the course of the day or week. For others, the main fluctuation is seasonal. For many, it's both.

While it may be perfectly sensible to address short-term seasonal needs by using casual staff, you have a number of choices in how to manage staffing for your more predictable daily and weekly peaks and troughs.

Don't forget your full-timers either. Rosters, overtime, time off in lieu, timebanks and leave arrangements can be used creatively to ensure you maximise and minimise your staff coverage at essential times of the day, week and year.

Careers: part-timers want them too.

It's important not to assume that men are looking for full-time work and women are looking for part-time work. However, many women and some men do prefer part-time work, or may have no option but to work part-time due to conflicting personal responsibilities.

Many part-time staff would like to advance further in their jobs but, with 94 per cent of retailers surveyed reporting that 10 per cent or less of their store

managers jobs are held by part-timers, career opportunities appear to be limited for part-time employees.

Benchmarking data

Our survey found:

- 88 per cent of Australian retailers offer permanent employment to high performing casuals.

In an employee survey of an Australian retailer (Derby and Mahony, 1994):

- 35 per cent of part-timers were the primary income earner
- 90 per cent of full-timers (71% of whom were women) wished to maintain their full-time hours
- 80 per cent of part-timers (91% of whom were women) preferred part-time to full-time work, and
- 80 per cent of part-timers did not want their hours reduced, and 41 per cent would have preferred more hours.

International comparisons

In Europe, the 1994 Labour Market Survey found that, on average, in the 12 European member states:

- 31 per cent of part-timers would prefer full-time work, and
- 12 per cent of full-timers would prefer part-time work.

The same survey found that the majority of re-entrants to the workforce (predominantly women returning from maternity leave) would prefer part-time work (Evan and Lippoldt 2001).

A British study found that 53 per cent of part-timers wanted to be considered for promotion within their part-time jobs (Brockbank and Traves 1995).

“A large proportion of our workers are part-time. We want to promote from within – that’s where the skills and knowledge are. We’ve had to come up with some options, we’ve had to change our culture – we don’t want to lose those staff.”

Senior Executive, Major USA Retailer

"Employees working short hours (about four hours in a shift) tend to have higher levels of productivity because individual output tends to fall towards the end of a shift" (Perrons, 1999).

Part-time work – the regulations:

In the federal jurisdiction there are no limitations placed on the number of hours worked by regular part-timers. Regular part-timers can work any reasonable configuration of hours over the week.

If you operate under a State award you will need to check its requirements. You may also set out part-time hours requirements in your certified agreement.

For information contact the ARA or:

Wageline phone advice service (local call):

New South Wales	1300 363 264
Victoria	1300 363 264
ACT	1300 363 264
Northern Territory	1300 363 264
Queensland	1300 369 945
Western Australia	1300 655 266
South Australia	1300 365 255
Tasmania (State Awards)	1300 366 322
Tasmania (federal awards)	1300 363 264

Australian stories

“ We offer permanent part-time positions and we expect, and get, commitment in return. ”

Senior Executive, Lone Star Steakhouse and Saloon

“ We introduced permanent part-time work to attract people to us – people who want more stable employment, people who are paying off mortgages. ”

Senior Manager, Suzanne Grae

“ Managers work with part-timers to ensure that hours fit in with family responsibilities. Bevilles can provide working mothers with hours to suit – especially at weekends and during school hours. ”

Store Manager, Bevilles

24 hours 7 days a week

In many companies there seems to be an unwritten policy that progression to management is contingent upon a willingness for staff to work long hours. Particularly at the store level, there is a strong sentiment that ‘managers have to be there all the time’. With shops open up to 24 hours a day, every day, it is clear that any one manager cannot be there all the time.

New models of management are being introduced to the retail sector. It is being increasingly recognised that part-time management is possible and desirable.

Leading retailers want more women in management.

9

If over 50 per cent of retail staff are women, why do so few women apply for management positions?

There are no doubt a number of reasons, including personal choice by women themselves.

However, the key question that more and more employers are starting to ask is whether or not this is a genuine expression of choice, or whether work practices and lack of career opportunities are deterring a significant proportion of the workforce from reaching their full potential.

"The majority of questionnaire respondents (74 per cent) reported that they wanted to progress in their career, that is, move higher than their current level, countering the belief that women are less ambitious and less career-oriented than men."

(British study based on 111 female assistant managers at retail outlets (Traves et al)).

Business Achievement Awards

EOWA honours Australian companies, CEOs and Diversity Leaders for their commitment to equality for women in the workplace.

Information on these Awards can be found at

<http://www.eowa.gov.au>

Benchmarking data

Our survey found:

- 42 per cent of retailers said that the relatively few female shop managers in the retail industry is an important or 'very significant' issue, and
- 36 per cent of retailers said that the relatively few female head office managers is an important or very significant issue.

Management positions attracting applications from women.

Proportion	Head office management	Store management
Less than 10%	25%	39%
10 to less than 25%	17%	6%
25 to less than 50%	17%	23%
50 to less than 75%	27%	6%
75 to 100%	14%	28%

New models of management

"Modern retail units offering 60 to 80 shopping hours a week will need another model for managerial staff. Flexible working conditions for all managers are likely to be a requirement for all future employers and employees" (Brockbank and Airey, 1994).

Australian stories

Lone Star Steakhouse and Saloon has recently changed their operational model from 4 managers to 5 managers.

Suzanne Grae is attempting to change the long-hours culture by capping management hours at 38 per week.

I began working for the company nine years ago. I was a single mother with young children and began working 12 hours a week in specialised retailing, working in a couple of outlets. Later I moved to permanent part-time in the main shop working from 10.00am to 2.00pm. This fitted well with my family responsibilities. As my children grew and became more independent I was able to work more hours and eventually I worked full-time as a supervisor. I am now the service manager (senior supervisor) responsible for more than fifty employees.

To continue my development I work with the HR department on recruitment issues as well as maintaining my service manager role. This provides me with plenty of challenges and a wide variety of work. Over the years the company has assisted and encouraged me to develop my career and move into supervisory and management roles while maintaining a balance with my family responsibilities.

Here there are a lot of women in management positions. Eighty four per cent of employees are women but 100 per cent of Service Managers are women, 95 per cent of Service Coordinators are women and 62 per cent of Pharmacists in Charge are women

Service Manager - National Pharmacies

Workshops

EOWA regularly conduct workshops designed to assist you to obtain the maximum business benefit from attracting and retaining female employees. For more information visit www.eowa.gov.au or call 02 8255 6300.

International comparisons

ASDA, is a strong advocate of seeking out management talent within its own ranks – and particularly that of female talent. At present only 7 per cent of ASDA's stores are run by female store managers, but they aim to increase this to 30 per cent by 2003.

ASDA has launched a program to encourage female managers to put themselves forward to be store managers of the future. The aim is to present positive role models so that more women will have the confidence to apply as candidates. ASDA launched its first ever supermarket store manager job share in 1999.

Sears, Roebuck and Co, a USA retailer, believes in actively seeking staff feedback and in developing female talent. Among Sears employees, 40 per cent are women and about 40 per cent of its workers at manager level and above are women. Sears attributes some of this success to the Sears Women's Network. The Network is open to all female staff and its key objectives are to:

- long-term, create a culture including and developing women at Sears in order to maximise employees' potential and contributions, and
- short-term, assess needs throughout Sears regarding career development for all women staff – and address those needs.

The group was a significant catalyst in pushing the need for mentor oriented training and the need to define work/workload expectations as part of a work/life balance.

Leading retailers grow their own managers.

10

It is clear from our study that leading retailers put a great deal of effort into growing their own managers, while also recognising that it is sometimes healthy and essential to import talent from outside the organisation.

A key characteristic of organisations that are successful at 'growing their own' is a working environment that supports development, and a strong management commitment to developing the talent of all employees. This includes succession planning.

A major challenge for retailers is to put in place mechanisms to recognise skills, and having work practices that encourage a full range of people to pursue career paths.

"Her replacement has already been identified and is undergoing training in preparation to step into her position when she is on maternity leave."

Executive National Pharmacies

Good employers know that they must provide career paths and recognise skills, or they risk losing good employees.

Benchmarking data

Our survey found:

- 75 per cent of retailers filled more than half their retail outlet management vacancies with existing staff.

Management positions filled by existing staff:

Proportion	Head office management	Store management
Less than 10%	28%	4%
10 to less than 25%	3%	6%
25 to less than 50%	24%	15%
50 to less than 75%	27%	22%
75 to 100%	17%	53%

Australian stories

At **Spotlight** 80 per cent of managers have been developed up through the business.

At **McDonald's** 98 per cent of managers are recruited from within the organisation.

At **Lonestar Steakhouse and Saloon**, nearly a third of managers started working for the company as casual employees.

“ We have a management trainee program in place. It is an 18-month program with structured on-the-job training through all departments. At 12 months we will start to look at where the 'bent' is – merchandising? operations? We will spend the next 6 months homing in on these areas. ”

*Human Resources Representative
DFS*

Recognising skills

Product knowledge and customer knowledge are often under-recognised in the industry. Skills relating to equipment, time management, shop display and customer service skills may not be fully appreciated.

“ The retail industry is not an unskilled industry but it is an under-credentialed one. One in which many skills are not formally recognised ”

*Bill Healy Executive Director,
Training, Education & Employment
(Policy Issues) Australian Retailers
Association*

Recognise and use the diverse range of skills already in your organisation. Skills acquired both at work and out of work should be recognised.

- Do you know what life and former work experience your staff have?
- Do you know what formal qualifications (including tertiary and trade qualifications) your staff have?
- What are your staff's strengths and weaknesses in their current job?
- What skills do they have that aren't being used (for example, computer, calligraphy or language skills)?
- Is full credit being given to the skills they use every day?

For more information on the National Training Framework and its application to your business visit the National Wholesale Retail and Personal Services Industry Training Council website at www.natwraps.com.au or the Australian National Training Authority at www.anta.gov.au

Recognition of current competencies and recognition of prior learning strategies are built into the National Vocational Education system. This ensures that employers and employees can access formal recognition of workplace competencies. The National Retail Training Package, with qualifications from entry-level certificate to diploma, is being used as the benchmark for the skills required. Many large Australian retailers are using the competencies and qualifications from the Retail Training Package to train new staff and to recognise the competencies held by existing staff. Companies using the Retail Training Package include Coles, Woolworths, McDonald's, Rebel Sports and Lowes.

Other methods that can also be successful include:

- an induction program that includes asking recruits about their qualifications, skills and interests
- personal development plans
- mentoring programs, and
- task/job/department rotation or swaps.

International comparisons

The Container Store, a USA retailer, was named Retail Employer of the Year in 2000. The President of the company says that "training is crucial to our success", and that customer service is so important to the company that every first-year salesperson receives about 185 hours of formal training, far in excess of the USA industry standard of around seven hours.

The Container Store is committed to ongoing training, and has a full-time position in each store called "Super Sales Trainer" (SST). Every day the SSTs focus on product training, sales training and employee development training.

"When I look at the cost-benefit of all this training, the results come back conclusively each year – the financial and human resources invested each year are worth it. We continue to raise our level of training each year. We painstakingly think about the cost-benefits, and the results are clear. ”

President, The Container Store

Benchmarking data

Our survey found:

- 100 per cent of retailers provide general staff training
- 54 per cent use personal development plans
- 33 per cent conduct performance appraisals
- 18 per cent use mentoring programs
- 9 per cent list 'promotion opportunities' as one of their five key initiatives to develop staff, and
- 4 per cent provide education or study support.

Australian stories

Big W has undertaken a company-based formal competency program as part of setting up a business framework. The business framework defines competencies, and includes them in all people management processes. Its performance management system is competency-based, its recruitment practices are competency-based, and it trains and coaches in all the competencies to reflect its core values.

Mistearl, whose 1000 employees are predominantly employed in service stations, test staff prior to training them to establish training needs. Mistearl offers traineeships and retail diplomas, and offers other training opportunities such as trade shows and residential programs. The majority of Mistearl managers have progressed through the company – they are believed to be "well accustomed" to the work culture and the systems."

“There are shortages everywhere for good staff so the key strategy is to grow your own people.”

Manager, Woolworths

“We look for mentors with different skills and this gives trainees a chance to see different ways of doing things.”

Manager, Calstores

Suzanne Grae has, in each area, a Business Development Manager (BDM). The BDMs are responsible for a wide range of activities but, significantly, for learning and development among all staff. BDMs conduct cross-store training, and provide input to performance reviews and learning plans. The BDMs are positioned between the shop manager and head office – and Suzanne Grae is aiming to introduce trainee-BDM positions to bridge this gap and create a more formal career structure.

Calstores has a very detailed program for assistant managers. They get intensive training in the classroom and then they work closely with different managers in the stores. Every assistant manager has to work as a customer service attendant. They are also allocated one or more mentors who work with them intensively in the first 3 months, and 'on-call' for the next 3 months.

Leading retailers 'brand' to get good customers and good employees.

11

People enjoy their work more when they feel they share common goals and values with their management and their organisation. If their company is viewed positively in the community they feel proud to be associated with it.

Corporate values and identity can be communicated to employees through, for example, vision statements, newsletters and regular meetings. Pride in the organisation can be nurtured through public recognition such as the National Work and Family Awards and the EOWA Business Achievement Awards or Employer of Choice for Women. ARA awards send a strong message of achievement to the community and to fellow retailers and staff.

Involvement in the community and links with charities can help to promote building the brand.

Importantly too, corporate values and identity are communicated to customers through their interactions with staff. As the public face of the company, employees are a key component of any retailer's branding effort. Consequently, leading retailers acknowledge the importance of finding, investing in and keeping staff who share the company's values.

The Prime Minister's Community Business Partnership

The Community Business Partnership is a representative group of Australians committed to encouraging and enhancing partnerships between the corporate and community sectors.

Partners combine their resources and talents to achieve mutual goals, develop creative solutions to local and regional problems and, most importantly, to strengthen community ties.

Visit them at: www.partnership.zip.com.au

Find out who are the leading Australian companies to work for. Find out how to become an EOWA Employer of Choice for Women at www.eowa.gov.au or call EOWA on 02 8255 6300.

Australian stories

“Having a strong brand is our core business objective. We brand to attract and keep both our customers and our employees.”

Executive, Suzanne Grae

Suzanne Grae has undertaken a rigorous corporate change strategy over the past five years, linking brand development to people development. It believes its re-branding has been critical to attracting new staff, and the staff turnover has also significantly reduced. Suzanne Grae says that its brand image is very important for staff and managers.

The Body Shop conducted a staff survey in 2000 which showed that 96 per cent of staff were proud to tell others that they work for the company. A social audit revealed that Body Shop employees were closely aligned with the environmental objectives of the company. Over 95 per cent of employees were highly interested in recycling, conservation, reforestation and fair-trading.

“The brand name helps us to attract potential employees. They want to work for a well-known long-established Australian company - a company where, as customers, they have experienced good service.”

Executive, Radio Rentals

Leading retailers become part of their community.

12

Our research found that "having fun with the customers" and "being part of the community" are important for the job satisfaction of many people.

Local retail outlets often attribute part of their success to the way they reflect the values and make-up of their local community.

"One lady who works for us could get more money working in the CBD, but she's happier here because she can interact with people and get to know people in her neighbourhood."

Manager, Euret

"We get involved in things like Clean Up Australia Day. People came in on a Sunday, on their day off, to pick up garbage or plant a tree with the company. I think that's amazing!"

Manager, Esprit

Good retailers forge strong links with the community, not only with an eye to potential customers, but also with an eye to potential employees.

Australian stories

Spotlight stores are strongly based in their local communities, and their staffing make-up reflects the different nationalities of their community. Many Spotlight employees are recruited from loyal customers who have experienced the family-friendly company culture.

Esprit's vision statement is 'Be informed. Be involved. Make a difference.' It is committed to investing in the community and this can be seen in the workplace culture – a culture which is non-hierarchical and promotes itself as having a 'family feel'. Esprit believes this culture helps attract staff, and that staff who enjoy the environment talk about it outside work and 'spread the word'.

Bakers Delight has a commitment to being 'your local family baker', and demonstrates this by being active in their local communities. It provides cookery classes for local primary schools; makes sure that the bakery is welcoming to children and helpful to parents; and it donates unsold bread to local charities at the end of each day.

At **The Body Shop** all staff are paid for 16 hours a year to participate in voluntary work. This connects the business, employees and the community. It also supports the community with other company resources including product donation and sponsorship, cash, company facilities, staff expertise and retail space. The criteria for its community giving program is defined by the company's core values. The Body Shop is not a cheque book donor.

Woolworths is the major sponsor of the Westmead Children's Hospital and their Bandaged Bear Appeal, with Bandaged Bears available in Woolworths' NSW stores.

Australian retailers enable community and employee interaction in a variety of ways:

- shared product knowledge – staff interact best with customers when they know their product well
- staff in retail outlets reflect the cultural and ethnic make-up of their surrounds
- language skills are valued
- theme days/weeks are held for charity (for example, Red Nose Day)
- stores support their local schools, sporting clubs, hospitals and other organisations
- staff are encouraged to engage in voluntary work
- noticeboard and advertising space is given to local community organisations
- suggestion boxes are provided for staff and customers
- unused stock is given to charity, and
- products are tailored to local communities – for example, kosher foods in areas where there is a significant Jewish population.

“ People come from diverse backgrounds. It's really good that the company hasn't hired from one background or culture. ”

Employee, Calstores

International comparisons

ASDA, a UK supermarket chain, has a commitment to match the profile of the workforce in each of its stores with that of the local population. For example, it has a multilingual store in Bradford where 47 per cent of its staff are from an Asian/Indian background (reflecting the ethnic make-up of that community).

Sears Roebuck and Co, a USA retail chain, has a Future Leaders Program in the Miami and Los Angeles markets that identifies Hispanic high school juniors and seniors that have demonstrated strong academic performance and leadership potential. Sears guarantees part-time jobs during holidays as first work experiences leading to long-term careers, as long as students maintain a "C" average.

Littlewoods, a UK retail chain, believes that its employees are ambassadors for the company and encourages its employees to be involved in a range of community initiatives; for example, mentoring head teachers and pupils from disabled and ethnic minority communities.

Leading retailers create a 'great place to work'.

13

Our study found that many managers and staff consider their workplace a good place to work. This belief appeared to underpin their decision to stay with their current employer.

"A good place to work" meant different things to different people. Some referred to 'culture' or 'a good feeling'. Many likened it to being a member of a family. The overwhelming majority of people talked about people.

Other important factors (covered elsewhere in this report) included:

- branding and community involvement
- rewards – monetary and non-monetary
- career and personal development opportunities, and
- flexible working arrangements.

Fellow employees, customers, the community and managers all have a significant impact on whether or not a workplace is a good place to work.

AWIRS 95

Fifty seven per cent of retail employees think that their workplace is a good place to work (Morehead).

Seventy per cent of people working in 'accommodation, cafes, and restaurants' believe their workplace is a good place to work.

International comparisons

A USA survey (Ranstad Review) based on 2600 interviews found:

- 91 per cent of employees define true success as being trusted to get a job done, surpassing fulfilment from money or job title
- 67 per cent of people ranked flexibility as part of their definition of workplace success
- 75 per cent of employees said that finding a company where they want to work for a long time is important, and
- 60 per cent find satisfaction with an employer when career development and training are provided.

Job satisfaction

Research by Frontline Retail identified the following key factors in job satisfaction:

- training and development
- opportunity for advancement
- work environment
- professional challenge
- working conditions, and
- job security

'Working conditions' has steadily

increased its ranking over the past three years.
(http://www.frontlinetail.com.au/Job_Satisfaction.htm)

A friendly workplace

In our society the workplace plays a key social role. The more satisfaction an employee gains in this respect, the more likely they are to rate their workplace as being a good place to work.

Retailers can play an active role in fostering good personal relationships.

- **Regular meetings** allow ideas to be shared.
- **Good induction programs** enable new recruits to be introduced to other staff.
- **Shared spaces** such as tearooms give employees a common area to meet.
- **Organised social activities** such as morning teas or workplace celebrations facilitate staff involvement.
- **Working in teams** builds employee relationships.
- **Training courses** give a shared purpose and enable staff to meet other staff.
- **Formal networking opportunities** such as employee representative groups or women's groups introduce employees to each other.
- **Sporting or other clubs** give staff a chance to interact outside work hours.
- **A strong ethos of equal employment opportunity** fosters an environment of mutual respect.

Australian stories

A **Spotlight** staff survey in 1999 found that 74.2 per cent of staff were "happy at work", and 68.7 per cent agreed they had adequate career development opportunities.

“ Not all people are interested in career progression, but it's still really important to engage them in the company. We do this by making it a great place to work, and by giving them enough flexibility to enjoy their lives outside work. ”

Manager, Spotlight

Calstores has regular social events where staff are encouraged to involve their families. It also strives to create a team environment where "staff know they can rely on each other".

“ Our stores operate best when there's a bit of fun and laughter in the place, and where there is also a professionalism about our operations. ”

Manager, Calstores

Bakers Delight holds an annual Bakers Delight Stakeholder's Ball for franchisees and staff, which is fun for participants and also raises money for local charities.

“ This company is a great company to work for. My sister recommended it to me, and I've made many friends since being here. ”

Employee, Baristas Coffee Shop

“ The people make the workplace. Everybody relies on each other – you don't want to let the team down. There's definitely a 'family feel' around the store. ”

Employee, Lowes

“ We need to know our people, need to know who we are working with – a little bit about them. I don't feel it's just work, you do it, then you go home ... it's all about working as at team. ”

Manager, Esprit

Leading retailers reward skill and effort.

14

Identifying and rewarding skill and effort plays an important part in building a good workplace, and in attracting and keeping good staff.

Monetary rewards take the form of over-award payments (either in workplace agreements or informally); payment in accordance with awards that pay more highly; end of quarter/season/year bonuses; bonuses when sales targets are reached; generous allowances; and/or competitions between particular stores or teams.

Retailers show particular imagination in developing non-monetary rewards. From the traditional shop discounts and meals, to share packages, extra time off, funded social events, education sponsorship, and book/CD vouchers.

Australian retailers offer rewards that are both monetary and non-monetary.

Australian stories

Thirty one per cent of Australian retailers thought staff left their business because they wanted higher pay.

Calstores pays staff in accordance with motor trades awards – a higher rate than retail awards.

McDonald's has a card that entitles staff to discounts at a range of retail outlets popular with its young customer service staff.

“ Some of our initiatives have included yoga classes and we are always looking for something new. Some of these ideas have included gym memberships and having a day off on the anniversary of commencement with us. ”

Manager, Esprit

International comparisons

Zane's Bicycles, the largest bike shop in Connecticut, has a bright yellow new VW Beetle logoed at the front of its main shop. From the owner: "Speaking of fun and staff retention, why not offer the cool new beetle to a different staff member each week? Every week we drew names out of a hat to determine the order of use. My staff were beside themselves. We logged 15 000 miles...conducted the business for a whole summer without losing an employee – not to mention the free advertising" (Arthur Andersen Retailing Issues Letter).

Leading retailers measure their outcomes.

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People management indicators are an essential tool for organisations looking to improve their performance and capitalise on their investment in people.

A good system of measurement and evaluation enables you to:

- determine which initiatives are working towards your business objectives
- identify the strengths and weaknesses in your overall people management strategy
- calculate the return on investment of initiatives, and
- gather information to inform future strategies or initiatives.

Indicators need not be overly complex, and can be improved over time. It is also important to tailor your indicators to your particular business objectives.

"Improved measurement of human resources will lead to more rational and productive choices about managing staff, and allocating them to improve overall business performance"

(Workforce Economics, 1997).

Benchmarking data

Our survey found:

- 59 per cent of retailers measure the impact of their initiatives to **attract staff**.

Of these, retailers use the following indicators:

- 85% Quality of applicants
- 68% Diverse range of applicants
- 60% Applicant numbers
- 52% Customer service satisfaction
- 23% Other

- 88 per cent of retailers measure the impact of their initiatives to **retain staff**.

Of these, retailers use the following indicators:

- 94% Turnover rates
- 76% Length of service
- 76% Staff morale/satisfaction
- 55% Return from maternity leave rates
- 49% Customer service satisfaction
- 42% Retention rates
- 28% Other

- 61 per cent of retailers measure the impact of their initiatives to **develop staff**.

Of these, retailers use the following indicators:

- 75% Staff morale/satisfaction
- 69% Turnover rates
- 65% Promotion rates
- 65% Length of service
- 35% Customer service satisfaction
- 31% Other

Using indicators

It is up to each business to work out what indicators best measure their objectives. The key questions to ask are:

- what do I want to measure (for example, the impact of family-friendly initiatives)?
- what is the best way of measuring this (for example, retention of people with caring responsibilities, gender make-up of workforce, and/or return rates from maternity leave)? and
- how can this information be extracted (for example, HR systems, exit interviews and/or staff survey)?

The following indicators are the ones most commonly used by Australian retailers.

Workforce indicators

- demographics of workforce (eg. gender, age, occupational distribution), staff turnover and retention rates, length of service, staff absences.

Recruitment and selection indicators

- number of applicants, quality of applicants, success and costs of different methods, average period of occupying a position, internal/external promotions, transfers and separations.

Performance evaluation and remuneration of employees

- systems of performance appraisal, regularity of appraisal, results of appraisals, bonuses paid, other remuneration.

Training and development

- hours per employee, costs, different types of training, nature of employees receiving training.

Leave and benefits

- patterns of leave usage, uptake of benefits, conditions of service, costs of leave/benefits, return from maternity leave rates.

HR Strategy and policy

- consultation, accountability of managers, use of the HR function.

Staff morale and satisfaction

- level of job satisfaction, elements contributing to job satisfaction.

Customer service satisfaction

Australian story

By using good indicators, **The Body Shop** knows that its staff turnover is 22-23 per cent per annum. It also knows what is likely to impact on turnover and, by putting a strategy in place, is aiming to reduce turnover to 18 per cent. This will represent a significant saving for the company.

International comparisons

Walgreen, a USA drug store chain, measured the impact of its training by comparing pharmacies where training had been undertaken with pharmacies where it hadn't. The trained pharmacies consistently outperformed the other pharmacies with higher sales.

Balancing the Till

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