Between a rock and a hard place: answers to the retail industry’s image and labor problems
From Target and Gap to Sears and Williams-Sonoma, it seems that most major retailers have suffered from regulatory and media scrutiny over their scheduling policies.¹ In 2015 alone, New York’s attorney general launched a crusade against on-demand scheduling, California introduced the Fair Scheduling Act and San Francisco adopted a Retail Workers Bill of Rights. Both pieces of legislation mandate employers to provide staff schedules two weeks in advance, among other criteria aimed at improving hourly employees’ working conditions.² ³ These concessions have come with a price, however, and retailers without the ability to fill and rearrange shifts on the fly are starting to feel the ramifications.

For brick and mortar retailers, margin pressure stemming from hourly labor costs has never been greater. But without the right technology in place, businesses are bound to endure growing pains—including productivity losses and added expenses—as they pursue scheduling reform. Even more troubling, ongoing image problems threaten to exacerbate the industry’s low retention rate and hiring challenges, making it imperative for retailers to take action. Facing stiff competition, rising wages, tightening labor regulations and even the possibility of prosecution, businesses need to rethink their scheduling strategies and adopt the resources necessary to do so. As online channels and other emerging business models continue to pose new threats, retailers can’t afford a guilty verdict in the court of public opinion.

Retailers’ persistent image problems will only grow as Millennials—who place a significant focus on corporate citizenship—continue to saturate both the buying public and job-seeking labor pool. To cultivate success in a changing market, it will be critical for retailers to address the perception that workers are treated as disposable assets with substandard pay and little control over their schedule. The days of on-demand scheduling are nearing an end, but retailers can still take advantage of new tactics to control labor costs, meet their organizations’ goals and create positive environments for front line associates.

By pioneering modern scheduling practices and investing in employee engagement initiatives, retailers can be part of the industry’s labor solution.
reconciling labor scheduling and worker needs

Legislative action against widely used but unpopular scheduling techniques like clopenings and on-call scheduling has created an undeniably challenging environment for retailers. In many ways, these tactics have been businesses’ only cushion as they grapple with increased competition from e-commerce and rising wages. By adopting new tools and processes, however, retailers can resolve the tension between associate and organizational needs, remain agile and keep costs low.

In a perfect world, employers could draw from a broad pool of talent to fill shifts as they become available, and employees could exercise control over when and where they worked without worrying about inconsistent hours and income. This idyllic setup is entirely possible, but has historically only been feasible in small, tight knit environments where communication barriers are low and employees and managers remain in constant contact.

With the right tools, retailers can scale this approach to scheduling across their entire hourly workforce without piling on managers’ administrative duties or instigating and IT nightmare.

Retailers must start to focus on the last mile between schedule optimization and shift fulfillment. The explosion of mobile technology, combined with more advanced screening algorithms that can better account for worker availability, has granted retailers new methods to resolve the gap between workers’ and employers’ scheduling needs. By adopting integrated platforms for creating, communicating, modifying and trading shifts, retailers can give their hourly workers the flexibility and stability they crave while maintaining staffing levels, customer service quality and profitability.

by adopting new tools and processes, retailers can resolve the tension between associate and organizational needs, remain agile and keep costs low.

Retailers no longer need to choose between their employees and their margins, and can deliver store results while playing a critical role in the hourly labor solution.
transforming associates into brand ambassadors

There’s something to be said for employers that choose not to ignore the retail industry’s image problem, but to do something about it. Fostering a positive public perception around how your business treats its employees—including wages, scheduling and career advancement—can directly impact customers’ willingness to buy from and advocate for your brand. Organizations that champion corporate citizenship internally and externally cultivate a culture that also attracts and retains skilled workers. A retailer whose employees are well compensated and given flexibility over their schedule is likely to sidestep frequent struggles in their search for qualified talent.

For modern retailers to be successful, they must be willing to acknowledge their historical shortcomings and take action to enhance and maintain their status as equitable, socially responsible companies. Retailers can add more value to their employees’ careers by recognizing worker achievements, promoting stronger communication throughout their ranks, and streamlining cumbersome processes, turning common industry complaints into organizational strengths.

Invest in Associates’ Development

Despite the industry’s notoriously high turnover rates, investing in employees as long-term assets rather than transient workers is a winning strategy to build loyalty, enhance your organization’s reputation and improve the customer experience. Research shows that service companies that devote time and budget to hourly employees’ development experience higher staff loyalty and superior customer service compared to less worker-centric competitors.⁴

Retailers need formal ways of recognizing employees’ learning feats and exceptional performance, and processes for educating workers about possible career paths within the organizations. By embracing technology platforms that track staff training and credentials, for
instance, retailers can provide employees with concrete proof of their skills and accomplishments, and help managers quickly identify candidates fit for specialized projects and upcoming promotions.

companies that devote time and budget to hourly employees' development experience higher staff loyalty and superior customer service

Don't Forget the Human

Promoting a healthy public image, attracting motivated employees and staying competitive require more than granting employees scheduling flexibility—they need to feel engaged as well. In large retail chains especially, hourly workers must be treated as valuable members in a larger team, not faceless recruits at the bottom of the organizational chart.

When running a complex retail organization, it's all too easy for employee feedback to become muted as it passes through layers of management. Similarly, communication from the top down can feel disembodied and impersonal as store managers relay updates and instructions from corporate headquarters. Businesses need tools and processes that help managers facilitate closer relationships with their teams, and that establish direct communication channels between head offices and front line employees. This means ensuring that information travels effectively both up and down the chain of command, including employee feedback.

Hourly workers are the first to recognize challenges in their daily work routine or ways to improve store operations; encouraging and listening to their feedback not only bolsters employees' sense of belonging, but also benefits the business. By simplifying head offices' ability to reach store employees, employers can ensure more consistent, meaningful communication across different locations, time zones and shifts.

Make Your Organization Easy to Work For (and With)

Business processes that look good on paper are often cumbersome in process, and can create an unnecessary hurdle between employees and the results they're expected to achieve. Organizations should again look to digital solutions that can reduce the administrative hassle associated with many common tasks, leaving employees and managers with more time to focus on their work while fostering a culture of transparency.

Like consumers, employees increasingly demand convenience, self-service and simplicity. At a minimum, hourly employees should be able to easily swap shifts and determine when they're working without supervisors' assistance. Workers shouldn't have to jump through hoops to ask questions or air concerns to their bosses, or even to receive training. However, retailers should be wary of passing this burden back onto managers. Businesses have to be mindful of adopting solutions that eliminate these hurdles on both sides, rather than shifting the problems elsewhere.
be a part of the solution

An already challenging retail landscape has been complicated by pressure from the public and regulators to reform scheduling practices perceived as unethical, but retailers can be part of the solution. Consistent schedules are a clear win for hourly employees, and retailers can find new ways to balance these labor needs with their own business goals. Facing this juncture, retailers have to rethink traditional practices and consider resources that can modernize their scheduling, communication and engagement processes for the long term.

Retailers also have ample opportunity to make “quality of life” adjustments to their administrative processes.

Communication between managers and their employees should never be a hassle, and communication between corporate headquarters and satellite locations should be direct and individualized whenever possible. The tools retailers put in place should empower employees to influence their own schedule, conduct self-service functions, easily communicate with managers and co-workers, pursue professional development and offer feedback.

The tactics retailers depended on for so long to protect their margins may be falling off the table, but that doesn’t mean businesses have to suffer. With the right effort and an openness to change, retailers can be part of the solution to outstanding hourly labor challenges, to the benefit of their staff and their bottom lines.
WorkJam is an employee engagement platform that empowers companies with shift-based and hourly workers to manage and optimize the entire employee-employer relationship life cycle with dynamic mobile schedule management, on-demand training and assessments, streamlined communication and employee recognition and reviews.

WorkJam drives down labor costs, lowers attrition rates, improves compliance, optimizes labor in relation to demand and improves the customer experience and sales with a happier, more engaged staff. For employees, WorkJam enables more control over their schedule and work-life balance, as well as presents the opportunity to maximize their earnings, develop skills, and advance their economic well-being. Learn more about WorkJam at [WorkJam.com](http://WorkJam.com).

**Sources**


