



fall 2002

digest

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**THIS QUARTER**

## Employee Motivation

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## *Contents*

How to use this RetailWire Digest	2
RetailWire Power User TIPS	2
Forward	4
Employee Motivation Discussions	
<i>Americans Say 'Take This Job and Shove It'</i>	5
<i>The Deviant's Guide to Business Success</i>	8
<i>Parenthood Hits Glass Ceiling</i>	11
<i>Retailers Experience High Employee Turnover</i>	14
<i>Hypocritical Corporate Practices Breed Cynicism</i>	17
The RetailWire BrainTrust Panel	19
About RetailWire	20



## *Employee Motivation Discussions*

### **Americans Say 'Take This Job and Shove It'**

8/27/02

*The Associated Press* reports that workers are becoming less content with their jobs in many parts of the country, most especially in New England. A March survey of 5,000 people found that while most Americans continue to find their jobs interesting and are even satisfied with their commutes, the percentage of those who were satisfied with their jobs dropped from 59 percent in 1995 to 51 percent. The mail survey was conducted by New York-based Conference Board, which did not provide a margin of error.

Job satisfaction was lowest in New England at only 44 percent, compared to 56 percent in 2000 and 65 percent in 1995. The northern Midwest, Prairie and south central states - Kentucky, Tennessee, Alabama and Mississippi - also dropped to below 50 percent compared to the 1995 survey. Workers in the Rocky Mountain states were the most satisfied, although they, too, had dropped from 63 percent to 57 percent in the past seven years.

Less than 48 percent of people aged 35 to 44 were satisfied with their work, compared with nearly 61 percent in 1995. The most satisfied age groups were those under 25 and over 65. Only about one worker in five was satisfied with their companies' promotion policy and bonus plans, while nearly two in five were content with their wages. Job satisfaction increased with income levels, but even among the higher-earning households, it had dropped from 67 percent in 1995 to 55 percent in 2002, holding steady since 2000.

#### ***Moderator:***

**Do companies need to focus on inspiring employees to greater performance or is the threat of unemployment inspiration enough?**

Motivation, for many, comes from a sense of ownership. Unfortunately, as we've seen with too many CEO stock option deals, many top managers prefer to rent than buy. Employees see this type of behavior and understand that the "We are Family" talk is just that, talk. - **George Anderson - Moderator**

#### **Comments:**

I think at this point, the threat of having no job at all is compelling. However, when the economy begins its recovery, watch out! I think companies will have to work harder to retain the best and brightest employees. I am a fan and believer of: to have the best employees available, you have to pay them. Money seems to make any job seem better than it is. - **burrsbl**

Frequently, when talking to middle level managers, I hear the comment, "my boss doesn't know what he is doing". Whether it is micromanagement or macromanagement, I think the issue is communication. If a boss fails to keep their staff informed, the staff will feel left out and, worse, alienated. If a boss fails to tell or holds back the truth, the employees will talk to the first recruiter that calls. Firing in a lot of cases is a failure of the supervisor, rather than the employee. A sense of involvement, knowing that ideas will be discussed and not dismissed and a chance to make decisions, are all part of a happy employee's day. - **Robert Thomas - BrainTrust**

The impact of the general economic and political condition has ENORMOUS impact on satisfaction measures. When people perceive that they are connected to a company and that the company is committed to them, satisfaction will increase. As we have seen repeatedly in the ebb and flow of economic cycles - when people feel threatened or in danger of losing their jobs...satisfaction decreases.

As has been pointed out, the threat of being fired or the "carrot" of keeping one's job CAN and DOES lead to behaviors that "support" the mission of the company (I do my job because I need the pay. I don't necessarily AGREE or perform out of a sense of CONNECTEDNESS to the com-

pany. It is PURELY an economic transaction). The issue with this approach is that it is short term at best. Eventually, the employee will seek "greener pastures" when the situation seems right. The employer will receive "mediocre compliance" at best from employees and the cycle will forever be repeated.

Interestingly enough, studies have been conducted that demonstrate that people who VOLUNTEER to do something are more committed to a task than those that are paid large sums of money to perform that task. (The thinking goes that if I am paid for it, I can rationalize why I do something by pointing to the fee received. If I volunteer, I must REALLY love it.) So, the above comment about money being a motivator that leads to satisfaction (as opposed to buying compliance) may not be entirely true. However, there will be those that may feel, "So what - I am getting the person to behave and perform as I wish". The debate continues....

- **David Zahn - BrainTrust**

The threat of unemployment is a definite motivator today, although as the economy recovers, employers will need to reward those employees who have stuck with them and worked beyond the call of duty. As has been reported in many other outlets, the Americans have a very unbalanced lifestyle, with the "work/life balance" becoming a joke to many employers. While the heady days of the dot-com era are unlikely to return, employers do need to recognize the importance of family and personal lives to their employees. - **Sean O'Neill - BrainTrust**

If an employee/associate never gets to run with the ball, he/she isn't going to feel part of the "team" ... so they look around. That happens even if they are well paid. Companies should let people run with the ball, make mistakes, and encourage them to persevere. Effective leadership takes place in the context of a supportive community and that results in positive results; it also accommodates timely change. - **Gene Hoffman - BrainTrust**

These are perilous times for the employees at all levels. The pressure from Wall\*Street has executives in a whirl. We all know what rolls downhill. It may get worse before it gets better. The investment community may now exert more control over boards and CEO's than ever before. While many CEO's and, to a greater degree, boards struggle with understanding the rapidly changing needs in their business, the investment community understands less - regardless of who is pillaging and exploiting profits. Be it CEO / CFO's or institutional shareholders, it's seldom in the best interest of a company's long-term growth strategy. Building equity in a business is not always easily defined or properly accounted for on a balance sheet. For all the science involved, business is still an art. It requires vision, insight and creativity. If it were as easy as an Algebra formula or an MBA course, the failures would be fewer and the successes greater. As for the satisfaction of employees, it's tough to give it all, knowing it will never be enough! There has to be a balance and some order to our lives for general fulfillment.

I'm reminded of Sam Walton and his slant on the stock market. He proclaimed going public as being the best and worst day for Wal-Mart. He could never fund the growth without going public, but man did he hate giving up control and facing the changes he knew it would bring his organization. Wal-Mart today is a shell of the homespun company from those days. The old line Associate now, only, anxiously awaits retirement and fondly remembers the good old days. They have become a machine, whose sole purpose is to satisfy the next level of expectations from Wal-Street. The forward motion of most publicly traded companies today is not driven from wholesome values, such as the next R&D breakthrough or the improved customer service level, rather all activity is panic based. Bring back levelheaded management and a realistic investment community; we have seen what unrealistic, unfounded growth will bring about. - **Gene**

This one must qualify as what people have often called a no-brainer. Surely any business whose day to day operations depend on people who only do their job because they need the money and

are afraid to put a step wrong, cannot be as successful as a business whose employees are motivated and feel that they are making a useful contribution. A sense of ownership doesn't have to be literal. It can be just as valid when employees feel valued and appreciated. Their remuneration can come in the form of salaries and/or bonuses; they don't necessarily have to have stock options. Fear is the wrong kind of motivator. - **Bernice Hurst - RW Commentators**

Corporations have totally blown it. It is rare that anyone buys into the rhetoric from the top anymore, especially when there are different rules for different people, different salaries for the same job, perks for some and not others, little communication, and unwritten policies etc.

Then we all get the annual report and read the top level execs bonu\$e\$ (that are more than our annual salaries and bonuses combined) when we were forced to work at 120% of effort and time for little or no "bones thrown our way."

I am expected to be motivated? - **Stealth**

While finding good and motivated employees may be difficult, finding the opposite is even more difficult. That is, a great and motivating employer! Real leadership is sorely lacking in most organizations. Most have simply relied on the "fear of employment factor" as their means for motivation.

If you did some research, the list of employers that would fall on a "employer of choice" list would come up quite short. Look only to retail, and the list is even shorter.

The fact of the matter is that this issue is a carry over into all aspects of a company's success and results. Look at the difficulties Wal-Mart is beginning to experience; same for Home Depot and the mass retailers across the board. The fear of employment is real, so real that it has become less a factor. If being employed is as painful as being unemployed, the fear factor has less value in the eyes of those searching. We're left with the same issues. Those looking will take the best opportunities, not necessarily the highest hourly rate. These factors have to be real as well -- talk goes no where fast when it comes to these types of issues with employment. I'll point back to leadership. It starts at the top -- the tone that is set there carries throughout any organization. - **Scanner**

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## *Employee Motivation Discussions*

### **The Deviant's Guide to Business Success**

8/26/02

How business ideas move from the edge to the mainstream and how companies can profit from the process are the subjects of a new book aimed at helping top management break out of ivory tower isolation.

"The Deviant's Advantage: How Fringe Ideas Create Mass Markets," *Crown Business*, was written by Ryan Mathews (RetailWire BrainTrustee) and Watts Wacker. The futurists at First Matter, a trend-watching firm based in Westport, Conn., boasts an impressive list of past clients including British Airways, General Motors, Hallmark Cards, I.B.M., Marriott International, Procter & Gamble, Sara Lee, Sony and the United States Navy.

Mr. Mathews and Mr. Wacker say they recognize that not all deviance is good, reports the New York Times. "Of course, there is positive and negative deviance -- the former a force for transformation, the latter a source of unspeakable evil," they write. They focus on the positive kind, which they call "devox," and describe it as offering "an inexhaustible font of new ideas, products, and services and, in the end, is the source of all innovation, new-market creation and, for business, ultimately represents the basis of all incremental profit."

The challenge for business is how to recognize positive deviant ideas and move them toward the market. Language is hugely important in managing the fringe because it often defines what is acceptable in society. Language can change or even eliminate the obstacles that made a product's acceptability difficult. For example, Pfizer took "erectile dysfunction" and turned it into an openly discussed syndrome. The authors call this the "abolition of context."

#### **Moderator:**

**Do most large organizations fully leverage the ideas of their own "deviant" thinkers? Does corporate speak and the group mentality require that companies go outside their own organizations to find consultants/advisors that will challenge the status quo?**

No and yes.

Bringing ideas from the outside, however, does not mean you (the consultant/advisor) won't get ignored or canned for taking a position contrary to the group wisdom.

Successful companies do not necessarily embrace alternative thinking but they generally don't run from it either (at least not before considering it). - **George Anderson - Moderator**

#### **Comments:**

In our experience, the key to capturing full value of new ideas -- which almost by definition come from deviant thinkers -- is to have a strategic vision for growth so you can evaluate the ideas.

The real problem we observe is that new deviant ideas are crowded out by incremental ideas that don't bring much value but look and feel safe.

It takes a strong, farsighted leader to create the growth vision and then to demand the new ideas to fill it out. This is particularly tough in larger companies in today's environment, so you can expect most of the deviant ideas to come to market from smaller, entrepreneurial organizations.

- **Bill Bishop - BrainTrust**

I have always been amazed at the number of ideas companies act upon from consultants, even though their own employees may have had the same ideas months or years before. This became crystal clear to me when I acted as a consultant for several years after selling my business. I would meet with employees charged with implementing our new strategies, and would be given copies of

proposals that went no where, that were identical to what we were now embarking upon. Timing in the marketplace was not the problem.

Most times, senior management is so far removed from the actual stewardship of the business that they have no idea. Instead upper and middle level managers, who like the comfort of being successful with no new accountability being thrust at them, are gate keepers to the flow of ideas. If something requires more work, or heaven forbid, new thinking, you can forget it, even if the marketplace is primed and ready!

So now, in order for senior management to get a read on the state of their own business, they bring in outsiders to evaluate product lines and recommend new strategies, at three to four times the cost of the current employees. And of course, we need to give the ideas names like deviant, chaos, disruptive.

It's not that consultants don't come up with new ideas and strategies that are worth looking at, but I feel it would serve corporate management well to treat their employees like consultants, go outside the org charts, and solicit internally before thinking they MUST go outside.

- **Marc Bodner - BrainTrust**

OK George, how about "No and No".

Certainly most organizations do not adequately leverage their own internal ideas for innovation. But they also don't have to go outside to get those ideas. All they have to do is change one simple internal paradigm.

The problem is that most creative or "deviant" ideas come from a subordinate who reports to someone else. As long as that superior views the subordinate as "one of my support chain," the views expressed will be dismissed as "wrong" rather than innovative. This is because of the inherent value assigned to "subordinate's thinking" by most bosses in today's corporate environment.

After living in that environment for many years, I was shocked to find out how reactions to my ideas seemed to change overnight when I went into consulting. In discussing this phenomenon with colleagues, we figured out what had happened. The paradigm had shifted. As consultants we represent a visible commitment of variable resources. Our opinions were no longer just those of "the staff"-- a fixed cost -- but were now something the executive who commissioned the project was vested in -- an investment.

So no, George, organizations don't HAVE to go outside to consultants for innovation. All they have to do is start valuing the opinions of all their employees. - **Ben Ball - BrainTrust**

Large corporations subconsciously stamp out independent, against the conventional grain thinking. I really do not think they intentionally do it, but always in groups of human beings, everybody wants to fit in and go along. Those brazen enough to challenge convention or accepted standards are often labeled as troublemakers and rebels. Few are prepared and determined enough to withstand the shunning, thus further discouraging free, independent thinking from others.

Over the years, I have adopted a code: " Seldom is the majority right"! History, has typically been much kinder to rebels than were there contemporaries. Think Abraham Lincoln, Nelson Mandela, Gandhi, Jesus, Columbus and one of my all-time favorite examples of attacking conventional wisdom...Galileo, who nearly lost his head for espousing that the Earth revolved around the Sun. Go figure! Long live entrepreneurs. - **Gene**

I can't tell you, as a manager, how many times I had to protect (and deal) with these wonderful "deviants." The net is - big companies don't get it, or maybe don't want to get it because it takes work. In fact most companies are implementing diversity programs without considering "deviants."

I don't like the word "deviants," but they are absolutely vital to technological and business innovation. They, like all people, should be treated with the respect they deserve. Without them - we would have little innovation in the world. Innovation would be incremental at best. And I continue to predict that with all the M&A's, we will see less innovation and breakthrough products because Companies are going to make it even harder for "deviants" to get their thinking heard. And most of the energy will be focused on cost savings, often called synergy savings. Good luck to the few smart ones out there. The field is open and love those "deviants." - **Michael Richmond - BrainTrust**

Mathews and Wacker have hit the big time with this mostly positive NYT review. Many of us "Wire-heads" know Ryan professionally as an astute, clear thinker and talented writer who has contributed much to our industry over the past 20 years or so.

Of course organizations are less adept at accepting and incorporating fresh ideas than they should be. Outsourcing allows companies to short-circuit entrenched processes, and put strategic goals ahead of adherence to process.

This has little to do with the ability of people within the organization to create new ideas, and much more to do with the ability of the organization itself to act upon them.

We have very few leaders who are adept or even competent at "managing the fringe." If CEOs focus on such matters too closely, they risk penalty for taking their eye off the day-to-day metrics upon which they are judged (or sometimes even indicted.)

Seems to me like good news for consultants. - **James Tenser - RW Commentators**

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## *Employee Motivation Discussions*

### **Parenthood Hits Glass Ceiling**

8/30/02

A new study predicts that parenthood will be behind the next big wave of gender-discrimination lawsuits, the *Star Tribune of Minneapolis - St. Paul* reports. "Parents are increasingly likely to sue and recover for job discrimination... with awards as high as three million dollars," according to "The New Glass Ceiling," released by American University's College of Law in Washington, D.C.

Certainly, more American mothers are working: 25 million, or almost 70 percent of mothers with children under 18, according to 2001 numbers from the U.S. Bureau of Labor Statistics. Researchers speculate that cases are up because the younger generation of working women is less intimidated about complaining about discrimination, according to Joan Williams, co-author of the study and director of the law college's research and advocacy center, Families That Work: The Program on Gender, Work & Family.

One of the largest judgments for fathers went to a Maryland state trooper whose boss told him his wife would have to be "in a coma or dead" for him to qualify for a parental leave. A female personnel supervisor told him that "because only women have the capacity to breast feed a baby," he could not be considered the primary care provider.

Also, both mothers and fathers say their "family care-giving responsibilities" increasingly reach beyond their children to include aging parents.

#### **Moderator:**

Is parenthood an impediment to career advancement, particularly for women? Is it discrimination or simply reality based on not being able to stop the world and get off? - **George Anderson - Moderator**

#### **Comments:**

No, parenthood is not an impediment to climbing the corporate ladder. But being a GOOD parent and being able to climb the ladder is much more difficult. Most female leaders have adapted to being more "malelike" in order to climb the ladder to the top rungs. It seems to be the clearer and easier way to get there. No one has ever said life is fair - especially in business. And it is potentially tougher for a man who wants to be a better parent get up the ladder. You need to really think through what you are looking to get out of life and determine what is most important to you from a holistic standpoint. There are brass rings in business and other places, too. Remember, life is a full time job. - **Michael Richmond - BrainTrust**

I can buy what Michael says. But, in addition, I have a sensing that "much" of what is askew today is due to that great American annuity: litigation lawyering. - **Gene Hoffman - BrainTrust**

Interesting comments. I do not think that "Parenthood" is an impediment to climbing the corporate ladder, but listening to women, perhaps "Motherhood" is! I talk to hundreds of women and dozens of companies and I keep hearing the same refrain:

From women, "my company won't support work/life balance" or just doesn't "get" diversity issues. From corporations, I keep hearing: "we can't retain women past the director level." So which is the chicken and which is the egg? - **Joan Toth - BrainTrust**

Life is full of choices. We all make them. But there seem to be two disturbing trends in this regard today.

The first is to litigate over whether or not an entity (person or corporation) has the right to force people to make choices. That looks like an "open and shut case" in favor of the individuals, and

lawyers and juries are obviously seeing it that way. But aren't we just removing one entity's right to make a choice in order to provide higher priority to the other's? Where does that lead? Soon we may have courts and governments telling us they have removed "choices" for us, based on these precedents, that we very much do not want to lose.

The second disturbing trend is not holding people accountable for their choices. The legal arguments now blame the criminal's behavior on everything from the availability of the tool (i.e. weapons) to the psychological devastation of not having been breast fed as an infant. We seem bent on shifting the blame for actions from individuals to things. Perhaps because we really don't want to be held accountable for our own choices either? Certainly we've all made some we regret.

- **Ben Ball - BrainTrust**

A model of proper work, job etiquette and company loyalty are here, based on a work ethic adopted by our immigrating grand parents from the 20's to the 40's. The price our European immigrants paid for freedom was noble in its day. The sacrifices they made in their work lives to insure future freedom and opportunities for their offspring were admirable. Even today, immigrants into our country make great sacrifices for a taste of the "American pie". It's no secret that Asians excel in the classroom -- they have the same motivation and drive we once had and were raised with. However two or three generations deep, these sacrifices often get questioned -- is it worth it? Was it all worth it? When you don't have it, the answer is easy -- yes. When you do have some financial security, the answer is not so clear.

It is now time for a balance to be brought into our lives. Work is important, but so is our family. It is now time for many us to return favors to our parents; they sacrificed a great deal to provide us security and a better way. Now, they need our care and support as they face the challenges of aging. What they were really teaching us all those years was not how to make a buck and give your soul to the company store, it was that my family and their future is worth every sacrifice. It was seldom anything more and less than that! - **Gene**

I agree that parenthood (in most cases) is not detrimental to a career; however it is a matter of personal choice that limits our career growth. Most successful men throughout the years have been parents. I would bet that most of those men spent little time with their families in order to excel in their careers (thus choosing career over family life). Women have this same option. Some would disagree and say that those men had wives who 'picked-up the slack' at home and you don't see a lot of husbands/dad's willing to do that...there again a personal choice and not something Corporate America has much control over.

Also, it seems women are less willing to give up their time with their families in order to rise to high level positions...this is also a trend with more and more men. Unfortunately, we can't really have it all...we have to choose. In order to be a top level executive we need to be willing to work the hours because someone else will be and most likely they will be just as qualified as you. I don't necessarily like the way it is (I am a working mom who doesn't want to give up time with my family to work 60 hour weeks) but it is not a new issue and it is getting better. I say it is getting better because women have a much BETTER chance at getting ahead if they are willing to sacrifice.

I know there are a lot of companies out there that probably still have larger issues...similar to the policemen's issue; however, I have been lucky to never work for a company like that and I have not had any colleagues with those issues. - **uskdac02**

Coincidentally, I read a feature in today's newspaper about a number of high profile men who are scaling down their jobs to readjust their work life balance. This is a very well covered issue

in the UK and the general consensus does seem to be that women are better at multitasking, therefore shouldn't whine about the expectations that accompany work commitments when they conflict with family life. And here, too, family life includes looking after elderly relatives as well as spending time with children before they grow up. So it is certainly an issue.

The UK, I believe, is well behind the rest of Europe in its flexibility about parental leave and there is much complaining about this. There are also regular industrial tribunals featuring parents (especially mothers) who feel they have been discriminated against. It surely does happen and it doesn't look like going away. We are all pressured to work harder and longer and feel the fear of losing our jobs and income. It's sad but true, I think, that litigation is going to increase before sufficient recognition of parental responsibilities are accepted by corporations who think there are always more potential employees out there just panting for jobs. Because they are almost certainly right about that.

As for choice, that isn't always true either. We generally choose whether or not to have children and would like to choose our jobs and how much time we spend working or with our family. but economics often dictate the rules and, as someone else said, for every one of us who chooses to spend more time with the family, there are others who choose to spend more time climbing the career ladder who may well be threatening our very livelihoods. Which means less money to spend on the family, which in turn can have an impact on the quality of the time spent.

- **Bernice Hurst - RW Commentators**

I understand the argument as it is stated. However, as a single person who does not have a family, there is another side to the story. The capacity for reverse discrimination is also represented in this scenario. What happens when companies become too lenient on working spouses, offering them time to leave early to pick up the kids or take them to appointments. Should employees without families be burdened by the workload when their family driven co-workers are off playing parent? Should companies allow workers with families ample flex time, while expecting other employees to stick to the traditional regimen? There is a fine line between being a generous company that is good to working parents, and one who treats workers without families unequally. - **jafox**

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## *Employee Motivation Discussions*

### **Retailers Experience High Employee Turnover**

7/15/02

Employee commitment is weak in the retail industry according to a recent survey by Aon Corp. and the National Retail Federation. Factors such as low wages, a lack of traditional benefits and work schedules that demand holiday and week-end coverage contribute to a turnover rate that hits 300 percent a year at some companies.

Thirty-six percent of retail workers asked what they would do if they left their current employer said they would find a job with a competitor. Sixty-four percent indicated they would leave the industry altogether.

Almost half of employees surveyed say they accepted their current jobs because of growth and advancement opportunities. The survey found that retail workers became bitter after asking their employers for advancement opportunities and then not getting them. More than a quarter of those surveyed responded that their company does not communicate career opportunities. One in four say they were not satisfied with the ongoing training they receive.

#### **Moderator:**

#### **How can retailers reduce employee turnover?**

Retailer executives are always saying that associates are their company's most important assets. Unfortunately, it appears as though most employees have not received the memo yet. - **George Anderson - Moderator**

#### **Comments:**

"Where there is no hope, the people perish!" As a young man entering the grocery retail arena, I found it exciting and very rewarding. In those days you had examples of adults who had made a career of supermarket retail. It was easy to see the career path for a produce manager or a long-term checker, for that matter. A produce manager in the early 80's or a meat market manager could actually raise a family in modest middle class. I don't think younger workers see any legitimate examples of careers at retail. Even if they do, the options are greater and seemingly so much more glamorous. The professional career aspect at supermarket retail has been replaced with dead end, for so many, unfortunately. - **Gene**

This issue has plagued the industry for many years and while there is a good amount of tongue clucking and hand wringing about how "the younger workers" just don't want to work/have no loyalty/don't care/etc., the truth is that the industry has brought it on themselves.

How many FULL-TIME employees does the average store have? 2-3 at most? What is the "potential" for the employee when s/he sees that management is more interested in curbing potential than in building it?

Everyone talks of Category Management and Consumer Insights back at HQ offices, but does the store manager even know the names of the top 5 customers in the store? The talk and the walk are not in synch.

Does the clerk get reprimanded for escorting a shopper to the location of a desired product when asked by a shopper? And yes, fall short of the "quota" for stocking because you were helping a customer and you are not a "good employee" any longer.

The stores RARELY sell (when was the last time you had a store employee suggest a recipe for you to use that included other ingredients beyond what you had come in to buy?).

The incentives are on productivity and not on customer service at store level.

The industry KNOWS what it must do, but has not done it as of yet. All of us as consumers/shoppers are WAITING for the moment when stores treat their employees in a way that is reflected in how we are treated by those employees! - **David Zahn - BrainTrust**

If half of those surveyed said they took the job because of potential advancement, they were obviously not talking about the supermarket industry.

Remember that the NRF is more involved in general retail, like department stores, where the normal turnover rate is probably pushing 90%

A few supermarket chains across the country -- Wegmans, Stater Bros. and Publix among them -- have tried to view employees as assets rather than a labor expense. But by and large, the industry has done little to market itself as an employer of choice. Few of those starting at the store level see the food industry as a career path and little is being done to change the perception that they are expendable.

As with many things, the commitment must be made at the top to institute meaningful on-the-job training programs and to participate in community career programs. However, store managers, assistant managers and department heads, should be positioned as mentors not just disciplinarians.

The industry's reliance on part timers will always result in high turnover. But there is opportunity to skim the cream off the labor force and retain young people who will be the executives and managers of tomorrow. - **Len Lewis - BrainTrust**

The current attitude that exists between management and the entry-level workers in most stores is reminiscent of the one that made labor unions so strong in the past. It is an environment that is "us and them". The comment about everyone being part-time to save money is a perfect example. Management comes across as being more interested in saving money (at the employee's expense) than serving the customer or developing future managers. Until this changes, it will get worse. - **Art Williams - BrainTrust**

Your comments on this issue are all "right-on". One other problem is the decline of father-to-son second generation businesses. The rate is about one in three for the first generation and about one in ten for the next generation. Which reminds me of the story of a supermarket owner who was so proud that his son just graduated from college that he called him into his office and said, "Son - I'm so proud of what you accomplished that I've drawn up the papers and you now own half of the business."

"Wow," said he son, "What do I have to do?"

"Well," said the father, "tomorrow morning, you'll be at the loading dock to unload some fresh produce and.."

"Wait a minute, said the son, "Bad back, remember? Football injury. What else can I do?"

"Well," said the father, you can get up at 4:30 tomorrow morning and go to the fish market and..."

"Wait," said the son. "I don't get up until noon, dad. What else do you have?"

"What would you like?," asked the father.

The son thought for a minute and then said, "Would you consider buying me out?"

- **Murray Raphael - BrainTrust**

I think we are looking at this the wrong way. Retailing is a great incubator for all business endeavors.

I remember a meeting I had at Wakefern, dba Shop-Rite, headquarters in Elizabeth, NJ. As we were talking it came out that all four of us in that meeting started out as cart boys for our local Shop-Rite store. Two were brokers, one the category manager and myself a manufacturer's regional sales manager.

After a good laugh, we got down to business. And yes, I closed the sale. - **maggieandcowboy**

Large retail corporations cannot get away by short-changing their work force in the name of enhancing shareholder value and ensuring customer satisfaction. Promoters of retail corporations should therefore ask themselves two questions

1) Are not their employees the shareholders in the business? 2) Are they not internal customers?

We hear of even Wal-Mart employees complaining of feeling the pinch when the retail giant is trying to please its shareholders.

I read a story of a food service restaurant in South India that has been around for over 75 years. 20 of its 250 employees have put in more than 50 years of service and more than twice that number have spent between 30 and 50 years. The organization not only enjoys the support of loyal work force but also loyal patronage from an ever increasing number of customers. The organisation is said to offer scholarships to the children of its employees; besides above industry wages and benefits. Profitability has never been an issue so far. - **yatish**

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## *Employee Motivation Discussions*

### **Hypocritical Corporate Practices Breed Cynicism**

7/1/02

Workers as well as investors suffer from management greed and dishonesty. Barbara Ehrenreich experienced "time theft" first-hand as a low-wage worker for Wal-Mart and others while doing research for a book entitled *Nickel and Dimed: Or (Not) Getting by in America*. The author alleges that Wal-Mart does not compensate associates for overtime hours worked.

In an Op-Ed piece for the New York Times, Ms. Ehrenreich wrote, "What has been revealed in corporate America over the past six months is a two-tier system of morality: Low-paid employees are required to be hard-working, law-abiding, rule-respecting straight arrows. Meanwhile, as we have learned from the cases of Enron, Adelphia, ImClone, WorldCom and others, many top executives have apparently felt free to do whatever they want -- conceal debts, lie about profits, engage in insider trading -- to the dismay and sometimes ruin of their shareholders."

#### **Moderator:**

#### **Are unfair labor practices, such as those alleged against Wal-Mart common in retailing?**

We can not claim to be tremendous supporters of organized labor in the U.S. Retail management, in an effort to remain competitive, may be providing associates with all the reason they need to organize. - **George Anderson - Moderator**

#### **Comments:**

There is certainly some merit to this argument. The ironic component of this is that Wal-Mart management is often lauded for fostering the belief within their employees that they are the central component of Wal-Mart's success. The problem is that words are nice, but backing it up with cash is even nicer. There is no ideal model in retail management for dealing with the volatile employee compensation issue. With turnover problems - as well as the continuing notion of employees as second-class citizens - management is constantly striving for that "100% Customer Service" goal. For many, the best way to foster loyalty is to compensate accordingly. It's a nice pipe dream. - **Cory Witt - BrainTrust**

The lists of retailers who have worked employees off the clock to get the work done and meet the budget plan are as long as Santa's list! How many store managers had to get a store in tip-top shape for a visit from upper management, but did not have hours available to account for putting the store in flagship shape? Isn't it ironic that the consumer who ultimately pays for the profits of the store shop in a store barely maintained to meet plan, yet when a wig is coming in, they have to resort to unethical treatment of employees to their jobs, to spiff it up.

Unrealistic, inflated profit projections will breed the worst in employers at any level, the corporate suite or the stock floor. When will we all quit kidding ourselves about what is going on? Yes, I said all. You and I alike, we like to see that stock price climb, we want them to do most anything to make it happen, except mistreat my son who works there, to see it happen. - Gene

Welcome to the worst of capitalism. The rich get richer and the poor get poorer. Look at Quick Serve Restaurants (QSR). You have low pay and 200% turnover at the worker level, while the franchise owners and execs are raking in the cash. What do we teach in MBA schools now? It turns my stomach to see the way we treat workers out there at that level and let the execs get away with everything. Might be time to start the revolution. - Michael Richmond - BrainTrust

Back in the 70s and 80s, whenever employees wanted to unionize, they were told the horror stories of how many Union Presidents had been jailed and how Union money was stolen and Union members were left without a pension that they had paid into. The tactic appeared to be successful. Imagine what a smart Union organizer could do today. - **Robert Thomas - BrainTrust**

There are some themes running through most of the conversations lately. One of the most common is the lack of service. As service levels continue to decline, the stores becoming famous for poor service, lack of cleanliness and [positive] memorable experiences continue to grow. Odd, isn't it.

Hours off the clock, low morale, poor wages, poor management are traits running through them all. The item that mystifies me is the 200% plus turnover rates within these organizations. These types of rates are tremendously costly. Of course, it directly relates to the poor or declining operational conditions. But, carry this rate over 1,000 - 2,000 - or even 3,000 plus stores as in the case of Wal-Mart. How can you possibly bury the cost of such turnover?

So, my questions are: Will this cost begin to show up with more than poor conditions?

Is it only us in the industry that clamber about service, cleanliness and quality? If the public at large really has those expectations, will they begin to speak with their dollars? Currently they are saying something completely different. If you measure customer expectations by dollars spent, then you could easily interpret that customers expect poor service, poor or dirty store conditions, low quality merchandise at the lowest price possible. Sound sarcastic? It does to me, but I can't help following the sales growth of both Wal-Mart and Home Depot. Both deliver all of the above mentioned, consistently, daily, and they grow and grow and grow. Is it really hypocritical business practices? Or could it be hypocritical customer expectations? Nah, it couldn't be. Could it?

- **Scanner**

I think it has more to do with choices that we have in our society. Those who are more critical of cleanliness and service choose the Targets, and those who are pinching pennies and just need a break in costs, go where they can make that choice (Wal-Mart). If you look at restaurants, everything from high price to medium price to fast food is BOOMING. We all make our choice to pay for what we want, right or wrong. Where unions took a hit was when it was demonstrated that high wages did NOTHING to improve cleanliness or service in many industries. - **AWDrive**

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