Virtuous cycling on the job

insidestory.org.au/virtuous-cycling-on-the-job/

1517 words

Books & Arts

Helena Liu

23 July 2014

Can work be good for employees and employers? Helena Liu reviews a new book that wrestles with problems of workplace organisation, but doesn’t go quite far enough

Standardised and empowered? Tabasco at Costco. Craig Morey/ Flickr

The Good Jobs Strategy: How the Smartest Companies Invest in Employees to Lower Costs and Boost Profits

By Zeynep Ton | Houghton Mifflin Harcourt | $43.95

Rana Plaza building collapses. Foxconn workers take their own lives. The Deep Horizon rig spills vast quantities of oil. Even in an era of humanistic people management and corporate social responsibility, Dickensian labour practices still seem to suffuse global businesses. As well as creating supply chains that facilitate irresponsibility, exploitation and outright abuses in the developing world, businesses in developed nations indulge in their fair share of questionable behaviour at home. Take Walmart, for example, which seems to be perpetually facing charges over labour violations ranging from closing down stores where workers form unions to threatening or firing employees for going on strike.

In the face of the seemingly widespread belief that businesses ought to pursue profits at any cost, Zeynep Ton argues that “there are different ways to make money.” The alternative approach she presents – the “good jobs strategy” – combines “operational excellence” with “investment in people.” Operational excellence boils down to four managerial “choices”: offering fewer products and services; standardising processes while empowering employees; training employees to accomplish multiple tasks; and overstaffing the workplace to create customer-friendly “slack.” Alongside comes a non-negotiable commitment to employees’ needs, development and self-determination.

In other words, The Good Jobs Strategy distinguishes itself from mainstream management practice with a little heart. It argues that employees need to find meaning in their work and that their satisfaction is ultimately good for business. Ton’s opening chapter sets the scene with harrowing accounts of the working lives of frontline retail workers she met through her research. We’re introduced to Janet, an intelligent, hardworking former business owner in her fifties who now earns just $11.60 an hour at a retail chain and never knows when and how many hours she’ll be working week to week. Ton condemns Janet’s employer for chasing a “bad jobs strategy” that enforces inhumane working standards in order to reduce costs.

Too many employers, like Janet’s, choose the bad jobs strategy, says Ton, and they consequently end up trapped in the “vicious cycle of retail.” Lower investment in employees leads to poorer operational performance, which leads to lower financial performance, which then leads back to lower investment in employees. Employers who reject this approach, and who take the risk to invest in their employees in the short term, will see longer-term pay-offs. Their reward is the “virtuous cycle of retail.” As a case study of Spanish supermarket chain Mercadona and smaller examples drawn from Costco, QuikTrip and Trader Joe’s show, these companies view their employees as “precious assets.” Investing in these assets through better pay and benefits, Ton argues, will inevitably deliver superior value to customers and investors alike.
Ton is to be applauded for questioning the dehumanising treatment of employees as “resources.” More than that, she makes a compelling business argument for investing in employees. The four strategies for operational excellence proposed in *The Good Jobs Strategy* are supported with in-depth case studies of retail companies, and grounded in concrete, practical strategies that managers can implement in their organisations.

The first operational choice involves offering fewer products and services in order to reduce stockouts, waste and supply chain expenses. Contrary to the popular idea that customers are happier when they have more choice, Ton argues that increased choice confuses customers and hinders good customer service. In a retail setting, fewer products mean that staff can more easily become experts in the store’s offerings and will more likely persuade customers about their benefits.

The second solution reconciles the ostensibly opposing choices of standardisation and empowerment. Stemming from theories of scientific management, the standardisation of basic, routine tasks was designed to maintain efficiency and consistency. With workers required to adhere to rigid protocols, human judgement becomes unnecessary. Empowerment, meanwhile, is grounded in the idea that workers should have the autonomy to exercise judgement. Empowered employees are free to make their own decisions based on what they think is appropriate for the situation at hand. Ton argues that companies should both standardise and empower. Safety procedures, for example, can be routinised but staff can choose how to display store merchandise to appeal to the local clientele.

Cross-training is the third element. Employees should be trained to perform a wide range of tasks to better respond to fluctuations in store traffic. When the checkout line lengthens at Trader Joe’s, employees shelving or arranging displays can open another cash register. When the store is quiet, employees can redistribute themselves to ensure other parts of the store are in order.

In what is perhaps the most novel operational strategy of the book, Ton convinces managers to defy conventional management wisdom and deliberately overstaff. As long as staff have been adequately developed, empowered and cross-trained, additional employees can assist with a variety of tasks and identify opportunities for business improvement. Employees who are not overstretched and overstressed are more likely to notice ways of helping the company to save costs or better meet customer needs. Ton describes how Costco employees in Florida noticed that their store landscaping feature was expensive to water and recommended that a well be dug instead. Their perceptiveness and initiative are credited to Costco’s commitment to staff investment. Stories like this, presented throughout *The Good Jobs Strategy*, underscore the need for businesses to see and value their employees as fully human.

Without wanting to detract from the many strengths of Ton’s proposals, though, I think a more fundamental question is worth asking. Can companies, as *The Good Jobs Strategy* argues, really “satisfy employees, customers and investors, all at the same time”? Can managerialist goals of profit, productivity and performance be reconciled with ethical goals of care, equality and justice?

If we ask the average human resources manager – a person whose role is predicated on balancing the needs of the business with the needs of employees – he or she might tend to agree. Businesses like the ones Ton showcases are certainly laudable for trying. But the idea that what’s good for the employees is always good for business might be an overly reductionist, starry-eyed view that overlooks the complex, pluralistic and dynamic nature of employee interests and needs. This view tends to portray employees as a homogeneous group of people who all want the same things. It also tends to ignore wider issues of power. Seemingly compliant workers are often readily attributed to the company’s exemplary management practices, while systemic issues of worker vulnerability and their limited choices and prospects remain invisible.

Although *The Good Jobs Strategy* appears to be grounded in extensive research among retail workers, I would have liked to hear more of employees’ voices. After introducing Janet in Chapter 1, the book relies predominantly on managers’ accounts of companies’ strategies and their effectiveness. Employees are characterised in generalised terms and thus treated as all the same. “Each time they can make a bit of someone’s day go better, they feel proud of themselves,” writes Ton at one point. “What’s more, if they feel their employer is helping them do this, they feel proud of their company and not only glad but even grateful to work there.”
Accounts like that so plainly obscure employee agency and resistance that I wondered if this was a deliberate strategy on Ton’s part. It’s possible she fears that if she reminds managers that employees are not an obliging mass of automatons – deploying themselves around a store depending on business need and debugging business processes in their downtime – then she might deter some from ever entertaining the good jobs strategy.

Covert strategies of anti-managerialist resistance notwithstanding, I’m left wondering if the good jobs strategy will be implemented widely unless the fundamental tensions between managerialist and ethical values are recognised. Will it simply live and die in popular management’s fickle limelight? It would certainly be a shame if global businesses didn’t make a concerted effort to implement Ton’s ideas.

At the same time, *The Good Jobs Strategy* has aroused my appetite for alternative, dare I say radical, forms of management theorising and practice. I find myself craving management guides that challenge head-on the ways in which conventional business practices dehumanise employees and treat the needs, viewpoints and desires of managers as paramount. The managerialist ideal of aligning employee needs with corporate ones is big business in the management theory industry and demand for it and all its promises remains strong. But even this seductive fantasy cannot deny that employees are emotional, dynamic, fragmented and complex. We have agency, desires, interests and needs, and these do not necessarily conform to the goals of the companies we work for. Perhaps it is time to articulate managerial practices that speak to the complexity of organisational life and the vital need to put people first? •