Unintended Consequences:
Changing Workplace Policies to Support Low-Wage Employees

Research and Best Practices Compiled by the Research Committee of the Women’s Fund

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Executive Summary

This report presents research and business examples of the myriad ways that employers can develop policies and practices to support their low-wage employees. Currently, between one-fourth and one-third of the US workforce is comprised of low-wage employees (working primarily in retail, custodial and cleaning, food services, and care provision occupations). These workers are more likely to be female, racial/ethnic minorities, single parents, and family caregivers.

Low-wage employment is typically characterized by inflexibility and instability. Schedules are more rigid and unpredictable, and low-wage workers are less able than higher-wage employees to flex start and quit times, have advanced notice of their schedules, make last-minute schedule changes, telecommute, or compress the work week in order to meet family demands. They also are less likely to have access to paid time off (including sick leave, personal leave, vacation, and holidays). As a result, low-wage workers report many difficulties in balancing their work and family lives. Child and elder care are expensive, and low-income families often patch together a network of care by friends and relatives that can easily fall apart when work schedules suddenly change or a worker has to stay late. Transportation can be complicated by the unpredictability of the work schedule, as well as costly when public options are few. Financial and caregiving stress are all too common, and are often accompanied by poorer physical and mental health, less time with children and spouses, family stress, and lower well being.

Fortunately, many employers are working to create flexibility and support for low-wage workers. The business case for flexibility has been well documented, and includes decreases in absenteeism, turnover, and vacant positions, as well as increases in customer service, staffing flexibility, ability to attract qualified applicants, productivity, revenue, and employee engagement.

The majority of this report presents strategies and business examples across eight areas of effective practice:

- Maximizing Predictability
- Maximizing Flexibility
- Employee and Manager Collaboration in Scheduling
- Intermittent Schedule Flexibility
- Supporting Family Caregivers
- Transportation Support
- Resource Navigators
- Opportunities for Employee Growth
Improving Workplace Policies to Support Low-Wage Employees

Between one-fourth and one-third of workers in the United States are members of the low-wage workforce.\textsuperscript{7, 26, 40} This category is typically defined as earning less than two-thirds of the median male worker wage; full-time low-wage workers earned $583 per week or less in the fourth quarter of 2016.\textsuperscript{7, 9, 40} Forty-nine percent of low-wage workers are members of low-income families, with household incomes less than 200% of the federal poverty line.\textsuperscript{1} The primary low-wage occupations are retail, custodial and cleaning, food services, and care provision (such as nursing aide or day care worker).\textsuperscript{40}

Low-wage workers are more likely to be female, racial/ethnic minorities, single parents, have a child with a special need, and provide care to elderly family members; they also have lower levels of educational attainment.\textsuperscript{7, 37} They fall into two distinct age groups: the “life cycle” category which includes young women and men who will eventually earn higher wages, and the “permanent” category, which is more likely to be comprised of older women, many of whom are single parents, and who are unlikely to go on to earn higher wages.\textsuperscript{40} Low-wage workers are less likely to work a standard schedule (9-5, Monday through Friday) and more likely to have a part-time position.\textsuperscript{7} The recent recession and subsequent economic recovery have increased the proportion of low-wage workers. About three-fifths of jobs lost during the recession were middle wage, but three-fifths of recovered jobs were low wage.\textsuperscript{26} Indeed, the recovery has been particularly difficult for women, as 35% of the gain in jobs for women (as compared to 18% of the gains for men) have been in low-wage occupations.\textsuperscript{37} Ultimately, low-wage work has moved from “temporary features of the business cycle . . . [to] a central component of U. S. employment” (p. 25).\textsuperscript{10}

The Inflexibility of Low-Wage Work

Workplace flexibility is less common for low-wage workers than it is for higher-wage earners.\textsuperscript{12, 25, 38} Typically, low-wage workers have more rigid and unpredictable schedules, and less control over the hours they work.\textsuperscript{7} The types of workplace flexibility that are available are very different for low-wage versus higher-wage employees. Low-wage workers are less able to: flex start and quit times, have advanced notice of their schedules, make last-minute changes to their schedules, telecommute, or compress the work week in order to meet family demands.\textsuperscript{7} They also are less likely to have access to paid time off (including sick leave, personal leave, vacation, and holidays).\textsuperscript{3, 7, 8}

Low-wage occupations are characterized by “rigidity, unpredictability and instability” (p. 407).\textsuperscript{38} Rigidity occurs when there is a lack of control over the work schedule. It includes the inability to alter start and quit times, control break times, take hours off for family emergencies, or change one’s schedule.\textsuperscript{7, 38} Rigid schedules may be accompanied by punitive no-fault discipline policies that penalize workers for missing work or being late without taking
the cause into account; such policies can cause high turnover and low employee loyalty. For example, in a study of employees at a large department store, 80% of sales staff were on probation for missing three or more days of work.4, 25, 32, 40

Unpredictability also creates many problems for low-wage workers, since balancing family, transportation, and childcare can be difficult when there is little advanced notice of schedules, schedule changes, mandatory overtime/staying late, or required on-call shifts.4, 32, 37 While management practices such as “just-in-time” scheduling and requiring managers to minimize the number of worker hours provide flexibility and profitability for employers, they significantly decrease the predictability of low-wage work.25, 32 And, since managers prefer workers who have unrestrained availability, parents, family caregivers, students, and workers who have transportation constraints are at a distinct disadvantage.1, 25, 32, 37

Instability is equally problematic for low-wage workers. Their schedules can be characterized by many fluctuations, from daily/weekly variations in hours and time periods worked, to being sent home early because of low demand, to temporary reductions in hours.32 Indeed, in a national study of retail workers, nearly nine-tenths reported fluctuations in the number of hours worked each week.4 And, low-wage workers are more likely to be “involuntary part-time” than are higher-wage workers.37 This lack of stability leads to fluctuating earnings, which is highly problematic for workers who already are struggling to support themselves and their families.15, 32, 37 A lack of sufficient hours can be further constrained when a worker needs to swap shifts, since co-workers might be willing to cover shifts but may not want to give up their shift in return.25

The Negative Consequences for Workers

The rigidity, unpredictability and instability of low-wage work create many problems for low wage workers in balancing work and family.2, 27, 38, 40 Childcare is expensive, and low-income families often patch together a network of care by friends and relatives that is fragile at best.16, 40 As a result, nearly 40% of parents have to take off work because of childcare problems, and nearly 75% lose wages for the same reason.40 Plus, arranging last minute child or elder care to accommodate on-call work can be a difficult at best.3

Transportation is complicated both when schedules are rigid and when they are unpredictable. Public transportation schedules may not match work hours, and relying on friends/family has an unpredictability all its own.37 Unfortunately, if a low-wage worker is sent home early because the workplace is slow, the hours worked may not even cover the cost of transportation and child care.37

Ultimately, the quality of personal and family life can be adversely affected. Financial and caregiving stress are all too common among low-wage workers, and are often accompanied by poorer physical and mental health, less time with children and spouses, family stress, and lower
well being. Workers may also find it difficult to pursue advance training and education, or to hold down a second job as they attempt to make ends meet and better their financial situation.

The Business Case for Flexibility and Work-Life Balance

The business case for flexibility has been well documented. Obstacles to implementing flexible policies and practices include cost, difficulty of supervision, and a poor fit with the work that needs to be completed. However, there is clear evidence that costs are more than offset by the benefits of instituting flexibility. Advanced scheduling and flexible practices (e.g., accommodating family emergencies) can help to offset the high cost of unscheduled absenteeism (upwards of $3500 per hourly employee annually). Flexible policies are linked to higher employee loyalty, satisfaction and morale. Indeed, Watson and Swanberg report that job commitment is 63% higher among employees whose managers are perceived to be flexible and helpful in achieving work-family balance. Retention is a critical issue in saving costs; for example in food services and retail, turnover is over 60%, and the average cost to a business to recruit and train a replacement is over $2000 for an employee at the entry level.

The Hitachi Foundation provides clear documentation of the return on investment when practices that promote the development of human capital and work-life balance (such as career ladders, training and education, paid time off, and flexible work schedules) are implemented. These include decreases in absenteeism, turnover, and vacant positions, as well as increases in customer service, staffing flexibility, ability to attract qualified applicants, productivity, revenue, employee engagement, and an “enhanced reputation as employers of choice” (p. 12). Ultimately, these practices contribute both to higher productivity and higher profitability.
Effective Practices for Low Wage and Hourly Workers

Given the business case for employee workplace flexibility, as well as the negative consequences of rigid and unpredictable scheduling, it is clear that both employers and employees will benefit from increased workplace flexibility and support for work-life balance.\textsuperscript{26, 32, 40} Because flexibility policies have primarily been put in place by small businesses and businesses with a high proportion of salaried employees, it is often assumed that flexibility does not fit with hourly positions or within the retail, food service, hospitality and manufacturing industries.\textsuperscript{28, 40} Fortunately, an increasing number of both small and large businesses have implemented a wide variety of effective practices that support low-wage and hourly workers.\textsuperscript{26, 32, 34, 38, 40} For example, the Hitachi Foundation has described over 100 “Pioneer Employers” who have signaled their commitment “to the upward mobility of their employees” by adopting innovative approaches to human resources, training, and support for frontline workers.\textsuperscript{23} These pioneers also clearly document their subsequent increases in productivity, market share, and profits.\textsuperscript{26}

The practices we describe here may require employers to change both processes and mindsets, to allow employees more control over their hours and schedules and create approaches that avoid “one size fits all” solutions.\textsuperscript{32} We sought to provide a wide variety of practices and ideas for enhancing work-life balance. We hope to assist each business in identifying strategies that work for its unique configuration of industry, workflow, employees and bottom line.
Maximizing Predictability

Unfortunately, as employers have increased scheduling efficiency (through for example, just-in-time models, mandatory overtime, and on-call shifts), unpredictability in schedules and hours has become increasingly commonplace for low-wage workers.\textsuperscript{2, 35, 42} For example, studies of low-wage retail workers reveal that one-half received less than seven days notice of their schedules, and almost 90\% had irregular hours. Nearly one in five found out their schedules with only one day’s notice.\textsuperscript{4} Being sent home early or being on call (particularly without pay for call-in or minimum hours) further complicate matters.\textsuperscript{2} A lack of schedule predictability interferes greatly with the ability to meet family responsibilities and an inconsistent number of hours (particularly being less than full time) causes great financial stress for a group that already is struggling to make ends meet.\textsuperscript{2, 6, 15} Fortunately, there are many ways for employers to maximize schedule predictability for low-wage workers, even if employers have limited extra available resources to do so.

Strategies:

- Advanced notice of schedules and changes to schedules (for example, some retail businesses have moved to posting schedules one month in advance). Advanced notice of even a portion of the schedule can assist workers in planning childcare and other personal needs.\textsuperscript{5, 32, 38}
- Policies that guarantee a minimum number of hours per week or pay period. Some firms offer guaranteed minimum hours after employees have been with their business for a set period of time, or passed the probationary period.\textsuperscript{21, 26, 38}
- Guaranteed portions of an employee’s schedule, such as days of the week or certain shifts, can assist employees in balancing work and personal lives.\textsuperscript{38}
- When the business has multiple locations, allowing workers to work at more than one location can help employees get the minimum hours they desire.\textsuperscript{38}
- Guaranteed minimum pay for reporting to work (sometimes called “predictability pay”) when employees have not received advanced notice of schedule changes or when they are assigned an on-call shift.\textsuperscript{4, 15}
- Overtime/extended hours practices that advise employees of peak times when OT is likely, call first on volunteers, allow workers to “buy-out” of a small number of mandatory overtime shifts each month, or schedule one week a month where the worker is on-call for OT.\textsuperscript{34, 38, 40}
- Creation of floater positions with cross-trained workers to reduce the need for mandatory overtime.\textsuperscript{26, 34, 40}
- Hiring fewer workers in order to be able to provide each worker with more hours per week.\textsuperscript{40}
**Business Examples:**

**IKEA Distribution Center** in Savannah, Georgia implemented innovative scheduling practices to improve schedule predictability; they convened focus groups with employees before making broad schedule changes, they asked for volunteers for overtime, and offered an optional compressed workweek. They also instituted a supervisor open-door policy for employees to communicate their scheduling concerns.\(^{38}\)

**Cooperative Home Care Associates** (CHCA) is a collaborative of workers who provide in-home services for the disabled and the elderly in New York City. CHCA has taken steps to improve predictability in a field known for its unpredictable scheduling. The company now guarantees 30 hours of work, even if the aide works less. Employees must meet eligibility criteria to participate in this program (e.g., have worked at CHCA for three years, be able to work every other weekend). The company also carefully coordinates scheduling for workers wanting full-time work, by for example, splitting assignments that require more than seven hours a day of service, and coordinating morning and afternoon cases.\(^{21}\)

**Costco** is another business that has taken measures to make scheduling more predictable for its employees. They employ roughly 50% of their workforce full-time and provide nearly all part-time employees with at least 24 hours each week. They ensure that schedules are posted with a minimum one-week advanced notice, and managers try to schedule workers for the same days and times from week to week, changing only if business needs make it necessary.\(^{38}\)
Maximizing Flexibility

When asked what changes would help them balance work and family lives, low-wage workers (particularly parents and caregivers) reply that flexibility in schedules and hours is number one. Work schedules greatly affect the options that are available for child and elder care, causing families to create “fragile patchworks of care” that can all too easily fall apart (p. 10). A lack of flexibility can also interfere with the ability to pursue advanced training and education. When businesses incorporate flexibility into their scheduling practices, they reap the rewards of increased productivity, retention and worker loyalty. Schedule flexibility can be short term (e.g., leaving early to go to the doctor, arriving late because childcare had to be rearranged) or longer term (e.g., a shortened schedule one day a week).

Strategies:

- Flexible start and end times for a shift allow workers to tailor the workday to meet their personal, transportation, and family care obligations. A variety of options can be instituted, including establishing core hours (e.g., 10-3), summer hours, and extended flexible breaks of 1-2 hours.
- Compressed workweeks allow workers to work a longer day in exchange for more days off. Many configurations are possible, from four 10 hour days, to a two-week schedule of seven 11 hour days, to part-time options.
- Working less than 35 hours a week, to accommodate family care or education.
- Allowing telework when children are home sick, or when weather makes commuting difficult; or telework that occurs on a regular basis. Some businesses allow flexible telework as long as productivity goals are met.
- Cross training and job rotation provide flexibility for employee and employer alike, allowing employees to cover for each other. Such cross training may be particularly important for businesses that have formal shift work.

Business Examples:

Bottom Line Services provides medical services. They created schedule flexibility by allowing workers to start within a half an hour of their designated start time, and to leave within a half an hour of their designated end time. Even this minor flexibility allows workers to plan for taking children to school or picking them up at the end of the day.

Thomas Industries is a steel parts manufacturer. In order to provide some schedule flexibility for their employees, they allow for a work schedule consisting of three 12-hour days, followed by four off days. This allows parents to have more days free to care for young children, reducing childcare costs.
Employee and Manager Collaboration in Scheduling

Low-wage workers are particularly vulnerable to schedule problems, including unpredictable and inconsistent hours, last minute posting of schedules and changes, and unanticipated hours (both overtime and call-in shifts). Indeed, in a survey of low-wage workers, only 17% had a set or standard schedule. Scheduling variability may be particularly acute in the retail, sales, food service and hospitality industries, where demand varies across the day and week. One way to address the needs of both employees and employers when schedules are variable is to actively encourage collaboration around scheduling.

Strategies:

- Gather employee and manager input on scheduling processes and how to improve them.
- Provide greater control to employees in scheduling their own hours. This can be done as a team (to ensure that all needed shifts are covered by the group) or individually through on-line self-scheduling.
- Develop a formal and transparent process for employee schedule requests, including requests for emergency time off and changes to the schedule.
- Identify the “hidden stability” in schedules (the hours that are stable from day to day and week to week) and allow employees to schedule these in advance; develop a shorter-term scheduling process for assigning the remaining hours that need coverage.
- Reduce the unpredictability of “just-in-time” scheduling by increasing the time period within which managers must meet their quotas for “staying within hours” (from in some cases a few hours at a time to a longer period such as a week).
- Implement “right to request” policies that allow employees to ask for changes without fearing retaliation in the form of reduced or undesirable hours.
- Develop fixed and flexible schedules, and allow employees to choose between these two schedule types.
- Provide both manager and employee training on new scheduling practices, since they may be new to both groups. Training about work-life balance for managers may be particularly important as managers learn to develop pro-active policies that meet the needs of employer and employee alike.
- Corporate Voices for Working Families has created a toolkit for employees on how to negotiate flexibility into schedules. The toolkit emphasizes being specific about schedule needs, and approaching negotiations with a flexible attitude and understanding what will and won’t work for the employer.
Business Examples:

**JC Penney.** To improve the scheduling process for their workers, JC Penney implemented an online scheduling system. The system allows employees to make changes to their schedules and add or drop shifts, and make last minute changes as needed to meet their needs or those of their family. The online system also allows employees to volunteer for or request a shift swap, and to make the swap without manager assistance.\(^{40}\)

**IKEA’s Distribution Center** in Savannah, GA appears again in this section for its steps to improve manager and employee collaboration. They implemented a supervisor open-door policy for employees to communicate their scheduling concerns. This allows greater communication of needs, which makes it easier for managers to address scheduling issues.\(^{38}\)
Intermittent Schedule Flexibility

Nearly all employees will experience unexpected or emergency events during work hours, as well as periodic pre-planned events that the employee would like to attend. Such events are wide ranging, and might include last minute problems with child care coverage, transportation problems that will cause a delay in getting to work, sick children who are home from school, or the desire to attend an important school event for one’s child. The following practices respond to these needs by allowing employees the flexibility to take some time off during the middle of a shift and/or flex the start/end times of assigned work hours.

**Strategies:**

- Allow employees to use sick leave or vacation in small increments (1-2 hours, partial day).
- Institute a policy for occasional “emergency late starts” to allow employees to handle unexpected events that delay their arrival at work.
- Policies that allow pre-approved breaks that are several hours long so that employees can attend school events. When possible, employees make up the missed hours at the beginning or end of that day’s shift.
- Allow “shift swapping” for employees with family emergencies.
- Attendance policies that recognize that emergencies may arise, and allow “excused absences” with a manager’s approval.
- Paid sick days that can be used to care for family members who are ill.
- Add 1-3 paid personal/emergency days to employee benefits.
- Develop “leave banks” that include all allowed days off (sick, personal, vacation) to be used as needed for emergencies.
- Allow employees to voluntarily take time off when business is slow or there is down time.

**Business Examples:**

Marriott Reservations has come up with an innovative method for allowing incremental time off. This policy allows for doctor’s visits, picking up sick children, or other appointments that do not require taking a full day off. At their call center in Salt Lake City, Marriott provides workers with 15 “flex time coupons” per year. The coupons can be used in hour increments, up to three hours at a time, to take partial days off, saving full days off for other uses.

PRO Group is a small company (33 employees) that develops marketing programs. They understood that many of their employees are parents and need small increments of time off to attend events at their children’s school, such as a parent-teacher conference, which can be
crucial to a child's success. PRO Group provides full time hourly employees with up to 16 hours per year, to be taken in two-hour increments, specifically for events taking place at school during work hours. Part-time hourly employees are allotted 12 hours per year.
Supporting Family Caregivers

Child and elder care responsibilities may be particularly problematic for low-wage workers for a wide variety of reasons. About 40% have children at home; and, low-wage workers are two times more likely to be caring for an elderly family member. Since low-wage workers are more likely to be single parents than are higher-wage workers, their family caregiving responsibilities may be particularly acute. And, the nature of low-wage and hourly employment can complicate caregiving, especially when workers are required to work unexpected overtime/stay late, or are called in at the last minute. Other complications arise with “just-in-time” scheduling, which can cause the cost of child care to exceed the worker’s wages when shifts are cut short. Still, there are many ways that employers can support low-wage workers who are family caregivers, with schedule flexibility being chief among them.

Strategies:

- The flexibility strategies on page 9 all support family caregiving. Advanced notice of scheduling, flexibility in start and end times, guaranteed minimum hours, and paid sick leave that can be used to care for self and family members, are particularly important for caregivers.
- Change scheduling policies to address the added complications of child and dependent care, particularly when a shift is shortened, employees are on-call, overtime is mandatory, or hours are irregular/nonstandard.
- Provide paid family leave (including parental leave).
- Allow employees to contact children, elders, and caregivers during their work hours.
- If employer sponsored child-care is not possible, provide childcare cost subsidies, or assistance in seeking publically/locally funded subsidies.
- Train managers and front-line supervisors on how to effectively support employees’ requests for family and medical leave, as well as prevent discrimination against caregivers and women who are pregnant.
- Develop programs that allow a gradual return to work after childbirth or a medical leave, for example, coming back part-time and eventually increasing to full-time.

Business Examples:

The Children’s Healthcare of Atlanta provides employer-sponsored childcare via a comprehensive childcare benefits program. This includes full-service childcare close to the worksite, options for back-up infant care, and child care credits through Bright Horizons (a national childcare provider).
WellStar healthcare group made Working Mother’s “100 Best Companies” with its dedicated improvement to providing childcare supports. They now offer back-up care options for times when childcare falls through, as well as after school, holiday, and summer childcare which can be difficult to find for older children.\textsuperscript{39}
Transportation Support

Transportation problems may be a constant headache for low-wage workers, causing them to be late to work, miss work altogether or quit entirely when transportation falls apart. Low wage employees may try to call on family and friends, or use public transportation or an older vehicle, to patch together a way to get to and from work, but these are not always reliable.\textsuperscript{13, 33} Transportation problems are exacerbated when work hours are irregular or non-standard, workers are on a “just in time” schedule, or workers live far from their place of employment. Transportation represents a major expense for a worker whose income is low; this expense is heightened if a worker is called in for a short shift or sent home early.\textsuperscript{33, 38}

**Strategies:**

- Develop an employee-run system for ride sharing and car pooling.\textsuperscript{13, 39}
- Provide financial assistance or incentives for purchase of public transportation (transit and bus passes).\textsuperscript{13}
- Allow employees to use payroll deduction to pay a loan for emergency car repairs.\textsuperscript{13}
- Advocate for a public system of transportation in your community that is affordable and/or subsidized for low-income workers.\textsuperscript{13, 33}
- Advocate for bus route stops that are closer to your business and the neighborhoods of your employees.\textsuperscript{13}

**Business Examples:**

**Peckham Inc.** has advocated for public transportation for its employees in multiple ways. Staff from Peckham are on the community’s transit board, the company offers a subsidized bus pass to its employees, and the company allows employees to pay for emergency car repairs with loans that can be paid back through payroll deduction.\textsuperscript{13}

**St. Louis Children’s Hospital and Barnes Jewish Hospitals** both provide several options for transportation assistance, including subsidies on monthly transit passes, and a system of shuttles between the metro and the hospitals.\textsuperscript{14}

**The Charlotte Area Hotel Association**, an association of the largest hotels in Charlotte NC, participates in a program created by the Charlotte Area Transit System that facilitates the purchase of discounted transit passes. There was an added benefit for the Human Resource Office, since employees stopped in the office each month to visit an HR officer and pick up the pass.\textsuperscript{14}
Resource Navigators

Most employers offer both employee assistance programs and benefits to enhance the financial well being of their employees. However, some of these programs, such as matching funds added to a 401K, are out of reach for low wage employees whose financial stresses may not allow long-term savings.27 Unfortunately, it is very common for workers in industries that pay low wages (such as food services and retail) to seek public assistance in order to be able to provide for their families. Indeed, 69% of public assistance goes to families with working members, and 47% of workers who receive assistance are working full time.31 Difficulty navigating the benefits system, or having to take time off to renew eligibility, can place stress on both the employer and the employee.42

Strategies:

- Develop on-site resource navigators, or partner with an outside provider, to help employees seek assistance from nonprofit and government programs that support housing, transportation, health care, and finances.14,36
- Ensure that employees can access resource navigators anonymously.14
- Businesses with high numbers of employees receiving public assistance can collaborate with local Department of Family Services to provide an on-site case manager.14
- Provide employees with assistance seeking the Earned Income Tax Credit and the Dependent Care Tax Credit on their federal tax forms.13
- Provide links to free tax preparation services for low-income families.13
- Match savings for the education and training of employees and dependents.13
- Provide employee education on financial literacy.13
- Allow employees to take time off to apply for public assistance.42

Business Examples:

Rhino Foods, a Vermont manufacturer, has partnered with a local nonprofit to provide resource navigation to its employees. The navigator is on-site weekly to meet with employees during work hours. This program has helped connect employees with public and private resources, and to increase retention at Rhino Foods.14

Michigan IDA Partnership has developed a program to partner with employers in providing matching funds for low-to-moderate income employees to develop Individual Development Accounts. These accounts can be used to purchase a home, or for education and job training. And, the program includes training on budgeting, financial management, and building credit.13
Opportunities for Employee Growth

Many small and large businesses have instituted practices that explicitly support the growth and development of their employees, and worked to establish a learning culture among employees and front-line workers alike. A growth-mindset is enhanced when employees are valued for their contributions, have opportunities for promotion, and are supported in their efforts to learn new skills and cross-train, and when managers are incentivized to engage in coaching and retention strategies. Employee growth is also facilitated by pursuing advanced education and training. While many large businesses offer tuition reimbursement, these programs may be out of reach for workers with tight budgets and inflexible schedules. Supporting employee growth and advanced training reaps many benefits for the employer, in terms of worker skills, quality of work, the customer’s experience, productivity, promotion and retention.

**Strategies:**

- Institute a formal cross-training program that allows employees to increase skills as well as explore other positions within the business.
- Negotiate agreements with local technical and community colleges for reductions in tuition and continuing education, on-site courses and workshops, and specific programs to support low-wage workers.
- Partner with local agencies to provide free GED courses on site.
- Incentivize workers by linking raises, bonuses and profit sharing to increases in productivity and skills.
- Provide employee training for entry-level workers, such as apprenticeships, as well as career coaching and career ladders, in order to provide a pathway for promotion and raises.
- Provide training for frontline managers that assist them in becoming change agents, developing key skills in supervision, leadership, incentivizing, and recognizing workers.
- These strategies as well as employee driven scheduling strategies (listed above under predictability and flexibility) can contribute to creating a company culture of “people-centered management” (p. 8).

**Business Examples:**

Charleston Place Hotel has developed a program titled “Trading Places” that allows employees to participate in a paid, three week training in a new department within the organization. Employees engage both in cross training and exploring the possibility of moving up (or laterally) to a new position. For example, a housekeeper could work in the reservations department for three weeks.
Marlin Steel of Baltimore MD, a small employer (35 employees) that manufactures custom metal forms and parts, instituted both profit sharing and a pay for skills programs to increase productivity and profitability. These programs set goals and weekly bonuses that are tied to quality and quantity of the products produced, and encourage cross training through a pay for skills program. Martin Steel emphasizes the importance of involving everyone in these programs, from engineers to front-line employees to the sales staff, and the importance of building a company culture of productivity and adaptability.20, 22

Pridgeon and Clay of Grand Rapids, which manufactures automobile components, has developed a career ladder system to facilitate skill development, pay increases, and internal advancement and promotion. Their system incorporates on-the-job training for new employees, over a dozen Career Path Programs tailored to specific positions within the company (e.g., die-casters), cross-training, and internal promotions. Pridgeon and Clay emphasizes the importance of commitment from top management in the success of these programs.24
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