

Staff well-being and store performance: get one, get the other free?

Protection of employees' well-being at work is a legal right. But can it also be a key contributor to business performance and good for the employer? A survey done in two large Belgian retailers looked for the answer.

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Career opportunities are limited in the supermarket sector. Some retailers favour multi-tasking to relieve the monotony of work.

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In 1996, Belgium introduced a Well-being at Work Act off the back of the EU Health and Safety at Work Directive¹ requiring all employers to do an analysis and establish a plan for preventing work-induced psychosocial load. In the ten-plus years since this legislation came in, it is clear that standards of practices are very patchy and employers lukewarm at best. The causal link behind this reluctance may be that promoting employee well-being comes at a cost to the business, but is there any financial or other benefit to be had from it? In other words, is there a payback from investing in employee well-being? To get to grips with this recurrent question, Belgium's central department for employment² decided to look beyond the theory and received wisdom to investigate at the work face.

The increasingly competition-drive volume retail industry was chosen as the field of study partly for the ability to measure performance indicators by business units and partly for being a sector where work-related physical and psychosocial load are more than just words. Productivity-chasing, flexible contracts and working time, "the customer is always right", all play into driving working conditions down.

The in-workplace survey³ quizzed 945 employees working in 44 stores owned by two Belgian volume retailers that agreed to it. Both are among those pursuing a quality-of-service rather than a purely price-driven strategy. This translates into working conditions that are relatively better than other industry names, as reflected by the length of employees' time-in-service (18 years on average), the predominance of permanent

1. The European Framework Directive on Safety and Health at Work 1989 (89/391 EEC) marks a turning point for the improvement of safety and health at work. It guarantees minimum standards of safety and health across Europe while allowing Member States to introduce more stringent measures.

2. The Federal Public Service (FPS) Employment, Labour and Social Dialogue (Belgian Ministry of Labour).

3. The Belgian Ministry of Labour had still not released the study at the time of going to press.

contracts (90%) and mostly longer than half-time working hours (66%). Some "hard discounter" chains and those that had undergone recent downsizing were contacted but declined to take part in the survey. As a result, the findings probably paint a rosier picture than the reality in the sector. That being said, they provide interesting answers to three questions.

Decent support from a line superior can reduce stress and make work more enjoyable.

4. The VOW/QFT (Vragenlijst over Werkbaarheid / Questionnaire sur les Facultés de Travail) is a diagnostic tool developed by FPS Employment, Labour and Social Dialogue to study workers' feelings about the balance between their personal characteristics and the demands (physical strains and psychosocial load) of their job.

What are the risks to well-being at work?

Incorporating the Work Abilities Questionnaire (VOW/QFT)⁴ into the survey enabled us to compare the risk factors reported by our respondents to those measured in a reference sample of 3714 Belgian workers. While 84% of our respondents reported being always or often stressed compared to 28% of the reference Belgian workers, their levels of enjoyment of work, need for recovery time, and physical health indicators are nevertheless comparable to those of the reference sample. Department managers report the highest levels of stress and recovery needs, but also enjoyment of and involvement in work, while general assistants, who may work on the checkout or shelf stacking as needed, stand out as the best off for all indicators considered.

Where physical risks are concerned, supermarket workers are most affected by two things: repetitive movements – where there is double the incidence, and particularly affecting checkout staff – and physical demands – especially on shelf stackers. By contrast, general assistants are significantly less exposed to both categories of risk. Analysis of the factors that correlate most closely with well-being and health reveal that repetitive work has no impact on the indicators looked at, apart from the higher frequency of aches and pains in cases of repetitive work. The level of physical demands, by contrast, has a very significant impact on recovery needs, all indicators of physical health and, to a lesser degree, overall stress and loss of enjoyment of work. These analyses also show that employees who see their management actively introducing measures to protect physical safety at work also suffer less stress and burnout, report better health and enjoy their work more.

Table 1 Summary of indicators examined

Organizational level: 44 stores	<p>Store managers interviewed on their practices regarding:</p> <ol style="list-style-type: none"> 1. Formalized personnel management practices 2. Recruitment and selection 3. Mobility, promotion, performance 4. Training 5. Pay and rewards 6. Job flexibility 7. Participation and communication 8. Prevention of psychosocial load and promotion of well-being 	<p>Store performance indicators provided by central services:</p> <ol style="list-style-type: none"> 1. Employee performance: absenteeism and staff turnover 2. Operational performance: scrap rate and stock control errors 3. Business performance: customer satisfaction (available in one chain only) 4. Financial performance: productivity (= turnover / hours worked)
Individual level: 945 employees	<p>A questionnaire survey of a representative sample of employees in each store on:</p> <p>Physical risk factors:</p> <ul style="list-style-type: none"> – harmful factors, danger, physical demands, repetitive movements, VDU work, accidents, safety policy and climate <p>Psychosocial risk factors:</p> <ul style="list-style-type: none"> – speed and volume of work, learning opportunities, participation in decision making, role clarity, job control, job insecurity, social support and support from line superior, work skills <p>Perception of HR practices:</p> <ul style="list-style-type: none"> – fairness and support / organizational recognition 	<p>Indicators of psychological well-being:</p> <ul style="list-style-type: none"> – overall stress level – need for recovery time – enjoyment of work – job satisfaction – involvement in the organization <p>Indicators of occupational health:</p> <ul style="list-style-type: none"> – health concerns – aches and pains (sleep disorders, musculoskeletal disorders, etc.). – perceived health over the previous fortnight

As to psychosocial risks, both chains fall within the Belgian average, although not all occupational categories are equally affected. Checkout assistants have less say in decisions and less job control, but these risk factors are offset by greater solidarity and social support, less fast-paced work and a lighter workload, possibly from both supermarkets' specific policy of minimizing customer waiting time by opening extra checkouts. Department managers are in the exact opposite situation – they suffer a faster work pace and higher workload and enjoy less social support than their colleagues, while having greater job control and a bigger say in decisions. In terms of impact on psychological well-being and health, the pace and volume of work, followed by in-service skills development opportunities and the ability to cope with changes in duties are clearly the parameters to be kept under review. By contrast, line manager support acts as a buffer to reduce stress and increase enjoyment of work.

Is staff well-being bound up with store performance?

The received wisdom is that a happy worker is a more productive, cooperative and involved worker. In fiercely cost-competitive sectors, however, productivity gains tend to be made at the expense of working conditions. Increased quantitative flexibility and work intensification play directly into job insecurity, work pace and volume and indirectly into the quality of the worklife fabric. So it is not axiomatic that organizational performance and well-being at work go in hand. And what of our two survey retailers? As shown in Table 1, store performance was conceived as a multidimensional concept that includes workforce, operational, commercial, financial and other indicators.

Our findings tend to support the conjecture of a positive relationship between staff well-being and store performance. So, in one of the two chains, there is a very significant link between absenteeism and stress, the need for recovery and the lack of job satisfaction and enjoyment felt by store staff. In both chains, however, a range of risk factors – especially pace and volume of work, a perceived

lack of work skills and social support – appear to be factors in increased absenteeism. Operational performance is higher when each employee's role and responsibilities are clearly defined; this holds true for both chains.

The really hard evidence of how a company benefits from a policy of promoting well-being at work comes from customer satisfaction. For instance, 25% of between-store variations in customer satisfaction reflect the average degree of enjoyment of work expressed by the staff. More generally, customer satisfaction is higher in stores where staff enjoy better physical working conditions, clearer role definition, good social support, a less intense pace of work, and come across as less stressed, happier and healthier.

Finally, the results for productivity used as an estimate of economic performance are puzzling. In one chain, lower stress and fatigue levels and greater enjoyment are associated with higher productivity, while in the other chain, the exact opposite holds true – the most productive stores are also those

Customer satisfaction is higher in stores where staff enjoy better physical working conditions.

where staff have lower levels of psychological well-being. The relationship between well-being at work and productivity is plainly a complex one and may depend on undetermined threshold effects or third variables like retention rates.

What type of HR makes for happy staff?

In the volume retail industry, store managers are a key link in implementing the personnel management practices devised by central HR management. This produces between-store variations through which it can be examined whether some practices are more conducive to staff well-being than others. The traditional human resource management (HRM) literature argues that more elaborate and formalized practices which encourage skills acquisition and employee motivation contribute more to both the psychological well-being of employees and organizational performance.

Does this template hold good for the supermarket sector? Also, do the working time and functional flexibility practices that are gaining ground in the sector significantly impact employees' well-being at work?

The answers given to these questions by our findings are somewhat unexpected. Ostensibly, many supposedly good HRM practices may actually have adverse well-being at work outcomes. So, stores that make more use of formal training provision, more sophisticated selection techniques, promotion plans and working atmosphere surveys provided by central services are also those where feelings of job security, social support, role clarity and the indicators of psychological and physical well-being are the lowest. On the

other hand, systematic use of annual performance reviews tends to be beneficial to employees.

Turning to flexibility practices, flexible hours – which in this sector are mostly not voluntary – seem to reduce say in decisions and job control, and undermine physical health. Multi-tasking, however, is consistently associated in this study with beneficial effects: increased use of multi-tasking correlates to greater job control and social support, and good reported psychological and physical health. It may be that these effects reflect the conditions in which functional flexibility has been implemented in some stores in our study, on a voluntary basis and after a procedure carefully coordinated with the unions.

The relevance to HRM

More local, store manager-controlled and -implemented practices appear to be the most paying proposition, probably because they consolidate the manager's role in supporting and talking to his staff, and give a more personal slant to HR practices. This interpretation is borne out by our findings that these less paper-bound and centralized practices are perceived by staff as fairer and more fitting and play into an increased feeling of recognition. The perceived fairness of personnel management practices and the feeling of receiving support from the organization are two key variables in promoting well-being at work.

This study of two particular Belgian supermarket chains confirms that it is both possible and profitable for the company to establish working conditions and management practices that safeguard the well-being of employees. The lines of further inquiry, however, are arguably to move away from the bureaucratic, centralizing tendencies that are typical of the sector and instead towards encouraging more flexible and personalized local management and job enrichment through a rediscovery of the ancient craft of the general grocer. ●

In store that make more use of multitasking, employees have job control and social support, and report sound mental and physical health.
