RETAIL INDUSTRY EMPLOYEES AND TURNOVER

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INTRODUCTION

Retail work is typically portrayed as a revolving door with employees staying for a short period of time and then moving on to something else. In such an environment, the costs of turnover become an unquestioned part of doing business. Yet data from the *2008 National Study of the Changing Workforce*, suggest turnover is not so commonplace—48% of retail employees report they are not "very likely" to make a genuine effort to find a new job within the next year. When asked how long they plan to stay with their current employer, retail employees who are not "very likely" to find a new job in the next year indicate that they plan to stay an average of 11.2 years before making a genuine attempt to change employers. These findings contradict the commonly held perspective that retail employees represent an unavoidable turnover cost.

This report expands on these initial findings to see how intention to change employers varies among retail employees based on a variety of demographic factors and workplace conditions, including several measures of workplace flexibility. Our findings suggest that the retail industry is comprised of at least two employee subgroups with very different tenure expectations.

The research findings presented here are drawn from the *2008 National Study of the Changing Workforce* (NSCW)[i] conducted by Families and Work Institute. The survey sample is representative of the entire workforce in the United States.[ii] The report looks only at wage and salaried employees (N=2,769); 249 of those employees are employed in industries that together constitute the retail industry group.[iii] Most of the analyses in this report use the 48% of retail employees who do not intend to leave their employer in the next year.

WHO IS THE RETAIL WORKFORCE?

Before we investigate the issue of turnover, it is important to know who the retail workforce is and how they compare with the workforce in other industries.

Table 1 reveals a number of significant differences between all retail employees and employees in other industries.

First, those in retail are less likely to have achieved a degree beyond high school or a GED and are less likely to be living with a spouse or partner.

Second, and perhaps most important, retail employees are more likely to include those at both ends of the generational spectrum—that is, the youngest and oldest employees:

- 39% of retail employees are under 28 years old (Gen Y) compared with 20% of employees in other industries.
- 7% of retail employees are over 62 year old (Matures), compared with 3% of employees in other industries.

Overall, their average age is younger (37 years old) than the average age of employees in other industries (41 years old).

Table 1: Basic Demographic Characteristics of All Employees, Retail Industry Employees and Employees in All Other Industries

Demographic Characteristic	Total – All Employees (n=2,769)	Retail Industry Employees	Sig.	Employees in Other Industries
Gender		(n=250)		(n=2,520)
Male	52%	47%	ns	52%
Female	48	53		48
Any child under 18 living with them for at least half the year	45%	(n=250) 37%	ns	(n=2,520) 46%
Generation (in 2007)		(n=246)		(n=2,502)
Gen-Y (Under age 28)	22%	39%		20%
Gen-X (28-42)	36	29	***	37
Boomers (43-61)	38	26		39
Matures (62+)	4	7		3
Average age	41	(n=249) 37	***	(n=2,520) 41
Education Level		(n=249)		(n=2,520)
High school / GED / less	40%	57%		38%
Some postsecondary	29	28	***	29
4-year college degree or more	31	15		33
Marital status		(n=247)		(n=2,516)
Living with a spouse/partner	66%	58%	**	67%
All other arrangements	34	42		33
Currently providing special attention or care for a relative or in-law 65 years old or older		(n=249)	ns	(n=2,520)
Yes	17%	11%		17%
No	83	89		83

Source: 2008 National Study of the Changing Workforce, Families and Work Institute
**** = p < .001; ** = p < .01; ns = not significant*

HOW LONG DO RETAIL EMPLOYEES PLAN TO STAY WITH THEIR EMPLOYER? WHAT DEMOGRAPHIC FACTORS AFFECT RETENTION?

On average, retail employees who are not very likely to leave their employer in the next year, expect to stay with their employer for the next 11.2 years. This is a much longer tenure than might be expected in what is typically seen as a high-turnover industry.

When we examine the demographics of retail employees in relation to turnover, we see differences that begin to tell the story of long-term retail employees (Table 2).

Table 2: Among retail employees not "very likely" to leave their employer in the next year—Average number of years intending to stay with current employer by various demographic factors[iv]

Demographic factor	Average number of years planning to stay with current employer	Sig.
Race	(n=180)	**
White – Non-Hispanic	8.7 years	
Black – Non-Hispanic	18.1	
Hispanic	26.5	
Other	1.0	
Age	(n=180)	***
Under 30 years old	3.0 years	
30-39 years old	21.5	
40-49 years old	24.5	
50 years or older	7.0	
Parental Status	(n=181)	***
Parent/guardian of any child of any age	17.1 years	
No, not a parent/guardian	5.4 years	
Work a regular daytime shift	(n=181)	***
Yes	17.8 years	
No	4.5	
Job considered by employer to be…	(n=181)	**
Full time	14.3 years	
Part time	3.4	

Source: 2008 National Study of the Changing Workforce, Families and Work Institute
**** = p < .001; ** = p < .01*

These findings indicate that employees who have regular predictable shifts and a sufficient number of work hours to provide a steady income are more likely to plan to stay in their jobs for a longer period of time. These two factors may also help explain why parents are more likely to stay for a significant number of years.

While the short planned tenure of employees under 30 (3 years) suggests they consider retail work as a temporary option, employees in their 30s and 40s seem to consider their retail positions as long-term employment options.

HOW DOES ACCESS TO WORKPLACE FLEXIBILITY OPTIONS AFFECT RETENTION?

In addition to the demographic factors cited above we find that the availability of several workplace flexibility options are positively linked with retail employees' intentions to remain with their current employer. In Table 3 below, we include those flexibility items that are statistically significant among retail employees who are not "very likely" to look for a new job in the next year. For further information on employees' access to flexibility in retail and other industries, see Appendix A.

Retail employees who have more control over their schedules are more likely to plan to stay with their current employer longer than those with less control over their schedules. Though the retail industry can seem inflexible due to the need for employees to be present when stores are open, these findings indicate that some retail employees are receiving flexibility and these employees are planning to remain longer than their peers with fewer flexibility options. Similarly, high levels of overall access to flexibility are associated with longer intended tenure.

Not surprisingly, retail employees who have supervisors who support them in managing their work and personal or family lives and who are satisfied with their jobs are more likely to plan to stay longer with their employers.

Table 3: Among retail employees not "very likely" to leave their employer in the next year—Average number of years intending to stay with current employer by various workplace flexibility options

Workplace flexibility options	Average number of years planning to stay with current employer	Sig.
Overall, how much control would you say you have in scheduling your work hours?	(n=181)	**
Complete	22.9 years	
A lot	7.6	
Some	8.9	
Very little	4.6	
None	6.8	
Can you choose your own starting and quitting times within some range of hours?	(n=181)	*
Yes	15.4 years	
No	7.5	
Would you prefer to have a part-time job (if you are full time) or a full-time job (if you are part time) right now?	(n=181)	**
Yes	3.4 years	
No	13.7	
How hard is it for you to take time off during your work day to take care of personal or family matters?	(n=181)	**
Very hard	6.0 years	
Somewhat hard	6.2	
Not too hard	6.1	
Not at all hard	19.1	
Do you receive any paid vacation days?	(n=179)	*
Yes	12.9 years	
No	4.5	
Do you have enough paid time off to care for your sick child(ren)?	(n=58)	*
Yes	31.7 years	
No	10.9	
Level of overall access to flexibility	(n=181)	***
Low	5.3 years	
Mid	6.8	
High	20.6	
Level of overall supervisor support	(n=171)	***
Low	3.1 years	
Mid	7.5	
High	24.1	

Level of overall job satisfaction[v]	(n=144)	
Low	2.3 years	***
Mid	5.6	
High	19.6	

Source: 2008 National Study of the Changing Workforce, Families and Work Institute
**** = p < .001; ** = p < .01; * = p < .05*

WHAT REASONS DO RETAIL EMPLOYEES GIVE FOR PLANNING TO LEAVE THEIR CURRENT EMPLOYER?

In the *2008 National Study of the Changing Workforce*, we asked employees who are not "very likely" to leave their job in the next year to tell us in their own words, "Why would you decide to leave your current employer?" When we look at retail employees and the reasons they give, we find that they are more likely than employees in other industries to give the following reasons:

- Want / need to earn more (17% versus 10%)
- Want work that is more meaningful, better reflects my values, or makes a difference to society (5% versus 1%)
- Want more flexibility to manage work, personal and family demands (2% versus <1%)

To further explore the factors affecting why retail employees would want to leave their employer, we take the reasons employees mention in our open-ended question and compare their reasons with retail employees in the following groups: employees with low-wages versus those with higher wages; employees who are in different age groups, and employees reporting that they want to move to jobs with more responsibility than those who want to stay at the same level or move to jobs with less responsibility.

Wage Level

Higher wage retail employees are more likely than low-wage[vi] retail employees to plan to leave their employer for the following reasons:

- Want more flexibility to manage work, personal and family demands (5% versus 0%)

- Want more opportunities for learning, developing new skills, competencies on the job (5% versus 0%)

Age

Retail employees aged 30 to 39 (46%) are more likely than other retail employees to give "earning more money" as a reason to plan to leave their employer —16% of workers under 30, 10% of workers aged 40-49, and 6% of workers aged 50 and older. Please recall that 30 to 39 year olds also plan to stay with their current employer for a significantly longer time on average than workers under the age of 30 and aged 50 and older (Table 2).

Desire for Job with More or Less Responsibility

Overall, retail employees who would like a job with more than their current level of responsibility (42%) are significantly more likely to make a genuine effort to leave their employer in the next year than those looking for less responsibility (13%). For those looking for more responsibility, they are more likely than other employees to give the following reasons for planning to leave their employer:

- Want / need to earn more (27% versus 13% of other employees)
- Want more opportunities for career advancement than I have in my current job (15% versus 5% of other employees)

Retail employees looking for jobs with less responsibility (39%) are more likely than other employees—26% of employees looking for the same amount of responsibility and 9% of employees looking for more responsibility—to say they would leave their employer because they want to retire and stop working entirely.

CONCLUSION

The retail industry turns out to be more complex than is typically portrayed in popular culture—a rigid workplace that allows employees little control over their schedules.

Rather there seems to be two distinct groups of employees who work in retail. One group seems to consider retail jobs to be a good fit for the moment, though they may harbor plans to pursue work that is more challenging and presents more opportunities for learning and advancement. Employers can encourage greater retention among these employees by enhancing their jobs and providing a clear path for advancement into the company.

The other group appears to consider retail a viable lifelong occupation, especially when they are currently satisfied with their job and have high levels of access to the flexibility they need to manage their personal and work lives. Attention to how work environments and flexibility options affect employees at different stages in their life and careers can make retail work a long-term choice for many employees.

Appendix A: Access to Provisions of Flexibility—All Employees, Retail Employees, Employees in Other Industries

Access to Provision of Flexibility	Total – All Employees (n=2,769)	Retail Industry Employees	Sig.	Employees in Other Industries
Choices in Managing Time				
% who have complete / a lot of control over their work schedule	37%	(n=250) 39%	ns	(n=2,512) 36%
% say it's very true that their schedule / shift meets their needs	62%	(n=249) 53%	***	(n=2,520) 63%
Flex Time and Flex Place				
% allowed traditional flex time (can choose own start and end schedules)	45%	(n=249) 47%	ns	(n=2,506) 45%
% allowed daily flex time (able to make short notice schedule changes)	84%	(n=247) 83%	ns	(n=2,469) 84%
% allowed to work compressed work week some of the time	36%	(n=244) 32%	ns	(n=2,445) 36%
% allowed to work some regular paid hours at home	16%	(n=244) 8%	***	(n=2,442) 17%
Reduced Time				
% of full-timers who could arrange to work part time in their current position if desired	37%	(n=170) 42%	ns	(n=1,993) 37%
% of part-timers who could arrange full time in their current position if desired	92%	(n=77) 100%	***	(n=400) 90%
% who could arrange to work part-year	23%	(n=246) 25%	ns	(n=2,139) 23%

Access to Provision of Flexibility	Total – All Employees (n=2,769)	Retail Industry Employees	Sig.	Employees in Other Industries
Daily Time Off				
% for whom it's not hard at all to take time off during workday for personal/family matters	35%	(n=249) 35%	ns	(n=2,507) 36%
% able to volunteer during work time without losing pay	32%	--	--	--
% who receive paid holidays	77%	(n=245) 72%	ns	(n=2,502) 78%
Short-Term Time Off				
% who have paid vacation days	78%	(n=248) 76%	ns	(n=2,507) 78%
Average amount of annual paid vacation days entitled to	15.0	(n=161) 13.8	ns	(n=1,708) 15.6
% who receive at least five paid days for personal illness	62%	(n=235) 52%	***	(n=2,467) 63%
% who receive at least five paid days for sick child(ren)	48%	(n=81) 43%	ns	(n=1,114) 49%
% able to take time off for elder care without losing income	53%	--	--	--
% able to take time off for elder care without fear of losing job	70%	--	--	--
Culture of Flexibility				
% strongly/somewhat disagree that they have to choose between advancing in their jobs or devoting attention to their family or personal lives	58%	(n=246) 51%	ns	(n=2,460) 59%

Access to Provision of Flexibility	Total – All Employees (n=2,769)	Retail Industry Employees	Sig.	Employees in Other Industries
Culture of Flexibility (cont'd)				
% strongly/somewhat disagree that employees who ask for flexibility are less likely to get ahead in their jobs or careers	60%	(n=249) 61%	ns	(n=2,518) 61%
% very likely to try to find a new job within the next year	17%	(n=248) 24%	***	(n=2,516) 16%
Average supervisor support (summary of five questions on a scale from 1=low to 4=high)	3.0	(n=224) 3.3	ns	(n=2,237) 3.4

Source: 2008 National Study of the Changing Workforce, Families and Work Institute
**** = p < .001; ** = p < .01; ns = not significant; -- = sample size too small*

[i] The 2008 National Study of the Changing Workforce (NSCW) survey was conducted by Harris Interactive, Inc. (formerly Louis Harris and Associates) using a questionnaire developed by the Families and Work Institute. Coding of open-ended responses was done by interviewers, with the exception of occupation and industry, which were coded by the U.S. Bureau of the Census using 1990 three-digit occupation (SOC) and industry (SIC) classifications. Although interviewing began in 2007, 88% of interviews were completed in 2008. Thus, we refer to this survey as the 2008 NSCW. A total of 3,502 interviews were completed with a nationwide cross-section of employed adults between November 12, 2007 and April 20, 2008. Interviews, which averaged 50 minutes in length (47 minutes for substantive questions and 3 minutes for eligibility screening), were conducted by telephone using a computer-assisted telephone interviewing (CATI) system. Calls were made to a regionally stratified unclustered random probability sample generated by random-digit-dial methods.

Up to 60 calls were made to each telephone number that appeared to represent a potentially eligible household—busy signal, answer by non-eligible with some indication of a potential eligible in household, or answer by a potential eligible who wanted a callback. When eligibles were identified and requested callbacks, additional calls were made. If 25 consecutive calls were made to numbers where there were no answers and no busy signals (and no other dialing outcome), these numbers were considered non-residential, non-working numbers or non-voice communication numbers. Three to five attempts were made to convert each initial refusal**.** Despite the fact that the level of effort of 2008 interviewers went substantially beyond the efforts made in 2002, 1997 and 1992, the overall response rate was only slightly higher, indicating that it has become significantly more difficult to complete telephone interviews in recent years.

Sample eligibility was limited to people who 1) worked at a paid job or operated an income-producing business, 2) were 18 years or older, 3) were in the civilian labor force, 4) resided in the contiguous 48 states and 5) lived in a non-institutional residence—i.e., household—with a telephone. In households with more than one eligible person, one was randomly selected to be interviewed. Interviewers initially offered cash honoraria of $25 as incentives. In order to convert refusals, a higher amount ($50) was offered.

Of the total 42,000 telephone numbers called, 24,115 were found to be non-residential or non-working numbers and 6,970 were determined to be ineligible residences (1,389 because no one spoke English or Spanish well enough to be interviewed). Of the remaining telephone numbers, 3,547 were determined to represent eligible households, and interviews were completed for 3,502 of these—a *completion rate of 99 percent*. Eligibility or ineligibility, however, could not be determined in the remaining 7,368 cases. Among those contacts for which eligibility could be determined, the eligibility ratio was 0.3886 [3547/(3547+5,581)]. Thus, we estimate that potentially 38.86 percent of the 7,368 cases for which eligibility could not be determined—2,863 cases in all—might have been eligible households. Dividing the number of completed interviews (3,502) by the number of known eligibles (3,547) plus the number of estimated eligibles (2,863) yields an *overall response rate of 54.6 percent for potentially eligible households*. [This method of response rate calculation follows the conservative CASRO and AAPOR recommendations.]

All sample weighting was done in relation to the U.S. population using data from the March 2007 Current Population Survey. The sample was first weighted by the number of eligibles in the respondents' households in relation to the percentage of households in the U.S. population with the same number of eligibles (i.e., number of employed persons 18 and older per household with any employed person 18 or older), eligible men and women in the U.S. population and eligibles with different educational levels in the U.S. population. [Other weights were also calculated and can be found in the public-use data files.] The average design effect for the weighted sample is estimated to be 1.359. Applying this Design Effect, the average sampling error for wage and salaried sample statistics (n=2,769) is approximately +/- 1.1 percent versus +/- 1 percent for the unweighted sample.

Of the total sample of 3,502 interviewed, 2,769 are wage and salaried employees who work for someone else, while 733 respondents work for themselves—255 business owners who employ others and 478 independent self-employed employees who do not employ anyone else. In this report, we restrict analyses to those who are wage and salaried employees.

[ii] The sample is weighted on various demographic factors to the 2007 Current Population Survey conducted by the U.S. Bureau of the Census to correct for any biases that might be present. The response rate for the random-digit dial telephone survey is 54.6%. The maximum sampling error for the wage and salaried sample (n=2,769) is approximately +/- 1.6 percent after adjusting for the survey's design effect.

[iii] The retail sample specifically includes the following groups, based on the 1990 Census Industrial & Occupational Codes: Lumber and building material retailing, hardware stores, retail nurseries and garden stores, department stores, variety stores, miscellaneous general merchandise stores, grocery stores, dairy products stores, retail bakeries, food stores, n.e.c., auto and home supply stores, apparel and accessory stores, shoe stores, furniture and home furnishings, household appliance stores, radio, TV, and computer stores, music stores, drug stores, liquor stores, sporting goods, bicycles, and hobby stores, book and stationary stores, jewelry stores , gift, novelty, and souvenir shops, sewing, needlework and piece goods stores, retail florists, miscellaneous retail stores, not specified retail trade .

[iv] Throughout this paper we only present those findings that reach the threshold of statistical significance.

[v] Our measure of job satisfaction includes three items: all in all, how satisfied are you with your job?, knowing what you know now, if you had to decide all over again to take the job you now have, what would you decide?, and if a good friend of yours told you that he or she was interested in working in a job like yours for your employer, what would you tell your friend? Job satisfaction was measured with an index scale, which was converted into a 3-point scale [low=bottom 25%, moderate=middle 50%, high=top 25% of scores].

[vi] There is no universally agreed upon definition of low-wage employment. In previous research, we, and others have defined low wages as wages in the bottom 25% of the earnings distribution. When

employees were interviewed for the NSCW survey in 2008, the bottom 25% of the workforce earned $10.00 or less (or $10.13 in 2010 dollars). Some have argued that this definition of a low wage is not only arbitrary but also too low given the actual costs of living in the United States. Thus, in this paper we use a different definition—developed by the Organization for Economic Development and Cooperation and the *Mobility Agenda* of the Center for Policy and Economic Research[vi]—that we believe has a strong rationale. Specifically, we define low-wage employees as those who earn less than two-thirds the median earnings of male employees in the United States. When the survey was conducted in 2008, two-thirds of the median income of men in the wage and salaried workforce (i.e., employees) was approximately $12.82. Thus, employees earning less than $12.82 (or about $13.00 in 2010 dollars) are considered low-wage employees while those earning $12.82 or more are considered higher-wage employees. A little more than one-third (35%) of the U.S. workforce are low-wage employees by this definition.