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INTRODUCTION

The behaviors, habits, and patterns of low-wage and entry-level employees often leave business owners and managers scratching their heads. An employee might be fired from a position only to return three days later asking when the boss would “stop being mad” and hire them back. Perhaps an employee suddenly stopped coming to work or started arriving late every day. Maybe an employer promoted an employee from within but was confused by that person’s behavior after the promotion. Or maybe an employee surprised management by turning down a promotion. Situations like these can lead some employers to think their low-wage workers are lazy, “takers,” and unreliable.

This book is for businesspeople who are tired of the turnover treadmill, absenteeism, lack of productivity, motivation issues, language barriers, and disciplinary problems experienced with some entry-level, lower-wage employees. This book will explore how employees’ economic class affects the success of the business. The economic environment people grew up in plays a large part in how they view the world, the work environment, and their personal relationships. Understanding these effects is crucial to working effectively with lower-wage employees whose day-to-day environments are unstable.

Employees living in daily instability face obstacles that are virtually unknown to people living in daily stability. If you live in daily instability, you often operate from a scarcity mentality—you have “less than you feel you need.”¹ This mentality does not allow people to plan for the future, a

key factor in operating a business. People whose daily lives are unstable are great problem solvers, reactively solving what each day throws at them. But the focus on daily necessities leaves little time to plan for the future. A goal of this book is to help employers better understand low-wage employees. As employers clear up misconceptions and align business and employee needs, they create a dynamic, flexible environment with work accommodations that benefit the business and the employee both.

The world of work operates according to expectations and norms shaped by an environment that is stable on a daily basis. Just as businesspeople sometimes find the norms and expectations of people from daily instability foreign and confusing, low-wage employees who have been living in daily instability for multiple generations walk into a work environment that is foreign to them. This book will explore the various reasons employees living in poverty have a different take on work than human resources personnel, managers, and executives.

The core concepts in this book come from the published works of the consulting company aha! Process and its research on poverty, which has proven its effectiveness in many sectors in the last 20 years. The first business to use *A Framework for Understanding Poverty* by Ruby Payne² was Cascade Engineering in Grand Rapids, Michigan. Above all, Cascade CEO Fred Keller wanted to figure out how to have a business answering the needs of all employees as opposed to being very selective of some employees such as mid-level management and executives. At the same time, Cascade was experiencing a 60% turnover rate among all employees. In a nutshell, the management team did not understand the environment of daily instability and the chaos it was causing the business. Employees in Cascade's new welfare-to-career program did not understand the middle class expectations of the workplace.

Cascade came across Payne's book while looking for ways to improve their program. Ten years later Cascade had nearly perfected the program, and employee turnover was down to just 5%.

Keller outlines three things that made the program a success:

- The first step was creating an accepting corporate culture. They had a paradigm shift about how they were going to do business to get the results they wanted. Leadership recognized a disconnect between the culture of their organization and the unstable environment of poverty. They identified obstacles caused by daily instability that were creating pains for the business and the employees alike.
- The second step was training new and existing employees on economic class diversity. This created an awareness of potential issues among all employees, new and old, management and entry level, and gave them a shared vocabulary to address those issues if they arose.
- Cascade's final step was to develop a network of support for employees who were moving from daily instability to daily stability. This included partnering with local government and charitable organizations to provide caseworkers and retention specialists on site. This kept the employees at work while addressing their life issues and headed off employee conflicts before termination was necessary; often the conflict was caused by the obstacles of daily instability.³

Dave Barrett, director of talent management at Cascade, says that before they integrated aha! Process principles, their 60% employee turnover rate among all employees cost them \$3.6 million per year. With that rate reduced to less than 5%, turnover costs them less than \$500,000.

The book *Bridges Out of Poverty* was released by the publishing company aha! Process in 1999⁴ and was written for nonprofit agencies serving individuals in poverty. Bridges is a book, movement, and set of strategies that addresses poverty from an economic class perspective. The book focuses on how to work more effectively with clients living in poverty by building better understanding of the environment in which they live. Not only can understanding the environments of daily instability, stability, and long-term stability allow organizations to work more effectively with their clients at the individual level, it creates opportunities to effect

change in the organization and the community at the policy level. Policy changes at that level provide stability to individuals and save money for the community. Bridges has grown into a global movement involving communities and organizations in the United States, Canada, Australia, the Czech Republic, Scotland, Mexico, and Slovakia.

Vectren is a utility company in Evansville, Indiana, that uses information from *Framework* and *Bridges Out of Poverty*⁵ to educate its call center employees. These employees work directly with households having difficulties paying their monthly utility bills. Beth Pace, a customer outreach representative at Vectren,⁶ told me this training has created an awareness and sensitivity to the client base that allows them to work more effectively with their customers.

In addition to Cascade and Vectren, there are a range of business examples—from a frozen food distributor to healthcare providers, from manufacturers to restaurant owners and fast food franchisees—all using concepts from *Framework* and *Bridges* to stabilize the workforce, retain employees, improve productivity, and increase profits. I will share their stories throughout the book.

Bridges Out of Poverty coauthor Phil DeVol has also developed curricula for use with people living in daily instability through a 16-session process in which they investigate instability and stability on their own terms. These Getting Ahead books⁷ and workshops are designed for people working to stabilize their daily lives by building resources. The 16-session Getting Ahead in the Workplace model encourages employees to investigate their resources, see the need for change, and decide for themselves what they will do to make their lives more stable.

Because no one likes to be told they must change, the Getting Ahead co-investigative process of discovery results in lasting changes made by intrinsically motivated participants. If the doctor simply tells a patient to lose 15 pounds now, that person probably won't lose the weight because the patient didn't make that decision autonomously. Those pounds will never drop off. But if the doctor shows the patient the need for change by helping the patient understand the costs and benefits, that person will make the same choice with intrinsic motivation—and the patient will see

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it through because the decision was theirs. This book details many positive impacts Getting Ahead has had on employees: achieving promotions from within, recognizing the value of formal language, respecting supervisors, shifting attitudes, and understanding the hidden rules of business are a few outcomes Getting Ahead participants discuss in the following pages. Rather than telling you how your organization must change, it is my hope that the suggestions in this book will motivate you to find your own path to employee and business stability.

This book will explore how businesses can improve engagement, productivity, and financial returns using strategies that stabilize lower-wage employees who are living in daily instability. With a shift in mindset on the part of both the business and the employees, the new paradigm will create the sought-after stability businesses and employees need to thrive now and into the future.



Business
Perspective

“It drives us crazy! Employees will say, ‘I can’t come to work,’ followed by, ‘I need money.’”

“When employees are late or don’t show up, it creates a backlog in our workflow. It impacts productivity, and it impacts the dollars.”



Employee
Perspective

“When I started this job, I was wearing jeans and T-shirts. I told myself it was okay. There were days I had meetings and needed to network with managers, and I knew my clothes were not okay. But it wasn’t in my budget to purchase new clothes. How can I play the part when I don’t have the pieces and parts to do the job?”

“I grew up in poverty, I have a lack of education, and I’ve been in and out of prison. I wanted to change, but I didn’t know how. I didn’t understand normal business ways. The culture in this office is very different from anything I had known before. When I first got here, I felt alone.”



CHAPTER 1

Instability – What Does It Cost a Business?

Whether we admit it or not, many of us have preconceived notions about skin color, gender, height, introverts, extroverts, weight, marital status, and more. We judge individuals based on the school they went to, the car they drive, the neighborhood they live in, even their hobbies. And we do the same thing at work.

In the workplace we are concerned with racial and gender dynamics and discrimination, but rarely do we look at economic class and its impact on the success of the business operation. What causes daily instability anyway? Why does daily instability affect workplace performance, and how can we change our business operations to counteract the negative effects?

Each person is a tapestry woven from a unique set of experiences. These experiences come from the environment and the resources available. Employees from daily stability don't leave their experiences at the door when they enter the workplace, and neither do employees from daily instability. For the purposes of this book, I am adapting Ruby Payne's definition of poverty to describe the daily instability of some entry-level and lower-wage employees: Daily instability is the extent to which one does without resources. Survival in daily instability is difficult and takes a special set of skills, but those skills can cause problems if applied inappropriately in the workplace.



Daily instability is the extent to which one does without resources.

What does that look like when the business world generally operates from a mindset of stability? The more resources people have, the better equipped they are to navigate systems and contribute

professionally and personally. The environment we were raised in can affect the resources we have and how we use them. If employers understand the resources available to an employee, they can mentor that person into a stronger employee who contributes more.

If you have picked up this book, chances are you are dealing with retention issues, human resources conflicts, workflow issues, absenteeism, and language barriers with entry-level, lower-wage employees. Operating in a global economy forces companies to squeeze more productivity, stability, and sustainability out of the business in the face of tight budgets and increased competition. All shareholders are looking for larger returns. How do businesses continue to provide a high level of client and customer experience while reducing expenses and improving the overall net income? How do companies make the owners and shareholders happy while doing all of this?

Research results from Bond and Galinsky at the Families and Work Institute indicate that 54% of low-wage employees are living in low-income households long term,⁸ unlike, e.g., a college student working in a lower-wage position temporarily, often complemented by supports from a stable household. Perhaps conflicts rooted in socioeconomic differences have caused employers to fire or otherwise lose employees who could have made a great contribution to the company and the bottom line.

The few remarkable companies that grow consistently year after year and outpace their peers see one dominant theme emerge: a focus on talent. The most successful companies tend to appreciate, invest in, and value their employees. The leaders in these remarkable companies recognize that employee diversity, transparency, and sharing financial success with employees all help a company grow.



What Is Getting Ahead in the Workplace?

Getting Ahead is a program that helps employees investigate their economic reality and decide which resources to focus on improving.

When employers invest in employees, the return on investment is employees who are motivated, engaged, and more productive. Team members who feel valued, trusted, and heard value the business more. When employees are included in decisions because they have expertise from working the job week after week, they take pride in their contributions to the team. When the business treats them well, employees treat the business well in return.

Sherry, a youth guidance specialist supervisor and graduate of the Getting Ahead program, wishes her employer would provide incentives that make employees feel appreciated. Sherry isn't asking for much, just recognitions like employee of the month, certificates of achievement, and small gift cards. She says, "It would make people work harder and want to work harder." Echoing this sentiment, Renee Salazar, an emergency relief manager, says that if workers feel valued by an employer who encourages self-esteem, they will give their best.

In 2013 Gallup surveyed employees about their engagement and happiness. They reported that employee engagement leads to reduced absenteeism, lower turnover, less theft and lost merchandise, and fewer safety incidents. This, in turn, leads to higher customer loyalty, increased employee productivity, and enhanced profitability.