Why Neiman Marcus Doesn’t Care If Its Corporate Employees Stay Remote

This article originally appeared on Business Insider.

Neiman Marcus isn’t known for its discounts.

But the luxury retailer where top shoppers drop upwards of $25,000 annually has fewer people showing up at its corporate offices — by design.

Due to its remote-work policy, about 40% of Neiman Marcus’ 1,800 corporate workers are now based outside Dallas, where the company’s first store opened in 1907.

Prior to its decision to go remote in 2020 — just before the pandemic closed department stores across the US — most of the chain’s corporate workers had to be in Dallas.

Unlike many bosses walking back promises of letting people sign on from their kitchen table, the company famous for over-the-top gift ideas has no plans to bring workers back to offices full time, Eric Severson, chief people and belonging officer at Neiman Marcus Group, told Business Insider.

One key reason, he said, is because being remote has proven too powerful for attracting and hanging onto workers.

“When a company announces they’re going to force their people back in the office and we have jobs we need to hire, our recruiting team starts calling them,” Severson said.

Building worker loyalty

Since the company moved to allow remote and hybrid work in 2020, a majority of the execs it's brought in have been from outside the Dallas area.

"We wouldn't have gotten the talent if we forced them to relocate to DFW," Severson said.

The stance from Neiman's isn't a total surprise for a company that puts a premium on the unique. This year, in its famous Christmas gift book, there's a chance to be an animated Disney character for $510,000 or take part in a New York ballet.

The move to let people sign on from somewhere other than an office fosters loyalty from workers, Severson said. In quarterly employee engagement surveys, flexibility routinely ranks as the thing Neiman Marcus workers like most about the company. He added that the company's retention rate went up during the Great Resignation when many employers struggled to hang onto workers.

"What it illustrates is how important and how powerful it is to have control over your time," Severson said.

Using offices, not hotels, to gather

Severson said the retail chain, which includes three dozen Neiman Marcus locations and two Bergdorf Goodman stores in New York, hasn't lost creative firepower because many employees are now working from home.

"It's a fallacy to say that human beings can only connect or be creative or productive when they're sitting next to each other," he said.

When people do want to gather, they can do so at hubs in

Dallas, New York, and Bangalore, India, Severson said. In the past, teams might have come together for meetings by renting hotel space. Workers can now use the offices, which are designed to be creative spaces, to meet in groups. Rooms have tech like digital whiteboards so people working from home can see what's going on, he said.

The willingness to bring on remote workers for many roles has meant a 31% reduction in hiring time in recent years and a 75% decrease in the amount of office space the company has, Severson said.

Even with travel expenses, the company's costs are lower than before it filed for bankruptcy early in the pandemic. Neiman Marcus emerged from bankruptcy in late 2020 with a focus on well-heeled shoppers.

Neiman Marcus Group is spending about 30% less on operating costs for corporate real estate than it was in 2019, not adjusting for inflation, Severson said. This approach gives the company more flexibility. "If you have a soft year, you just don't travel as much," he said.

Some of the company's stylists spend time interacting with clients by working from home or elsewhere. "It's actually easier for them sometimes to do that when they're not interrupted on the selling floor," Severson said.

It's important to set expectations for people who get to work from home, Severson said, adding that workers who don't want to be micromanaged are expected to deliver — and will be held accountable.

The company is in part owned by the asset-management giant Pimco. Neiman Marcus recently rejected a buyout offer from rival Saks Fifth Avenue, according to The Wall Street Journal.

https://www.entrepreneur.com/business-news/neiman-marcus-execs-corporate-remote-work-policy-is-perfect/467144