

# CHAIN STORE AGE®

THE NEWSMAGAZINE FOR RETAIL EXECUTIVES

## WORKERS ARE SEEKING EMPLOYERS OF CHOICE

**T**he business of retailing: great merchandise, dramatic displays, eager customers. And terrific salespeople. In the more successful companies, a terrific sales force is critical because even the most perfect retail environment can go sour if the store isn't properly staffed.

Every year, retailers spend millions of dollars training their workers, only to have them leave for other job opportunities. The turnover is staggering - 100% is typical, and 200% is common among hourly retail employees.

While the unemployment rate has hovered around 5% for several years, retail workers currently constitute about 18% of the total workforce in the United States, according to the 1996 figures from the Bureau of Labor Statistics (BLS). As retailers continue to expand, the pressure to

retain employees in retail will intensify.

One reason for the excess turnover is that a serious career in retail means commitment - a time commitment, that is. Working long hours, weekends, holidays and, in many cases, "around-the-clock" schedules can encroach upon one's personal life.

How can a retailer attract good workers willing to make this commitment and encourage them to stay once they are on board? A common response is: "Pay more! If we could raise our starting hourly rate by 25¢, our problems would be solved."

But throwing money at the problem is often more of a temporary fix than a solution. Certainly, a competitive pay and benefits package helps in hiring and retaining good employees. But a better answer may be to create an appealing

atmosphere - "an environment of choice" - which entices a recruit to sign on and provides sufficient reasons for trained, experienced employees to stay.

With the retail industry overstored, workers have plenty of choices when it comes to seeking out a potential employer. In this type of market, many organizations work hard to differentiate themselves from their competition, to become an "employer of choice" by developing a "persona" that epitomizes their values.

Developing a persona and leveraging it to attract and keep good employees translates into a win-win situation for retailers and their employees.

**Defining the environment of choice:** Retailers typically strive to create a persona - an identity - that draws customers and keeps them coming back. Retailers can do the same thing with employees. That is, the company can reinforce that same persona with employees and recruits by using techniques and incentives that mirror the inducements given to customers.

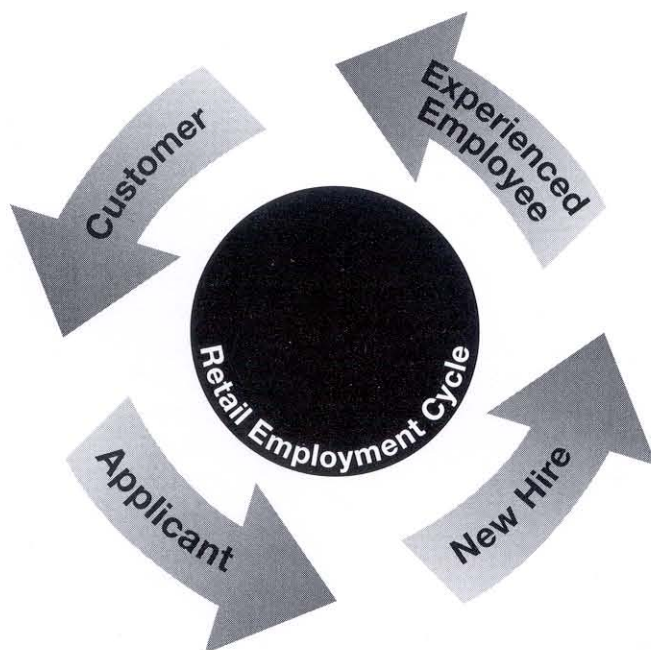
For example, Target Stores, a division of the Dayton Hudson Corp., Minneapolis, coined the phrase "Fast, Fun and Friendly" to explain its customer-service philosophy to the workforce. This campaign has contributed greatly to Target's differentiating itself from competitors and to its success.

Much of its success stems from cementing its image as a desirable, bright, friendly place to shop. Humorous billboard and television ads, easy-to-shop stores, fast checkout lanes, and red-and-khaki-clad team members all contribute to the "Fast, Fun and Friendly" persona.

Target carries that persona over to its relationship with employees. While the company refers to customers as "guests," it refers to employees as "team members," encouraging the notion of community.

Management tries to treat its team members with dignity and respect, and empowers them to take action they feel appropriate to help the guests. The goal is

***The employment cycle for retailers is unique.***



*A customer is a potential employee. A job applicant is more likely to apply to a retailer where she has had a positive shopping experience, and where she identifies strongly with the environment and the goods sold. If the applicant becomes an employee, she may actually leave and return to employment with the retailer many times (assuming her positive experience continues), constantly remaining a loyal customer.*



to make team members know that their contributions matter.

As part of the total persona, Target is very active in the community and provides opportunities for its team members to take part. Around the holidays, for example, Target provides Christmas trees for various organizations and asks team members to deliver them and conduct parties for the people there. These kinds of activities tell employees and job candidates that this is not just a run-of-the-mill company.

Karen Grabow, VP, team/human resources at Target, says that when it comes to creating the ideal environment, communication is critical. "The key to creating a successful environment is to articulate the culture in ways people can understand. Everything must work around the culture; check everything against "Fast, Fun and Friendly." You have to reiterate it with mind-numbing repetition, but more importantly, you have to walk the talk. The key is to treat store management with a positive, high-energy approach - the same approach you want your store management to take with your hourly team members."

Filling positions in retailing differs from hiring in other industries because retailers have the opportunity to draw employees from their customer base. Many people become interested in working for a retailer after shopping its stores. As potential employees, customers get to examine the potential employer and the work environment before they are hired.

If customers don't feel comfortable shopping in the environment, if their experience with the sales staff or human resources staff is unpleasant, or even if the application form itself doesn't reflect the quality or image they expect, then the customers are unlikely to complete the application process. On the other hand, if the environment suits their personality, they may very well apply.

In this regard, Target's Grabow adds, "Our advertising image is clean, hip and clever, and that adds to the store image. Our guests identify with our advertising and often become our team members. Our team members continue to identify with our advertising, and the circle continues. You have to send one message to everyone: management, hourly team members and guests. I think we do that very well."

Similarly, the Sears, Roebuck and Co. ad campaign, "The Softer Side of Sears,"

## Managing the right workforce for the right work place

Traditionally, many of the hourly employees in retailing have been younger people, from their late teens to their early thirties. Many of these in today's retail workforce would be classified as Generation X-ers, members of the generation following the well-documented baby boom generation.

Psychologists, sociologists, human behaviorists and others have drawn some striking contrasts between the generations, contrasts that retailers might keep in mind when hiring and working with the younger generation in particular.

Generation X-ers, for example, are said to provide daily challenges to their baby boomer supervisors with their independence, confidence and creativity. These latchkey children, it is said, have been fending for themselves for quite a while. They think differently from their boomer predecessors, and they value flexibility, personal growth and work/life balance more than previous generations have. Therefore, they must be managed differently if they are to succeed and thrive as productive employees in the desired retail environment.

Carol Farmer, a leading futurist and consumer-trends analyst, and consultant to major retail companies, says baby boomers have been on a work binge for years. X-ers, on the other hand, have never bought into this lifestyle.

Boomers love consensus and physical output; their offices are lined with binders full of procedures and policies. But all attempts, Farmer adds, to manage X-ers with a "binder mentality" are doomed to fail. This generation can be moved, but it needs a different kind of motivation.

alerts shoppers that there is more to this retailer than lawn mowers and socket wrenches. The campaign promotes an environment friendly to women.

Coupled with the company's vision of being a "compelling place to work, shop and invest," Sears is attempting to attract career women to join its ranks, something that didn't happen as often when the emphasis was on hardware.

Disney offers another example. The Disney Store's extension of a happy, theme-park experience appeals to both customers and employees. Can't work at Disney World? How about The Disney Store?

**Attracting and retaining employees:** Retaining knowledgeable, friendly, productive associates is a critical challenge for all retailers. Workers want to feel fairly compensated, so a competitive pay and benefits package is a must in keeping good people.

The power of the work environment, however, must not be underestimated. Retail employees worth keeping want to learn on the job and grow personally and professionally. Because retail employees are constantly in the public view, they want to be proud of the surroundings in which they work.

Environment is not just physical; it's also emotional. Arlene Stern, president and CEO of Gantos, a women's specialty apparel chain based in Grand Rapids,

Mich., explains her company's retention strategy for salespeople this way:

"You must create the right environment, one that creates 'ownership' in the company and a passion for the business. A textbook would say to pay fairly and appropriately, but money is the least of the issues."

Building commitment, a "passion for the business," involves an emotional attachment. An employer of choice helps create such attachment through its actions. For example, besides creating a safe and pleasant physical environment, it provides a workplace that fosters open communication, flexibility and a balance between work and family.

Most importantly, an employer of choice provides good management. Competent workers want to work for competent managers. Good management fosters good employee relations, and good employee care yields good customer care.

Creating a great work environment can also mean creating a great shopping environment. That's a winning combination for success.

---

by Stacey L. Kaplan and John M. Jones. Kaplan is senior manager and practice leader, Human Resources Strategies Group, Deloitte & Touche LLP. Jones is manager, Human Resources Strategies Group, Deloitte & Touche LLP. For more information, call 313-396-3000