

# **Strategic Talent Revival**

# REENGAGING, RECRUITING, AND BUILDING BENCH STRENGTH IN THE RETAIL SECTOR

While high turnover among frontline workers is a persistent problem for retailers, a number of economic and industry factors are adding to the challenges of recruiting, retaining, and nurturing top talent. Retail experts share their insights and best practices on creating a compelling employee value proposition, building bench strength, and implementing "everboarding" practices to attract, engage, and grow talent in retail today.





The warning signs have been flashing for retailers as a number of recent surveys have brought into focus widespread dissatisfaction and disengagement across the front lines and beyond. According to Axonify's 2023 <u>Deskless Report</u>, 40% of all retail associates want to quit their job. Potentially contributing to and exacerbating this problem is the fact that 54% of retail managers feel burned out on a daily basis. These managers have <u>the pivotal responsibility</u> of keeping their teams engaged, inspired, and connected to the culture, and yet they're increasingly overburdened, stretched thin, and stressed out. The challenges have only been growing amid rising volatility in the retail sector and the perpetually hectic day-to-day reality of the retail workplace.

Now more than ever, customers expect memorable experiences and exceptional service — and the only way we can achieve that is through an engaged workforce. Addressing the root causes of these talent challenges has never been more urgent.

MOHR Retail convened a panel discussion to explore these issues through the lens of a "strategic talent revival," with an emphasis on reengaging, recruiting, and building bench strength in the retail sector. In addition to digging into the recent survey data, panelists shared their insights on what frontline workers are dealing with. They also discussed lessons learned and best practices for successful recruitment and retention strategies, the need to prioritize trust and transparency, and the importance of continuous learning that recognizes and helps unleash the full potential of all employees.

What follows is a summary of the key points from that discussion. Thank you to our panelists who generously contributed their expertise and insights:

- Lisa Anderson, Division Vice President, Optometry, EyeCare Partners
- Paul DeSousa, Vice President, Talent Strategy, Learning and Development, Ulta Beauty
- JD Dillon, Chief Learning Architect, Axonify
- Mike Van Lente, Executive Leader of Learning & Development, Whole Foods Market

Mary Beth Garcia, CEO

**MOHR Retail** 



## **Retail Challenges: The View from the Front Line**



"Time and time again, we find there are two things that retain frontline employees better than anything else: when they like the people they work with, and when they trust their manager."

– JD Dillon, Axonify

While turnover has always been an issue that retailers have had to grapple with, many assumed that some of the recent retention issues would have leveled out following the pandemic. Instead, today's challenges are only magnifying the problem.

As Axonify's JD Dillon points out, 40% of retail associates said they were looking to quit their jobs in 2023, and that's up from 37% in 2022. Reports are now showing upwards of 59% of frontline retail workers are ready to quit in 2024.

To reverse this trajectory, retailers need to understand why employees are dissatisfied in their current jobs as well as what it will take to build the kind of retail workplace that not only engages existing staff but also attracts new talent.

At a broad level, Dillon says, retail associates are feeling the squeeze between corporate priorities, budgets, unpredictable schedules, staffing, and a host of other factors that play out in the frontline reality on a day-to-day basis. Above all, though, when Axonify asked frontline workers about the biggest challenges they face at work every day, the number one answer was difficult customers.

"I don't think it's a coincidence that you see 40% of frontline retail associates looking to quit at the same time 40% of retail associates are scared to go to work every day," Dillon says.

<u>Safety</u> and <u>trust</u> issues are a growing challenge that MOHR Retail has explored in previous panel discussions. By and large, frontline workers feel unprepared to deal with the theft, violence, and safety concerns that have become more prevalent in the retail environment, and they often feel equally unsupported in dealing with the associated stress and mental health issues.

This only serves to reinforce the role the manager plays in helping a frontline employee feel comfortable, confident, and capable in doing their job. Employees want to know that the company and, specifically, their manager has their back.

The problem is, managers are feeling the squeeze themselves.

"I always say that frontline employees don't work for your company; they work for their manager,"
Dillon shares. "Right now, 45% of frontline managers are burned out on a daily basis. And I think we're



seeing a trickle-down effect from that and the manager's inability to find the time and prioritization to directly focus on taking care of the people who work with them."

EyeCare Partners' Lisa Anderson says this idea that people are motivated to work for a person as opposed to a company is part of a cultural shift she's seeing among associates within her own organization as well as in the broader industry.

"What they're saying is, the idea of working for 'a company' is not what fills my cup every day. It's about working for *people* and my leader and the structure that my leader gives me, and the investment that my leader makes in my development."

It doesn't help matters that communication is increasingly fragmented and inconsistent — and that there's a significant gap between how leadership perceives the effectiveness of their communication and what those on the receiving end think. According to the Deskless Report, 62% of corporate retail leaders believe their communication is effective, while only 28% of retail workers agree.

Many retail managers are falling into the trap of just wanting to get the job done or taking on too much of a hands-on role, and that's partially because they lack the interpersonal leadership and communication skills that would allow them to be more strategic and proactive. Employee engagement, robust talent pipelines, superior customer experiences, and healthy business results are all inextricably tied to leadership competency and confidence. You can't solve the employee retention and engagement problem without also prioritizing the development and well-being of frontline managers.

# **Success Strategies: Recruiting and Sourcing Top Talent**

# **Recruit Early and Always**

Anderson says retail leaders may need to change their mindset about when and how they go about recruiting. Retail recruiting can be challenging even in the best of times, which is why managers need to take an always-on approach. Recruiting opportunities can be found just about anywhere, and especially in a tough talent market, you need to be perpetually on the lookout for your next great hire.

"The best advice somebody gave me was never wait until you have an opening."

Lisa Anderson, EyeCare Partners

If you're on the receiving end of exceptional service, Anderson urges taking advantage of that opportunity and handing the person a business card. "I'll say something like, 'Hey, I saw the way you handled that difficult patient or customer. Have you ever considered the healthcare side of the world?" It's about meeting people where they are and being in that mindset the moment it happens."

She adds that no company will ever solve all of your staffing and development opportunities. "Our job as leaders is to constantly be thinking about, how do I fill that gap?"



### Learn from Your Team Members



"We're showcasing talent, what it's like to work here, and what your career could look like to help us attract the right talent into our workforce."

– Paul DeSousa, Ulta Beauty

Ulta Beauty made a concerted effort during the pandemic to reexamine the employee experience and understand what would resonate with associates so that they could keep stores staffed at an optimal level. Several years on, staff retention at

the retail level is at its highest and continuing to grow. They've now looked at how those efforts might fuel their recruiting efforts as well.

"We launched a frontline experience survey targeted to all of our hourly workers across our chain of stores," Paul DeSousa says. "The intention was to get more detail and insight from them around a) why they stay, b) what would make their experience even better, and c) what else are we missing?"

Through that survey and Ulta's overall engagement survey, they learned more about why people stay, which provided insights not only into how to tell the story from a recruiting perspective but also into what areas they might need to work on to enhance the employee experience even further.

The findings from the frontline survey have been instructive in other ways as well. "The role of the associate has drastically and dramatically changed for us, as well as many other retail companies," DeSousa says. "No longer are we just having a team of folks who work as cashiers and some who work on the floor assisting guests. We now have an omni-channel workforce that has to be well-versed in helping us execute our buy-online-pickup-in-store program, getting the product we want quickly in a very frictionless way."

This led them to revisit all of their job descriptions for store level associates and then rethink how the jobs are posted, who they target for different roles, and where they should be looking to find the right person for these jobs.

In tandem with this, DeSousa says they've shifted and reshaped their recruiting approach on social media to be more focused on associate-level storytelling, showcasing the Ulta Beauty culture and what it's like to work there. He believes this has helped them reach a broader market that they weren't necessarily able to capture as often in the past.

One other way they've broadened their reach is by expanding the hiring pool to include 16- and 17-yearolds in 46 states. DeSousa says this group is trending at a much higher level than they anticipated in terms of both retention and engagement.



## Success Strategies: Growing, Engaging, and Retaining

## Continuously Develop to Engage and Retain

"This concept of going from a part-time cashier to an executive vice president running the company happened more organically in the past. Today we're much more intentional and structured about how we make sure that we're engaging, developing, retaining, and careerpathing frontline talent."

- Mike Van Lente, Whole Foods Market

In a retail environment of ever-increasing complexity, ambiguity, and continuous change, companies and their employees have to be able to adapt and evolve. Last year Whole Foods Market



launched a ten-year vision called "Where are you growing?" to help instill that mindset in its team members and address one of the key drivers of engagement today: opportunities for upskilling and career advancement.

"The vision has four pillars that work as a flywheel to help us achieve and deliver on our purpose," Mike Van Lente explains. "One pillar is to invest in team member growth and happiness, and another is to expand our reach and impact." The two are intertwined, he notes, because to expand their reach, they have to develop a healthy pipeline of leaders and artisan talents to help fuel the pipeline of stores.

Marketed under the banner of "Where are you growing?" which Van Lente describes as "a visualization of the possibilities of where you can grow at Whole Foods Market," the learning and development programs are designed to put team members on successful career paths within the company. The company starts promoting this continuous learning and growing environment in the hiring process, and from day one during orientation and onboarding, showcasing the career pathways available to employees.

Whole Foods Market's internal surveys have shown a direct correlation between continuous development, engagement, and retention, a finding that doesn't surprise Axonify's Dillon. He recalls a part-time weekend job at Disney that turned into full-time ten-year stint. The biggest reason he stayed was that the company let him learn throughout the entire time he was there.



Continuous learning is also good for business. "There's this misguided belief that after people get hired and they go through onboarding and new hire training, now they know how to do the job," Dillon says. "They don't. And no matter how much we present, how much elearning they complete, or how much our stakeholders require us to put in front of people during the beginnings of their learning experience, people are people. We just can't retain that much information. It's not how memory works. And it's not a matter of generations. It's not a matter of technology. It's just people."

"I often talk about learning in terms of minutes, not courses, when it comes to frontline employees, because that's the time people have available. Three minutes a day doesn't sound like much, but when you add it up, shift after shift after shift, it becomes something that's part of the job. That's the mindset we need to proliferate. Learning is not a distraction, it's part of work."

– JD Dillon

This is why Dillon recommends aligning the learning experience with the way people actually think, work, and learn: Start with the core — what the person needs to know to be able to do the basic job on the store floor — and then scaffold the experience to focus on the right things at the right time, introducing new information over time, and regularly reinforcing and coaching people so that they retain and apply what they've learned. This is a practice that's often referred to as <a href="everboarding">everboarding</a>. It recognizes that the learning journey doesn't end once the onboarding phase is over.

## Grow, Promote, and Retain Talent with Career-Pathing



When it comes to individual career-pathing and growth plans, Anderson shares that EyeCare Partners leverages a variety of learning modes, from microburst training to hands-on experience and focus time with a mentor to help the team member learn the job before they take it on. This approach has proven valuable from a retention standpoint and in helping drive more internal promotions.

She adds that, whether it's cross-training or a learning tool or developmental experience, the "right" answer varies based on the needs of the business unit and meeting that team member where they are.

"It's helping them be the best they can be as individual contributors and then if they want to grow into multiunit or single office, making sure they have the tools they need prior to stepping into that role, and then looking at how it evolves once they're in that role."



"Last year we had over 2,000 team members participate in our career development programs, and we've seen very high levels of satisfaction ratings. We're excited about this pathway to give team members growth into leadership roles."

– Mike Van Lente

Along those same lines, Whole Foods Market's leadership development programs prepare high-potential team members for each leadership role in a store, from associate team leader (assistant manager) all the way to store team leader (general manager). People are accepted into the programs based on forecasted talent needs related to turnover and predicted store growth.

"The programs are grounded in developing leadership capabilities aligned with our leadership principles and our

success skills," Van Lente says. "Some do delve into operational aspects, but the largest emphasis is on those leadership behaviors."

Building that leadership competence is critical. As Van Lente points out, strong performers are often promoted into leadership roles without having had any formal leadership development, which can leave the individual floundering, unprepared, and overwhelmed. An ineffective leader will also negatively impact the results and engagement of their entire team. He notes that other individual contributors may have the potential to become leaders but will be reluctant to consider the opportunity because they don't have the confidence to step up to that role.

Career-pathing isn't just about moving into leadership, though. Equally important, Van Lente says, are their apprenticeship programs. Designed to build specialized skills and knowledge, these programs

create a pipeline of artisan talent to fill different roles across the specialty grocer's departments. For those who aren't interested in leadership, they provide a different pathway for advancement and earning extra income.

Even when a retailer offers a variety of opportunities for career growth, frontline associates and other employees aren't always clear on what those opportunities are or how to go about building a career with the organization.

"Oftentimes, we found that the leaders in the stores weren't able and equipped to have those types of conversations as openly and honestly with their teams, whether it was at corporate or within the stores," DeSousa says.

"When you move performance to the table-stakes and start to have deeper conversations about potential, that helps you identify from a development perspective some targeted activities you can look at. It's created much more transparency across the organization as well."

- Paul DeSousa

Ulta Beauty recently shifted from the 9-box model to a potential-based model as a way to focus instead on "having those great conversations around ready-next roles, who's on the bench, what do we need to do to develop and retain this individual." The model looks at six categories of potential, each of which is tied to the employee's aspiration and the potential for them to grow their career up upward.



"It's a new step for us in terms of being more open about not necessarily saying, 'You're the highest potential,' but, 'You're on my bench, and I see you as my successor. If you're aligned with that, let's work out a plan together to get you ready for the role.""

Already, DeSousa says, they have a greater line of sight into the depth of their bench, which gives them a better sense of gaps from a recruiting perspective as well as how to target development plans and upskilling efforts.

### It All Starts with Leaders



"If there's one place you can invest in your frontline team, make it the managers and making the manager's experience better so they can focus on leading their teams. Because a great manager can make an okay job an amazing experience."

– JD Dillon

Today's talent pool is looking for meaningful work and career pathways. A corporate message might draw them in, but the day-to-day experience that is formed through the

manager's words and actions is what ultimately keeps them. In order to attract new people, maximize productivity, and engage their entire teams, frontline leaders need to be able to develop other leaders, delegate with confidence, lead with emotional intelligence and empathy, and forge trusting relationships with their employees. The good news is, the more skilled and strategic retail leaders are in these areas, the less they'll feel the need to take on everything themselves.

Part of this means being willing to listen to understand the full reality of what frontline associates are dealing with on a day-to-day basis.

"We need to make sure we're continuously providing people the opportunity to provide feedback," Dillon says, "and then make sure that we listen to our frontline teams, because they know what their challenges are and what they need every day."



"People want communication. They want structure. They want someone to give them feedback on how I'm doing. It's important, as leaders, that we're not afraid to give that."

Lisa Anderson

Anderson adds that the best strategic leaders aren't waiting for the company to solve their problems. They're constantly looking for ways to fill the talent gap, address staffing issues, and provide development opportunities.

"When you think about everboarding and what that cycle looks like, whether you're in a district or region, managing a field leadership team, or a store

manager, those are all ways to think about retaining talent and taking advantage of every interaction, every opportunity that you can. As strategic leaders we have the opportunity to lean into talent and development," Anderson emphasizes. "And it will pay for itself ten times over."

### **ABOUT MOHR RETAIL**



For more than 30 years, MOHR Retail has developed the critical people-to-people skills needed to create results in the retail industry—and we're just getting started. Through innovative classroom, online and virtual learning methods, as well as our ongoing national retail research projects, we continue to stay on top of the trends so we can fuel the success of specialty stores, chain stores, outlets, off price, department stores, spas, fitness centers and more. Nowhere does learning meet experience as it does in a MOHR Retail training program.

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