

Workforce in the retail industry

Transcript

00:00:09:12 - 00:00:28:00

KEVIN KELLY:

Hello, I'm Kevin Kelly, National Managing Partner for the Retail industry at Grant Thornton. And I'm pleased to be joined by Margaret Belden, Director of our HR Transformation practice. Margaret, it's great to be with you here today to discuss workforce issues and seeing what's happening in the retail industry.

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KEVIN KELLY:

Retailers, they're grappling with unique workforce issues. What are some of the approaches retail leaders can implement across the employee lifecycle to attract and retain workers they need, especially hourly workers?

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MARGARET BELDEN:

It's certainly something that we are managing with people that we're working with, with our clients, and really it's an opportunity on a few levels. One is pay, trying to be competitive, certainly with the wages overall, but also offering some spot bonuses and some special incentives from time to time. A little bit of flexibility on the work schedules since they can't always offer a hybrid work environment, trying to be flexible with the hours and the schedules in which employees are working and then trying to find ways to recognize them and reward them. I think while the wage factor is a critical one in retail right now because all the wages are rising and people are trying to meet each other and attract people away from other retailers. There's an element of it where organizations really need to think about what's important to the employee and what the trade-offs are. So if they're going to increase wages, what other benefits or other items might an organization be able to look at to manage some of those expenses? Because they're not always going to have the flexibility not to meet them on the wage side.

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KEVIN KELLY:

Many of the workers out there in retail probably, more than 50% are under 35 years old. and as a result, given this demographic, what strategies could really draw in those younger workers to retail, maybe from other industries?

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MARGARET BELDEN:

Money, money, money is clearly important for the younger generations. I think also perks and discounts and anything really that can give them access to things at a cheaper level. It's pretty fluid and I think prioritizing what their interests are and how to meet them in some of these discounts and wages. And just a lot of them are also driven to meaningful work. So trying to attract someone to a certain type of retail, maybe they want to go to Peloton because they're a fitness person. Maybe they prefer restaurants and bars because they like the environment and the social aspect of it. But trying to find people that relate to the type of work that you're attracting them to.

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KEVIN KELLY:

Absolutely. And you know what? I tend to see, Margaret, certain individuals have that true affiliation with the brand and that brings them in, draws them in to work, maybe in retail, out in the stores or at a distribution center where they're very much attracted to that particular brand. Just as you indicated, with Peloton as an example, which hopefully kind of brings that loyalty into the workforce as, again, these retailers are really looking to fill the needs as folks continue to come back to stores as well.

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MARGARET BELDEN:

What type of upskilling do retailers need to consider to prepare the workforce to meet the demands that are generated by the permanence of online shopping?

Clearly, brick and mortar is still a very present state, but what do you see retailers needing to do to kind of shift and change how they prepare themselves for more of an online shopping experience?

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KEVIN KELLY:

Obviously, retail is such a dynamic industry to work in and a lot has happened over the past couple of years as well as the past 10-plus years. And there's a lot of activity related to the online component of the business that actually happens out of the stores. So a traditional store worker may not be doing the duties that they've done years and years ago. I really believe that they need to be much more informed about what's happening from an online perspective. And in fact, they could very much have an iPad at their disposal assisting customers with, maybe, online orders, orders right there out in the store in a truly integrated omnichannel environment. So I think retailers truly need to invest in technology as well as additional training to be sure that their associates have the skills, the tools to bring the best customer service that they can to their customers.

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MARGARET BELDEN:

It's great, Kevin, because if you think about it, wherever you are in retail, you see individuals learning new skills. And I think as consumers we're trying to be very patient as we watch people switch and learn new ways to support customers in these retail environments. I also think of Walmart when you talked about learning and development and how they have now created an opportunity for front line workers and salaried workers to have paths to management. So the learning and development component of it is important as well.

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MARGARET BELDEN:

Second quarter U.S. general merchandise sales were down from the prior year, driving some retailers into layoffs following the 2021 retail boom. Is this a short-term adjustment or are layoffs and hiring freezes a new normal in retail in terms of how you look at it for 2022 and potentially beyond?

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KEVIN KELLY:

Margaret, I see that within retail, it's so specific to an individual company as far as how they're doing and whether or not their merchandise and products are resonating with the consumer. And if there's demand there, they're going to continue to grow no matter what's happening in the economic landscape. And it's critical that they continue to really evaluate what is happening at their individual retailer. We all read certain things with respect to economic environment and others, but I will say this. Retail is super dynamic. We've seen a lot of companies in past years go through the bankruptcy process. Some liquidated, some merged, and then others come out even stronger than before. And I think that in the past, too, right, we never let a pandemic go to waste, never let a crisis go to waste. And many retailers truly sharpened their pencils, evaluated workforce needs, evaluated overhead, evaluated certain non-critical expenses, and truly came out a little bit leaner, especially those that maybe shed debt through a bankruptcy process or another debt restructuring. So it's not a one-size-fits-all. It's absolutely going to be company-specific as we think about how workforce management is going to happen in the future.

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MARGARET BELDEN:

Thanks for that insight, Kevin. I think it is unpredictable for certain, and I think every industry has its challenges. Kevin, it's wonderful to be here with you today. I'm glad we had the opportunity to talk about this topic and look forward to our next chat.

00:07:22:07 - 00:07:25:08

KEVIN KELLY:

My pleasure. Thank you, Margaret. I appreciate it.



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