

CHALLENGES FACED BY THE HR DEPARTMENT FOR RETAINING TALENT IN THE ORGANISED RETAIL SECTOR

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ABSTRACT

Retail work is typically portrayed as a revolving door with employees staying for a short period of time and then moving on to something else. In such an environment, the costs of turnover become an unquestioned part of doing business. If an employee leaves the company, the organisation has to replace them, which takes and spends valuable man hours. When the demographics of retail employees is examined in relation to turnover, then the differences begin to tell the story of long-term retail employees.

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INTRODUCTION

The key to a business' success and growth lies in how happy its employees are. However, the retail segment has been seeing a lot of employee turnover in the last few years – a sign that should be extremely worrisome for employers who need to start thinking of ways to retain talent in their organizations. The retail sector has seen employees getting increasingly frustrated due to a number of factors including working on the weekends and holidays – of late, cut-throat competition, politics, high work pressure all add to the stress. Some of the common signs of a stressed out employee are low self-confidence, poor sanity, low morale and deprived health. Employers need to define a strategy that gives benefits to employees and they need to groom their corporate culture to retain the best talent and brains in the industry to reduce employee turnover. It may seem impossible to retain good employees in the retail industry. It's common for good employees to get snatched away for a little extra pay or a promotion. It is important for the organisation to find ways to keep the good employees right where they are meant to be – with the organisation! So how exactly, can this be done? It starts with good leadership. Good employees need good leaders. Good leaders bring out the best in their employees. They challenge their employees to rise above their self-imposed limitations. They encourage their employees to grow, both as employees and as people.

STRATEGIES TO RETAIN GOOD EMPLOYEES

Tone Down Office Politics

While most companies already understand that productivity, and creativity increase only when the employees are happy, and engaged in fruitful work, they need to work on toning down office politics to provide a safe and secure working environment.

Spotting Talent

Companies need to hire managers who can identify talent in the workplace. The idea is to keep a lookout for smart, self-confident employees who focus on the work and possess the requisite skills to make a sale almost every time a customer walks in. Once talent is identified, companies need to show appreciation and help them grow in the workplace.

Positive Work Culture

An employee spends half his day in the workplace on an average. Apart from offering a competitive salary, an office should be comfortable in terms of infrastructure, so that an employee is tempted to put in longer hours.

Open Communication

Talk to employees. Let them vent, and discuss disputes. Listen to all sides and then offer constructive solutions. Make sure an environment of fear and bullying is not created. This will help foster a positive work environment and abate poor performance.

Focus on Goals

A major reason for low productivity is that the employees are unaware of their project goal. In many software development companies, employees actually don't know what to achieve due to the lack of communication with their managers which makes them unable to clarify their goals. Having every employee know what role they should perform in a project at the very beginning will reduce the office politics, thereby increasing confidence in every employee when they work together.

Timely Rewards

Don't keep employee achievement rewards until the end of the year. Give them small rewards and recognition every few months. Also include them in goals and motivate them to achieve. If employers are successful in telling hired talent how important they are for business, then sales are bound to increase. Companies often give sales bonus to their employees, but offer incentives for working longer hours, especially on weekends and holidays.

Some Fun Is Essential

An employee works best when his/her workplace is comfortable. However, HR should restrict fun and games to a point, where no one is upset or hurt by unparliamentarily remarks or comments. Striking a balance is important.

Offer Competitive Salaries

Every employee seeks a competitive salary that makes them work with a company. To attract the right professionals and talented individuals, offer a salary that is at least, on par with the industry, or slightly higher if the employee is well worth it.

Reward the Right People

This is a good opportunity to gain employee trust. Continuously monitor work and track employee progress. Understand contribution as a team and an individual and then reward those who have put in their best efforts to achieve company goals. This motivates others to work hard. For this, an employer will need to create a transparent system.

HR DEPARTMENT CHALLENGES IN THE RETAIL SECTOR

Retail is notorious for having a high rate of employee turnover. This means employees routinely come and go, which poses several challenges. Training and developing are difficult, time consuming and constant if the organisation frequently has to recruit and hire new people. It's also more difficult to build customer loyalty if customers keep seeing a new face every time they enter your store. This problem can be addressed by recruiting the right people and building a rapport with the employees. When the organisation interviews people, it should be made sure that specific questions are asked that relate to the type of work the employees do. Informal social outings and fun games at work can help build rapport.

Diversity

A diverse workforce is typically regarded as a good thing. It helps a retailer better connect with its marketplace and usually leads to more and better ideas and results. However, a staff of people from widely varying demographic backgrounds might have trouble developing cohesiveness. From an HR vantage point, your challenge is to manage diversity to avoid major conflicts and promote a spirit of tolerance, teamwork and collaboration. Include diversity discussions in store meetings and encourage employees to discuss their differences. These techniques can go a long way toward building a more cohesive team.

Misconceptions

To build a staff of competent, committed and motivated employees, retailers must overcome a number of common challenges and misconceptions about the work environment. Common concerns include long hours, no full-time jobs or benefits, low pay and no growth opportunities. You can overcome these challenges by 'going against the industry grain. Offer regular eight-hour work shifts at your retail business. Provide competitive pay and benefits to full-time employees. Even if the starting pay is modest, do the best to offer fast tracks to higher salaries and management positions when an employee has established a good track record with the business.

Seasonal Demand

Retailers often experience seasonal demand fluctuations. Retailers often try to add temporary staff during these times. They often wind up with fewer skilled and trained workers who might not have the tools to best serve the customers. These workers can also alienate regular staff that must pick up the slack. Develop a plan to assimilate temporary workers during these seasonal periods. A store meeting at the start of the busy season is a good way to help temporary workers learn the system and get to know the regular staff.

REASONS FOR EMPLOYEE TURNOVER IN RETAIL

A Highly Competitive Job Market

When asked why they leave, most retail employees say they've simply found a better job or a promotion opportunity at another company. Although it's impossible to completely avoid this from happening, there are a few things which can be done to get people stay in the organisation.

First of all, make sure that the organisation hires the right candidate from the start which is easier said than done of course. Hire someone who's fit for the job and not under- or overqualified. An under-qualified applicant will struggle to keep up with the pace of work. And as good as an overly competent applicant might seem, they're also more

likely to leave prematurely because they've reached their ceiling.

Secondly, determine an individual career path together with the employees. That way, each of the staff members knows what their personal trajectory is within the company. They'll also know when they'll be promoted (if they perform well) and will therefore be less inclined to go elsewhere.

Thirdly, to materialise the above point of being closely knit with the career path suggestion, sit down with your individual employees regularly and talk to them. Ask them what's up, if something's bothering them, how they feel they're doing etc. This is a good opportunity to sense how happy the staff is and undercut issues before it's too late.

Relatively Low Wages

Another popular reason for retail employees to leave is money. Money isn't everything of course, but depending on the (lack of) increase it can be a good reason to resign eventually, especially in retail, an industry known for its generally not-so-high wages and fierce competition. If the organisation doesn't have the cash to pay above industry standards, compensate with stuff like a team holiday or free snacks during breaks. Anything that would make it worthwhile for people to stay, even when they know they could earn more if they'd leave. Keep them informed about when they'll get a pay rise or what their bonus will be when they hit their sales target.

(Mis) Management of Expectations

Mismanagement of expectations is another prominent reason for high turnover rates. For applicants, working for their all-time favourite brand in a flagship store can sound like a dream job.

But the reality may differ. Standing on the feet for hours at a time, serving demanding customers and keeping a smile on the face is something entirely different from walking around the stores as a customer. It is vital that there is clear communication on this aspect of the job as well. And it's not just the tasks of the job that should be communicated, but the hours as well. Weekends, evenings and extra shifts, the retail industry is infamous for its challenging hours. When other people are enjoying their weekend or evening, retail staff need to be at their best; these are the busiest and therefore most important times for the company. This part of the job – the long hours – is often underestimated by people when they apply for a role in retail. So management of expectations should have a high priority during the application process.

Insufficient Onboarding

Probably due to the high turnover they're struggling with, companies in retail often lack a well-structured onboarding process. This is unfortunate, as the first phase for a new employee is vital for their future within the organization. The absence of a good onboarding program is another reason retail employees leave; they feel like they've been thrown in at the deep end, don't always know how to get to know other employees and are not familiar with the company's procedures.

A Lack of Learning and Development (L&D)

The Millennials and Gen Z employees attach great value to the commitment their employer shows them. The more the latter commits and invests in them, the more they'll give in return. A (personalized) L&D program kills the learning and development – as well as the commitment – bird with one stone. So offer the employees a learning and development program – cloud-based and mobile-enabled, of course – that gives them the opportunity to develop their (professional) skills. Also, even if this isn't standard practice in retail yet (except for managers), try to create a career

evolution plan for the staff.

THE EMPLOYEE COMMITMENT TOWARDS THE ORGANISATION IS BASED ON THE BELOW MENTIONED FACTORS

Responsibility

By showing employees that the organisation trusts by giving them responsibilities that allow them to grow. Encourage them to gain new skills. Provide ample continuing education opportunities. Hire from within wherever possible, and give generous promotions at appropriate times.

Respect

Employees want to know they are respected and appreciated. As the saying goes, people may readily forget the things that were said, but they will always remember the way it made them feel. Many workplace legends are built around the horrific things weary and stressed-out Managers said or did. But if Managers make it a priority to show outward respect for employees on a regular basis, it will lead to a strong and enduring workplace culture as well as positive experiences and memories that they will never forget.

Revenue-Sharing

Tie a part of your employees' salary to the company's performance. This will align their interests with the company's revenue and profit goals and will serve as an inherent incentive to stay with the company as it grows. By making the fixed cost of payroll inherently more variable under differing business conditions, the organisation can be more resilient and agile, while also treating the employees exceptionally well.

Reward

The rewards given to the employees should speak to their emotional needs and should go beyond their monetary compensation. Recognition in front of the company, company and department parties, service projects, lunches with the boss, logo clothing, handwritten notes, etc., can all contribute to the positive culture of the company and can be good morale builders as well.

Relaxation Time

Be generous with time off. Despite the hard economy, provide sufficient time for sick days, family vacations, arrival of new baby, etc. Pacing workflow can be highly beneficial to enduring employee relationships. You should expect and even demand high-quality performance, but it is unreasonable to expect a continual level of pressure at 100 percent. Allow employees the chance to catch their breath from one assignment to the next with the help of team-building activities or mini break periods over the course of the day.

CONCLUSIONS

Retaining good employees should not be difficult. If you provide them with a safe and challenging work environment and help them reach their goals, they will be less tempted for the other job with a raise.

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