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Six recruitment challenges that retailers must conquer

David Barrett highlights six specific challenges in retail recruitment – and how to overcome them.

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Job seekers have always been attracted to the retail industry because it offers opportunities, variety and flexible working. However, recruiting and retaining the right staff is often tougher in retail than in other sectors because the industry has its own particular characteristics. Here are six specific challenges that make retail recruitment so demanding:

- 1. Recruitment is highly decentralised.** Large stores such as Ikea or Tesco may have HR expertise on site. But in the majority of retail outlets, the hiring is handled by the manager, who is rarely an expert in recruitment. The productivity and profitability of the store can be directly linked to the number of people that are manning the till or able to re-stock the shelves. A two-three person store can see a cataclysmic drop in sales if they're down to one person. If someone's there alone, they can't go to the toilet unless they close the shop!
- 2. Early-stage recruitment is often conducted face-to-face.** Most candidates will apply for a 'high street' retail role that's local to them, so there's a strong chance that your candidates will 'walk in' asking for a job. This presents a great opportunity for store managers to build a positive relationship with them at the outset. However, walk-ins can be disruptive for busy store managers, who may not have time to deal with them. Or if the manager desperately needs someone at that moment, they may appoint whoever comes through the door, without properly assessing whether that person is really right for the role.
- 3. Recruitment is ongoing.** Retailers have the highest rate of 'no-shows' for job interviews, usually because the candidate has received a better offer elsewhere. High staff turnover is also a problem. This isn't necessarily because the jobs are unattractive or the wrong people are being employed. The applicants may only want temporary work, as they might be students or they may simply want to earn extra money as a stopgap. Seasonal demands in the summer and at Christmas also lead to huge spikes in hiring. The point is that vacancies are nearly always available, so retailers are continually recruiting. Again, this makes it difficult for hiring managers to control the quality of recruits, if they're under intense pressure to fill their vacancies quickly. Ongoing recruitment can disrupt the business and training costs may not be recouped if staff members leave before they become productive. On top of that, customers will invariably receive a bad service if the wrong people are recruited into frontline roles.
- 4. Quick selection decisions must be made.** A good candidate who walks into your store may have already walked into several other shops on the high street. They're likely to take the first position they're offered, so you have to quickly decide whether you want them. If you ask them to apply via your website, that can take time – and that's not helpful if there's an urgent need and the candidate seems a good fit. Losing them to a competitor can be deeply frustrating.
- 5. There is no shortage of candidates.** Retail companies attract a diverse range of applicants, in terms of age and ethnicity, although the sector tends to be female-dominated. Almost everyone is eligible to work in retail, so your applicant pool will have varying levels of education and previous experience. This makes it more of a challenge to identify the right people.
- 6. Almost definitively your candidates will also be your customers.** This is the case with many B2C industries but it is particularly true in retail. It's a big benefit for attracting candidates. Your applicants may apply to you because they like your brand and your values. However, this also means that the way you reject candidates matters. If someone is unsuited to the job and you reject them in an off-hand way, they may feel offended and they might vent their frustration by boycotting your brand. Worse still, they might tell their family and friends about their bad experience – and through social media they can reach a lot of people! If they start to boycott you too, you've just lost all the revenue that those people would've generated over their lifetime.

How recruiters are tackling these challenges

Innovative retailers are taking the following steps to ensure they address these challenges and recruit the best people:

- 1. Data-informed job analysis.** In-depth job analysis and role profiling studies will reveal the competencies and qualities you want in new recruits. Knowing what good – and bad – looks like in the role helps you to understand what you should be assessing, where you should target your training interventions and what 'in-role experiences' you need to provide.
- 2. Mobile-enabled pre-assessment.** A realistic job preview (RJP) is a short, interactive 'self evaluation' assessment which sits on your careers website. It showcases the realities of the role and helps potential applicants to decide if the job and the culture of your organisation are a good fit for them. If your RJP is mobile-enabled, you can ask walk-in applicants to go through it in-store and self-assess their own suitability.
- 3. On-the-spot initial applications.** If the job is of interest to a walk-in candidate, after they've been through your RJP, they can find a quiet place and complete a situational judgement test, some quick psychometric assessments and a short video interview. You can also complete a 'right to work' check, to see if they are eligible to work in the UK. All of this can be automated and integrated with your applicant tracking system. Their 'initial application' can then be uploaded to head office and approved (or not approved) within 15 minutes. If they pass, the store manager can interview them for a final check. This is a quick and very efficient process which enables you to respond rapidly and screen all applicants effectively. It also delivers a positive candidate experience, as people feel they're being recognised, treated fairly and quickly progressed.

Compare this to the traditional approach where a candidate has to spend half a day preparing for and attending a face-to-face interview. They may have to miss a shift with their existing employer or arrange childcare. No wonder there are so many no-shows at interviews. The 'on-the-spot' approach helps you to manage the process without losing the human touch. It's also less disruptive for store managers and their lack of recruitment experience isn't a problem because the assessments check whether the candidates have all the qualities you need.

- 4. Events-based hiring.** For key roles, forward-thinking retailers are increasingly inviting shortlisted candidates to assessment centres that creatively reflect their brand. The candidates can take part in practical, interactive exercises as well as situational judgement and customer-interaction role plays with live actors. By using tablets, you can deploy video clips and conduct quizzes that can be instantly scored, plus you don't have to worry about printing out materials for each candidate. This helps you enhance your employer brand, provide a personalised and compelling candidate experience and identify who is right for the role.
- 5. Incentives for applying.** Some retailers are now enhancing their candidate experience by offering reward points or loyalty discounts to applicants who take their realistic job preview. The reward could be as simple as a free coffee or a discount off a future purchase – and/or it could involve offering career advice to help the individual to find a role that is better suited to them in the future.
- 6. Empathic rejection.** Top retailers understand the importance of rejecting unsuccessful candidates politely and respectfully. People will find rejection easier to take if you can explain why you're turning them down. By providing an engaging application process – and a positive rejection process – you can retain unsuccessful candidates as customers. You may even boost customer loyalty: if an applicant isn't already a customer, they might want to become one.

Ultimately, the secrets of successful retail recruitment are to treat each candidate with care and to utilise technology to make your selection process as quick and easy as possible. That way, store managers can hire high-quality staff with minimum disruption.

For more information and related documents about how to get the most out of assessment, please refer to: www.cut-e.com



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cut-e is a world leader in the design and implementation of innovative online tests and questionnaires for recruitment, selection and development. *cut-e* helps companies identify people with the right capabilities and cultural fit to deliver optimal business results. *cut-e* carries out over 7 million assessments per year in over 70 countries and 40 languages.