



# RETAIL PROJECT

ADDITIONAL CONTENTS

Employment and the Retail Sector

# RETAIL PROJECT

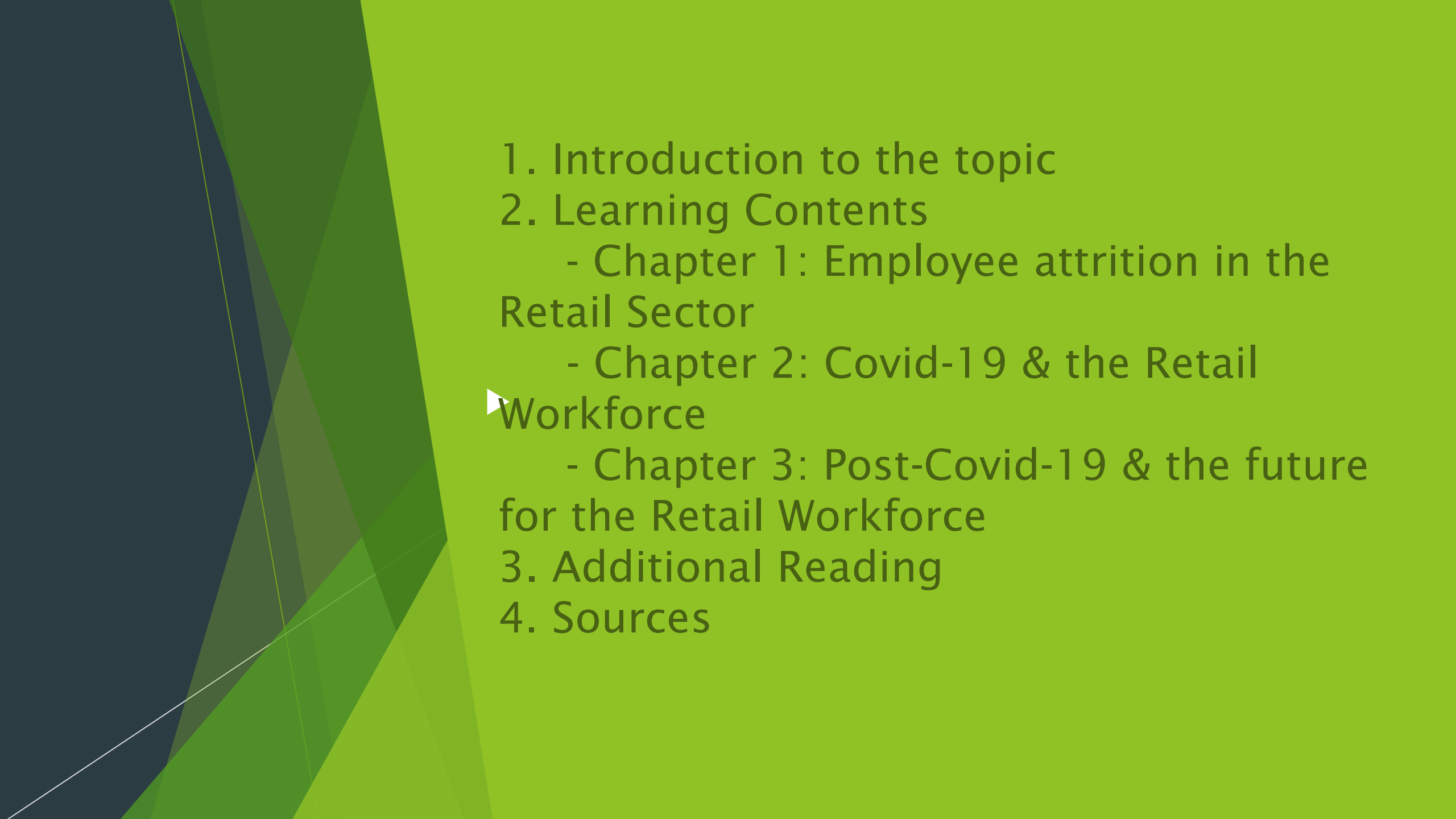


Erasmus+

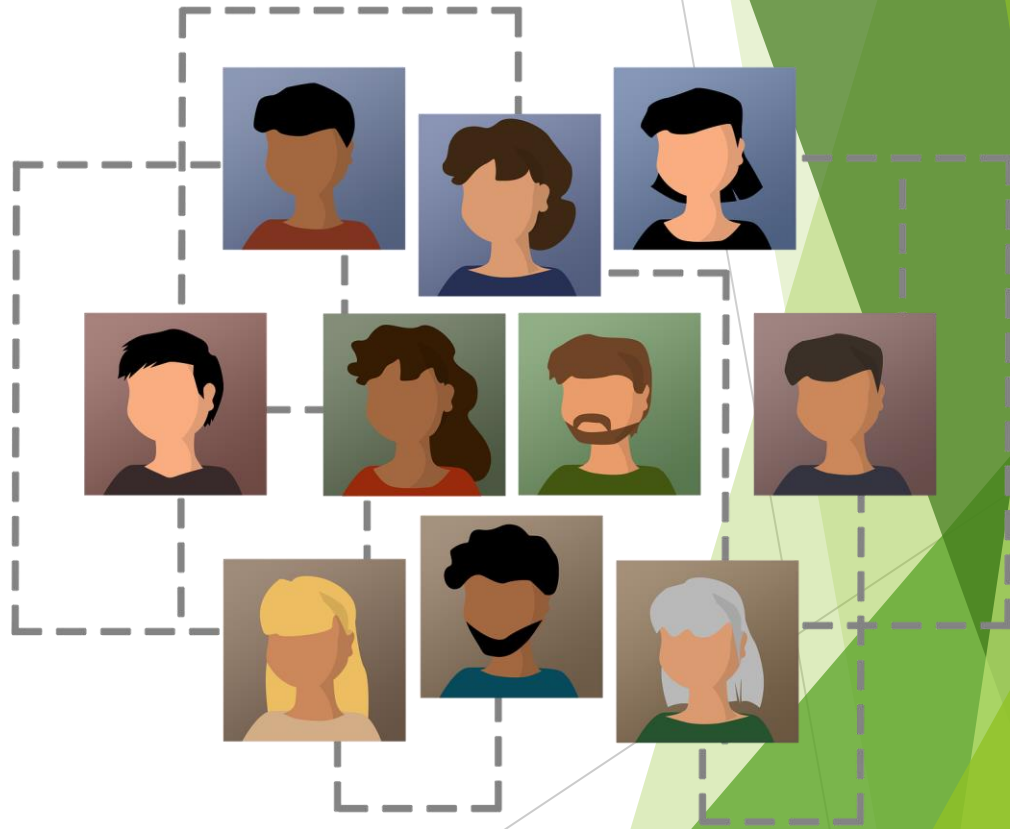
Project funded by:

**Erasmus+ / Key Action 2 -  
Cooperation for innovation and the  
exchange of good practices, Strategic  
Partnerships for VET education**

Retail Project [www: retail.erasmus.site](http://www.retail.erasmus.site)

- 
1. Introduction to the topic
  2. Learning Contents
    - Chapter 1: Employee attrition in the Retail Sector
    - Chapter 2: Covid-19 & the Retail Workforce
    - Chapter 3: Post-Covid-19 & the future for the Retail Workforce
  3. Additional Reading
  4. Sources

# 1. Introduction to the topic



The Covid-19 pandemic has caused widespread repercussions for business globally. As a result of the pandemic a record number of employees are quitting or thinking about doing so - this time is now being known as “The Great Attrition”. In this additional material, we will look at the Retail employee environment and how to turn the “Great Attrition” in to the “Great Retention”

## 2. Contents:

This additional module will be divided into 3 chapters, references and additional reading materials.

- Chapter 1: Employee attrition in the Retail Sector
- Chapter 2: Covid-19 & the Retail Workforce
- Chapter 3: Post-Covid-19 & the future for the Retail Workforce

3. Additional Reading

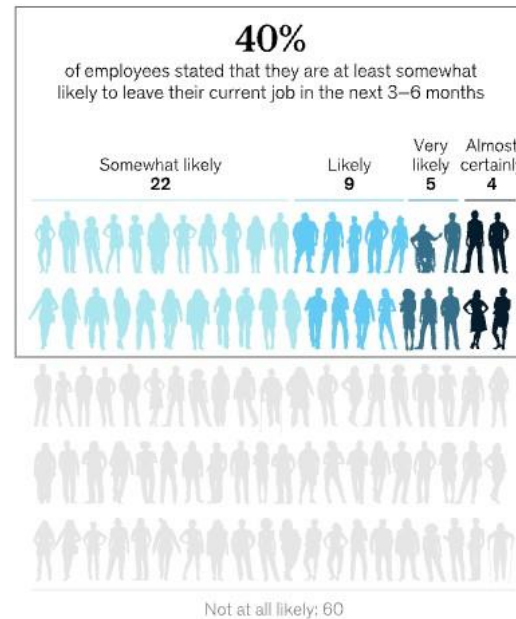
4. Sources



# 2.1. The Great Attrition

The 'Great Attrition' is real, and appears widespread across industries.

Likelihood that employees will leave their current job in next 3–6 months, % of respondents



What is being labelled the “Great Attrition”, is an historic and record breaking number of employees from all sectors who are quitting or thinking bout doing so.

A recent McKinley & Company survey found “Forty percent of the employees in our survey said they are at least somewhat likely to quit in the next three to six months. Eighteen percent of the respondents said their intentions range from likely to almost certain. These findings held across all five countries we surveyed (Australia, Canada, Singapore, the United Kingdom, and the United States) and were broadly consistent across industries”<sup>1</sup>

## CHAPTER 1

Employee attrition in the Retail Sector  
**The Great Attrition.**

1. McKinley and Company - ‘Great Attrition’ or ‘Great Attraction’? The choice is yours, 08/09/2021

## 2.1. The Retail Employee Landscape

### CHAPTER 1

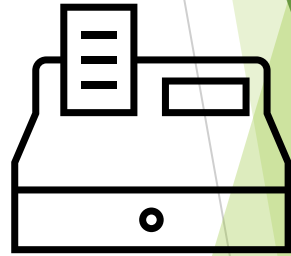
#### Employee attrition in the Retail Sector The Retail Employee Landscape.

- The retail industry has one of the highest employee turnover rates of any sector. The reasons for high attrition rate in the retail sector are numerous. These include:
  - Low wages
  - Mismanagement of employee expectations
  - Lack of Learning and Development
  - Lack of career progression
  - Burnout due to long shifts
  - Unsociable working hours
- For employees with a greater commitment to the retail sector, often those employed in “field locations can often feel disconnected to headquarters’ vision and plan. Or they may simply fail to see the potential for upward promotion and their value to the organization.”<sup>2</sup>
- According to a survey by Korn Ferry (NYSE:KFY) in November 2019 of top US retailers it found that, “Respondents cited “better opportunities / promotions” as the No. 1 reason for departures in the retail industry, followed by more money and a desire for a more predictable schedule.”<sup>3</sup>

2. Total Retail - Out of Fashion: Why Turnover in Retail is So High, and What to Do About it, 14/02/2021

3. Korn Ferry - survey of top US retailers examines employee turnover 25/011/2019

## 2.1. Employee Retention - What it means for business?



### CHAPTER 1

Employee attrition in the Retail Sector

**Employee retention - What it means for business**

- Employee retention is critical to keeping businesses viable, employee attrition can create serious additional costs for business some of which include:
  - “Temporarily covering an employee’s duties through overtime for other staff or coping with being short-staffed
  - The time it takes to place job ads, screen applicants, conduct interviews, verify applicant backgrounds, and carry out employment testing
  - Training costs such as orientation, teaching new staff members their duties, shadowing other employees and supplying uniforms
  - A new employee’s learning curve, which could include reduced quality, errors and slower productivity
  - Low employee morale associated with constant turnover”<sup>4</sup>
  - Brain-drain of staff, losing more experienced staff then hiring less experienced

4. Tellermate - Employee retention in retail is more important than ever, 09/09/2020



## 2.2. Impact of Covid-19 on the retail workforce

- Due to the Covid-19 pandemic there has been a dramatic change in the retail sector, in the initial stages of the pandemic “non-essential” retail was closed, causing millions who work in retail globally to be furloughed or laid-off for the duration of restrictions.
- The Covid-19 pandemic also saw an acceleration in the move to online causing a reduction in on-site staffing requirements, while increasing warehousing staff.



## 2.2. The future of retail

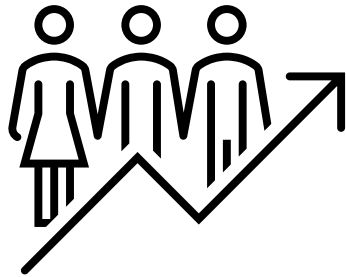
Due to the Covid-19 pandemic and the accelerated move towards e-commerce the way work in the retail sector is carried out will have to adapt, this includes a shift in the type of skills needed in the headquarters of big retailers and the balance of roles needed in bricks and mortar stores.

According to John Straw, serial entrepreneur and senior adviser to McKinsey “retailers of the future will harness the power of data, quantum computing, artificial intelligence, and augmented reality”<sup>5</sup>. In the same article, John Straw states that “The biggest mistake retail companies make? Unwillingness to invest in something that doesn’t automatically feed the bottom line. The biggest win: using cutting-edge technology to give consumers a way of envisioning their lives if they go ahead and buy.”<sup>6</sup>

5. McKinsey and Company - How tech will revolutionize retail, 24/06/2021

6. Ibid

## 2.3. The future of retail and the future for retail employees



### CHAPTER 3

Post-Covid-19 & the future for the Retail Workforce

**The future of retail and the future for retail employees**

In order to future protect themselves, retailers need to invest in the upskilling of staff not only because of the sectors' mass pivot to omnichannel during the pandemic, but also with the current innovations to further advance retail with the likes of Artificial Intelligence and Augmented Reality.

Roles that were previously completed by staff have been replaced with automation. This leaves the opportunity for employers to redirect their employees' time and energy into new tasks that can innovate and grow the business. This investment in the workforce also gives staff a greater sense of ownership over the business and a great satisfaction score.

## 2.3.1 What retailers can do to retain employees

### CHAPTER 3

Post-Covid-19 & the future for the Retail Workforce

**What retailers can do to retain employees**

**- Upskilling Staff**

## Upskilling Staff

Invest in staff upskilling, a top tip from Bryan Hancock, McKinsey partner gives for retailers is to “Start tracking where people are and what skills they’ve demonstrated toward what’s required for the future. If communications or teamwork or what some people call “power skills” and others call “soft skills” are what will be important, track those. If it’s important to pick up certain technical or digital skills, track those too. We already have, in the annual performance review, a way to document. We’re starting to see some companies do that and then use the data to help better match people to opportunity.

On the front line, there are a range of assessments that you can use as people come in and as they progress. You can even empower frontline supervisors to sign off on the badges that somebody could get as they demonstrate progression through the skills. So it’s more a matter of defining the skills you want to track and being intentional about creating the process to track and credential.”<sup>7</sup>

## 2.3.2 What retailers can do to retain employees

### Hire the Right Staff

Make sure you hire the right candidate who is fit for the job and not under or over qualified from the start. 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.

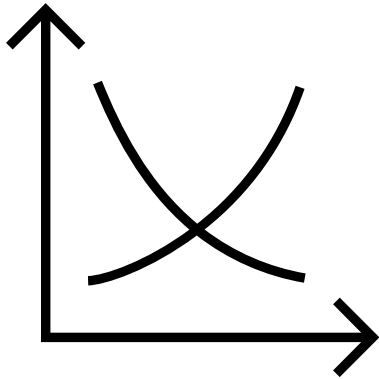
#### CHAPTER 3

Post-Covid-19 & the future for the Retail Workforce

**What retailers can do to retain employees**

- Hire the Right Staff

## 2.3.3 What retailers can do to retain employees



### CHAPTER 3

Post-Covid-19 & the future for the Retail Workforce

**What retailers can do to retain employees**

**- Map Out Employee Career Progression**

## Map Out Employee Career Progression

Ensure there is a career path for your employees, map out the potential career progression for employees. This allows for staff members to “know what their personal trajectory is within your company. They’ll also know when they’ll be promoted (if they perform well) and will therefore be less inclined to go elsewhere.”<sup>8</sup>

## 2.3.4 What retailers can do to retain employees

### Have Open Communication with Employees

Encourage open communication with staff, regularly sit down with each employee and talk openly to them. Ask them how they re, whether or not something's bothering them, how they feel they're doing, see how their job-satisfaction level is etc. Having open conversation with staff give the opportunity for the employer to sense how happy your staff is and resolve any potential issues before it's too late.

#### CHAPTER 3

Post-Covid-19 & the future for the Retail Workforce

**What retailers can do to retain employees**

**- Have Open Communication with Employees**

# 3. Additional reading

[How tech will revolutionize retail | McKinsey](#)

[Why The 2021 'Turnover Tsunami' Is Happening And What Business Leaders Can Do To Prepare \(forbes.com\)](#)

[Retail Turnover Rates In 2021 - DailyPay](#)



# 4. Sources

[Making the Great Attrition the Great Attraction | McKinsey](#)

[Out of Fashion: Why Turnover in Retail is So High, and What to Do About it \(mytotalretail.com\)](#)

[Korn Ferry survey of top US retailers examines employee turnover](#)

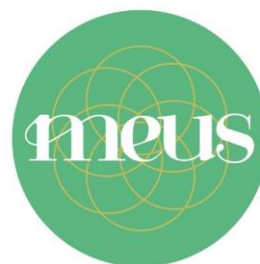
[Employee retention in retail is more important than ever - Tellermate UK](#)

[How tech will revolutionize retail | McKinsey](#)

[7 Reasons for Employee Turnover in Retail – Harver](#)



# RETAIL PROJECT Partnership



POLISH CHAMBER OF COMMERCE

Retail Project [www: retail.erasmus.site](http://www: retail.erasmus.site)