

Building a retail workforce fit for the future

*Getting the most out of retail staff and meeting the
challenges of a changing business environment*



Questionmark Viewpoint

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Table of Contents

Introduction	3
The challenge explored	5
Obtaining the information to make effective decisions.....	8
About Questionmark	10

Introduction

The story of retail is one of constant change. Long before the events of 2020, analysts were predicting that conventional retailers would have to innovate to survive. The radical changes in consumer behavior resulting from social distancing have accelerated established trends.

At the heart of meeting these new challenges will be the decisions retailers make about their most important asset: the people they employ. Like all good business decisions, these must be informed by meaningful and accurate information.

Despite the ever-growing trend toward online shopping, experts agree that the traditional shopping experience has a future.¹ Consumers want to engage with real people with demonstrable product expertise. Ecommerce represents as big an opportunity as it does a threat. While many are happy to buy a growing range of goods online, they may choose to do so from the online portal of a retail brand they already trust.

Growth opportunities are on the horizon. But do retailers have the skills they need among the workforce to take advantage of the changing landscape?

- Do current employees have sufficient knowledge of brand and products to demonstrate the desired expertise?
- Do teams have the technical know-how to seamlessly integrate ecommerce strands into their present operations?
- Are hirers selecting staff that can offer the best customer service?

Assessing the skills, attitudes and qualities of workers can give employers the reliable information they need to answer these questions and make informed people-decisions. The results of assessments reveal which skills are prevalent among the workforce and which need to be developed. Assessments can help retailers make better decisions on recruitment and training.

¹ <https://www.retailprophet.com/the-future-of-retail/>

This white paper explores the challenges facing the retail industry. It explains how investing in assessments can transform decision making. Doing so will ensure employers can meet new challenges and take advantage of emerging opportunities.

Questionmark Viewpoint

Questionmark Viewpoint is a series of white papers and reports that we produce to explore the challenges that our customers are facing, and which we help them address. These papers are based on what we are hearing from customers, and on research from other experts.



The challenge explored

To make good people-decisions, employers must understand the challenges which are present when managing the workforce. Retailers experience different challenges. Some are currently recruiting to boost capacity while others are cutting back. Some issues, however, are prevalent across the industry.

1. *Developing the skills for innovation*

The future of the conventional shopping experience will depend on the ability of retailers to innovate. Consumers want to engage with someone with superior product knowledge. Ecommerce must be embedded across the retail offer. But do staff have the skills to make this happen?

Attitude and other personal qualities are essential. Research reveals that seven out of ten consumers are likely to spend more money with a company that delivers excellent customer service.² This is likely to become even more important as shoppers search for the personal touch that is unavailable online.

Selecting staff that have these skills, aptitude and attitudes can be far from easy. Eighty-five percent of people admit to lying on their CV.³ Job interviews are vulnerable to 'unconscious bias' whereby, without realizing it, the interviewer is influenced by factors other than who is best for the job.⁴ When seeking to diversify skills and bring in people who are different from the existing workforce, this can be an even greater challenge.



“Eighty-five percent of people admit to lying on their CV.”

² <https://www.dotactiv.com/blog/must-have-retail-sales-skills>

³ <https://www.inc.com/jt-odonnell/staggering-85-of-job-applicants-lying-on-resumes-.html>

⁴ <https://www.forbes.com/sites/pragyaagarwaleurope/2019/02/20/how-to-minimize-unconscious-bias-during-recruitment/#7816f16f5fd9>

2. Staff turnover

The average turnover rate among US retailers is more than 60%. This compares to an average of 15% for all industries.⁵ In the UK, the figure for retail could be as high as 40%.⁶ Given the need for many retailers to scale up to meet seasonal demands, not all staff turnover is negative. However, rates at this level can damage productivity and increase recruitment costs.⁷ A constantly shifting staff base can damage motivation and make it hard to embed the right culture.



“The average turnover rate among US retailers is more than 60%.”

3. Creating a consistent customer experience

Retailers with multiple outlets need to ensure a consistent customer experience across branches. This is increasingly important when consumers seek a ‘shopping experience’ from physical retail. They will head to a particular retailer because they are seeking a specific experience.

The more branches in a chain, the harder it is to achieve consistency. Have staff all been effectively and consistently trained? Are the right behaviors observed and encouraged, particularly when social distancing measures are in place?

Retailers also need to ensure staff follow government regulations. For large retailers with multiple branches, ensuring that policies and regulations are being followed can be a time-consuming and labor-intensive process.

⁵ <https://www.dailypay.com/blog/employee-turnover-rates-in-retail/#:~:text=While%20the%20average%20turnover%20for,to%20the%20National%20Retail%20Federation.>

⁶ <https://www.personneltoday.com/hr/manpower-employment-outlook-survey-hiring-in-2019-q1/>

⁷ <https://www.dailypay.com/blog/employee-turnover-rates-in-retail/#:~:text=While%20the%20average%20turnover%20for,to%20the%20National%20Retail%20Federation.>

4. Upskilling the workforce

Many retailers take learning and development seriously. However, it is difficult to devise training programs that are appropriate for all staff. Some team members are strong on communication and people skills but weak on technological know-how. Others excel at ecommerce but struggle with face to face customer service.⁸

While employers spend \$130 billion on learning and development programs across different industries globally, research shows that only 25% of it is effective.⁹ Retailers need to ensure that training is adding value. But with shift patterns and the need to maintain constant 'front of house', it is difficult to pull staff into assessment centers to test what they have learned.



⁸ <https://www.trainingjournal.com/articles/opinion/could-ld-professionals-be-saviours-retail-industry>

⁹ <https://trainlikeachampion.blog/infographic-why-corporate-training-is-a-colossal-waste-and-what-to-do-about-it/>

Obtaining the information to make effective decisions

Meeting the challenges of an ever-changing business environment requires employers to make good decisions about the workforce. Better people-decisions deliver better performance.

In recent years, businesses have learned the value of using robust data to inform decision making. Yet, when it comes to a company's most important asset, the people they employ, tangible information on the current state of play is too often lacking.

To ensure that new and relevant skills are being developed, employers must have a clear read on what skills already exist.

To judge whether training has been effective, managers need to ensure that learning objectives have been met.

To bring in people with a new skill set, employers must be confident that prospective employees have what they are looking for before making the decision to hire.

Testing and assessing the workforce can give employers the real and robust information they need to make good decisions.

Assessments can help retailers meet the specific challenges explored on page five.

- **Ensure new recruits have the necessary skills** – by assessing staff pre-hire, employers can be confident that they have the skills to hit the ground running. This is especially relevant when seeking new skills to encourage innovation. After implementing assessment technology, 76% of corporations have seen an increase in the quality of hire.¹⁰



“76% of corporations have seen an increase in the quality of hire.”

¹⁰ Brandon Hall Group, Assessing Assessments: Value and Impact

- **Identify loyal recruits** – assessing staff pre-hire can also reveal the attitudes of candidates. Tests can predict the likelihood of a candidate to remain with the employer long-term, helping to reduce turnover. Assessments can give employers a clear read on which potential recruits will contribute positively to team culture.
- **Increase sense of career development** – setting up rigorous programs, such as internal certifications, to assess and award team members based on skills and knowledge helps an employee feel that they are making progress and learning new skills. This sense of progression and development can help reduce turnover.
- **Ensure training is effective**– by testing staff after training, employers can be confident that they have understood what is expected of them. With our online assessment platform, test-takers can participate anywhere that they can access a computer screen. There is no need to rearrange shifts or close the outlet to bring people in to test centers.
- **Eliminate wasted training** – testing staff ahead of training ensures that employees are not sent on a course that would teach them a skill they already possess. Programs can be more effectively tailored to cover different needs.
- **Check consistency of delivery** – assessments can help employers ensure that staff across different sites understand what is expected of them. With our platform, results are instantly compiled, and patterns and trends are easy to spot. Where there are gaps in understanding, relevant measures can be developed to correct them.
- **Reveal security and compliance vulnerabilities** – employers can test knowledge of compliance across the workforce. Results will highlight where knowledge and practice are not up to standard and interventions can be introduced. The results of assessments also help employers demonstrate to regulators and stakeholders that robust measures have been taken to ensure good practice.

We have worked with retailers around the world, helping them to make better decisions and meet the challenges outlined in this paper.

If you are interested in beginning a conversation with us, please visit our website and book a demo:

<https://www.questionmark.com/sectors-and-uses/retail/>



About Questionmark

Questionmark provides a secure enterprise-grade assessment platform and professional services to leading organizations around the world, delivered with care and unequalled expertise. Its full-service online assessment tool and professional services help customers to improve their performance and meet their compliance requirements. Questionmark enables organizations to unlock their potential by delivering assessments which are valid, reliable, fair and defensible. Questionmark offers secure powerful integration with other LMS, LRS and proctoring services making it easy to bring everything together in one place. Questionmark's cloud-based assessment management platform offers rapid deployment, scalability for high-volume test delivery, 24/7 support, and the peace-of-mind of secure, audited U.S., Australian and European-based data centers.

Complete details are available at <https://www.questionmark.com>

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