

BOOST PRODUCTIVITY

BY MANAGING AND
MITIGATING THE NEW
STRESSES ON STORE
ASSOCIATES

retail
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SPECIAL REPORT

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INTRODUCTION

While working in a retail store has never been a particularly easy job, the challenges have both multiplied and intensified considerably over the past two years. COVID-19 added multiple stressors, including enhanced cleaning and hygiene responsibilities, dealing with consumers (and fellow employees) who refuse to follow mask and/or vaccination mandates, and managing new customer engagement channels — not just in-store but via phone, text or video connections.

Additionally, the ecommerce surge accelerated by the pandemic has added multiple tasks to retail employees' job descriptions, some of which require completely new skills, including:

- Ecommerce fulfillment jobs **including picking, packing and shipping online orders: 60%** of retailers responding to the 2021 *Retail TouchPoints Store Operations Benchmark Survey* revealed that labor hours devoted to store-based fulfillment increased this past year, with **26%** saying it increased significantly;
- Preparing and fulfilling orders for **BOPIS and curbside pickup**, which can require as many as **40 people per day** to run adequately at a big box store;
- Managing the increased **returns** generated by additional ecommerce sales; and
- Staffing newly established **dark stores and microfulfillment centers**.

As a result of these stresses, as well as other macroeconomic factors, retailers are operating in a very tight labor market. The **U.S. Department of Labor** reported **1.12 million** open jobs in retail in September 2021, up from **674,000** openings in September 2020. The retail job openings rate climbed from **4.3%** last September to **6.8%** in September 2021.

Retailers are feeling the **impact of these shortages** keenly as the holiday season ramps up, but so are the workers themselves. They are not only being tasked with doing more complex jobs, but doing them as part of crews that are frequently understaffed. Essentially, those that **are** working are doing more, but with less help. This lack of "spare" workers creates another stressor: fewer employees available to cover shifts. Couple this with the fact that many workers have had to manage child- and elder-care responsibilities that have become more demanding due to COVID-19, and employee scheduling — a challenge at the best of times — has grown even more difficult.

"Mental health stressors compound one another," said Jorge Palacios, MD, PhD, and Senior Digital Health Scientist at **SilverCloud Health**, which offers mental health services. "If that cycle is allowed to continue without disruption, the cycle of stressors can eventually spiral out of control.

"For retailers, there's a definite return on investment in helping employees address mental health needs," Dr. Palacios added. "An employee who moves down the continuum from severe symptoms to moderate symptoms gains an average of **19%** to **21%** productivity, while an employee who moves from moderate symptoms down to mild [ones] gains **12%** in productivity."

While rising vaccination rates and wage increases by major employers including **Macy's, Starbucks, Amazon, Costco** and **Target** are likely to alleviate these pressures to some degree, retailers need a combination of both short- and long-term solutions, including:

- **Task management technology** that helps ensure the most urgent jobs are handled in a timely manner while optimizing workflows throughout the store;
- More advanced **scheduling solutions** that better match staffing levels to demand and simplify worker-friendly actions such as shift-swapping;
- A greater commitment to **training and upskilling workers** so that they are more likely to view working in retail as a career rather than just a job; and
- Paying more attention to workers' and managers' **mental health** as a way to improve productivity and morale and decrease turnover.



TASK #1: DEPLOY TASK MANAGEMENT TOOLS

The more that store associate tasks multiply, the greater the chance for confusion and miscommunication. That's particularly true when these tasks are time-sensitive, such as prepping an order for curbside pickup (or helping an in-store customer). As employees dedicate more work hours to picking and packing orders, managers are facing the challenge of balancing these actions with other priorities. According to the 2021 *Store Operations Benchmark Survey*, **27%** of retailers identified assigning/managing fulfillment tasks based on demand as a top store-level workforce management challenge.

"Whether it's in microfulfillment centers or just ship-from-store or BOPIS, I think **the nature of retail jobs will change**," said David Ritter, Managing Director, **Alvarez & Marsal Consumer Retail Group** in an interview with *Retail TouchPoints*. Another complicating factor is that there's little institutional memory for performing these tasks because they are recent additions to the job description: according to Ritter, ship-from-store wasn't economically viable as recently as **two years ago**.

Real-time task management solutions can successfully help retailers address these challenges. "The reason why we talk about helping [workers] prioritize is that, even if we can't solve the labor shortage and other strains, we can make it easier for them to understand what they have to do and when they have to do it," said Michael St. Charles, Senior Digital Content Specialist at **Reflexis** in an interview with *Retail TouchPoints*. "Workers can also do their jobs without worrying if they're doing it right."

Reflexis' own research indicates that task management functionality, including real-time notifications and alerts, is high on retailers' lists for future implementations. "This comes from stores being understaffed, and it helps them make sure they're doing exactly what they need to do and when they need to do it," said St. Charles.

Today's task management solutions address the realities of the current work environment, automatically adding tasks to individuals' workflows based on their roles, their training and the priority of the task. For example, if someone is not available to deliver a curbside pickup order, this task can be automatically transferred to someone else.

Additionally, solutions that include peer-to-peer communication capabilities "provide a good way for associates to say 'I've run into trouble with this task,'" said St. Charles. It's also useful when, for example, a curbside order of a large item like a TV requires two people to safely bring it out to the customer's car. "This can help address those issues that aren't immediately addressed via alerts and task management solutions," he noted.



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EMPOWERING THE AGILE FRONTLINE ASSOCIATES OF THE FUTURE WITH INTELLIGENT RETAIL TECHNOLOGY

By Suresh Menon, SVP and General Manager, Software Solutions at Zebra

Today's store associates have seen their roles shift dramatically over the last couple of years, with more change yet to come. Understaffed workforces throughout the retail industry have led to increased workloads for store associates, making it difficult for them to complete their daily tasks in an effective and efficient manner.

Shifting customer expectations have also driven change in stores. With a substantial increase in demand for omnichannel services, today's store associates continue to manage increased curbside pickup and buy online, pick up in-store (BOPIS) orders, online returns and in-store appointments.

Retailers will continue to face these challenges well into the future, which means that this pressure on store associates will not abate anytime soon. By embracing intelligent retail technology, retailers can alleviate some of the burden on associates, fostering a more agile workforce that can react in real time to challenges.

Forward-thinking retailers have been investing in artificial intelligence-driven workforce management, real-time store execution and prescriptive analytics to simplify work and drive continuous operational improvement at stores.

Empowering workers with mobile access to intelligent retail technology ensures that they always have access to the most accurate and up-to-date information. Whether it's an important communication from their manager, a new high-priority task or other key operational information, these solutions ensure that staff is in the right place at the right time to elevate the customer experience.



ENHANCE SCHEDULING TOOLS TO IMPROVE EMPLOYEES' WORK-LIFE BALANCE

Scheduling remains a major pain point for both employees and managers. Both matching staffing to demand and scheduling were among the top workforce management challenges identified in the 2021 *Store Operations Benchmark Survey*, at **43%** and **42%** respectively. The store closures and dramatic shifts in consumer behavior brought on by the pandemic have made this tough problem even tougher, since historical data is of little help during a period of such rapid change.

One potential benefit of COVID, however, is the recognition that some retail employees can still be productive when working remotely. "The reality is that **80%** of tasks have to be done in the store, but in cases where they can be done remotely, such as customer support or returns processing, retailers are looking for ways to be creative," said Alvarez & Marsal's Ritter. "This can improve the employee value proposition, and it's arguably more important to many people than the wage rate itself."

Solutions that stress flexibility and simplify shift-swapping, and that use AI to create schedules that align with consumer demand, employee preferences and the retailer's needs, "are a big way to alleviate stresses on management and the corporate side," said St. Charles.

For employees, shift exchange solutions that operate across different retail banners, or even separate companies, could provide big benefits, according to Scott Knaul, EVP, Retail Solutions at **Workforce Insight**. "If all the stores in a mall signed up for an app that would allow, for example, a stock guy to take a shift at Express in the morning and at **Bath & Body Works** in the afternoon — if someone can figure out how to make that work, that will be huge," said Knaul in an interview with *Retail TouchPoints*. "You could fast-track that by looking at companies with multiple brands; **Williams-Sonoma** owns both **Pottery Barn** and **West Elm**. Why couldn't fashion retailers with multiple brands make that happen?"



RETAILERS CAN REAP SOLID ROI FROM TRAINING AND UPSKILLING INITIATIVES

Many of the recent retail wage increases have been accompanied by offers of enhanced training and other educational perks such as tuition reimbursement. Research conducted by **BDO** indicated that **51%** of retailers are planning to implement employee training designed to upskill their technology prowess, according to Natalie Kotlyar, National Leader of the Retail and Consumer Products Industry Group at BDO.

One of the most valuable things a retailer can do to retain workers is to “give them access to education in any field they want,” said Dr. Michael Mandel, Chief Economic Strategist at the **Progressive Policy Institute** in an interview with *Retail TouchPoints*.

For example, **The Home Depot**'s New Learning Model, which was rolled out to more than **150** distribution centers in early 2021, allows the retailer to deliver knowledge to a network of more than **20,000** frontline workers. Associates now can access operational and functional information that is relevant to their job roles and spaces, and the retailer can now provide:

- **Consistent training and information** relating to job tasks, including digitized associate checklists with completion tracking and analytics;
- **More diverse learning methods** to support frontline workers, which has led to an increase in employee satisfaction and engagement; and
- **The ability to update content based on new operating procedures** quickly and efficiently, so new training gets into the hands of associates faster.

Such efforts can have impacts well beyond a single store or retail organization. According to the **World Economic Forum**'s January 2021 *Upskilling for Shared Prosperity* report, produced in conjunction with **PwC**, wide-scale investment in upskilling could add **\$5 trillion** to global GDP by **2030**. Closing this “skills gap” just two years earlier, by **2028**, would increase the additional GDP to **\$6.5 trillion**.

The U.S. would be a major beneficiary: under the more rapid scenario, its GDP would rise **3.7%**, or nearly **\$1 trillion**, by 2030. There's a geopolitical aspect as well: China's GDP would increase **7.5%**, a nearly **\$2 trillion** increase, during the same period.



WHY WORKFORCE STRESS IS WORTH ADDRESSING

Retailers need to start looking at improving workers' mental well-being as more than a nice-to-have element. "Workers are facing challenges and they are stressed out," said Workforce Insights' Knaul. "They're saying 'As an employee, I want my voice heard.' They often have ideas on how to fix things because they see it on the front line."

It's not always necessary for retailers to invest in expensive programs; sometimes a simple attitude change can improve the situation. "According to [SilverCloud Health's 2021 Employee Mental Health and Wellbeing Checkup](#), nearly **20%** of respondents suggested employers could help by being more human and acknowledging it's OK to not always be OK," said Dr. Palacios. "This finding highlights the importance of normalizing discussing mental health in the workplace and expanding access to mental health treatment options as a standard in employee benefits. **Simply acknowledging as an employer that you care about the emotional state of your employees and offering to help, however possible, can make all the difference.**"

Taking this more holistic view of employees' well-being aligns with the recognition that employees, particularly millennials or Gen Zers, want to work for companies that reflect their values and offer a sense of purpose. And while bottom-line enticements such as higher wages and better benefits are important, they can't do the job of improving productivity and reducing turnover on their own.

"If you think about the employee value proposition, wages and benefits are just one lever in that toolkit," said Ritter. The kit includes things like "work location, scheduling flexibility, and to a bigger extent, especially among younger people, a purpose-driven approach that aligns with their values, such as sustainability and diversity. These are having a bigger impact than they might have had a few years ago. For Gen Z it's less about the wage and more about a broader view of the role."

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Zebra (NASDAQ: ZBRA) empowers the front line in retail to achieve a performance edge, delivering industry-tailored, end-to-end solutions to enable every asset and worker to be visible, connected and fully optimized. Reflexis Systems (now part of Zebra Technologies), is the leading provider of intelligent workforce management, execution and communication solutions for multi-site retail organizations.

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