

The background image shows a clothing store interior. At the top, there are shelves holding several tires, some black and some yellow. Below the tires, there are racks of clothing. In the foreground, there are racks of dark-colored clothes. In the middle ground, there are racks of yellow and blue t-shirts. The text is overlaid on the image.

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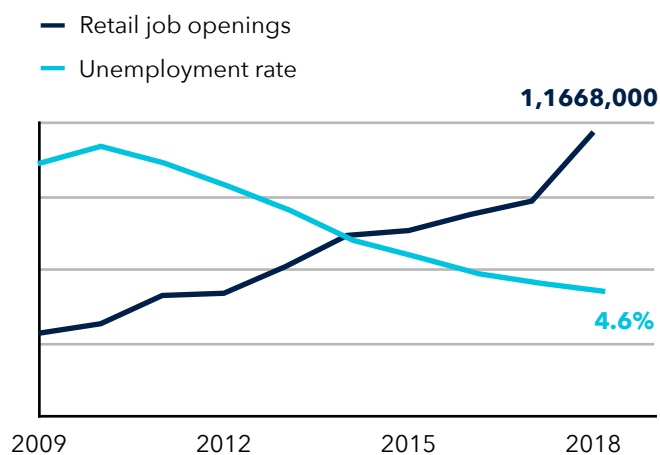
White paper

# How to win the retail recruitment game

# How to win the retail recruitment game in times of labor shortage

Labor shortage is one of the biggest challenges in the retail industry nowadays.

While the recent number of retail job openings is the highest ever, unemployment in the US and many European countries hovers under 5%. In many locations there are more retail job openings than applicants and it is becoming increasingly difficult to hire retail workers.



source: [bls.gov](https://www.bls.gov)

Why is that?

Besides the steadily growing economy resulting in a low unemployment rate, one of the reasons is changing demographics. Baby Boomers are retiring and younger generations are getting college degrees and taking professional jobs instead of blue-collar roles that are the most frequent in retail.

On top of that, the retail industry is one of the top three sectors with the highest employee turnover rate, which means that there is a constant demand for new workers.

Despite the fact that wages have risen more than 24% since 2009, retail is still not the most lucrative industry to work in from a financial perspective. This makes it interesting for retail staff to switch jobs as soon as a competitor offers them a better salary.

However, with 90% of sales still taking place in the brick and mortar stores, recruiting high-quality staff is pivotal in a store's success.

Retailers need to be smart about their recruiting right from the start and there are several ways to do so. In this white paper, we'll take a look at some of the additional challenges retail recruiters face compared to other industries and then we'll share five possible solutions to help you build a strong, lasting workforce for your retail business.

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# What are the biggest issues retailers face when looking for employees?

Apart from the tight job market conditions and high employee turnover rates, retail recruiters confront specific challenges related to the fragmented nature of the industry.

## 1. Inefficiencies in the hiring process

In many retail organizations, store managers are responsible for recruitment and hiring new employees beside running the store. And since retail turnover is high, the need for new hires is ever-present.

Not only does this lead to increased workload for the managers but also to each retail outlet having its own unique (unstructured) hiring process, which results in varying quality of employees - and customer service.

And what if this process takes too long? The qualified candidates might not be available anymore. Putting your efforts into sourcing more candidates is fruitless when you are losing them in a lengthy hiring process. In fact, 39% of candidates reject job offers because they've already accepted an offer from another company.

As a result, many retailers are trying to innovate and digitize their recruitment process to take the workload off the managers' shoulders and make hiring more efficient. They often end up rejecting in-store job applications which are still common in retail and ask the candidates to apply online instead.

However, if the next-door retail outlet allows the candidates to apply on the spot, your store might have just lost a great new hire.

Time to fill in retail & wholesale  
increased by 76% since 2001.

## 2. Competing for the same local talent

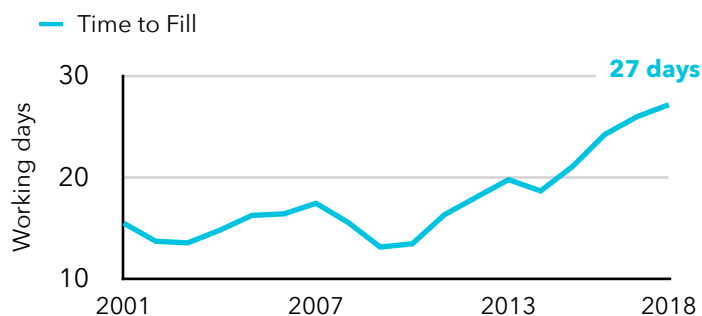
Recruiting for a retail business often means looking for employees in the same area as your local competitors. One of the reasons for that is that a short commuting distance (0-5 miles) leads employees to remain at their jobs 20% longer on average.

While the competition for talent is great for local candidates - who get to cherry-pick - it's not so great for you as a retail business. Unless you find a way to actively build and engage a local talent base, you risk missing out on the best candidates.

## 3. Trouble attracting the new generations

Traditionally, work in the retail industry attracts younger generations. People aged 16-34 make up 46% of the retail workforce in the US. Millennials, and even more so their successors, Generation Z, are digital natives used to seamless mobile experiences in everything including job searching.

And while 89% of all job seekers think that mobile devices play an important role in the job search, only 39% of companies are optimizing their careers websites for mobile. This mismatch between how people search for jobs and how businesses promote their vacancies leads to candidates having a hard time finding a job and companies being unable to fill their open positions.



source: DHI Group

#### 4. Hiring for multiple locations

A lot of retailers - especially the mid- and big-sized ones - have multiple stores at various locations, adding an extra layer (and challenge) to their hiring.

For example, Duane Reade Pharmacy has 139 pharmacies in Manhattan alone.

Most chains will have locations on the high street, at airports and train stations and in shopping centers. The one thing all these stores have in common is that each of them has its own challenges.

Sometimes, these challenges couldn't be further apart. While a retailer's flagship store is forced to disappoint qualified candidates due to a lack of vacancies, another store from the same brand located in a shopping center just a few miles away struggles to fill its vacancies. When this happens during the key holiday season, some stores might not be able to provide the first-class experience customers are looking for.

#### 5. Seasonal hiring

One of the key characteristics of retail hiring - its seasonality - is also one of its main challenges. It's this seasonality that makes the staffing needs for retail businesses rather volatile.

In the US alone, an additional 800,000 vacancies open before and during the holiday season, many of them in retail.

Of course, you can more or less estimate the number of extra people you'll need during the peak season and anticipate where possible.

Unfortunately though, you're not the only one in need for extra hands as it's the busy season for everyone - which means the competition for local retail candidates gets even fiercer.

This is why most retailers face a lack of qualified and available workers during the holiday season.

#### 6. Expectations differ from reality

Working in retail is demanding and not for everyone. However, the new employees often realize only after they've already had a few shifts that the job is not what they expected, which might lead to them quitting.

Actually, 61% of employees say that the new job realities differ from the expectations that were set during the hiring process. Additionally, the job characteristics are among the top reasons why employees leave in their first year of employment.

2/3 of employees say that the realities of their new job differ from the expectations that were set during the hiring process.

## How to deal with the talent shortage on the retail labor market?

While there's not much to do about changing demographics, there are various ways of battling these retail-specific recruitment challenges and tackling labor shortage in the industry. The solutions we discuss below are particularly useful for retail businesses with multiple stores in the same area.

### Consolidate channels

You probably utilize a variety of channels when trying to attract and recruit your new retail employees: multiple job boards, referrals, social media, walk-ins, and more.

A typical recruiter can source applicants from as many as 20 different channels.

And while it's good to diversify and get applicants from multiple sources, it's also easy to lose track of candidates in the process. In a market that's already tough enough as it is, this is the last thing you want.

Therefore consolidation is key.

You need to bring all the candidates that come in via your various sourcing channels to one and the same place in order to proceed with the selection process.

This could be through a unique landing page for applications optimized for mobile devices, for instance. One that can be accessed regardless of what channel the candidates come through; a job board, email link, in-store QR code, etc. If you connect such a landing page to your Applicant Tracking System, you are making sure that you see all applications in one place.

Or, if you're using recruitment technology in the form of a [pre-employment assessment tool](#), you can consolidate your applicants via a link directly to an online mobile application experience.

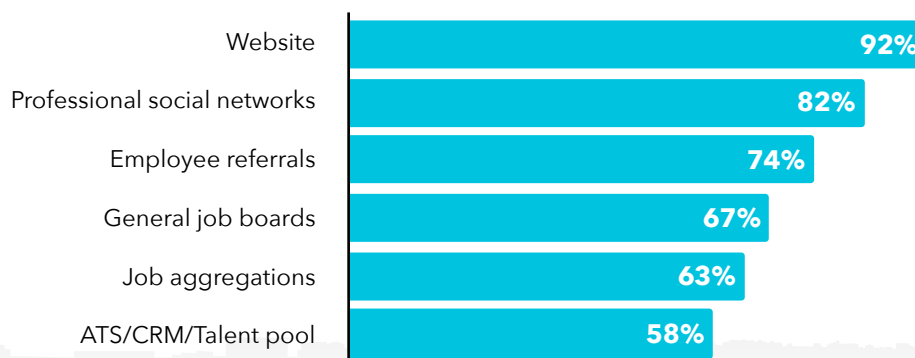
Once they've finished their application, store managers will be able to see the results from all the candidates in one dashboard, hence making it easier to spot qualified applicants quickly.

Consolidating your channels this way makes your hiring process faster and more efficient from the beginning. This will help you avoid losing candidates to swift competitors and succeed in the fight for local talent.

If you've got stores in multiple locations, you may even want to group your candidates together - especially if the locations are in the same town or region.

Which brings us to the next point.

### Most important channels in retail recruitment:



### Route, distribute and balance the workforce

In New York alone, there are around 4,400 stores that belong to retail chains (excluding fast-food restaurants and similar). Often, these stores don't have a centralized hiring process which means that each store has to handle its own recruitment and deal with the shortage, or, on the other hand, oversupply of candidates. Not only is this situation suboptimal for the retailer's stores but it's also not great for candidates either. Because even if you've got a great recruitment process - providing your applicants with a positive experience - turning them down still risks turning them off a bit when it comes to your brand.

The good news is, there is a way to turn this situation around for the better - for all those involved.

You can simply enable candidates to apply for multiple locations at a time. For applicants, this means an increased chance of getting a job and for you as a retailer it means you get to route candidates to those locations where they are most needed - or where they would fit best.

How?

Think of a shared candidate base, for example. One that's available to all stores in the same city or region so that store managers also have access to applicants from locations nearby. If one store is forced to reject a qualified candidate for capacity reasons, another store in the area with an open position can consider them for the role.

Building a consolidated candidate base doesn't have to be complicated. You can simply use a recruitment tool which allows candidates to submit applications for multiple locations and roles at the same time and enables all store managers in the same area to view and react to the applications. As long as you make sure all stores implement and actively use such software, you're good to go!

### Strengthen your employer brand

There's a reason one of today's recruitment mantras is 'treat your applicants like customers'. It's because often, your candidates *are* your customers. They already like your consumer brand. But what about your employer brand?

Building a strong employer brand is key if you want to stand out from the competition and reach potential top candidates. Becoming an 'employer of choice' means creating a company culture that employees appreciate and recommend to their friends.

Then, you need to get the message out.

Create an amazing and informative careers site and build out your social media presence. This allows potential candidates to learn about your company culture and strengthen your reputation as being a good place to work.

Becoming actively involved in the local community will help you reach untapped talent pools - retirees, stay-at-home parents or people with disabilities.

Investing in your employer brand is also crucial to attract Millennials and Generation Z. 75% of present-day job seekers consider an employer's brand before even applying for a job!

*"The declining effectiveness of online recruitment campaigns is forcing us to be more creative with the current applicant pool."*

- Martijn Ulehake, Employer Branding Consultant  
at Albert Heijn, a multinational food retailer



Of course, your current employees should be at the heart of your employer brand so make sure to involve them from the very beginning. In fact, regarding credible information of what it's like to work somewhere, candidates trust the company's employees 3x more than the company itself to provide those.

You can do this by sharing real employee stories or testimonials, as well as managing company reviews on sites like Glassdoor and Indeed.

When done right, your employer brand can have a tremendous impact on your recruitment efforts.

Canadian books & music retailer Indigo, for example, regularly ranks in Top 10 Retail Employer Brand lists. This is one of the reasons why the company - which employs around 7,000 people - receives an impressive 2,200 applications every week.

### Focus on candidate experience

Especially in retail, candidates are often also your customers, so you need to provide them with a positive experience during the recruitment process.

If their candidate experience is positive, they will continue to love your brand and remain loyal to it - if anything, they will like it even more.

However, if they've had a not-so-great time trying to get a job with you, they'll probably stop buying your products or services altogether (25% of candidates do) - and spread the word among their friends and family, as 43% of applicants do.

In other words: you need to treat your candidate experience as an inseparable part of your employer branding. And where to start with that?

Make sure you have a mobile-friendly application process that's short and to the point, communicate with candidates in a timely manner and give them a sneak peek into their future workplace.

Not knowing what it's like to work at a company is the #1 obstacle candidates experience when searching for a job. And you don't want to put any obstacles in the way of your future retail employees.

Providing candidates with a realistic job preview prepares them for what awaits them on the job and those who don't like it will self-select themselves out of the recruitment process straight away. This leads to increased quality of the interview process and decreased employee turnover, helping employers save time and money on recruitment and ultimately benefiting the bottom line.

68% of candidates believe their experience throughout the recruitment process reflects how the company treats its people.

### Empower store managers

Your store managers are the key figures in recruitment for your retail outlets. And since it is just one of the responsibilities on their plate, you want to make the recruitment process as straightforward as possible for them.

How?

For starters, by giving them a crash course on the best practices for a smooth [retail hiring process](#) to get them up to speed. Consider the possibility for people to apply online on the spot using QR codes and a dedicated landing page instead of leaving a paper resume to the manager. Automate the interview scheduling and enable fast communication through an app or text messages, for example (after all, open rate for text messages is [98% on average](#) compared to 22% for email).

Also, share your company's best practices with them: How does your retail organization recruit? How can they best use your recruitment technology? If, for example, you work with a pre-employment assessment tool, ATS or HRIS, organize a training session to show them what's what.

On a slightly more practical note, if you do use recruitment technology, store managers should be able to review applications (from multiple locations!) quickly and in one place.

Interview training is indispensable too. It will help store managers in structuring their interviews, asking the right questions, becoming aware of bias, and spotting the right candidates.

Finally, don't forget to collect feedback from the store managers. It will give you useful information about the hiring process - and the technology you use - and it will give you an idea about what needs to be improved.

#### Most important software requirements according to store managers:

- Easy to use on multiple devices
- Enabling efficient communication with candidates
- Allowing candidate sharing and routing between stores



**In closing**

Good retail staff is hard to recruit in times of the labor shortage.

On top of that, retailers face additional industry-specific recruitment challenges including:

- Inefficiencies in the hiring process
- Competing for the same local talent
- Trouble attracting the new generations
- Hiring for multiple locations
- Seasonal hiring
- Expectations differ from reality

With many retail businesses looking for talent and not that many top retail candidates available on the market, you need to be smart and stand out if you want your recruitment to be successful.

Start by consolidating your sourcing channels to avoid losing track of candidates as well as losing your candidates to competitors. Allow submitting multiple applications at once and enable the routing of candidates between multiple stores depending on the needs of those stores.

Build a strong employer brand that reflects what it is your retail organization is about and that resonates with your customer-candidates. Don't forget to focus on providing an excellent candidate experience. That will help you stand out on the local retail job market and entice the candidates into working for you.

Finally, empower your store managers to make better hiring decisions faster.

Checking all these boxes makes you fully equipped to take on today's most prominent retail hiring challenges.

**Want to win  
the retail recruitment game?**

**[Request a demo](#)**

or visit **our website**  
for more information

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