HR Issues in Retail

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Human Resource Management in Retailing

- Recruiting
- Selecting
- Training
- Compensating
- Supervising

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Direct and Indirect Costs of Employee Turnover

- **Direct Costs** include: separation costs, exit interviews, replacement costs (advertising, screening, new employee orientation) and training costs
- **Indirect costs** include: customer dissatisfaction, reduced suggestion selling, pricing errors, reduced morale among co-workers

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True Cost of Employee Turnover

- Costs of using fill-in employees
- Severance pay for exiting employees
- Costs of hiring new employees
- Training costs
- Costs of mistakes and lower productivity while new employees gain experience
- Customer dissatisfaction due to the loss of prior employees and the use of inexperienced workers.
- Lower continuity among co-workers.
- Poor employee morale when turnover is high.

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Women in Retailing

- Issues to address with regard to female workers
  - Meaningful training programs
  - Advancement opportunities
  - Flex time: the ability of employees to adapt their hours
  - Job sharing among two or more employees who each work less than full time
  - Child care
- Retailing empires
  - Mary Kay
  - Avon

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Minorities in Retailing

- Issues to address with regard to minority workers
  - Clear policy statements from top management as to the value of employee diversity
  - Active recruitment programs to stimulate minority applications
  - Meaningful training programs
  - Advancement opportunities
  - Zero tolerance for insensitive workplace behavior

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Diversity

Two premises:

1. That employees be hired and promoted in a fair and open way, without regard to gender, ethnic background, and other related factors
2. That in a diverse society, the workplace should be representative of such diversity

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Labor Law Considerations

- Retailers must not
  - Hire underage workers
  - Pay workers “off the books”
  - Require workers to engage in illegal acts
  - Discriminate in hiring or promoting workers
  - Violate worker safety regulations
  - Disobey the Americans with Disabilities Act
  - Deal with suppliers that disobey labor laws

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Other Aspects

- Training
- Motivation
- Compensation

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Thank You

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