

Leading retailers grow their own managers.

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It is clear from our study that leading retailers put a great deal of effort into growing their own managers, while also recognising that it is sometimes healthy and essential to import talent from outside the organisation.

A key characteristic of organisations that are successful at 'growing their own' is a working environment that supports development, and a strong management commitment to developing the talent of all employees. This includes succession planning.

A major challenge for retailers is to put in place mechanisms to recognise skills, and having work practices that encourage a full range of people to pursue career paths.

"Her replacement has already been identified and is undergoing training in preparation to step into her position when she is on maternity leave."

Executive National Pharmacies

Good employers know that they must provide career paths and recognise skills, or they risk losing good employees.

Benchmarking data

Our survey found:

- 75 per cent of retailers filled more than half their retail outlet management vacancies with existing staff.

Management positions filled by existing staff:

Proportion	Head office management	Store management
Less than 10%	28%	4%
10 to less than 25%	3%	6%
25 to less than 50%	24%	15%
50 to less than 75%	27%	22%
75 to 100%	17%	53%

Australian stories

At **Spotlight** 80 per cent of managers have been developed up through the business.

At **McDonald's** 98 per cent of managers are recruited from within the organisation.

At **Lonestar Steakhouse and Saloon**, nearly a third of managers started working for the company as casual employees.

“ We have a management trainee program in place. It is an 18-month program with structured on-the-job training through all departments. At 12 months we will start to look at where the 'bent' is – merchandising? operations? We will spend the next 6 months homing in on these areas. ”

*Human Resources Representative
DFS*

Recognising skills

Product knowledge and customer knowledge are often under-recognised in the industry. Skills relating to equipment, time management, shop display and customer service skills may not be fully appreciated.

“ The retail industry is not an unskilled industry but it is an under-credentialed one. One in which many skills are not formally recognised ”

*Bill Healy Executive Director,
Training, Education & Employment
(Policy Issues) Australian Retailers
Association*

Recognise and use the diverse range of skills already in your organisation. Skills acquired both at work and out of work should be recognised.

- Do you know what life and former work experience your staff have?
- Do you know what formal qualifications (including tertiary and trade qualifications) your staff have?
- What are your staff's strengths and weaknesses in their current job?
- What skills do they have that aren't being used (for example, computer, calligraphy or language skills)?
- Is full credit being given to the skills they use every day?

For more information on the National Training Framework and its application to your business visit the National Wholesale Retail and Personal Services Industry Training Council website at www.natwraps.com.au or the Australian National Training Authority at www.anta.gov.au

Recognition of current competencies and recognition of prior learning strategies are built into the National Vocational Education system. This ensures that employers and employees can access formal recognition of workplace competencies. The National Retail Training Package, with qualifications from entry-level certificate to diploma, is being used as the benchmark for the skills required. Many large Australian retailers are using the competencies and qualifications from the Retail Training Package to train new staff and to recognise the competencies held by existing staff. Companies using the Retail Training Package include Coles, Woolworths, McDonald's, Rebel Sports and Lowes.

Other methods that can also be successful include:

- an induction program that includes asking recruits about their qualifications, skills and interests
- personal development plans
- mentoring programs, and
- task/job/department rotation or swaps.

International comparisons

The Container Store, a USA retailer, was named Retail Employer of the Year in 2000. The President of the company says that "training is crucial to our success", and that customer service is so important to the company that every first-year salesperson receives about 185 hours of formal training, far in excess of the USA industry standard of around seven hours.

The Container Store is committed to ongoing training, and has a full-time position in each store called "Super Sales Trainer" (SST). Every day the SSTs focus on product training, sales training and employee development training.

"When I look at the cost-benefit of all this training, the results come back conclusively each year – the financial and human resources invested each year are worth it. We continue to raise our level of training each year. We painstakingly think about the cost-benefits, and the results are clear. ”

President, The Container Store

Benchmarking data

Our survey found:

- 100 per cent of retailers provide general staff training
- 54 per cent use personal development plans
- 33 per cent conduct performance appraisals
- 18 per cent use mentoring programs
- 9 per cent list 'promotion opportunities' as one of their five key initiatives to develop staff, and
- 4 per cent provide education or study support.

Australian stories

Big W has undertaken a company-based formal competency program as part of setting up a business framework. The business framework defines competencies, and includes them in all people management processes. Its performance management system is competency-based, its recruitment practices are competency-based, and it trains and coaches in all the competencies to reflect its core values.

Mistearl, whose 1000 employees are predominantly employed in service stations, test staff prior to training them to establish training needs. Mistearl offers traineeships and retail diplomas, and offers other training opportunities such as trade shows and residential programs. The majority of Mistearl managers have progressed through the company – they are believed to be "well accustomed" to the work culture and the systems."

“There are shortages everywhere for good staff so the key strategy is to grow your own people.”

Manager, Woolworths

“We look for mentors with different skills and this gives trainees a chance to see different ways of doing things.”

Manager, Calstores

Suzanne Grae has, in each area, a Business Development Manager (BDM). The BDMs are responsible for a wide range of activities but, significantly, for learning and development among all staff. BDMs conduct cross-store training, and provide input to performance reviews and learning plans. The BDMs are positioned between the shop manager and head office – and Suzanne Grae is aiming to introduce trainee-BDM positions to bridge this gap and create a more formal career structure.

Calstores has a very detailed program for assistant managers. They get intensive training in the classroom and then they work closely with different managers in the stores. Every assistant manager has to work as a customer service attendant. They are also allocated one or more mentors who work with them intensively in the first 3 months, and 'on-call' for the next 3 months.