

# Balancing the till

Increasing profits and building a better workforce



## Report into finding and keeping good people in the retail sector

A report by the Australian Retailers Association, the federal Department of Employment and Workplace Relations Work and Family Unit, and the Equal Opportunity for Women in the Workplace Agency.



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FEB 2002

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*Balancing the till: increasing profits and building a better workforce* was produced by:

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ISBN

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Designed and typeset by SpinCreative, Canberra

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# Acknowledgements

Many individuals and organisations have made a significant contribution to this project and the development of the report. Firstly, we want to thank the retail businesses that contributed substantial time and effort to assist the research team conduct site visits. These visits provided a unique opportunity to see the issues under consideration in a number of very different settings. We also thank the retail businesses that responded to our survey, in particular those that participated in the pilot survey. Fiona Krautil and Alison Morehead designed the overall methodology for the project and established the project structure. Mark Cully of the National Institute of Labour Studies, Flinders University, helped with the development and design of the survey, and undertook its administration and analysis. Jane O’Leary played a key role in keeping the project on track until she went travelling in April 2001. Jenni Bushell wrote the earlier summary report and this project report.

## Retailers that hosted site visits

Bakers Delight	Bevilles Jewellers
Calstores	DFS Australia
Esprit	Eurest Australia
Lone Star Asia Pacific	Lowes
McDonald’s	Mistearl (Northshore)
National Pharmacies	Radio Rentals
Safeway	Spotlight Stores
Suzanne Grae	The Body Shop
Woolworths	

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# The Project

In the 21st century the retail industry is facing new and major challenges. Seven day trading, increased competition, increased diversity of customers, increasing customer expectations, new technology and an increasingly diverse workforce are putting new and expanded pressures on retailers to maintain profit margins.

Leading retailers view a quality workforce as critical to their business success. The way they manage their people is strategically linked to their core business objectives. However, many retailers have difficulty in attracting and retaining good staff.

In 2001 the Australian Retailers Association (ARA), the Work and Family Unit (WFU) in the federal Department of Employment and Workplace Relations, and the Equal Opportunity for Women in the Workplace Agency (EOWA) worked in partnership with some of Australia's leading retailers to undertake an in-depth study into staffing practices in the retail industry.

Sixty retailers, representing 278 000 employees, participated in the study by responding to a survey. Seventeen retailers hosted an extensive workplace visit.

The study, believed to be the first of its kind, revealed a number of challenges for the retail sector as well as highlighting key achievements.

This report presents the findings of the study and links you to helpful resources. It aims to provide all retailers with ideas and information to improve their business viability and profitability by understanding their workforce and managing it effectively. It looks to other retailers, both here and overseas, to provide examples of how to find, keep and develop good people.

# Key Messages

Here are the key messages that emerged from the study:

- Leading retailers understand that attracting, training and retaining good staff increases customer satisfaction, improves productivity and maximises profits.
- Costing turnover is a critical starting point. It enables you to understand the cost of losing good staff and the savings that you can make by improving staff retention.
- Consulting with all levels of staff is key to identifying the critical factors that impact on your ability to attract and retain good staff.
- Effective people management indicators are an essential tool for CEO's looking to improve their business performance.
- Effective people management must be integrated into the business strategy so that workplace policies and practices support and complement the business goals.
- A commitment to invest in staff starts with the CEO. Managers and supervisors need to be assessed on their people management outcomes as part of their core business results.
- More and more companies recognise the significant benefits that family-friendly work practices can bring to the workplace through increased staff morale, higher productivity and reduced turnover of quality staff.
- Providing flexibility for management and supervisory staff remains a

key challenge for the Australian retail sector. It is a critical success factor in capturing the untapped talent of the large female workforce and delivering quality service to customers for 7 days a week.

- Surveys show part-time workers are just as committed to business success as full-time workers. Many want a career, and more and more are shopping around to find a good employer.
- A key characteristic of organisations that are successful at 'growing their own' managers is a working environment that values and supports development.
- Identifying and rewarding staff skill and contribution play an important part in attracting and keeping good people by creating a great place to work.
- Product and customer knowledge need to be valued and recognised in the industry. The important skills relating to effective equipment use, time management, creative shop display and quality customer service are often under recognised.
- Staff are the public face of the company and are a critical part of a retailer's branding effort. Corporate values and identity are communicated to customers through their interactions with staff at all levels of the company.
- Reflecting the values and make-up of their local community is identified as a critical success factor by local retail outlets.
- Good quality supervisors and managers, positive relations with fellow employees, customers and the community all work to create a great place to work.
- Contemporary work practices aligned with the needs of the 21st century workforce will significantly increase the management capability of the retail sector and increase its business competitiveness.

