

# **Hiring and Retaining Your Supply Chain Team**

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**Future Retail Leaders**

Breakout Session D

# The Future Retail Leaders Program

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- ▶ In its 4<sup>th</sup> year, FRL brings promising university students to the RILA Logistics conference with the goal of promoting retail-related logistics careers.
- ▶ Eight companies are sponsoring students to attend the conference and participate in this presentation.
  - ▶ The FRL students and the Logistics Steering Committee thank the following companies for their support in 2008...



# Introducing the FRL Participants

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- ▶ Our program features two teams presenting the major issues related to hiring and retaining entry-level talent.

## “Why Stay” Team

- ▶ **Jim Dykes**  
University of Pittsburgh
- ▶ **Kevin Miller**  
University of Oklahoma
- ▶ **Jessica Volpe**  
Pennsylvania State University
- ▶ **Sapna Mehta**  
University of Toronto

## “Why Leave” Team

- ▶ **Kyle Lambert**  
Michigan State University
- ▶ **Carrie Haywood**  
Auburn University
- ▶ **Johnny Ling**  
Northeastern University
- ▶ **Justin Johnson**  
University of Arkansas



# Session Structure

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- ▶ Each team will address the following aspects of talent development and retention...
  - ▶ Career Development
  - ▶ Mobility
  - ▶ Training
  - ▶ Supplemental Education
- ▶ Following the team presentations we will leave time for an audience Q&A segment.



# Importance of Today's Topic

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- ▶ A real brain drain exists
- ▶ Competition for logistics & supply chain talent is intense
- ▶ Career priorities may differ by generation

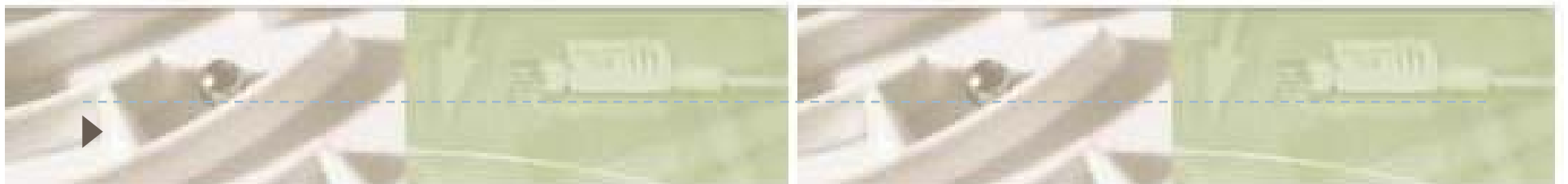
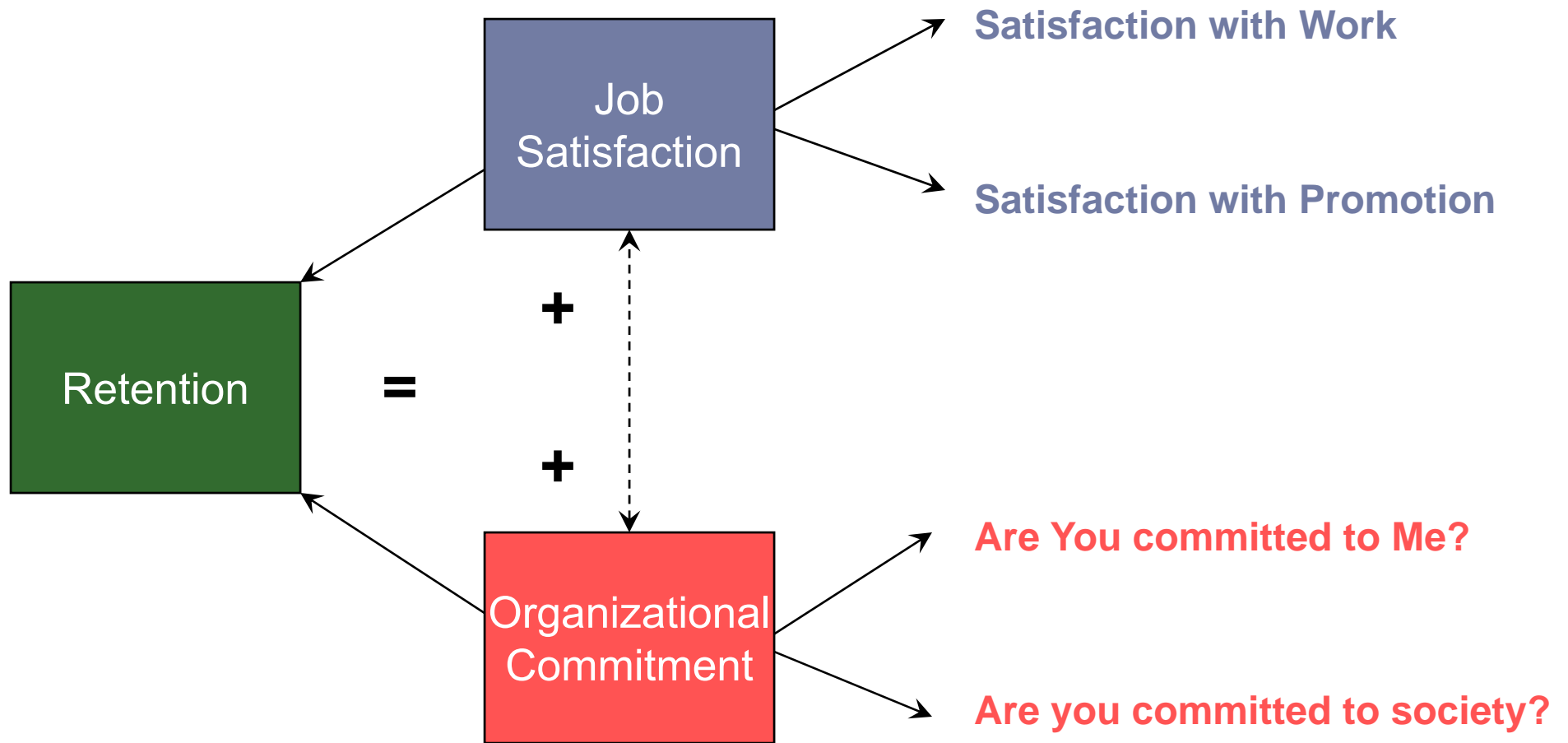


# **Career Development: Why Employees Leave**

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Kyle Lambert, Michigan State University

# Why leave?

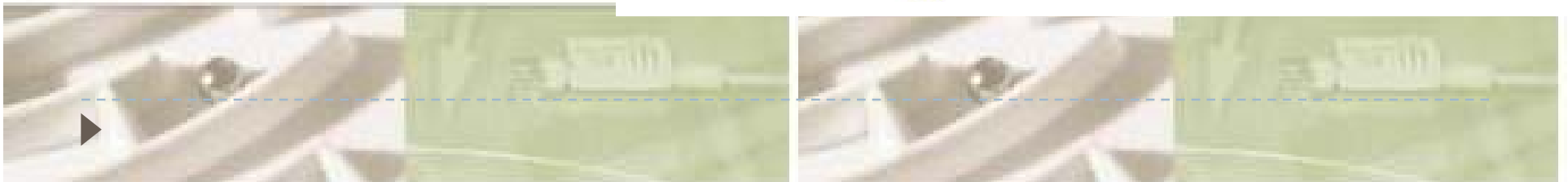
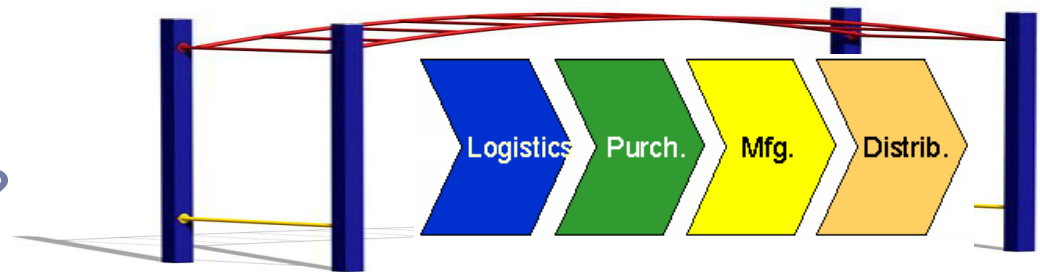


# What to Consider:

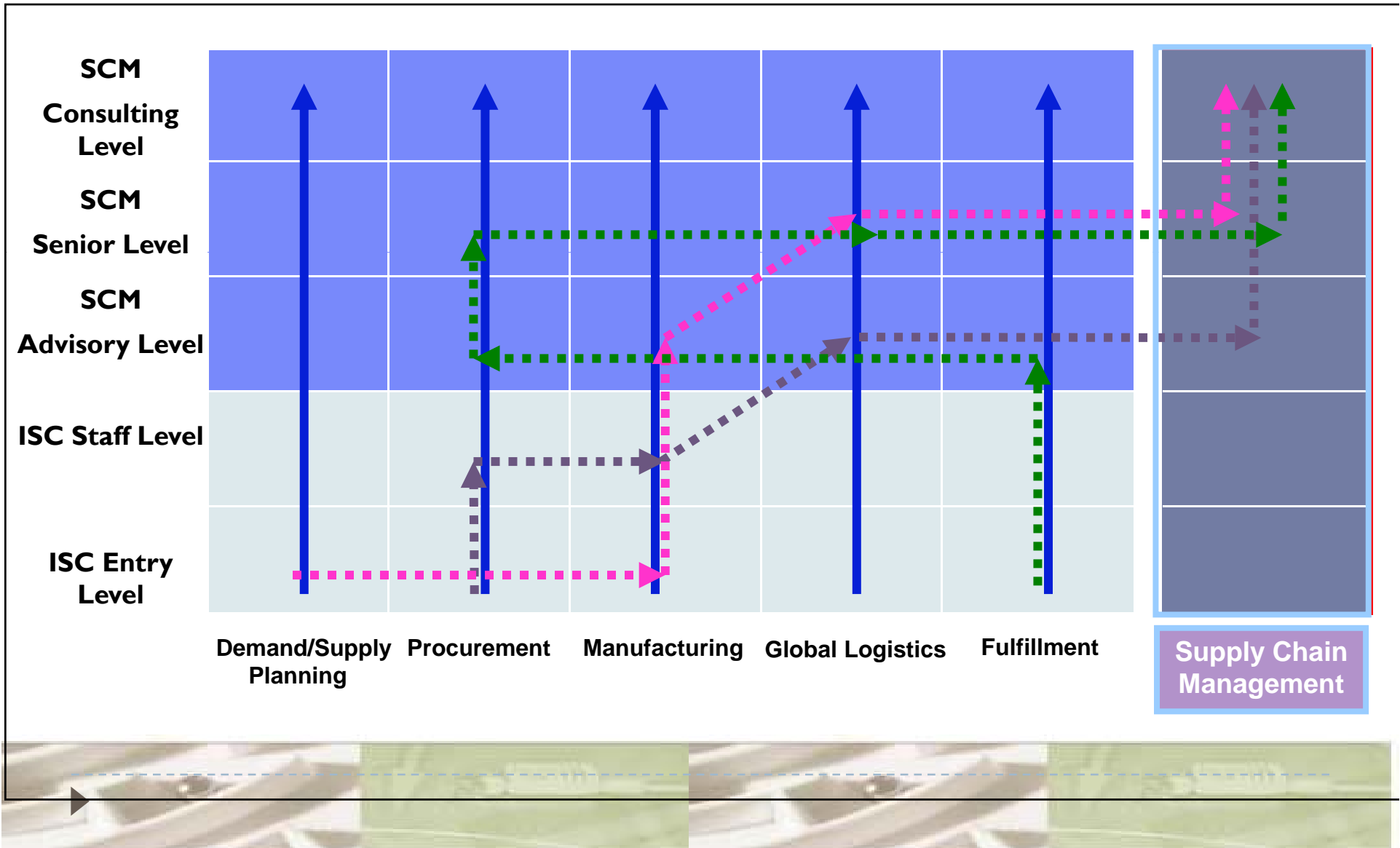
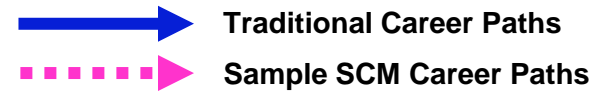
## Job Satisfaction

- ▶ The average person in the U.S. holds around 9 jobs between age 18 and 34.
- ▶ Job satisfaction levels remain fairly similar over one's life
- ▶ (Staw et al., 1986)
- ▶ Variety, identity & feedback
- ▶ Where is the corporate ladder taking me?

Up the Ladder?  
or Across the Monkey Bars?



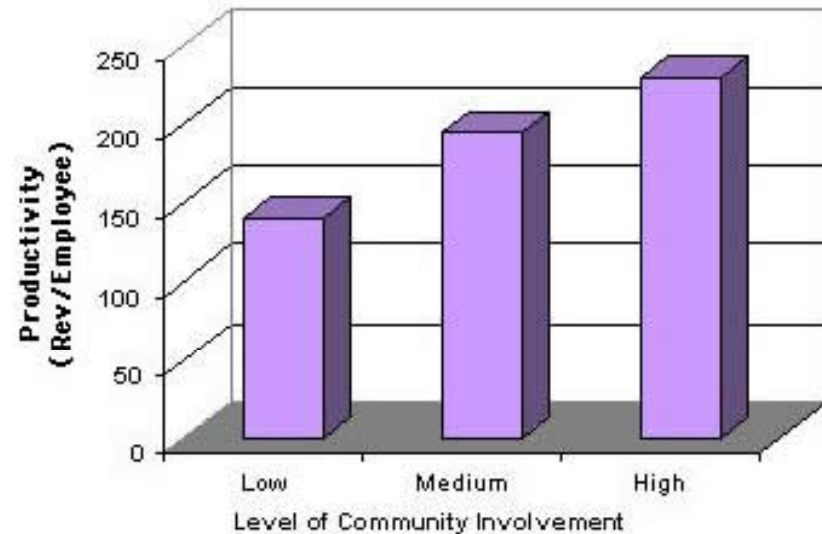
# Supply Chain Career Path:



# What to Consider:

## Organizational Commitment

- ▶ **Are you Committed to Me?**
  - ▶ What training is offered?
  - ▶ Diverse Experiences?,
- ▶ **Are you Committed to Society?**
  - ▶ Community Involvement?
  - ▶ How are you **GREEN**?

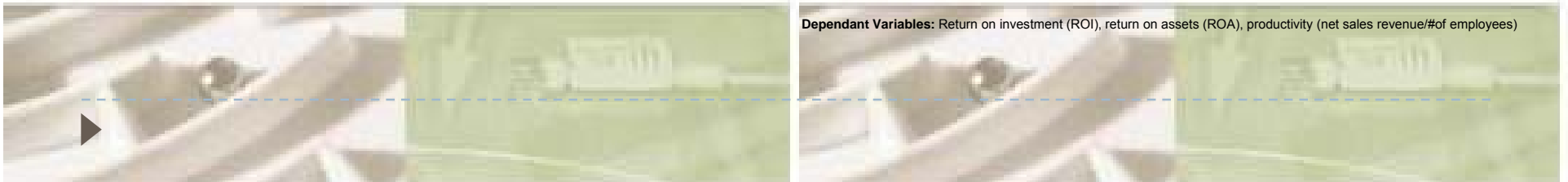


- ▶ "Employees whose companies support social issues are 30% more likely to feel loyal..."

- Cone/Roper Report

Source: Community Involvement, Employee Morale and Business Performance, David Lewin and J.M. Sabater  
Survey: Random sampling of 300 companies (156 responding) with COMPUSTAT financial performance files maintained by S&P

Dependant Variables: Return on investment (ROI), return on assets (ROA), productivity (net sales revenue/#of employees)



# Career Development:

- ▶ The next generation is more demanding... Not all companies understand.

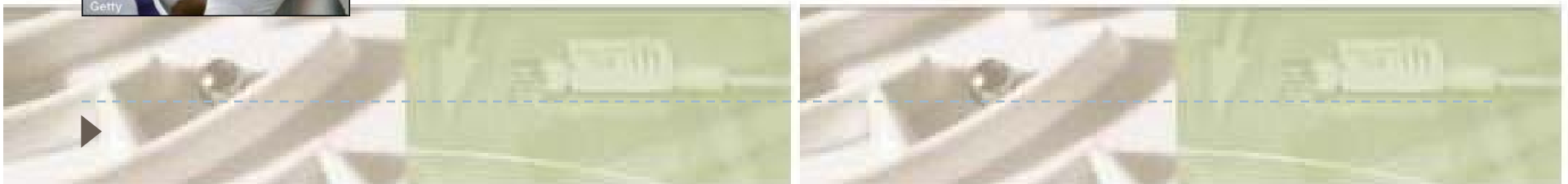
	<u>Traditionalist</u>	<u>Gen X</u>	<u>Gen Y</u>
Job Changing:	Unwise	More Willing	Part of Growth Plan
Training:	The Hard Way	Willing and Open	Expected
Technology Use:	Uncomfortable	Uncomfortable Without	Unable to work without

Adapted from: Lancaster, L.C. and Stillman, D. When Generations Collide: Who They Are. Why They Clash. How to Solve the Generational Puzzle at Work. Wheaton, IL. Harper Business, 2003.



- ▶ Entry Level positions are often not glamorous
- ▶ There is a misalignment between University curriculums and employer expectations.
- ▶ Job characteristic misperception?

University Company



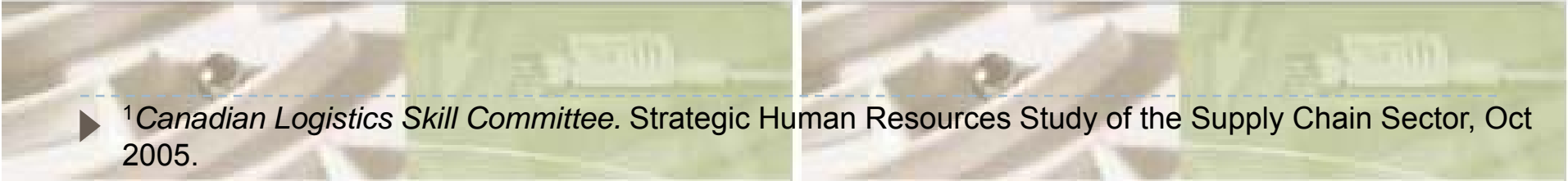
# **Career Development: Why Employees Should Stay**

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Sapna Mehta, University of Toronto

# Job Flexibility


- ▶ Challenging environment
  - ▶ Dynamic and competitive industry that reacts to market, seasonal and global changes
  - ▶ Focus on continual improvement to keep ahead of the market
- ▶ Job rotation through supervisor involvement
  - ▶ Many functional areas<sup>1</sup>
  - ▶ Continual development of transferable skills



▶ <sup>1</sup>Canadian Logistics Skill Committee. Strategic Human Resources Study of the Supply Chain Sector, Oct 2005.

# Employer Programs

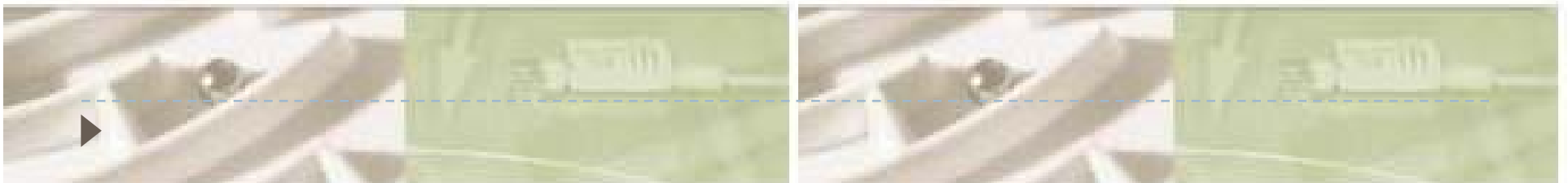
- ▶ Orientation and education programs
  - ▶ Promotes understanding of career development options
- ▶ Mentor system
  - ▶ Coaching and feedback from experienced workers
- ▶ Collect and implement employee feedback<sup>2</sup>
  - ▶ Mirrors retail principle of customer satisfaction
  - ▶ Demonstrates employee's impact on organization



▶ <sup>2</sup>*Monster Intelligence*. Retention Strategies for 2006 and Beyond, Winter 2006.

# Social Initiatives

- ▶ **Team Building**
  - ▶ Networking: reinforces larger view of organization
  - ▶ Volunteering: service-oriented and socially responsible culture
- ▶ **Work-life balance**
  - ▶ Important for dynamic and challenging environments
  - ▶ Increases employee satisfaction and loyalty



# **Mobility: Why Employees Leave**

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Carrie Haywood, Auburn University

# Mobility: Perceptions

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- 1. Lack of opportunities in retail**
- 2. Slow and limited upward mobility in retail**
- 3. Retail is less financially rewarding**

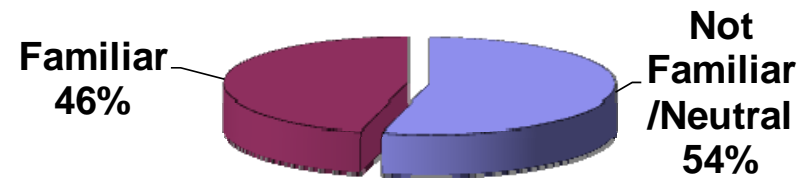


# Lack of Opportunities

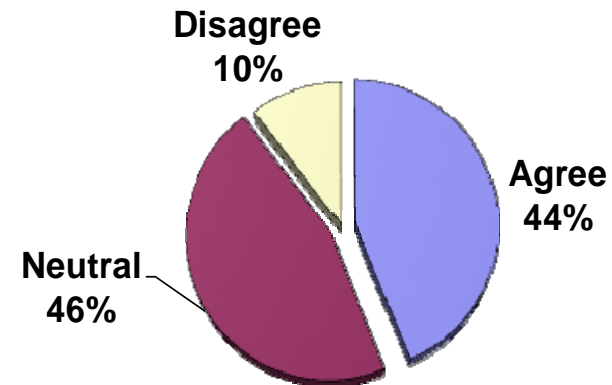
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- Retail companies do not provide sustainable, challenging job opportunities  
Retail Employment and Urban Renewal Report (3/14/2007)
- 54% of students were not familiar or slightly familiar about SCM career opportunities in retail
- 44% of students felt that the best SCM opportunities exist outside retail

**Student Knowledge of SCM Opportunities in Retail**



**The Best SCM Career Opportunities Exist Outside Retail Industry**



# Slow and Limited Upward Mobility

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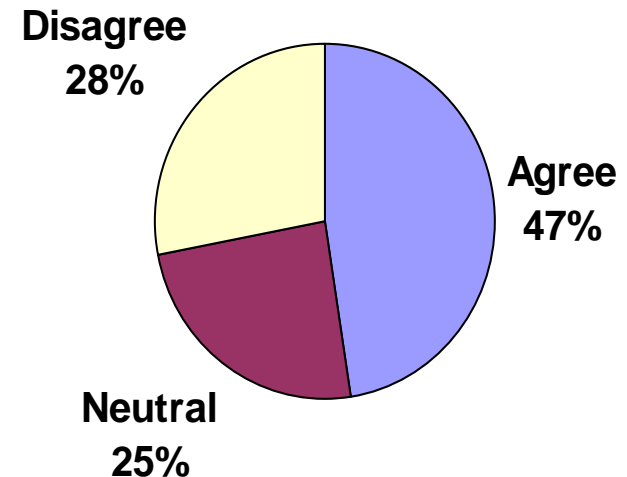
- UF survey: “Fast promotion” and “Limited advancement opportunities” in retail received 2.9/5.0 by students

University of Florida, *Business School Student's Career Perceptions*

- 53% of students are unsure or do not intend on working in retail in the long term

- Retail managers rated “opportunities for promotion/ salary increases” as 3.04/5.0  
Chain Store Age Research, *Rating Retail Jobs* (12/2002)

## Percentage of students who plan to work in retail-related SC career for 5+ years

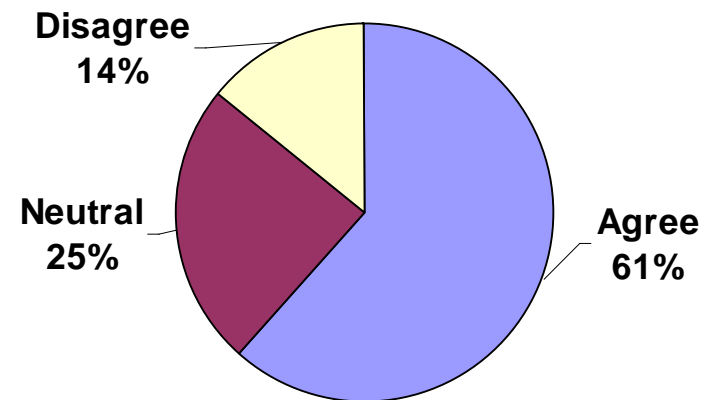


# Less Financially Rewarding

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- UF survey: “Poor Salary” in retail careers was rated 3.1/5.0 by students  
*University of Florida, Business School Student’s Career Perceptions*
- Low wage, part-time work has become the archetype of retail employment  
*Annette Bernhardt, Institute on Education and Economy, Case Studies in the Retail Industry*
- 25% of students are unaware of the competitive salaries for SC managers in retail

## Retailers Offer Competitive Salaries for Young SC Managers



# **Mobility: Why Employees Should Stay**

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Jessica Volpe, Pennsylvania State University

# Mobility

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- ▶ Horizontal

- ▶ Across supply chain functions
  - ▶ Continuous education

- ▶ Vertical

- ▶ Career advancement
  - ▶ Financial incentives
  - ▶ Promotion potential

- ▶ Retail logistics is a dynamic industry – many opportunities to grow!



# Horizontal Mobility

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- ▶ Within a retail company supply chain:
  - ▶ Supplier
  - ▶ Plant
  - ▶ Distribution Center
  - ▶ Headquarters
    - ▶ Buyer
    - ▶ Sales & Operations Planning



# Vertical Mobility: How to achieve the promotion?

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- ▶ Employees must communicate:
  - ▶ Willingness to learn
  - ▶ Pro-active
  - ▶ Self-promotion
  - ▶ Networking with other managers
  - ▶ Career development – determine **long term goals**
  - ▶ Personal initiative
  - ▶ Advanced degrees



# **Training: Why Employees Leave**

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Johnny Ling, Northeastern University

# On The Job Training

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- ▶ Ignores the benefits of HR's knowledge/experience.
- ▶ Trainers are not always the best suited.
- ▶ Hard to quantify successful training.



# Pre-Training Programs

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- ▶ Lack of focus for specific roles.
- ▶ Lack of support and dedication from employers.
- ▶ Easy to quantify, but hard to practice.



# Culture of Training

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- ▶ Acceptance of the importance of training.
- ▶ Gen Y Scenario: Capturing the new crowd.

	Traditionalist	Gen X	Gen Y
Training	The hard way	Required to Keep Me	Continuous and Expected

Source: Lancaster, L.C. and Stillman, D. When Generations Collide: Who They Are. Why They Clash. How to Solve the Generational Puzzle at Work. Wheaton, IL. Harper Business, 2003.

- ▶ Training to develop vs. filling a role.

- Lynda Ford, *Retention Management and Metrics.*



# **Training: Why Employees Should Stay**

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Kevin Miller, University of Oklahoma

# Why Train On The Job?

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- ▶ **Necessary to be successful in the Industry**
  - ▶ Advanced Technology
  - ▶ Each company's culture & operations are unique
  - ▶ Mentor provides a role model and friend
- ▶ **Important to Prospective Employees**
  - ▶ Candidates see it as a part of the benefits package
    - ▶ “Value added” to the knowledge set
  - ▶ Company wants to keep you



# Benefits of Internal Training

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## ▶ Employee

- ▶ Help acclimatize to company
  - ▶ Lingo, best practices
- ▶ Help to fuse previous knowledge into the industry
- ▶ Mentor → beginning of networking

## ▶ Employer

- ▶ Teach the specifics of their company
- ▶ Help to breed company culture
- ▶ Attract outstanding employees



# Items Needed for Successful Training & Mentoring Program

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- ▶ **Mentor Program**
  - ▶ Make employees feel welcomed
- ▶ **Train entry level as well as managers**
  - ▶ How to deal with new employees
- ▶ **Extended program**
  - ▶ Give employee better idea of company
  - ▶ 4-5 months or even longer
- ▶ **Communicate with employees before it is too late**
  - ▶ Don't wait until the exit interview

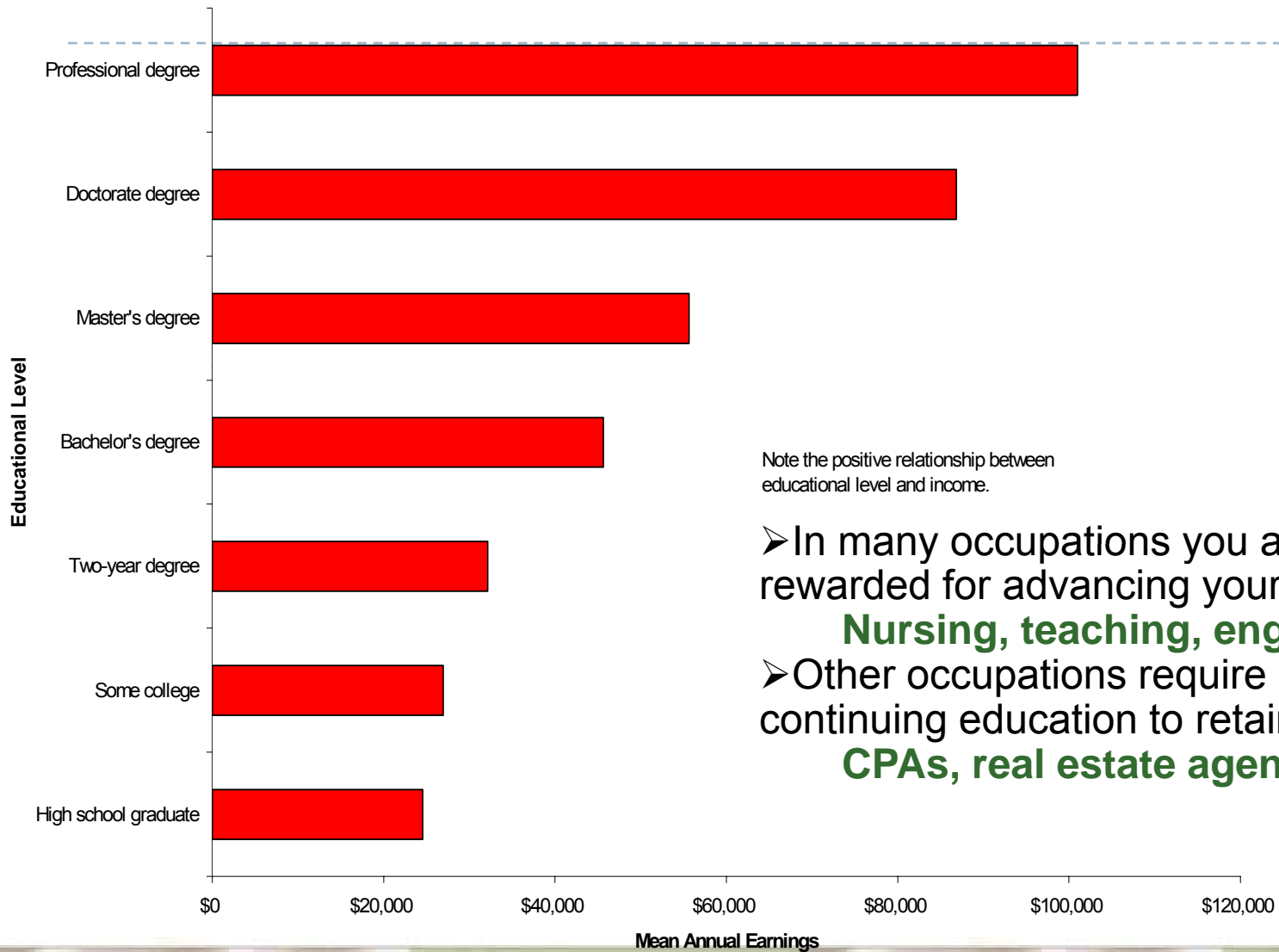


# **Supplemental Education: Why Employees Leave**

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Justin Johnson, University of Arkansas

# Why is Supplemental Education an Issue?



- In many occupations you are financially rewarded for advancing your education  
**Nursing, teaching, engineering, etc.**
- Other occupations require annual continuing education to retain licenses  
**CPAs, real estate agents, etc.**



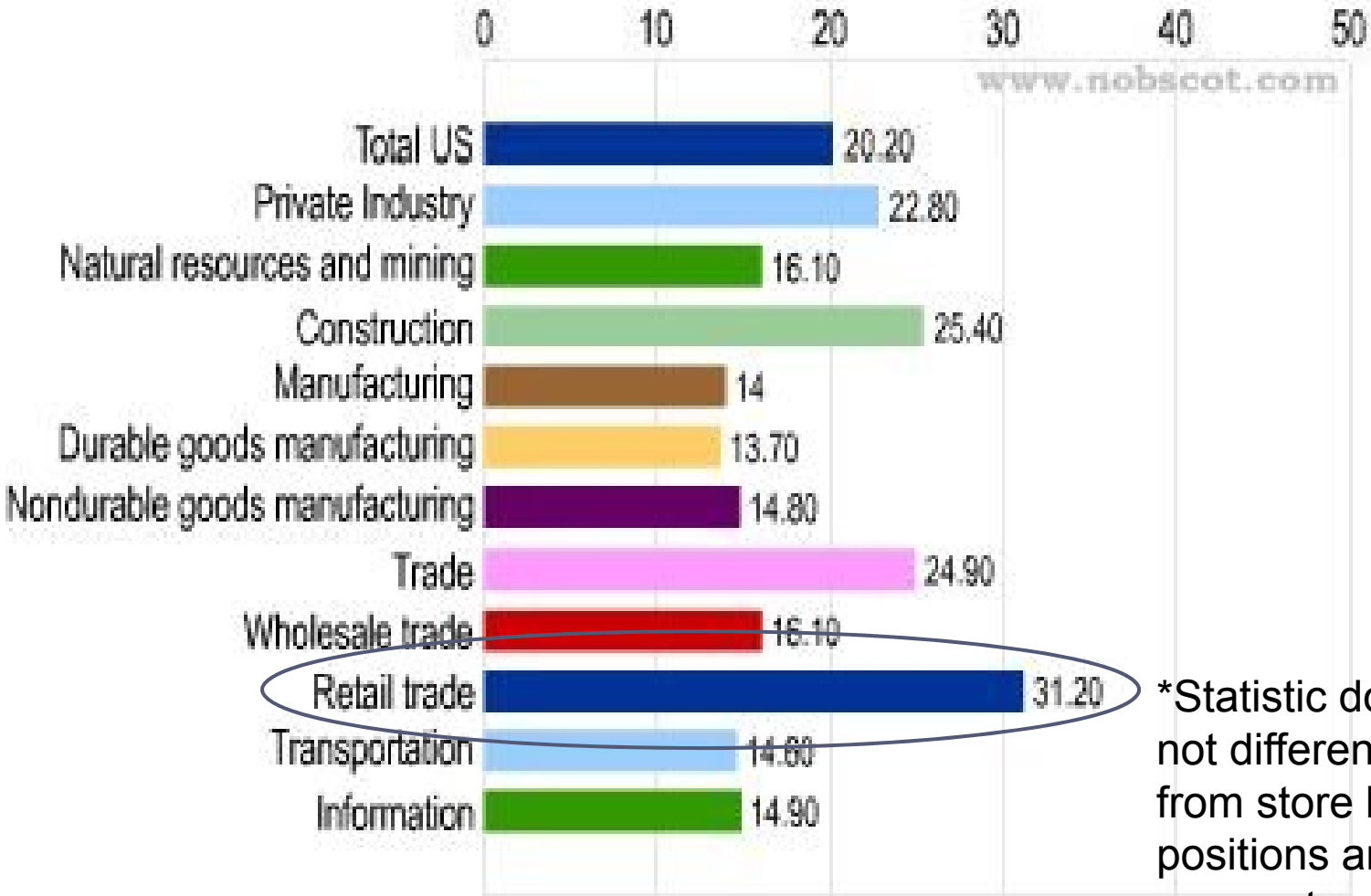
# Department of Labor Survey Findings

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- ▶ Misperception that retail industry suited for non-educated individuals.
- ▶ Lack of enhancing capacity of educational institutions in retail based majors.
- ▶ Lack of educational encouragement has bypassed salary for top retail retention issues.



# Annual U.S. Voluntary Turnover by Industry



\*Statistic does not differentiate from store level positions and corporate or managerial positions\*



# Why may employees leave to pursue “Supplemental Education.”

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## Lack of company sponsored graduate programs.

- ▶ Continued knowledge
- ▶ Career Advancement
- ▶ Value/Role Ambiguity

## Lack of flexibility in retail majors.

- ▶ Less marketable degree
- ▶ Other Fields/Majors
- ▶ Company perspective



# **Supplemental Education: Why Employees Should Stay**

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Jim Dykes, University of Pittsburgh

# The Start of Supplemental Education

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- ▶ Initial training during a person's career
  - ▶ Can consist of
    - ▶ Seminars
    - ▶ Computer-Based Training
    - ▶ Can be instructor-led or web-based



# The Start of Supplemental Education

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- ▶ Continued Growth
  - ▶ Offered at various stages of employee tenure
  - ▶ Support career advancement and track
  - ▶ Education types include:
    - ▶ On-the-job
    - ▶ Instructor-led
    - ▶ Computer/video-based
    - ▶ Self-paced
    - ▶ Mentor/Leader coaching



# Programs in Place

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- ▶ **U.S. Department of Labor**
  - ▶ Alternative training strategies
  - ▶ Initiating retail skills centers
  
- ▶ **The Retail Learning Leadership Initiative**
  - ▶ Cross-industry career ladder from sales associate through senior management
  - ▶ Core competency and training curricula model



# How Retail Industry Can Retain

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- ▶ Supplemental Education programs can enable Retailers to
  - ▶ Expand the pipeline of youth.
  - ▶ Help alternative labor pools gain industry-defined skills and competencies.
  - ▶ Develop alternative training strategies.
  - ▶ Develop tools and curricula for enhancing skill sets.



# How Retail Industry Can Retain

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(Continued)

- ▶ Enhance the capacity of educational institutions.
- ▶ Develop industry-defined career ladders and lattices.
- ▶ Develop strategies to retain and retrain incumbent workers.
- ▶ Assist the transition of individuals from declining industries to high growth industries.



# Thank you for your time!

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- ▶ Questions for the panel





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