

2021 Hiring Benchmark Report

The State of Hiring in the Retail Industry

Key insights into how hiring and HR in the retail sector has adapted in a year of unprecedented change, and strategies for success in the future.



Welcome

Welcome to Occupop's State of Hiring in the Retail Industry Report, a comprehensive evaluation of the hiring trends, challenges, and nuances of hiring in the retail in 2021.

We conduct research from different industries to learn more about how companies attract, hire, and retain their teams and the current challenges facing each sector.

This year we have focused on understanding how organisations are responding to one of the most tumultuous years in recent memory. COVID-19 and the resulting increase in unemployment have fundamentally shifted the balance in hiring across each and every industry.

In this State of Hiring in the Retail Industry report, we've researched and collated industry statistics, trends and observations from our own data and also externally available data to help you develop and optimise your hiring strategy in the post-pandemic employment market.

Attracting top talent requires robust and relevant employment branding strategies. Further, it must remain an organisational priority.

We hope you'll find this report insightful and will use it as a benchmark for building a successful hiring strategy in retail over the coming year, and how to successfully adapt and modify recruitment tactics in what is probably the most challenging employment market for retail employers to date.

Any thoughts or questions, please feel free to share them with us via Twitter, LinkedIn, or by direct email.

- Joanne Moylan



Joanne Moylan

Sales Development, Retail
joanne@occupop.com

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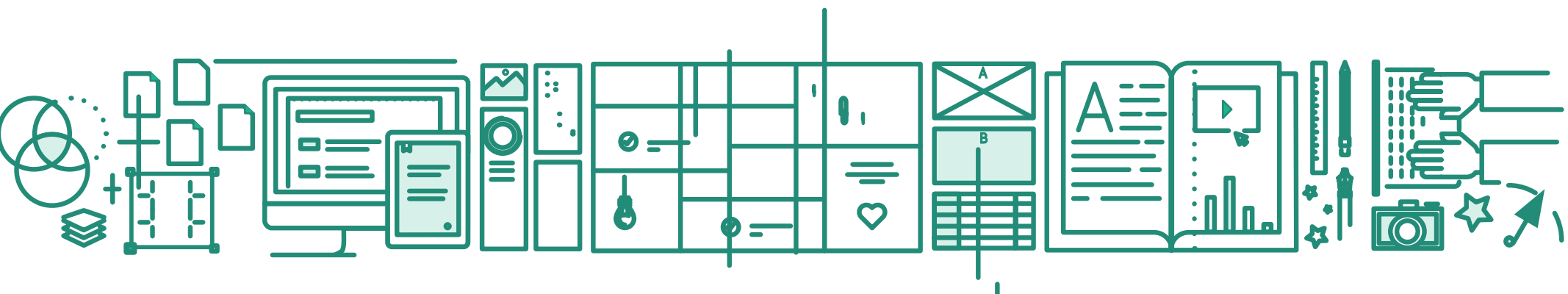
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About this Report

The results and findings in this report was drawn from the hiring activities of over 50 Occupop customers in the retail sector in the past year.

It covered multiple retail lines of business including hotel groups, guest houses, restaurants, bars and organisations of multiple different sizes based in the UK and Ireland. Data was collected in August 2021.

We hope you find this report interesting and that it provides you with a benchmark to formulate your retail recruitment strategy moving into 2022.



Orla Doyle

Head of Research
orla@occupop.com

About Occupop

Occupop is a beautifully simple recruitment software built for small and medium businesses. We help businesses be great at hiring through our simple philosophy – to make recruitment incredibly easy and accessible to everyone at work. So, businesses can hire the best people and build the best teams.

At Occupop, the automation and digitisation of the recruitment process for retail companies has been our key area of focus for the past 5 years. We have helped retail companies across the UK & Ireland turn manual, laborious volume hiring processes into efficient, candidate friendly digital experiences.

In the past 12 months alone, we've helped retail companies across Ireland and the UK helping them through the challenges of operating during the pandemic, but ensuring they thrive in years to come.

Retail Hiring Trends: Results & Findings



Demand for Retail Talent

Average no. applicants across retail sector



Rate of retail jobs listed to filled



Job Searches & Vacancies

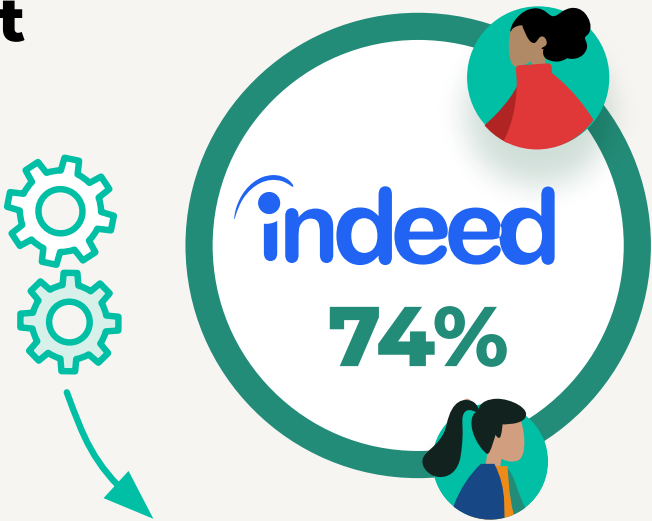


Retail Assistant

Highest number of applicants for a single job posting
1,000 Applications.

Hired Source Insights

Best source of retail hires by platform across the Occupop network.



Retail Job Openings

1,417 The number of retail job openings activated across the Occupop network to date in 2021.

Retail Candidates Hired

404 The number of retail candidates hired on the Occupop network ito date in 2021.

Retail Job Applications

73,049 The number of retail job applications across the Occupop network to date in 2021.

Pulse of the Retail Market



Economic Overview

The Top of Mind Business Leaders Survey by Lumina intelligence shows that even though we are entering a post-pandemic era, the challenges for a reawakening retail sector have only just begun.

Far from being able to ease back into things the embattled retail sector is being required to hit the post-pandemic ground running. Retail sales are bouncing back strongly with research by Deloitte showing that **not only is consumer appetite strong, there is pent up demand for both big ticket and discretionary items.** Along with this, estimates suggests that consumers across the EU accrued around £450 billion pounds worth of savings during lockdown, so retailers are readying themselves for a strong consumer-led recovery in late 2021 and early 2022.

But, reopening the retail sector is proving to be a challenging process as the industry treads water in the shadow of Brexit. Yes, nearly two years on from the UK split from Europe the **retail sector is still being impacted by this event in 5 ways according to a survey of UK retail business leaders:**

- Increased administrative effort for import/export **(54%)**
- More unreliable supply chain **(54%)**
- Increased import/export costs **(51%)**
- Staff shortages **(49%)**
- Slower supply chain **(47%)**

Staff shortages in retail have been exacerbated by the 'pingdemic' with 49% of business's staffing volumes being impacted by the NHS test, trace and isolate programme. Brexit and the pingdemic have combined to create the perfect storm for retail employers with hiring efforts being hampered just at the point demand is skyrocketing.

Economic Overview

The situation is more dire than it would seem as, according to data from KPMG and the Recruitment and Employment Confederation, **demand for workers in retail is at a 23 year high, but data suggests that the qualified retail worker labour pool is shrinking at it's fastest level in 4 years**. Part of the reason for this is a reduction in availability of UK workers, but retail worker's are also experiencing a loss of appetite for the sector choosing to move sectors at the end of furlough.

Fashion retailers seems to be one of the hardest hit sub-sectors along with small, independent retailers employing less than 1000 staff, with figures from Fourth and Consensus-wide showing that, '42% of small retailers felt Brexit made hiring harder compared to 35% of larger firms'.

Warehouse and sorting staff shortages are increasing due to significant numbers of consumers having shifted to an e-commerce model, and consequently proving reluctant to return back to an in-person shopping model, even in the face of a successful vaccine roll-out programme.

This war for retail talent is leading employers to enhance their employee offering to attract and retain staff. Sign-on bonuses, retention bonuses, weekly attendance bonuses, which were once considered innovative, have now become prevalent, (and even the norm) in some acute shortage areas like warehouse and sorting staff. This enhancement of terms and conditions to attract and retain staff is part of a growing trend. According to the research paper, Post-pandemic retail: retail leaders' plans and predictions for the industry, summarized in theHRdirector.com, almost one-third of retailers (31%) are planning to offer more employee benefits within their contracts.



occupop

How Boylesports transformed their hiring process

Boylesports drastically reduced their agency recruitment costs and improved their employer brand with a recruitment solution that was quick to roll out across their multiple retail shops in Ireland and the UK, & increased the volume of direct applications.

[Read case study →](#)

Hiring Challenges



Retail Hiring Challenges

Like many areas of industry the retail sector is facing post-pandemic shortages. According to the research paper Post-pandemic retail: retail leaders' plans and predictions for the industry summarized in theHRdirector.com, **just under a third of retailers (30%) have struggled to locate the right candidates**. The sector breakdown revealing the most badly affected areas is shown below:

- Attractions-based business **(38%)**
- Clothing-based retail **(35%)**
- Automotive retail **(33%)**

Smaller retailers, (between 500-999 employees), seem to be impacted more by this, with 42% saying that Brexit has made it harder to find qualified staff, compared to 35% of bigger retail businesses, with over 5000 employees. Two chief areas of concern for retail employers around hiring are:

- attracting candidates to apply for roles **(33%)**;
- and hiring the best candidates before competitors do **(31%)**,

For larger firms, the top issue is offering competitive salaries **(50%)**.



Growth stagnation

With the research also showing that 20% of retail leaders say they expect to hire more employees in 2021, the current talent-starved environment will make it a challenge for these retailers to recruit and grow their business. Larger retailers will be impacted more as they attempt to grow as nearly half of them have ambitious, bounce-back headcount growth plans.


Retention concerns

While Brexit-related hiring issues remain a concern, another issue for retail employees is finding loyal employees who will remain in their positions for the long term, with 35% of employers experiencing this problem. We've seen examples of retailers offering both retention bonuses and enhanced benefits, (including flexible working options), to encourage employees to stay. More on that later.

As we approach the fourth quarter, the busiest time of the year for retail, research shows that around '42% of retail workers are considering or planning to leave retail post-pandemic.' A recent survey of associates reported on WWD found that 'those associates don't feel their employers are putting enough energy into improving the workplace.

In fact, the research showed that just '24% of those surveyed believed that retailers are doing enough to retain talent and build an ambitious workforce'.

Retail employers face a perfect storm as they struggle to attract staff in an environment where existing staff have become disaffected with working conditions in retail. This is all happening in an environment where post-pandemic **demand for talent is the highest it has been in 20 years**, according to a quarterly outlook survey by the ManpowerGroup. Speaking on this, Melissa Hasset, VP at Manpower Group, says,



"The retail work situation is dire. Most companies have not recovered from the pandemic, I don't think, and have not gotten back to 100 percent staffing levels... everyone is behind in terms of staffing and that goes across logistics, distribution, retail, call centers, all of these onsite hourly roles," she said. "It used to be that they all had very different challenges but today they all have the same challenge, which is, there are not enough people to fill the roles that are open."

Warehouse associate shortages

According to a report on Sky.com, an Amazon spokesperson said that, **“warehouse pickers and packers across the UK are urgently needed” to meet booming demand**. In the US, warehouse and distribution roles have been in great demand, although local experts think the situation will change in the 4th quarter, with the hiring pain shifting to in-store retail associate roles.

Fears for mental-health deterring retail workers

Research is showing that **violence and abuse against retail workers has increased during the pandemic**. What's made the situation worse is the Home Affairs Committee Finding that, **‘2/3 of shopworkers who report incidents of abuse or violence say no help was given to them from employers or police’**. It's no surprise to hear the Retail Trust Chief Executive Chris Brook-Carter **tell the [retailgazette.co.uk](https://www.retailgazette.co.uk)** that, “We've seen rates of mental ill health rise and a dramatic increase in the number of incidences of verbal, violent and racial attacks on store staff.

Well-being in the workplace and has become crucial since the pandemic and existing and potential new workers want to know their employer cares about their mental health and such policies are vital for any retailer looking to attract new retail talent.

Brexit

According to new research from Lumina into the retail and hospitality sector **nearly half (49%) of business leader's surveyed believe staff shortages have been one of the biggest impacts of Brexit on their business.**

Pingdemic

These retail staff shortages have been exacerbated by covid and the pingdemic where the NHS test and trace app was requiring significant numbers of retail staff to self isolate.

Furlough switchers

Staff shortages in the retail sector have been driven in part by, ‘workers who had spent months on furlough choosing to move sectors over the past year.’

Changing Tactics



Recruitment – Changing Tactics

1. Greater emphasis on work-place well-being

Well-being in the workplace and has become crucial since the pandemic began and existing workers and job candidates want to know their employer cares about their mental health. This means that a functioning well-being policy has become vital for any retailer looking to attract new retail talent. Several employers have responded to this challenge with **Louis Vuitton owner LVMH launching an employee assistance programme** for 150,000 employees across its 70 countries of operation. Key features of this programme include:

- The LVMH Heart Fund offers a free, anonymous and confidential support hotline
- The programme aims to help employees deal



John Lewis

The partnership are introducing some new policies to boost health and well-being, helping to show they are a caring employer which is an asset in a toxic shop floor environment which many retail staff face today.

Key features of this programme are:



Six months of equal parenthood paid leave for any staff member, in what is dubbed a UK retail first.



Two weeks of paid leave if staff members experience the loss of a pregnancy



Pilot programme to provide career help for young people leaving the care system.

2. Deliberate overstaffing

Around 4% of Iceland's 30,000 strong work-force were self-isolating at absent from work at any point during July. **Reported in the Mirror Newspaper money section**, Iceland managing director Richard Walker said over 1,000 staff had been "pinged" and staff absence rates are now double the usual number, with the figure rising 50% "week on week". As a result, Iceland have chosen to recruit 2,000 additional staff to specifically combat staff shortages resulting from the pingdemic and will advertise roles in stores, social media and petrol service stations.

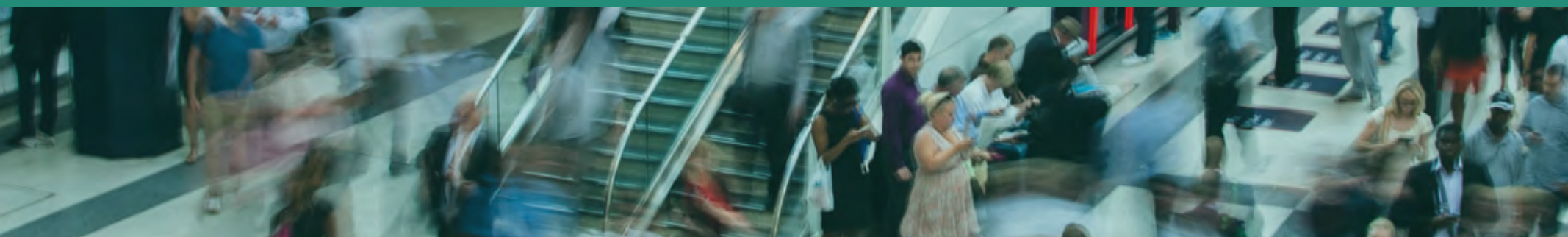
In the US we are seeing that bigger retail stores are deliberately over-hiring in August and September during the back-to-school push and are planning to hold on to these staff and hire new staff as the holiday season approaches.

3. Reducing education requirements for new hires

CVS Pharmacy chain has taken the bold step to reduce it's education requirements for new hires which had been previously preventing people from gaining employment in it's stores. In particular, it has, 'eliminated the requirement for a high school diploma or GED requirement for most entry-level roles, and this year it plans to end its GPA requirement when recruiting at universities.'

CVS Pharmacy has also sought to increase the pool of qualified applicants by developed training programmes to deploy workers to different positions across the company. They recently opened a work-force innovation and talent centre in Pittsburgh which engages with faith-based and local community groups to find workers and place them in jobs within the chain.

Amazon warehouse 'sortation operatives' are not required to have any previous qualifications or work experience with full logistics training provided.



4. Bonuses

Weekly Bonuses

Walmart has taken the step of handing out weekly bonuses to its warehouse staff in order to compete in the tight labour market and to help recruit for the upcoming holiday season. Additional pay will be based on the worker's location, roles and shift, enabling them to specifically target positions where the competition for talent is most strong. This could result in some FTE workers receiving up to \$200 more per week and considerably more if they do overtime. This bonus plan will continue until the end of the fiscal year at most of its distribution and fulfilment centres.

Sign-on bonuses

Amazon is offering new warehouse workers a £1,000 sign-on bonus in order to win in the current war for retail talent, particularly warehouse workers.

According to a report on Sky, an Amazon spokesperson said that, "warehouse pickers and packers across the UK are urgently needed" to meet booming demand. Workers who are hired before the 18th September could be eligible for the bonus suggests this Sky News report. The goal here is to attract new permanent and seasonal staff in perhaps the most competitive period for hiring.

Holiday season retention bonus

Kohls has recently confirmed that its existing hourly store staff along with distribution centre and ecommerce fulfilment center associates will be eligible for a \$100 to \$400 retention bonus if they remain working with Kohls during the holiday season. "This is to counter the current trend of associates leaving their job in favour of other employment", Michelle Gass, CEO of Kohl's, said.



5. Perks

There has been a trend towards creative perks to entice new applicants, particularly in this crucial run up to Christmas.

- **Amazon are offering immediate starts** to both full-time and contract members of staff as a means to speed up recruitment.
- **Amazon have introduced a range of different fixed shift patterns** so employees can flex work around their lifestyle. Here is an example of the flexible options from the Bristol depot:

- Fixed shift patterns. Shift availability may vary.
- Current shifts available : Nights - 23:00 – 9:30, Hybrid - 07:00 - 13:30
- Working patterns covering 3, 4 and 5 days.

- Amazon will also pay an hourly rate of up to £11.10, rising to £22.20 for overtime, suggests the report on skynews.com.

This enhancement of terms and conditions to attract and retain staff is part of growing trend according to the research paper, **Post-pandemic retail: retail leaders' plans and predictions for the industry summarised in theHRdirector.com.**

Accelerated Hiring Process

To enable a quicker recruitment process Amazon have introduced virtual interviews and a policy of immediate starts once accepted for a position.

Educational Assistance

Target Retail has taken the bold step of offering new educational perks as a way to attract new hires into the retail sector. From this autumn it has announced that it will, 'cover the cost of tuition, fees and textbooks for part- and full-time workers who pursue a qualifying undergraduate degree at more than 40 institutions. It will also fund advanced degrees, paying up to \$10,000 each year for master's programs at those schools.' Key features of this new employee perk designed to make them an employer of choice in the retail talent market are:

- Employees qualify on first day of employment.
- Target will cover the full cost for 250 programs aligned to its business, such as computer science, information technology and business management. If an employee chooses a different speciality or seeks a graduate degree, Target will pay up to \$5,250 for non-master's degrees and up to \$10,000 for master's degrees each year in direct payments to the academic institution.

6. Hybrid Working for office-based retail staff

As summer holidays end and autumn approaches signs are emerging that city businesses are starting a return-to-the-office drive. **An article from the Times** highlights how several big city firms are starting to recall their employees back into the office. BT, as an example was looking to fully staff new offices in Birmingham and London. With increased footfall predicted during the peak sales seasons, retailers are looking to bring more staff back into offices and to be able to both retain and hire staff during what could be a turbulent period.

Primark recently announced that it's office based employees will be returning back to workspaces from September. They are taking nothing for granted here and are launching a shiny new hybrid working model to keep employees engaged and help them remain an employer of choice so they can resist employee churn and remain attractive to new hires.

Key elements of Primark's new hybrid working model include:

- Primark's office-based employees working in an office setting for an average of three days a week
- This will be determined by individual role requirement and with agreement at team level
- Developed in response to a series of internal listening sessions and work-type assessments that have occurred over the past year.
- Evolution of existing approach which includes the 'choice to work from home, on the go or from different locations, plus flexible start and finish times and early finish Fridays'.

Lorraine Culligan, Group Director of People and Culture at Primark commented in retailgazette.co.uk:

"We want to protect our great culture, support our people into the future and continue to innovate for our customers. Together, we have taken the learnings and insights from the last 18 months to develop a hybrid working model that gives us the best of both remote and in-person work, balancing flexibility with human connection and collaboration."

Future Outlook



Future Outlook

Like many others at this time, the Retail sector has been facing huge challenges over the past year in the form of the covid pandemic, which has pushed retail staff and operations to the edge.

With the high street remaining open only for essential services during the pandemic, there was a two-tiered employee experience in existence, divided into those who continued working and those who were furloughed.

With the success of the 2021 vaccination programme and the reopening of society in early summer the game was back on for the retail sector. The government, the public and shareholders had great expectations for an asap-return-to-retail-normal for the high street, but this proved unrealistic given what had happened during the pandemic. For, example, **in the first half of 2021 over 8,000 retail outlets in the UK went out of business**, the cause and effect being a growing dependency on ecommerce. This tectonic shift in the consumer retail landscape has placed huge demand for retail staff in warehouse and sortation which the industry has been struggling to meet. This bounce-back has been unprecedented as

demand for workers is at a 23 year high while qualified retail worker labour is shrinking at it's fastest level in 4 years.

The retail staffing challenge is monumental but the changes that need to be made are surprisingly, even refreshingly clear for employers. The pandemic period has culminated in 'The Great Reset' of workers attitudes in retail. Expectations have risen and retail workers want and (are able to find), better pay, better conditions, more flexibility /or greater well-being in others sectors. Nationwide staffing shortages mean opportunities for industry-switching are currently abundant, **research suggests** that these staff shortages could last two years so retailers cannot afford to allow the situation to fix itself and must make swift, decisive and progressive changes to their HR policy and employer branding to make the retail sector an industry of choice.

Some of the more aggressive short-term tactics to hire staff have involved lucrative sign-on bonuses, weekly retention bonuses and holiday period retention bonuses. These tools have their place but are more accessible to larger firms with greater financial capability.

Future Outlook

There are plenty of tools that smaller firms, (who have been finding it harder to recruit versus big retail), can and should be using to attract retail staff. Lack of care for mental health and a lack of flexible working opportunities seem to be two clear deterrents to remaining or working in the retail sector.

Luis Vuitton famously announced they had designed their own Employee Assistance Programme to help retail workers deal with work pressures. These can be very affordable for small employers and are great way to help retail workers feel emotionally supported on their return to work and readjustment period.

Smaller employers can get feedback from staff just like Primark did and review, upgrade and redesign their flexible working policy to be attractive to the existing workforce and marketplace.

But, the reality is that EAP and Flexible working are hardly groundbreaking any more, and performing in these areas will put you on the curve not ahead of it. Creative thinking and innovative practices will be required to get ahead of the game and survive

in this fiercely competitive environment. You don't need an MBA to do this, one of the simplest ways to innovate is cross-fertilization by looking at what's worked in other sectors and repurposing them and using them in your own. We have written other reports like this in covering hospitality, supply chain and the NHS and if you want to read insights from these sectors do let us know.

With every problem comes an opportunity and now is the time to rise to the challenge and deploy innovative strategies to overcome the adversity. If the retail sector can incorporate a greater emphasis on mental well-being and flexible working, it can become an employer of choice and attract and retain the critical talent it requires.

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Ready to automate and digitise your recruitment process?

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