



Job Openings Are Up, Hiring Is Down – What Can Retailers Do to Recruit and Retain Workers?

By [Samantha McDonald](#)

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It's a candidate's market out there.

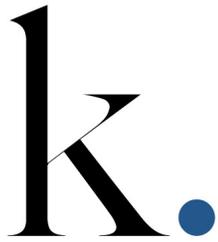
Last week, the Bureau of Labor Statistics reported a record 8.1 million job openings at the end of March, while payrolls showed a disappointing 266,000 gain in April. The employment picture was similar for the retail sector, which saw a widening gap between the number of open positions and workers who were taking on those roles.

With job vacancies up and hiring slowing down, retailers are finding it more challenging than ever to recruit and retain employees. Exacerbated by the global health crisis, a few factors are at play: the fear of contracting COVID-19, limited in-classroom learning and day-care capacities, a drop-off in production levels attributed to supply chain disruptions and even additional jobless checks from the federal government.

“It's not a labor shortage; it's a lack of willingness to do the job,” said David Ritter, managing director of global consultancy Alvarez & Marsal's consumer and retail group. “The traditional pre-pandemic models are competing against a \$300-per-week unemployment benefit. It's a supply and demand issue that's putting employers in a tough position, and employees have the power in that there's more jobs than workers willing to take those jobs.”

But it's not all bad news for employers. The federal payments — part of President Joe Biden's massive \$1.9 trillion relief package — are set to expire in early September, and an increasing number of states have announced plans to end those unemployment benefits early. What's more, amid an aggressive vaccine rollout, many students will be expected to attend school in person in the fall, which could abate issues related to childcare.

“We're going to see new challenges come up and solutions arise — not only in 2021, but in the years to come,” explained Kyle Rudy, a partner at retail executive search firm Kirk Palmer



Associates. “Candidates at all levels get to be more selective, and companies are going to have to figure out how to navigate them.”

Here, experts sound off on how employers can make their companies more attractive to workers in the pandemic era.

Offer good pay

With the national minimum wage set to increase to \$15 over the next five years, some of the country’s largest employers — including big-box retailers like Walmart and Target, e-commerce behemoth Amazon, as well as discount chains Dollar General and Dollar Tree — have raised their starting pay in an attempt to incentivize people to return to work.

“Given all of the attention minimum wage has gotten, there will be upward pressure on compensation for these roles,” Ritter said. “Retailers will need to start with what matters most, which is compensation, whether that’s increasing the hourly rate or adding performance bonuses.”

A number of companies have turned to other methods of variable pay: Beyond bonuses, some employers have recently begun adding medical, dental and other benefits — traditionally reserved for full-time workers — to part-time roles. Some have also offered training and development programs to facilitate continuous learning and allow employees to learn new skill sets in addition to the ones they use on the job.

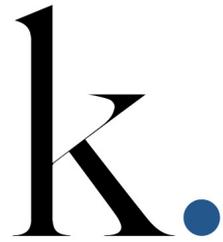
“I think you’ll see that retailers succeeding in this space in terms of hiring and filling those roles take a balanced view to do research and understand the true drivers of what makes a valuable employee experience,” Ritter said. “In some cases, that’s compensation, and in other cases, it’s rewards and recognition that aren’t monetary in that sense.”

He added, “We’re spending a lot of time understanding the employee value proposition and working with retailers to build out a balanced strategy to attract talent in a thoughtful way.”

Be flexible

In a year marred by a global pandemic, employers must also understand that it’s no longer about just pay — particularly when some people are earning more on unemployment at home than they ever did by the hour as a member of the labor force.

“Some employees never had the choice; they had to work first shift or third shift — take it or leave it. Now they’re saying, ‘I’ll leave it. I’m going to find something that allows me to work



when I want to work,” said Tana Greene, CEO of employment solutions firm MyWorkChoice. “We’re in a different world, and companies that are willing to change or adapt are the ones that are surviving.”

According to Greene, the word employers need to keep in mind in the age of the pandemic is flexibility — and that can differ depending on the type of employee. Despite continued reopenings across the country, many office or corporate workers might be reluctant to entirely give up the work-from-home arrangements to which they’d become accustomed. On the other hand, for store-level associates or those on the front lines of production and distribution, companies may need to eschew the “just-in-time” scheduling practices that limited their ability to budget, arrange childcare needs or even pursue a second job to make ends meet.

“Let people work when they can, build your database of people who can do that, push out the shifts — and miraculously [employers] will get these jobs filled,” Greene explained. “When you empower people, they’re going to work what they need to work to survive and they’re going to show up.”

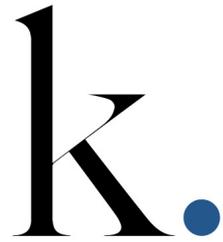
Show empathy

Candidates are dealing with heightened anxiety and stress worsened by the COVID-19 pandemic. They’re also facing challenges — whether mental, emotional or financial — that bleed into both their personal and professional lives, whose lines continue to blur in today’s new way of living and working.

As such, some experts have pointed out that it is more essential than ever for employers to practice empathy — from the start of the recruiting process through the investments they make in current employees.

“Retailers have to be empathetic to what people are going through. They need to be able to engage with candidates throughout the hiring process and even as employers so that they can get referrals,” said Shannon Warner, partner at management consultancy Kearney’s retail and consumer practice. “There’s a little bit of a power shift.”

With the outbreak still an outsized concern for most, experts say that employers today must not only prioritize employees’ safety in the workplace, but also commit to making their work both satisfying and rewarding. After all, research has shown time and again that the key to happy customers is happy employees: A Glassdoor study from 2019, for instance, found that each one-star gain in a company’s rating predicted a 3.2-point improvement in customer satisfaction.



“A retailer’s success is dependent upon their ability to provide the best customer service in the most differentiated way,” Warner added. “The only way they can do that is by having the right talent in their four walls represented at random for them to be enthusiastic about the brand and the work that they’re doing.”

Prioritize inclusivity

Last but certainly not the least is the notion around inclusivity. According to Rudy, “we’re still in the infancy ... of three pandemics: one is the coronavirus, the other is economic and the third is the recognition of social inequities.”

Following the death of George Floyd and other Black people at the hands of police, as well as the recent violence against the Asian American and Pacific Islander community, civil unrest marked by petitions, protests and peaceful demonstrations unfolded over the past year across the country. Many brands and retailers — including those that had historically been silent about their stance on systemic racism — subsequently launched campaigns, made financial contributions to nonprofits and promised better representation in their own workforces.

Beyond such commitments, however, Rudy emphasized the importance of having those conversations with existing employees themselves — by reaching out and frequently asking for input; holding conversations face to face (or, in the pandemic era, via Zoom or other video conference calls); and closing that loop by offering tangible results.

“It’s most important to talk to your employees — one on one, in groups and confidentially,” explained Rudy. “If you want to retain people, you figure out ways to make their working environment better and more inclusive — and give them the type of benefits they want. Rather than sit and guess, ask.”

Building and maintaining a company culture that attracts and preserves top talent from a variety of races, ethnicities and backgrounds can drive creativity, innovation and ultimately profitability. But because they’re businesses first and foremost, even well-intentioned employers are expected to face obstacles in offering resources and investments to kick off ambitious DE&I initiatives.

“The challenge they’re going to have is not coming up with ideas on how to ensure inclusivity for groups; the challenge will be how to fund the correct ideas,” Rudy said. “I would challenge companies that are worried about the cost of proactive programs to make sure they quantify the cost of turnover and the cost of jobs being open for a longer time. Once you quantify that, the cost — as far as loss of revenue — of these unique programs will make more sense.”