



## SHOW NOTES | S4 Ep5

### Talent | Talent Management Requires New Thinking

#### INTRODUCTION

The fifth episode of our mini-series is titled, **Talent**. We discuss all things talent and talent management where new thinking is required.

#### INDUSTRY UPDATES | *Our New Segment*

This is our new segment for Season 4. We highlight and discuss recent retail-related news.

- As a follow up to our last episode, [DealBook](#) reported on the ESG exodus. I quote, “The money flowing out of E.S.G. funds has gone from a trickle to a torrent as investors sour on a sector hit by greenwashing concerns, red-state boycotts and boardroom debates.” DealBook clearly states, though, that the median return for the larger E.S.G. funds was 24.4 percent last year, according to [Morningstar](#), which outpaced the S&P 500.
- New Balance has [launched](#) a resale channel
- Retail sales rose [0.6%](#) in December, topping expectations for holiday shopping
- Macy’s has been in the press a lot lately... [here](#), [here](#) and [here](#), just to share a few
- Here is the [link](#) to our quote from DealBook regarding DEI
- Cristene continued the conversation about DEI by quoting [Mikelya Fournier](#), writing in the Robin Report.
- According to Gizmodo, the self checkout nightmare might be ending. they note: “In 2023, Target restricted self-checkout kiosks in some stores to [ten items or less](#). Walmart [pulled the machines out](#) of a number of locations altogether. Dollar General made enormous bets on self checkout tech in 2022, but it recently announced the project flopped. On a [December earnings call](#), Dollar General CEO Todd Vasos said the retailer is planning to increase the number of employees in stores, particularly in the checkout area, in a major reversal of its checkout strategy.”
  - <https://gizmodo.com/the-self-checkout-nightmare-may-finally-be-ending-185116987>
- Expansion news:
  - Walmart has announced they are adding [150 new large format stores](#) and are continuing their remodeling of existing stores, expecting to touch 650 stores over the next 12 months
  - Tractor Supply has announced their plan to open [80 new stores](#) in 2024
  - WHSmith, which is based in the UK, is [expanding](#) into North America with 50 new locations
  - Love’s Travel Shops is [expanding](#) and refreshing a select number of existing stores.
- The North Face and Vans parent company, VF Corp. suffered a massive [cybersecurity](#) incident at the height of the holiday season.
- [Zac Posen](#) has taken a creative leadership role at the Gap.
- Nordstrom is putting the spotlight on the part of the business where they started - shoes. They’re calling it, “[Make Room for Shoes](#).” They’ve planned a series of collaborations, starting with [On](#).

#### THE CONVERSATION

Cristene kicked off the discussion. This past Holiday season, retailers tried to do more with less as they hired fewer people through the holiday period than in years past. Part of it is that organizations



can't find enough talent to do mass hiring events. Finding the right candidates - one who represents your brand and themselves effectively - is no small feat.

A [Bloomberg article](#) from the fall said it best, "US Retail Workers Are Fed Up and Quitting at Record Rates: The job is more complicated than ever — and increasingly not worth the low pay. Most retailers offer little in the way of extended or complementary training and there really isn't a work-from-home strategy for in-store retail. So, there is extreme competition for candidates, high turnover, economic uncertainty and that's all before breakfast.

Jeff shared that [DealBook](#) recently wrote about this recently where they reference the recent strong jobs report. Though, on the surface, news is quite positive, there are elements that are concerning. "But that doesn't necessarily mean workers are more prosperous. For a start, wintry weather shrank the average workweek to 34.1 hours in January. In particular, nonsalaried employees, especially those in retail, construction and the hospitality sectors, worked fewer hours, which probably ate into their pay, Bill Adams, an economist at Comerica Bank, said in a research note."

Cristene stated that according to the [WorkRise network](#), there are around 30 million prime age low wage workers in the US. making around \$16.98 an hour or \$35,000 a year. In America's three largest cities, the average yearly rent for a one-bedroom apartment comprises at least [half of that amount](#). When factoring in utilities, groceries, and any other necessities, earning at or below the low-wage threshold can start to look untenable.

The discussion continued...

Low-wage workers also receive fewer benefits compared with their higher-earning peers. Only 24 percent of low-wage workers have a pension plan through their work, compared with 47 percent of higher earners. A similar gap exists for health insurance: 57 percent of low-wage workers have a work-sponsored health insurance plan compared with 88 percent of higher earners.

Women make up more than half of the low-wage workforce, whereas men make up the majority of higher earners. As a result, the median hourly wage for women is more than \$4 lower than for men, with women in the US earning just [82 cents for every \\$1 earned by men](#).

These gaps widen even further when disaggregating by race and ethnicity. Black women earn just 62 cents compared with white men, and Latina women earn 54 cents. The [racial wage gap has been well-documented](#). Black and Latinx workers in lower-earning industries play an outsized role. Over a lifetime, the [average white man will earn \\$2.7 million dollars](#), while a Black man earns \$1.8 million, a Black woman \$1.3 million, a Latino man \$2.0 million, and a Latina woman \$1.1 million. In fact, [research has shown](#) that every \$1 in income translates to \$5.19 in wealth for white people, but just 69 cents for Black people. 43% of those working in Retail are in that low wage group. Now, I understand at least part of this. There has always been the contention that retail is great part time job. In fact, I started out straightening the denim wall and ringing up tee shirts at a clothing retailer in high school.

NRF published some new research in December, called the [Value of a Retail Career](#)

Some of it is indisputable...

- For instance: 52 Million Americans employed by retail
- 4.2 Million retail job openings in the last 12 months



- 10% of all job postings across all industries were in retail

At this point of the conversation, Jeff got on his soapbox about how Retail is an underappreciated career... He recommended our listeners go back to [Season 1, Episode 8](#), “Retail is our Economy.” Is Retail our economy? Yes!

*What industry is the largest employer in the US?* Retail

- According to the NRF, the retail industry directly employs [32 million Americans](#), making it the largest private sector-employer in the economy.
- = 16% of the US Economy
- And, [52M](#) jobs are supported by retail. That’s 25.8% of the US economy

Cristene asked, Why can’t retailers do a significantly better job being that first stop for people, and then, while they bring in the talent, why can’t they help create more opportunity.

Walmart has created LBU, Live Better University, providing education and opportunity for associates - allowing them to move toward hot fields like cybersecurity or supply chain. Instead of governments trying to develop these programs at the state and local level, isn’t there a model for partnering with retailers that provides talent for the store floor but dollars for people, programs, and placements to fill the gap. Walmart has scale to do this, yes. So does Starbucks - they have more than 20 pages of college classes and majors they pay for.

Cristene dared to dream. “I know mothers who would like to be able to improve their English for sure but not necessarily take college classes - but you know what would act as a talent magnet for them? Enabling their first generation sons and daughters to take classes... sometimes you have to solve for the family and not just the individual.”

And what skills do people need?



Jeff mentioned he reads [Rishad Tobaccowala](#)'s weekly newsletter. We encourage you to sign up.



## CONCLUSION

Retail can do better. Be a leader regarding talent and talent management. Join our conversation. We'd love to hear from you.

## HEROES & CHANGE MAKERS

Cristene selected [Didier Ludot](#) - he's an institution in Paris - a 50 year old eponymous shop that virtually invented the category.

Jeff selected [Ralph Lauren](#). This is a brand with a rich history, a remarkable history. This is the true definition of a lifestyle brand. Why call them out now? Well, Taylor Swift was wearing Ralph Lauren in her [Time Magazine](#) Person of the Year photo. And, their [recent performance](#) has been excellent.

Let's go shopping!

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This is **RETAIL DONE RIGHT**.

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RETAIL DONE RIGHT is produced, written and hosted by [Jeff Fisher](#) & [Cristene Gonzalez-Wertz](#)