



Fighting what's
different differently
*Retention in the
Grocery Frontline*

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OC&C
Strategy consultants



Coca-Cola
**RETAILING
RESEARCH
COUNCIL**

Research by Retailers North America



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Summary of *Key Messages*

GROCERY IS AN INDUSTRY WITH HIGH EMPLOYEE TURNOVER. THE PROBLEM IS NOT NEW, BUT HAS BEEN ACCELERATING - THE GROCERY EMPLOYEE TURNOVER RATE HAS GROWN TWICE AS FAST AS THE AVERAGE US INDUSTRY IN RECENT YEARS.

In a low margin industry, this is a challenge we cannot afford. It absorbs as much as 10-20% of the industry profit. The current model is not sustainable.

The challenge is not a market one. The post-covid 'great resignation' is largely over, although older workers have come back to the workforce more slowly. What is different is that there are more opportunities out there, and they are easier than ever to find.

The world has changed around grocery faster than grocery has changed as an industry. Grocers have been slow to acknowledge the challenge that the growth of gig work and work from home has had on worker expectations.

Fixing this requires acknowledging what's different and tackling it differently, while also attacking some long-standing problems in a more effective way.

There are five things grocers can do that will make a real difference to employee retention:

1. Recruit employees who are likely to be loyal.
2. Challenge the assumptions that make the job less appealing.
3. Deploy your marketing muscle internally - sell the benefits of working in grocery.
4. Recruit, train and reward great managers.
5. Be responsive, so you can meet employees' reasonable needs.

We have created a simple diagnostic test that you can use to understand how these issues apply to your stores, regions, and banners and start to identify improvement areas. These are questions any CEO should be asking of their HR team.

You will find the questions at the end of this document or may prefer the interactive version available here:

<https://www.ccrcc.org/>





“We are in the people business; we just happen to sell groceries.”

Anthony Hucker,
CEO of Southeastern Grocers

Context of the *report*

“WE ARE IN THE PEOPLE BUSINESS; WE JUST HAPPEN TO SELL GROCERIES.” ANTHONY HUCKER, CEO OF SOUTHEASTERN GROCERS AND ONE OF THE MEMBERS OF THE COCA-COLA NORTH AMERICA RETAIL RESEARCH COUNCIL IS FOND OF USING THIS PHRASE. IT’S BECOME A TOUCHSTONE OF THE WAY HE RUNS HIS BUSINESS.

But the grocery business faces a challenge. It is running out of people. With an employee turnover rate of over 50%, higher than almost any other industry in the US, it is unsurprising that labor shortage has leapt to the top of grocery CEO agendas.

At a time when grocery margins are stretched, this is a challenge we cannot afford – absorbing as much as 10-20% of the profit and elevating labor to the top of the strategic agenda.

As this pressure on staffing increases, the temptation just to hire anyone increases. “We’ve simplified checks, streamlined training. You can just walk in now and we’ll give you a job” said one worried CEO. People less suited to grocery, getting less training and support – that just puts pressure on everyone else, so they leave even faster. It’s not a sustainable model.

This is a crisis.

But what kind of crisis is it? Is it a grocery crisis or does it spread more widely across retail and allied industries?

Is it a temporary blip, a covid hangover, or something more structural, perhaps based on generational changes? And, once we’ve understood the problem, how do we tackle it? What can be done to make grocery retail a place where Americans want to work?

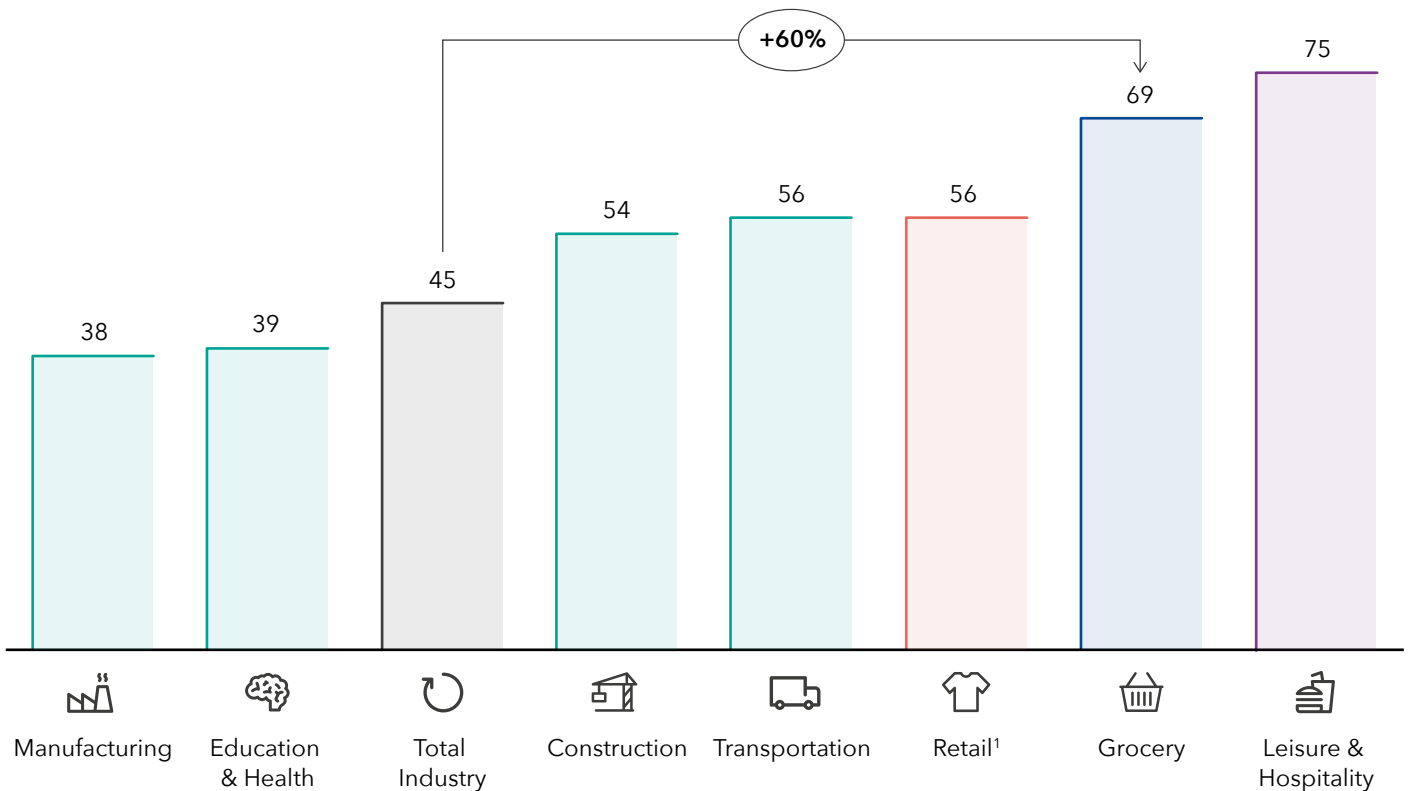
This report, commissioned by the Coca-Cola Retail Research Council of North America, seeks to answer these questions. It aims to provide a blueprint on what can be done to change grocery employment in North America. The report includes proprietary research and insights from the Council members and their companies, the leading grocers in North America. Alongside this report are a set of diagnostic tools that provide practical focus areas which individual companies (within grocery, but also in the wider retail landscape) and the industry can use to make sure grocers remain in the people business.

Understanding the *scale of the challenge*

GROCERY HAS AN ACUTE AND STRUCTURAL LABOR ISSUE. GROCERS HAVE ONE OF THE HIGHEST TURNOVER RATES OF ANY US INDUSTRY. INDUSTRY TURNOVER HAS INCREASED MORE THAN OTHER INDUSTRIES SINCE COVID, AND THE CHALLENGE IS FELT WIDELY ACROSS EMPLOYEE GROUPS AND RETAIL LOCATIONS.

TURNOVER RATE BY INDUSTRY, 2023F

(% Total employees)



Source: BLS, JOLTS, FMI, CCRRC NA Council Member Data, OC&C analysis.

1. Includes all retail sectors - motor vehicles, building materials, food and beverage, furniture and home, GM, health and personal care, gas stations, clothing and accessories, sporting goods, music, misc.



And the rate of growth in employee turnover in the last five years is twice as high in grocery compared to hospitality or the rest of retail. While the industry is coming off its covid peak where turnover was almost 80%, the trend rate is still much higher than it was in 2017, when it was (a still high) 62%.

This challenge is not felt evenly across individual companies or even within stores. Large chains have higher colleague turnover than smaller chains, younger employees are more likely to quit than older employees, cashiers are less stable than meat cutters.

At a time where grocery is challenged on multiple fronts (price inflation, squeezed disposable incomes, increasing volatility), high turnover is adding significantly to the pain.

The full extent can be hard to see because the costs of turnover aren't always visible. They manifest in lower service levels, lower productivity, higher training costs, increased demands on management. Taken together these costs can be as much as 10-20% of a grocer's total profit.²

TURNOVER RATE BY GROCERY ROLE:



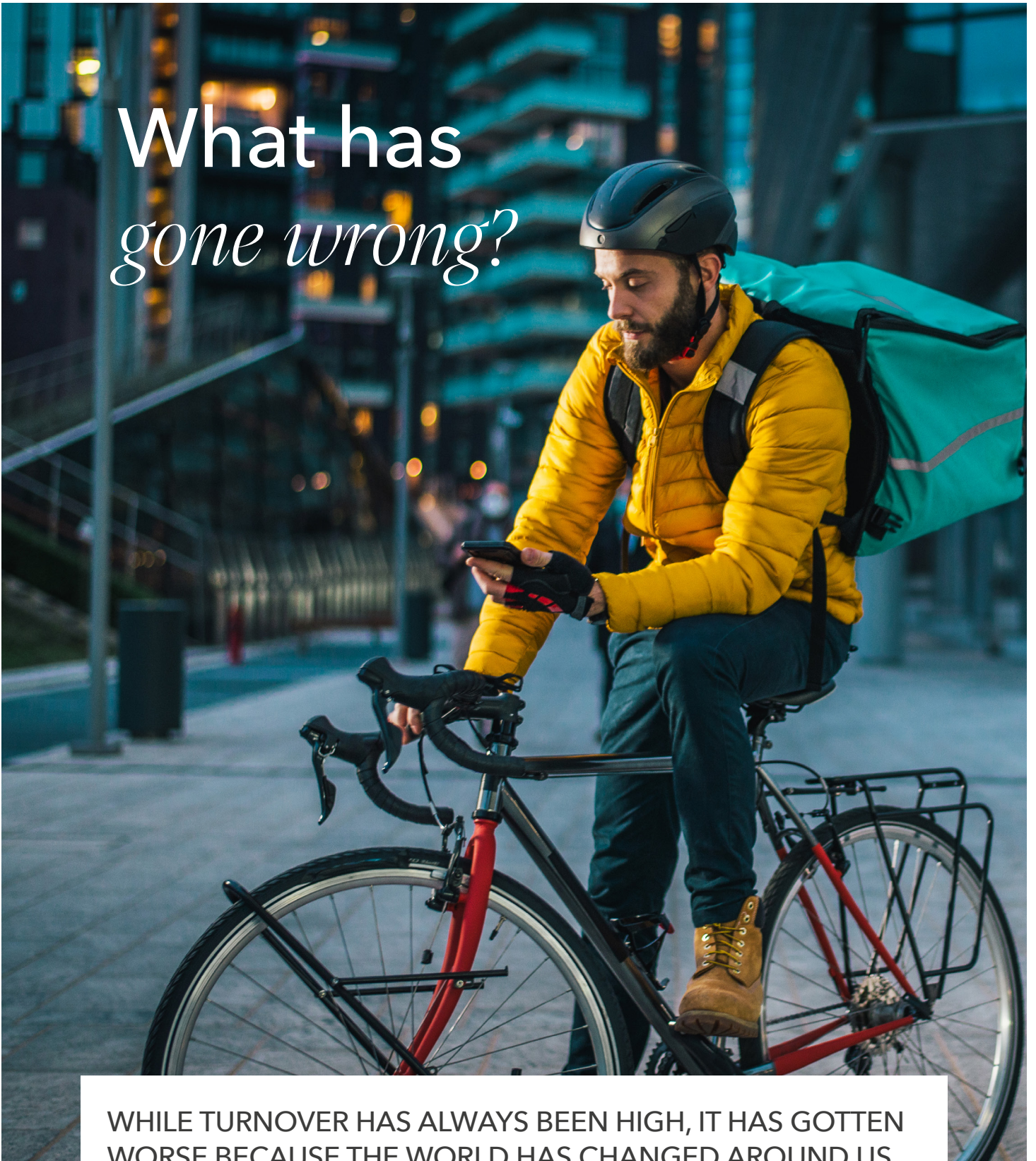
TURNOVER RATE BY COMPANY SIZE:



Source: CCRRC NA Council Member Data.

2. Total cost of turnover accounts for the varying cost of turnover and turnover rates by role (e.g., full-time vs part-time and for varying tenures) informed by CCRRC Council Member data and applied to total industry profit.

What has *gone wrong?*



WHILE TURNOVER HAS ALWAYS BEEN HIGH, IT HAS GOTTEN WORSE BECAUSE THE WORLD HAS CHANGED AROUND US FASTER THAN GROCERY HAS CHANGED AS AN INDUSTRY. EMPLOYEES' EXPECTATIONS CONSISTENTLY HAVE INCREASED WHILE GROCERS HAVE NOT EMBRACED THE NEED (AND OPPORTUNITY) TO GIVE EMPLOYEES MORE.

Employees don't see the benefits of grocery as a career, when they perceive more and better options out there.

CHANGE IN NUMBER OF EMPLOYEES, 2017-22

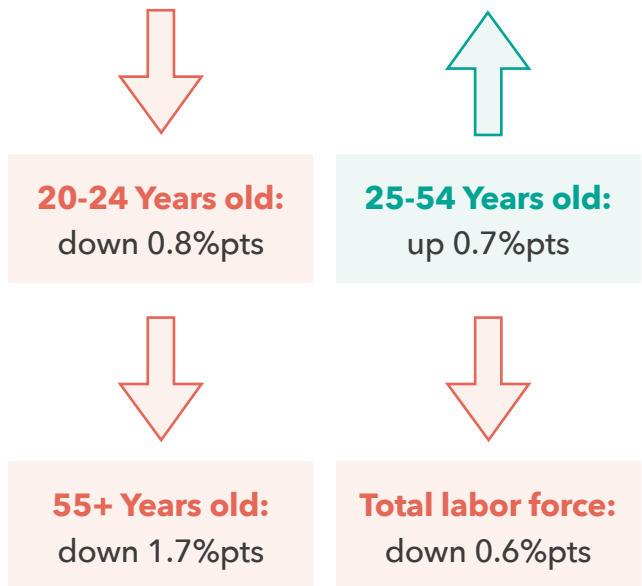
Total US economy **+5m**

Gig economy **+13m**

Grocery **Flat**

Source: BLS.

US LABOR FORCE PARTICIPATION RATE, 2023 VS 2019



Source: Federal Reserve Bank of St. Louis.

And while the world has been changing, grocers have not stepped up their communication. Employees don't see the benefits of grocery as a career, when they perceive more and better options out there.

Turnover has furthermore been exacerbated because our most loyal group of employees, the older worker, have been slower to come back after covid.



What will distinguish an *employee retention winner*?

WORKING WITH THE COUNCIL MEMBERS, AND A 'SHADOW COUNCIL' CONSISTING OF THE CHIEF PEOPLE OFFICERS AND HEADS OF OPERATIONS FROM GROCERS ACROSS NORTH AMERICA, WE IDENTIFIED THE FIVE ELEMENTS OF A WINNING PLAN TO IMPROVE RECRUITMENT AND RETENTION IN GROCERY.

Winning at retention in grocery means:



#1

Recruit employees who are likely to be loyal.



#2

Challenge the assumptions that make the job less appealing.



#3

Deploy your marketing muscle internally - sell the benefits of working in grocery.



#4

Recruit, develop and reward great managers.



#5

Be responsive, so you can meet employees' reasonable needs.

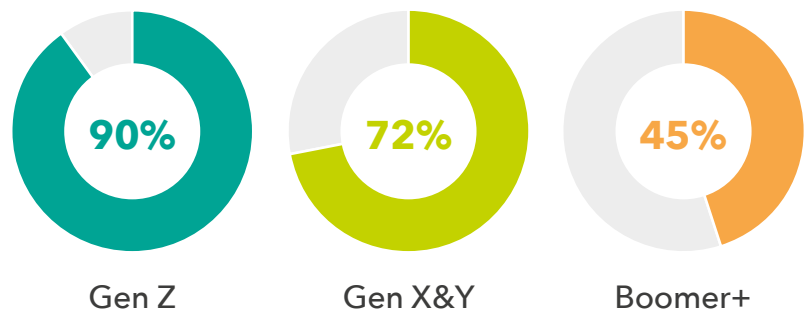


#1. Recruit employees who are *likely to be loyal*

RETENTION STARTS WITH RECRUITING THE RIGHT PEOPLE. OLDER WORKERS ARE A PARTICULARLY ATTRACTIVE DEMOGRAPHIC AS THEY ARE GROWING IN THE WORKFORCE, AND LOYAL ONCE RECRUITED.

Older workers are structurally more stable because they are less likely to move locations, more aware of what they are looking for in a job, less confident that if they quit there is another job out there for them.

GROCERY EMPLOYEE TURNOVER RATES BY GENERATION (%)



Source: CCRRC NA Council Member data.

But the fact that they are more loyal is not the only reason to think positively about older workers. They are also a growing demographic (now over 30% of the population), and while they have been slower to come back into the workforce after covid, that covid legacy is behind us now. While many grocers have specific programs targeting young people (college tuition initiatives for example) the equivalent for older workers is less common. Despite this, they are increasingly drawn to grocery, growing from 18% share of grocery employees in 2018 to 23% by 2022. Indeed, many studies suggest that older workers are ultimately more productive, and stores staffed with older workers can be more profitable.

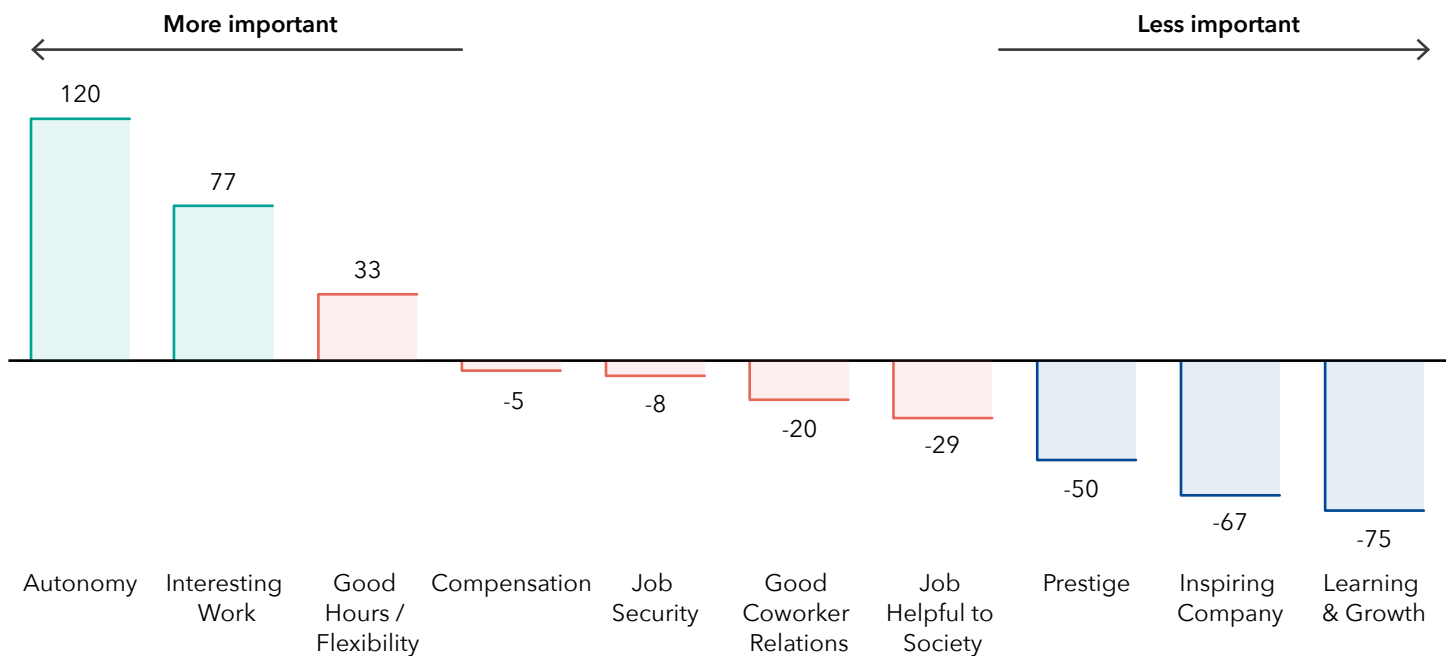
But reaping the benefits of recruiting this 'grey gold' has a number of implications for your organization - you will need to think about:

- Looking beyond your traditional recruitment channels.
- Fostering a workplace culture that respects and values experienced team members.
- Tailoring your package to the requirements of older workers (e.g., greater autonomy at work, tailored benefits and extra focus on working conditions).
- Appropriate onboarding to build their confidence in a new role.

Source: BLS, US Census.

RELATIVE IMPORTANCE OF FACTORS TO OVER 62s VS. 25-34 YEAR-OLD WORKERS

(% Difference in those selecting as top employment priority)



Source: CCRRC NA Council Member Data.

‘The key is to search for employees with the right attitude. Employees with a clear and stable set of expectations of what they are looking for, and a good understanding of how grocery can deliver on that.’



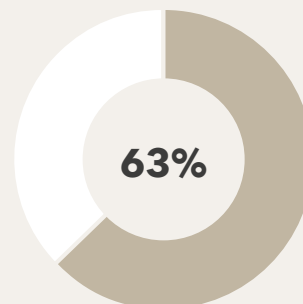
#2. Challenge the assumptions that *make the job less appealing*

GIG EMPLOYMENT AND THE GROWTH IN WORKING FROM HOME, HAVE CHANGED EMPLOYEE EXPECTATIONS ABOUT FLEXIBILITY. EMPLOYEES NOW HAVE THE OPPORTUNITY TO WORK IN A WAY THAT IS BETTER FOR THEM.

For workers, leaving has never been easier with strong competition from the gig economy and online recruiters making alternatives highly visible – grocers urgently need to respond to this evolution.

Good news! The supermarket industry with its scale operations and long operating hours has the potential to compete if executed correctly. In a typical big box supermarket, there is more than just hours flexibility. There are multiple roles that can help develop a diverse skillset as well as much opportunity for progression, which are forms of flexibility many employers lack (particularly in the wider retail landscape).

MOTIVATIONS FOR CHOOSING GIG EMPLOYMENT



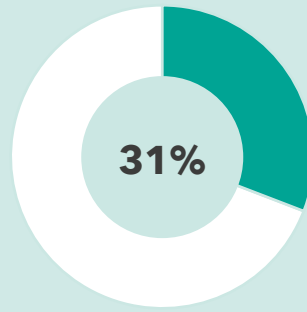
63% of those working in the gig economy say flexibility was the number one reason they chose it

Source: Legal & General.

Furthermore, when grocery employees complain about lack of flexibility, what they are often worried about is the lack of opportunity to work more hours, not the specific hours available. This is a major perceived appeal of gig work. Almost half of gig workers state they are attracted to gig working because they feel that you can always put in extra hours as needed. While it isn't always simple to allow extra hours, because of pre-existing labor agreements, grocers should track whether they are meeting employees need for hours and prioritize this alongside other more efficiency focused metrics.

Ultimately, more hours can lead to more full-time employment. While there are constraints on the industry here too, the concern that full-time employees, once the impact of benefits is taken into account, are too expensive relative to part-time is reconsidered. Once the impact of churn and productivity is taken into account, and recognizing that only up to half of full-time employees actually take up their benefits, the difference in cost between full time and part time workers is less than 10%. This is significantly less than headline figures of over 30%.

Source: CCRRC NA Council Member Data.







Source: CCRRC NA Council Member Data.

Top up earnings:

Insufficient pay drove **31%** of grocery staff turnover

The solution is a mix of flexible scheduling technology (e.g., allowing employees to swap shifts, ideally also between stores) and empowering local managers to work with employees on finding the right working model for them (including for those who want extra hours). Other gig-style initiatives could include flexible pay (e.g., weekly) and more autonomous task-based staffing in certain areas of the business.

HOW TO IMPROVE FLEXIBILITY

 <p>SHIFT SWAP</p>	 <p>STORE SWAP</p>	 <p>FLEX PAY</p>	 <p>'GIG' TASKS</p>
<p>Internal marketplace for shifts so colleagues can get extra work or give back committed shifts</p>	<p>Allowing colleagues to choose between multiple stores, to give them more choice of hours</p>	<p>Acceleration of pay to allow to deliver cash faster, in line with gig economy payment cycle</p>	<p>Staffing 'productivity' tasks in gig style, rethinking division and recruitment of non-service roles</p>



#3. Deploy your marketing muscle internally - *sell the benefits of working in grocery*



REASONS TO STAY IN GROCERY ARE OPAQUE, GROCERS NEED TO ACCENTUATE THE POSITIVES AND DEPLOY MARKETING MUSCLE TO COMMUNICATE THE BENEFITS BETTER.

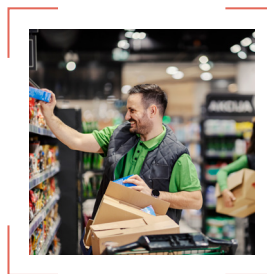
While grocery work can be demanding, it offers a range of unique benefits that can be emphasized to attract and retain employees. Pay, flexibility, job security, progression, community, variety and development are all worth shouting about.

Pay is particularly misunderstood - once benefits are included, pay can be better than gig economy roles, and with the prospect of rapid escalation as careers progress.

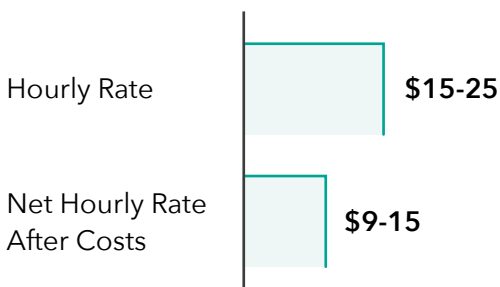
COMPENSATION COMPARISON



GIG ECONOMY



GROCERY EMPLOYEE



Source: BLS, OC&C Analysis, Press search.

COMMON MISCONCEPTIONS ABOUT WORKING IN GROCERY

Misconceptions

In actuality...

1

"Working at a grocery store isn't flexible enough"

- Grocery offers **full time and part time employment alongside round-the-clock opening hours**, which translates to increased options and flexibility
- More grocers are enabling tools like **shift swaps** and **cross-store staffing**

2

"There is no opportunity for progression"

- Opportunities to **work your way up** from the shop floor, and many in HQ have come from stores - but this is not well communicated: *"We don't clearly explain that you can grow in the job... (the information) is only available if you log into the system."*
Recruiter, Major Grocery Chain

3

"There is not enough money in grocery"

- Salary progression in grocery is attractive (e.g.: > 100% increase from entry-level to managerial/supervisor roles¹)
"People don't know what you can earn - we pay managerial roles really well. We would keep a lot more people if they knew."
Recruiter, Major Grocer

4

"Grocery jobs are boring and mundane"

- It is a customer-facing role with **ample opportunity for social interactions**
- The role serves a **bigger purpose**, where employees are part of a **larger team** working together to **serve the local community**

5

"You don't learn enough"

- Grocery offers a **diverse set of transferable skills**, particularly given the variety of roles on offer - from service facing (learning social / customer interaction) skills to **teamworking and leadership skills**
- Grocery employees have found success in multiple industries across, hospitality, leisure, CPG and beyond

1. Based on average salary listed on Payscale and Salary.Com.
Source: Forbes, CNBC, Desk Research, OC&C analysis.



On top of this, grocery stores are essential businesses, providing job stability even during economic uncertainty. Working in a grocery store offers opportunities to develop customer service, organizational, and teamwork skills. And grocery career paths offer significantly more opportunity (and variety) vs other retail and hospitality.

To communicate all these benefits, grocers need to talk to current and potential employees with the same skills as they do for customers and there are simple steps that can be taken during the recruitment process itself:

- Trial shifts or experience days.
- Employee referral schemes.
- Employee testimonials in store and on job boards.
- Tailored communications to employees about existing benefits.
- Proactive conversations about progression opportunities.

Critically, starting these activities earlier, from recruitment and onboarding to the first few weeks of shifts will set up employees with better expectations of the job and for more successful retention from the start. Solving for the first 90 days of retention (when it is most challenged) will make a meaningful difference to overall turnover rates and costs for grocers.

FRONTLINE TURNOVER RATES BY EMPLOYEE TENURE

132% First 90 Days

47% 1-3 Years

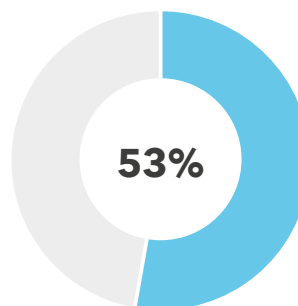
32% 4-7 Years

Source: CCRRC NA Council Member Data.



#4. Recruit, develop and reward great managers:

BETTER LEADERS IMPROVE ENGAGEMENT AND RETENTION, AT BOTH THE STORE AND CORPORATE LEVELS. YOU CAN NEVER GIVE UP ON FOCUSING ON THIS.



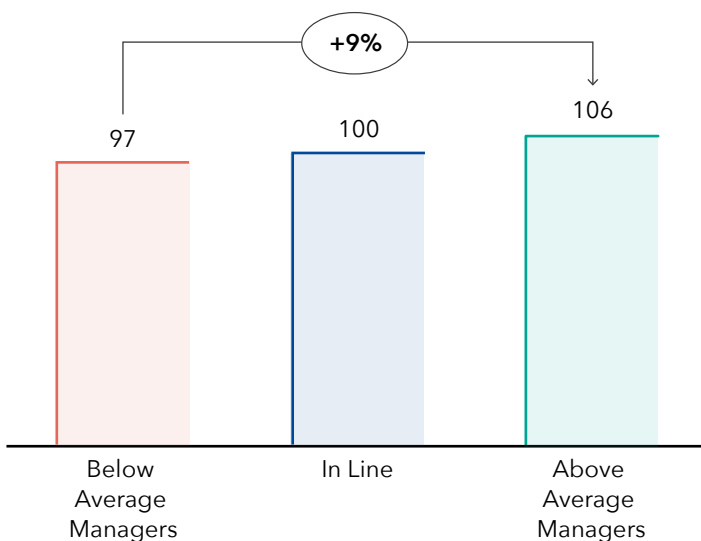
53% of employees have left their retail job because they felt underappreciated at work

Source: Axonify.

Effective managers inspire, motivate, and support their teams, fostering a positive and productive work environment. Grocery businesses must prioritize the recruitment and development of strong managers. Providing ongoing training and recognition for managers who excel in employee retention efforts will have a ripple effect throughout the organization, with satisfied and engaged employees seeing significantly lower turnover rates (and providing a better customer experience too).

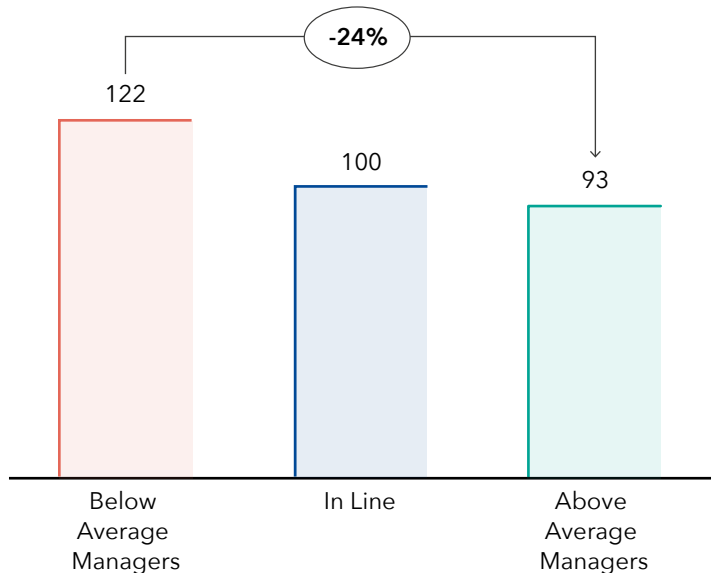
BETTER LEADERSHIP LEADS TO HIGHER EMPLOYEE ENGAGEMENT...

Employee Engagement¹ (Indexed to 100)



WHICH, IN TURN, RESULTS IN LOWER TURNOVER RATES

Turnover¹ (Indexed to 100)

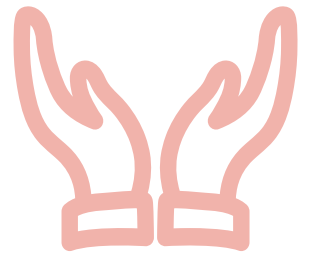


1. Calculated using average satisfaction and turnover rate by manager rating and indexed to managers performing in line.
Source: CCRRC NA Council Member Data.

Don't leave this to chance - better leadership should be recruited for, but it also needs to be trained and developed:

- Attract the right type of leaders, hiring based on traits of loyalty and empathy, and looking for leaders who are committed to developing people.
- Deliver regular leadership training (consider external support) to support the development of your managers.
- Retain your great managers by showing them appreciation and actively supporting their career progression.
- Adapt your incentives to encompass frontline engagement and retention metrics more broadly, with an open feedback loop to drive improvement and resolution.
- Track the right retention metrics, both centrally and in-store, and feed this into policy.
- Better yet, to have successful store managers delivering better on retention, accountability needs to be owned by central leadership as well as stores. Consider how each function can play its part in simplifying the work and improving employee experience, to create common goals that benefit retention.
- Don't ignore poor management styles and/or reward them for their "what" (goals) if their "how" (leadership competencies) is not aligned to the organization's values.

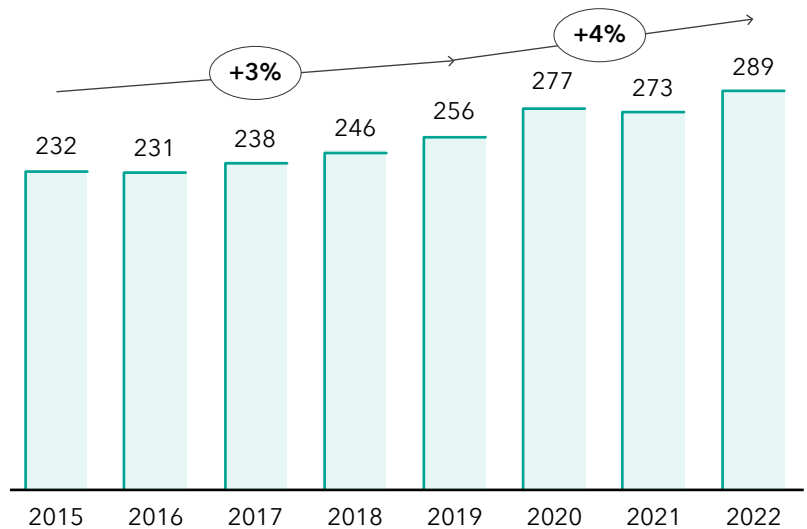
#5. Be responsive, so you can *meet employees' reasonable needs.*



THE ONGOING PRODUCTIVITY DRIVE WITHIN THE INDUSTRY, COMPOUNDED WITH THE TIGHTER LABOR MARKET IN RECENT YEARS, HAS MADE THE JOB TOUGHER.

Colleagues tell us stores feel more efficiency-oriented and individual. They miss the social aspects, sense of connection and purpose that used to come from more collaborative working and time to engage with customers and colleagues.

CPI-ADJUSTED REVENUE PER EMPLOYEE, 2015-22
(\$k per Employee Annually)



Grocery output per employee has increased c.3-4% per annum since 2015, with employment remaining flat but sales increasing year-on-year.

Source: Federal reserve, BLS, US census.





8 in 10

of retailers have reported increased incidents of violence and aggression in the past year

Source: National Retail Foundation.

And while there is joy in serving customers, they can be difficult and stories about violence can deter workers.

Showing colleagues that you care makes all the difference. Meeting reasonable needs, such as providing a safe and clean working environment, understanding when the pace of work is too high and actively listening to employee feedback, can go a long way in retaining a satisfied workforce. When colleagues feel valued, respected, and supported in their roles, they are more likely to stay committed to the organization and feel engaged in its success.

The most critical steps are:

Monitor and communicate: Monitor, measure and address employee relations cases – where there’s smoke, there’s fire. Ensure better tracking of employee satisfaction while on the job and reasons for churn if they leave; make sure employees know how to raise an issue they need support with.

Prevent burnout: Ensure you have an Employee Assistance Program (EAP) that serves the needs of your employees and is well communicated. Make sure your leadership culture allows employees to flag when the pace is getting too high. Consider options for more collaborative working (allows more collective thinking and engagement and creates a sense of connection between employees) and automate tasks where possible to free up employee time to engage with customers (which is why most of them joined you in the first place!).

Tackle customer challenges: Build the right support through A.I. that addresses common customer challenges and remove the burden off the frontline. Facing directly into the challenge can help employees feel better about the situations they face. This requires employee training and sharing of experiences between employees. For more serious safety concerns, create support groups for affected employees and consider stronger partnerships with e.g., the local police.



BURNOUT

Nearly 40% of retail workers state that that they feel anxious at work because of goals set by their manager...

...And high anxiety drove 22% of grocery staff turnover.



CUSTOMERS

Working with customers is the number one reason why employees want to work in retail, with 53% stating it as the most fulfilling part...

...But difficult customers also drive 10% of grocery staff turnover.

Source: Axonify, CCRR NA Council Member Data.



WINNING AT RETENTION IN GROCERY MEANS:



#1

Recruit employees who are likely to be loyal.



#2

Challenge the assumptions that make the job less appealing.



#3

Deploy your marketing muscle internally - sell the benefits of working in grocery.



#4

Recruit, develop and reward great managers.



#5

Be responsive, so you can meet employees' reasonable needs.

Where is the call for *action greatest within your organization?*

THE FOLLOWING SELF-DIAGNOSTIC TEST HAS BEEN DESIGNED IN ORDER TO MAKE THE TAKEAWAYS OF THIS REPORT MOST RELEVANT TO YOU AND YOUR BUSINESS.

The next 15 questions are based on the topics covered in this report, and each have four answers worth 1, 2, 3 or 4 points, with 4 being the highest score.

Reading all four response will allow you to review your company's performance by topic, and identify likely action areas to improve retention.



You may prefer the interactive version available here: <https://www.ccrcc.org/>

STEP 0: DIAGNOSE THE SITUATION

	1	2	3	4
1. What is your frontline turnover rate, across your stores?	100%+ (or this is not tracked)	80%-100%	60-80%	Under 60%
Your response	1	2	3	4
2. Do you have a clear view on how much turnover costs you?	We have a high-level metric that is based on historical analysis	Turnover costs are estimated on basis of average cost of recruitment, tracked regularly	Turnover costs are estimated across different roles, including costs of training as well as recruitment	In addition to (3), costing at role level includes opportunity costs of reduced productivity and sales
Your response	1	2	3	4



STEP 1: RECRUIT THE RIGHT PEOPLE

	1	2	3	4
3. Do you understand what makes employees most retainable?	<i>We do not track what employee characteristics correlate to retention</i>	<i>Simple metrics provide some insight into employee retention eg., FT/PT, tenure, department etc.</i>	<i>Metrics provide a rich picture of retention against employee characteristics against different store roles</i>	<i>Metrics provide good understanding of the aspirations of different employees, recognizing they are heterogeneous</i>
Your response	1	2	3	4
4. Do you have programs in place to attract target employee profiles?	<i>Hiring is focused on roles without thinking about the underlying employee characteristics</i>	<i>One or two priority pools or profiles of employees have developed, and specific central initiatives developed for them</i>	<i>Local employment efforts to recruit employees are enhanced with tools to tailor messages and offer across employee types</i>	<i>Stores are educated on the needs of target profiles, and equipped with tailored marketing, training, and benefits</i>
Your response	1	2	3	4
5. What share of frontline offers convert into showing up on day one?	<i>Less than 50% OR don't know</i>	<i>50-75%</i>	<i>75-90%</i>	<i>90%+</i>
Your response	1	2	3	4



STEP 2: ENHANCE JOB APPEAL

	1	2	3	4
6. What share of workers are getting the hours they want?	<i>Less than 50% OR don't know</i>	<i>50-70%</i>	<i>70-85%</i>	<i>85%+</i>
Your response	1	2	3	4
7. What initiatives do you offer to provide worker flexibility? ¹	<i>Store managers are responsible for shifts, and are free within reason to meet employee scheduling needs</i>	<i>Employees feel empowered to ask for more flexibility and satisfaction with hours worked as a key KPI</i>	<i>There is ongoing investment in systems and programs that offer employees more flexible working, against a tracked KPI</i>	<i>Flexibility is a key selling point for potential employees and is an explicit driver of preference and retention</i>
Your response	1	2	3	4

1. For union shops, recognizing the answers to this question falls within the bounds of your unionization CBAs.



STEP 3: ARTICULATE REASONS TO STAY IN GROCERY

	1	2	3	4
8. What initiatives do you have to retain workers in the first 90 days?	<i>Employees are given support and training to enable them to be effective, but the focus is not on early retention</i>	<i>Some specific program elements exist which provide support to minimize employee exit in the first 90 days</i>	<i>90 day retention is a top KPI and the entire onboarding process is regularly reviewed to drive improvements</i>	<i>90 days metrics and processes refined regularly with specific programs to solve for different store/ role/ employee types</i>
Your response	1	2	3	4
9. Do you communicate the benefits of grocery as a career?	<i>There is typically a relatively high number of applications so we do not explicitly market the employee value proposition</i>	<i>Communication relies on word of mouth or employees searching out information/ intranet to learn about career options and benefits</i>	<i>There is transparency around reasons to stay in grocery, which also reflects different aspirations (\$, career, learning etc) by segment</i>	<i>Communicating benefits of a career is integrated into wider marketing to customers, as the two are seen as intertwined</i>
Your response	1	2	3	4
10. How do you work with employees to create their own pathways?	<i>Employment plans are not developed for most employees, at least until they start to think about team leader roles</i>	<i>Explicit and early efforts are made to establish what hours/ roles employees are looking for to guide management decisions</i>	<i>Employee expectations are treated as part of ongoing dialogue and there are regular reviews to ensure expectations are met</i>	<i>Tailored formal programs support employees to meet expectations e.g., cross training and management skills</i>
Your response	1	2	3	4



STEP 4: INVEST IN EFFECTIVE LEADERS

	1	2	3	4
11. To what extent are you training your managers to be effective leaders?	<i>Management skills are learned organically and through an apprenticeship model</i>	<i>Specific elements of management are trained, but focus is primarily on 'hard skills' required to do the job</i>	<i>We develop our leaders with people-centric skills, but this is not regularly tracked or updated</i>	<i>Our leadership model elevates employees with regular feedback, training, and 360 reviews to drive accountability</i>
Your response	1	2	3	4
12. Are store leaders accountable for retention?	<i>While retention is measured, it is not a store KPI</i>	<i>Retention is on the store dashboard and will form part of a dialogue with store managers by exception</i>	<i>Engagement and retention are KPIs for all leaders as a part of the regular management review process</i>	<i>Employee-centric KPI targets are set on a per store basis; HR works with leaders to achieve targets in regular review sessions</i>
Your response	1	2	3	4
13. How is frontline retention managed by those in headquarters?	<i>Overall retention statistics are reported at regular (e.g. monthly, quarterly) HR/people team updates</i>	<i>There are central workstreams dedicated to frontline engagement and retention; they report into exec teams regularly</i>	<i>Frontline engagement / retention are part of a balanced scorecard, which the exec team targets and is KPI'd on</i>	<i>Frontline engagement / retention is a goal for each exec, e.g. functions responsible for simplifying work to improve metrics</i>
Your response	1	2	3	4





STEP 5: SUPPORT YOUR EMPLOYEES

	1	2	3	4
14. How established and embedded is your mission statement?	<i>We have a mission statement, but it is mainly used by HQ or marketing materials only</i>	<i>Everyone receives training on our mission, and understands their role in bringing it to life</i>	<i>Store leaders exemplify the company mission to inspire and motivate frontline workers</i>	<i>Our mission is embedded into all we do, and we track engagement of it, ensuring we stay on track</i>
Your response	1	2	3	4
15. What emphasis do you put on connection between employees?	<i>Individuals are left at their own discretion to foster relationships within the employee community</i>	<i>Store leaders actively focus on building and encouraging relationships</i>	<i>Various social initiatives are offered, and leaders have a KPI centered on employee connection</i>	<i>Employee communities are created through team-based tasks, store mentorships and cross-dept. staffing</i>
Your response	1	2	3	4

SCORED MOSTLY 4S?

Well done. You have fostered a leading understanding of the challenges facing retention and developed policies throughout your organization to target issues from the core. However, it is important not to lose focus and let things slip. Ensure there is accountability and incentive for ongoing improvement, and ways to monitor adherence to the tools you are providing.

SCORED MOSTLY 3S?

A strong performance overall, but there are areas you need to stretch up into best-practice to alleviate the cost of retention on your business. Identify those topic areas where you should be setting up action plans to push yourself forward.

HAD A FEW 1S AND 2S?

There are specific areas where you need a better solution to ensure you have a 360 approach to solving retention and engagement related issues. Whether this is based on setting up better processes for data capture, leadership responsibilities or policy. There is no better time to act.

HAVE MORE QUESTIONS?

Please visit www.ccrcc.org for more information and a more detailed list of diagnostic questions. Or try the interactive version of the test here:



About the Authors

This insight was commissioned by the Coca-Cola Retailing Research Council and carried out by OC&C Strategy Consultants, in close collaboration with an industry panel: Southeastern Grocers, Meijer, Loblaws, Sendik's, Wakefern, Food Lion, IGA, H.E.B., Albertsons, The Food Industry Association/FMI, Intuitive Quest.

To explore these topics further, don't hesitate to reach out.

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The CCRRC North America

Since its establishment as the first of the Councils in 1978, the Coca-Cola Retailing Research Council North America has been dedicated to developing practical responses to strategic challenges experienced by the supermarket industry and its operators through extensive industry research. The North America Large Store Council is composed of executives who represent a variety of retailers, from small independent operators to the nation's largest chains. The group oversees research initiatives conducted by independent third parties on issues of strategic importance to grocers. The ultimate aim of the Large Store Council is to generate ideas and solutions by retailers, for retailers.

OC&C Strategy Consultants

OC&C Strategy Consultants is an international consulting firm, with more than 35 years experience of unpicking the most complex business challenges with simple, uncommon sense™.

Our specialists work with some of the biggest global players and national names across a broad range of Retail sub-sectors and are highly regarded for developing strategies that are creative, sometimes provocative, always practical and, above all, actionable.

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