



WINNING WITH HCM IN RETAIL

ANALYSTS

Brent Skinner, Rebecca Wettemann

THE BOTTOM LINE

Most retailers are missing out on opportunities to leverage technology, not just for scheduling and recruiting, but also for driving greater performance and retention. Innovating in both internal and external social networks, leveraging analytics, and understanding the human factors of recruiting can have a significant impact on performance and margins.

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Retailers face unique challenges in recruiting, training, scheduling and retaining good performers. In a high-turnover industry, even slight changes in retention and performance can have a discernible business impact and make average managers much better. In looking at technologies and strategies for human capital management (HCM), Nucleus found that most retailers are just dipping their toes in the potential for benefits, and should examine their strategies in four areas: internal and external social, analytics, and differentiation in technology.

EMBRACE SOCIAL INTERNALLY

Many retail employees – particularly Millennials and post-Millennials – see social networks and emerging social communication tools as an extension of themselves. It is not uncommon for retail employees to become friends on Facebook, follow each other on Twitter, or connect at other social media destinations for the purposes of, for instance, arranging carpools or trading shifts (i.e., shift swapping). Give them this ability within workforce management (WFM). Retailers that deploy and support social collaboration tools within WFM – to support social-based

cooperation around scheduling and the like – gain the benefit of information employees are willing to share.

The technology to support this has been available from various vendors in the space for a while. Plus, the user interface (UI) of modern technology for HCM continues to evolve in its emulation of popular consumer-grade social media feeds (Nucleus Research *p199 – The coming mass extinction in HCM*, November 2015). Employers in retail, the service industry, and hospitality that want to give their employees an ability within the WFM system to swap shifts with coworkers have an option in HotSchedules, for example, whose portfolio spans an intriguingly interconnected cross-section of WFM and talent acquisition.

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Typically, for this kind of functionality, retailers must engage with vendors that are strong specifically in WFM, and additional options come from players such as When I Work, plus well-known vendors such as Kronos Incorporated, Workforce Software, and Ceridian (with Dayforce HCM). Because of their lack of modern technology for time and attendance, however, vendors such as SAP SuccessFactors are not final destinations for shift swapping or other social capabilities, necessarily, in WFM – though, incidentally, it is available via SAP SuccessFactors' standing integrations with both Kronos and Workforce Software (Nucleus Research *p223 – Looking outside SAP for the epicenter of HCM*, December 2015).

The obvious corollary to social is mobile, and retailers should be looking for solutions that provide:

- Mobile clock-in. For one, mobile devices are GPS-enabled, and this can be a help to scheduling. It behooves retailers to explore technologies that give employees the ability to clock into work via their mobile device – and for employers to verify these employees' locations.
- Social media compatibility. Retailers need to deploy WFM technology compatible with the most common mobile operating systems (OS) and able to integrate with the most common social media applications' mobile versions.

- Shift-swapping. Employees are already communicating job-related information and logistics with their co-workers, via mobile devices. Wherever and whenever possible, a retailer needs to provide the means for them to do so – e.g., to swap shifts, for instance, inside the WFM solution. This way, the system will capture trends that help the employer to adjust schedules for this over the long term.

LOOK TO SOCIAL EXTERNALLY

HCM is only beginning to enable retailers to leverage social networks' capabilities beyond their walls, but the technology is available today, and Nucleus expects emerging players or smart acquirers will start pulling it into their retail offerings. Again, a great example to look to is HotSchedules as it targets the hospitality space with functionality in employee scheduling, talent sourcing, e-learning, and shift and task management. The solution also enables employee to see when shifts or positions are available at other locations or similar employers, post their resume and get recommendations for positions, and post and review ratings on employers.

TAKE ADVANTAGE OF THE DATA

Once retailers have embraced social internally and expanded their social listening and collaboration externally, they have a wealth of data that can be used to better manage their workforce. Text analytics and other analysis of social data, geo-locational data, weather information, sports schedules, and other available data can be leverage to predict employee behavior and drive better scheduling. When retailers know who's likely to fall ill if a great surfing or snowboarding day is coming, or what kind of social communication is a precursor to absenteeism, fraud, or simply poor performance, they can manage with more insight.

CONNECTING ERP AND HCM

Data from elsewhere in the enterprise is helpful, too. Here, cloud-to-cloud integrations between cloud-based vendors of HCM technology – for instance, ADP and Ceridian – and Experts in Nucleus' latest Value Matrix on enterprise resource planning (ERP) can yield additional data from areas such as point-of-sale (POS) to further inform analytics and help employers create schedules for the greatest workforce efficiency (Nucleus Research *p178 – Technology Value Matrix 2H2015 – ERP*, October 2015). HotSchedules pulls in POS data, for example, and the potential fruits of industry partnerships such as that between Ultimate Software and NetSuite can be useful (Nucleus Research *p54 – New Partnerships Add New Hues to Competitive Landscape in HCM*, March 2015). Notably, too, Oracle is championing connected HR and ERP, all under the auspices of its own end-to-end suite.

SHOW OFF THOSE SHINY OBJECTS

With all the right technology in place, retailers can focus less on managing employees and more on employer culture and branding – but they’ve also added valuable tools to their recruitment arsenal. Younger retail employees are more likely to be recruited, show up to work, and stay on the job longer when modern technologies are part of the employment package. The relatively small investment retailers make in modern HCM technologies – and by following these steps – will pay off not just in improved scheduling, but also in the ability to attract and retain better performers.

LOOKING FORWARD

Technology for HCM in retail has evolved considerably, and retailers that fail to deploy the latest innovations will fail to compete. The same goes for vendors of HCM technology: Those that develop their solutions to facilitate retailers’ ability to win in HCM will outpace their own competitors, too.