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Adapting Recruitment and Retention Strategies for the Modern Retail Space

Slayton Search Partners



Finding new ways to attract and retain employees is key to thriving in uncertain times.

The retail industry has become predictably unpredictable. From the [retail sales plunge](#) in early 2020 to the chronic supply chain disruptions of the following two years, retailers have faced significant market volatility since the start of the COVID-19 pandemic. Adaptivity has become the hallmark of effective organizations—a characteristic every business must emulate to forge a continuous path of success.

As the retail landscape continues to shift, new economic challenges and hiring difficulties have emerged. The importance of staying agile must be reiterated. Now more than ever, retail leaders must adapt their recruitment and retention strategies accordingly to stabilize their workforce and access the talent they need to thrive.

The State of Retail in 2023

While the designation of COVID-19 as a public health emergency is [set to expire](#), there's no end in sight for the widespread labor issues that began during the pandemic. According to [Deloitte](#), 70% of retail executives identified labor as the top challenge in 2023. Approximately 879,000 retail positions remained unfilled at the end of 2022.

However, while frontline labor shortages earned countless headlines, it's perhaps the quieter talent issue that has created the deepest impact. In the C-Suite, executive leaders are becoming more difficult to source, largely due to the ever-expanding skill sets needed to navigate global supply chains, new technologies, and the troubled retail landscape. Top retailers like [Gap](#) and [VF Corporation](#)—the parent company of Supreme, The North Face, and Vans—are operating with interim CEOs as they continue their executive search. Without permanent leadership at the top of the organization, hiring struggles can trickle down, further deterring executive candidates who consider unfilled C-Suite positions.

[Talent shortages](#) have unsurprisingly hampered growth for many retail organizations. And yet, the answer isn't clear-cut. The need to improve talent attraction has come in contention with complex macroeconomic concerns—rising inflation, the [impending recession](#), geopolitical conflicts, and retail sales lulls. In the face of these pressures, cost-cutting has become a priority for many businesses.

The result is paradoxical: As companies invest more in recruitment, layoffs are on the rise. In

January 2023, retailers cut 13,000 jobs—a jarring [3,225% increase](#) from the prior year. The retail industry now stands second only to the tech industry in its scope of layoffs, increasing the wariness of potential and current retail talent.

Talent Retention Issues Persist

Attrition, much like labor shortages, is an issue facing the retail sector at all levels. Retail and hospitality employees are over [70% more likely](#) to leave their jobs than workers in any other industry. Despite the labor market cooling down, there are no signs of retention issues abating. Skilled workers continue to grow discouraged in their roles as industry issues converge and pressure to perform rises—and persistent talent shortages offer unsatisfied employees the flexibility to job hop.

Retailers need dependable talent—particularly at the executive level—to reliably meet the needs of their ever-changing markets. While downsizing may seem wise during times of economic uncertainty, the fact is that retail businesses must strengthen their leadership and prioritize the employee experience to stabilize, stay competitive, and stay profitable.

Modernizing Recruitment and Retention Strategies

The economic downturn can be an opportunity. As some corporations turn to layoffs, strategic retailers must take this time to strengthen their recruitment and retention strategies. By doubling down on talent investment and putting their workforce first, retail leaders can show their commitment to employees and earn a positive employer brand reputation that lasts.

[Equitable compensation](#) plays a key role in attraction and retention, but a successful talent strategy shapes more than wages and salaries. Some organizational transformation is needed. Retail leaders must understand the priorities of workers and adjust their employee value proposition accordingly.

For some retailers, this could mean elevating employee wellness offerings. [Gallup](#) reports work-life balance and personal well-being are nearly as important to employees as income and benefits. Offering flexible schedules, providing paid mental health days, and improving workforce forecasting to prevent unpredictable hours can all position an organization as a preferred employer. Stability is also a top priority for workers—once again proving the importance of investing rather than downsizing in unstable economic conditions.

This is also an ideal time to ensure employees have the tools needed to thrive. Employees must feel supported by their managers, company, and resources—not only in their current roles, but in their long-term career goals. Companies that offer internal mobility opportunities and excel at responding to feedback can leverage these advantages for both recruitment and retention.

How Retail Leaders Can Respond

To further examine how retail leaders can excel in the modern retail landscape, we can explore the recruitment and retention strategies utilized by Claire's Holdings. Recently named one of Fast Company's [Most Innovative Companies](#)—second in the retail sector in 2023—the global fashion brand has regularly and effectively evolved its talent strategy for over six decades.

For Claire's, this era of attraction and retention is culture-centric. The brand is building a supportive workplace by building paths for career development, encouraging managers to develop trust-based relationships, and giving their team members a sense of purpose. The employee experience is increasingly tailored to individual skills, goals, and needs. In contrast, the retailer's past value proposition—which focused on the concept of Claire's as a fun, inspiring place to work—has proven outdated. More than ever, retail leaders need to offer tangible benefits to their workforce.

Diversity, equity, and inclusion (DEI) is also a cultural priority for Claire's. The organization boasts strong female representation across its organization and regularly examines its job leveling, compensation, and bonus structures.

By establishing strong DEI initiatives and crafting a supportive employee experience, retailers can similarly attract talent from all backgrounds and demographics, while continuously giving workers a reason to stay.

What recruitment and retention strategies will your business employ to build the workforce you need?