

Retail Transformation: Digital Talent Management

The retail industry has been greatly transformed by digital technologies. Digital talent management is the latest wave of retail business transformation.

Global Supply Chain



Online Shopping



Talent Management



According to the highly respected McKinsey Institute, digital talent management can provide retail stores with a significant boost in productivity and reductions in administrative overhead.



3%

increase in store productivity



5%

decrease in HR and recruiting administrative costs¹

Post-Recession Labor Performance

To encourage slow but gradual post-2008-recession sales growth, retailers need employee support. They also need technical skills to support online shopping and inventory management.

But, voluntary turnover keeps going up. One reason is rising competition among employers, both inside and outside the retail industry. Another cause is more sporadic time scheduling, as store managers try to match fewer labor resources with peak customer traffic times.



75% turnover is already common for some retailers¹



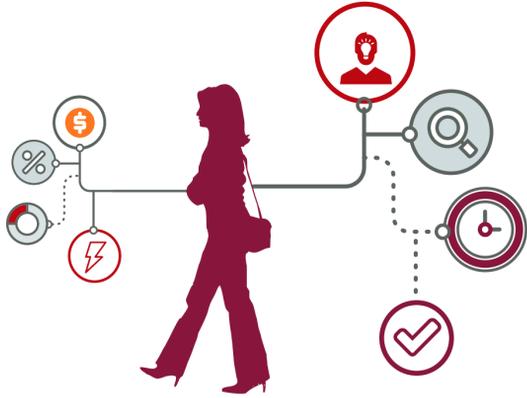
Voluntary quits keep increasing, year-over-year, since 2008²



32% rise vacancies from 2014 to 2015²

How to Best Attract and Retain Top Talent

To attract and retain top talent, a few big national retailers, including Walmart and Target, increased wages in 2015. But, the research shows that what employees really want is better work-life balance, professional development, and career pathing.



44%

of retail employees leave for better wages

74%

leave for better work-life balance, professional development, and career pathing³

Employer Brand Value Communications

Digital technologies, including mobile devices, provide retailers a cost effective way to leverage employer brand value messaging with targeted communications that engage, attract, train, and retain top performing talent. Retail employers are focused on:



career pathing



training and development



employer brand value³

Social media channels favored by younger job applicants today include: LinkedIn (23%), Facebook (19%), Google+ (16%), Instagram (16%) and Twitter (13%)⁴

Faster Speed to Hire and Performance: Lower Overhead Costs

Digital automation tools are used to quickly identify, qualify, hire, and train new hires, increasing speed to performance. Online assessments can improve quality fit of new hires and reduce cost of bad hires (theft, fraud, etc.). Onboarding, training, and development are increasingly driven by cost-efficient on-demand video learning.

- Digital tools make business process 31% faster⁵
- Applicants apply to 3 employers at a time, on average⁴



Higher Engagement and Collaboration

80-90% of managers are recruited internally by best-in-class retailers¹

Digital technology can result in higher levels of employee performance and retention. Systems of engagement are shown to deliver:

64%
higher employee engagement

38%
more employee collaboration⁵



The Bottom Line

All in all, digital talent management can drive higher levels of store productivity and decrease overhead.

3% increase in store productivity

5% decrease in HR and recruiting administrative costs¹



MODERN HR IN THE CLOUD

To learn more about how digital technology can drive human capital management for retail, contact Oracle.

[1] McKinsey Global Institute, 2015
[2] U.S. Department of Labor, 2015
[3] Hay Group, 2012
[4] Jobvite, 2014
[5] Sierra-Cedar, 2014-15