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SPOTLIGHT ON RETAIL

Greater employee engagement will not only reduce the costs associated with the high turnover rates often experienced by retailers, but also increase customer satisfaction and loyalty, which in turn can boost sales and profit margins.

CHALLENGE

In a market where sales are flat or declining, retailers are focusing on a variety of strategies to stay in the black: leaner inventories, lower payrolls and multiple shopping channels to name a few. While these tactics can certainly improve profitability, one strategy that may produce the most notable results is increasing employee engagement. Greater employee engagement will not only reduce the costs associated with high turnover rates often experienced by retailers, but also increase customer satisfaction and loyalty, which in turn can boost sales and profit margins.

Retailers administering employee engagement surveys to identify specific attitudes and behaviors affecting their bottom lines can use the survey data as the basis for targeting improvements that will have the quickest or greatest impact.

TNS Employee Insights works with retailers to develop survey programs for both salaried and hourly employees that effectively measure store productivity, customer service and specific drivers of engagement.

SOLUTION

The retail industry is a significant part of the U.S. economy, employing nearly 15.3 million people and generating more than \$4 trillion in sales.* This was the second consecutive annual decline for the retail industry, both an effect and cause of the U.S. economic recession overall. As such, determining what will encourage retail employees to be more invested in their jobs and go the extra mile for the company simply makes good business sense.

A well-designed and executed employee survey is a key diagnostic tool for identifying the drivers of employee engagement, particularly in a large retail setting where more detailed results are needed to accurately assess trends at store or department levels. We work with various retailers to develop an effective survey process that involves not only the survey and reports, but also interpretation and action planning that is directly based on employee feedback. This reinforces that employees have a voice within the company and leadership will use their responses as the basis for change.

We carefully design surveys using proven research principles to generate the greatest insight into employee perceptions and behaviors so leadership can evaluate how well behaviors align to desired outcomes (e.g. improved efficiency, increased customer satisfaction, etc.). This has helped a number of retailers uncover issues at the store or department level that were impacting employee engagement.

*Source: About.com/Retail Industry: retailindustry.about.com/od/statisticsresearch/p/retailindustry. According to the latest annual report from the U.S. Census Bureau (calendar year 2009), the total amount of sales for the U.S. Retail Industry (including food service and automotive) was \$4.13 trillion.



Measuring employee engagement and identifying the drivers unique to an organization can be an important part of a retailer's battle plan for surviving (and possibly even thriving) in an environment challenged by tightened credit and a higher cost of living.

Our advanced reporting capabilities help management teams closely analyze survey results and obtain the information needed to develop effective action plans. We also provide normative data to help retailers put their survey results in the proper context and target the right improvements in order to get the most from their survey investments.

RESULTS

Today, more than ever, retailers must become more engaged with consumers – and their employees. Engagement surveys can be an effective means of identifying issues that are important to the company – and its employees – so the right actions can be taken to drive greater business results.

Our work at TNS Employee Insights within the retail industry has revealed some important insights that can help organizations better engage their employees, improve their levels of customer service and, in turn, increase sales.

The following are just a few of the lessons we have learned:

- **Implement more effective communication channels.** An engagement survey can determine if employees are receiving the information they need to do their jobs well and whether they understand and apply it. Weak links between headquarters and stores and between managers and employees can delay communication, which negatively impact engagement and performance.
- **Offer growth opportunities.** Training and on-the-spot learning will develop or strengthen new skills that can lead to job success, and set a foundation for career advancement, which can lead to higher morale. Exposing employees to different positions and departments can also increase retention as employees discover new interests.
- **Provide the proper equipment to do the job well.** Having the right materials is a key component of engagement following the requirements of the job. The absence of simple items such as pens, staplers and paper or problematic computer systems can quickly lead to job frustration and a loss of commitment to the company.
- **Cultivate a culture of teamwork.** Local managers who promote cooperation and collaboration among their employees typically see an increase in performance and improved customer satisfaction. When associates rely upon on each other to ensure responsibilities are covered and work schedules meet their needs whenever possible, employees feel more empowered and more engaged.



DISCOVER

A Changing World, New Territories, New Opportunities and Higher Business Performance



We deliver customized employee and customer surveys that measure the vital link between employee engagement, customer satisfaction and business performance. We help large organizations identify specific attitudes and behaviors that impact their bottom lines and convert survey data into actions that enhance both employee and company performance.

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