

## Skilled labor and the future of retail store employment

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Last December I spent an afternoon wandering local stores in search of Christmas gifts. This shopping excursion brought me face to face with the past, present and future of retail store shopping. In the spirit of Christmas, I will explain these as the ghosts of Retail Present, Retail Past and Retail Future.

### ***The Ghost of Retail Present: it is all about the store experience***

Two things stood out this week as I walked through a local open-air shopping mall looking for gifts:

- **Going shopping is no longer about buying stuff.** It would have been far easier to sit at home searching for gifts online. But that isn't the same as being out in stores, interacting with other people and walking from place to place. It was fun seeing stores with visually interesting displays and pleasant interior designs, even if I originally had no intention of visiting them. Going to these stores was not about buying products. It was about the physical experience of being in the store itself.
- **The busiest stores had the most skilled employees and often the smallest inventories.** The minute someone walks in they are greeted by an employee who asks intelligent questions about their interests and what brought them to the store. As I talked to these employees, I realized they were more skilled than a traditional "retail customer service rep". These employees did far more than just point you to the right part of the store and ring up purchases. They acted as consultants skilled in identifying customer interests and matching them to company products. In several instances, employees even suggested I look online for company products that were not readily available in the physical store.

The future of retail stores is not about providing a better shopping experience than Amazon and other online vendors. As technology continues to evolve, online shopping will become far less expensive and far more convenient than shopping in stores. The only way stores can compete with internet shopping is to provide a completely different experience from what you can get online. This is about the physical experience of shopping. The internet will never truly duplicate the feeling of being in an aesthetically pleasant store environment engaging directly with friendly, knowledgeable humans. The retail stores that figure how to do this will be the ones that survive the post-internet era of retail shopping.

### ***The Ghost of Retail Past: the end of the high turnover, low skill, low wage retail workforce.***

Retail companies must shift their thinking from "stores are a place to buy products" to "stores are a place to give customers a compelling human experience that inspires them to buy products whether in the stores or online". The most critical component to this shift is the employees who work in retail stores. This requires companies to rethink their staffing models for frontline retail workers.

For decades, many retail companies focused on de-skilling frontline retail jobs to save labor costs. The goal was to design jobs that are so simple that stores can hire someone with almost no qualifications and train them in less than a week to perform all their job duties. By making store jobs less skilled, retail companies increased the size of the labor supply qualified to perform them. Having access to a greater labor supply meant companies could pay lower wages and show less concern for the costs of turnover. When an employee quits, you just find someone new, give them a week of training and get them out on the floor.

The problem with the low-skilled model of retail staffing is these kinds of employees cannot provide the sort of differentiating experience that will pull customers off the web and in to the stores. Stores must be staffed with employees that can educate, inspire and engage with customers at a human level. Employees must give customers an in-store experience that the internet cannot duplicate. The stores that are going to succeed in the post-internet retail economy are the ones that realize that [to provide a compelling in-store experience, you need skilled in-store employees.](#)

***The Ghost of Retail Future: retail's gift to the workforce – more skilled jobs.***

I believe the demand for more skilled retail store employees could become a significant force for improving the labor market overall. Skilled jobs are well-paying jobs, and well-paying jobs are good jobs. We still have a long way to go before retail store jobs are placed in the same category as other skilled professions such as medical assistant or construction worker. But [research](#) indicates that this shift is starting to happen. Several large retailers have adopted financial staffing models that do not view labor simply as a cost to be controlled, but as an investment to drive long-term profitability. These companies invest more in employee development, salary and benefits to create workforces that have much higher levels of skills and far lower attrition than found in most retail companies.

Working in a retail store is one of the oldest jobs in our economy. It is heartening to think that such an old profession can be positively rejuvenated by economic shifts resulting from internet technology. Making the transition from unskilled to skilled retail work is going to be difficult, but ultimately it is critical to retail store survival, good for retail employees, and positive for our economy overall.