The retailer's guide to forgetting the labor crisis

Nudge

What's in this guide?

The labor crisis: a critical challenge facing retailers

As the uncertainty surrounding the pandemic lifts, organizations across the country have reopened. It's not business as usual – it might never be again – but a new normal has emerged that brings with it new safety and security concerns, as well as changing customer expectations. This new normal has also brought another challenge: a labor shortage.

Now more than ever, retailers need workers in place to keep operations running smoothly and effectively, but "The Great Resignation" is making it difficult for businesses to boost their numbers. According to The Deskless Report, 37% of U.S. retail workers want to quit right now. As of September 2021, the U.S. bureau of labor statistics reported 1,121,000 open jobs in retail, which is almost double from September 2020. It's not surprising, considering the turnover rate for retail in 2021 is 60%, and historically that number is even higher for hourly retail employees compared to workers in distribution or corporate offices.

■ **Wondering why the labor shortage is hitting retailers so hard?**

Get the full story in our Labor Crisis Guide.
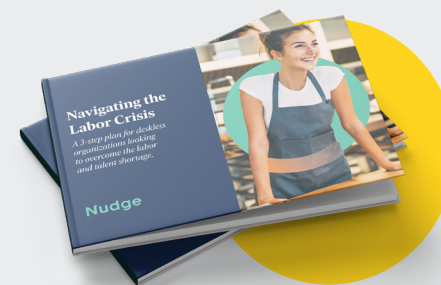
These numbers can decimate retailers. That's a fact. But instead of focusing all their time and energy on acquiring labor (which is currently a losing battle), retailers should take a step back and focus on an even bigger issue, one that has an even bigger impact on productivity, performance, and revenue.

So, let's get started.

So what's more important than the labor crisis?!

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Forget the labor crisis. You've got bigger problems.

Your staff are a critical component of the post-pandemic rebuild, and you're asking a lot of them. You're expecting them to do more with less, without any additional support or tools. So that's what's more important than the labor crisis: **supporting your existing staff.**

What does supporting your staff mean? At its core, it means giving them the information, technology, and support they need to thrive. It means clear, concise, accessible information. It means easy-to-use, two-way feedback loops. It means access to the tools and technology that make these communication and feedback channels effective.

And research shows they're not currently getting what they need. In fact, workers are starved for information. Remember, according to **The Deskless Report,** 37% of retail frontline

workers want to quit right now. And when asked what would make them quit their job, one of the top responses was "poor communication."

When your staff aren't supported, that gap translates into negative customer experiences, higher levels of disengagement, and even more turnover. If you lost your current staff, you likely wouldn't be able to hire and train new staff quickly enough without severely impacting your business. And a few negative experiences with burned-out staff could cost you customers for life.

What happens when staff aren't supported?

When retail workers aren't getting the support and tools they need from head office, almost every business outcome is affected. Here's a quick rundown of the impacts:

Operations

— *Inefficient use of labor caused by staff hunting for key information*

— *Operational inconsistencies caused by lack of information around SOPs and tasks*

— *Poor launch/campaign performance due to unprepared staff*

— *Managers become bottlenecks for information*

— *Pre-shift huddles become too long, taking associates off the floor*

Customer experience

— *Negative CX caused by lack of information and tools*

— *Inconsistent experience between online and in-store shopping*

Human resources

— *More turnover (according to Forrester Consulting, the average turnover cost per associate is upwards of $1,200)*

— *Employee burnout (one study found that 84% of retail workers suffered from deteriorating mental health during the pandemic)*

— *Poor employer branding discourages job seekers from applying*

— *A lack of two-way feedback makes it impossible to see red flags around turnover, disengagement, etc.*

Sales

— *Untrained staff reduce the revenue they could pull in (research shows that knowledgeable staff can increase sales by up to 50%)*

Communications

— *Traditional communication cascade leads to reinterpreted/ filtered information*

So, until you're giving your staff the tools and support they desperately need to deliver memorable CX, execute on tasks efficiently, and mobilize on key events effectively, **you shouldn't even be thinking about the labor crisis.**

Why supporting current staff should be every retailer's #1 concern

The previous section showed how negative ramifications of unsupported staff can reach all parts of the business. Luckily, the opposite is true, too: Giving your staff the tools and support they need can drive better outcomes across the business. Here are 10 reasons supporting current staff should be every retailer's top concern.

1. It drives CX

Better customer experience starts with better employee experience. With retail now an omnichannel approach, where brick-and-mortar and e-commerce sites work in tandem to provide the best possible customer experience, it's crucial that organizations ensure that their deskless and frontline workers have the support and information they need to keep up.

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Customers have access to so much information that they're often walking into a location with more knowledge than an associate. We as consumers have all experienced this. That is completely broken and [is now] causing a fundamental shift where brands are investing more in their people."

-Nudge COO Jordan Ekers in Authority Magazine

2. It gives you a window into customer insights

Retailers invest millions of dollars in market research and customer insight surveys, often without ever tapping into their key source of customer insights. Your frontline associates handle customer questions and feedback every day. Implementing strong upward feedback systems gives you a direct line to what your customers really care about.

3. It helps you make data-driven decisions

Are your teams ready for Black Friday? Why did that last campaign fall flat? Why are your Midwest locations seeing an uptick in turnover? These aren't questions to answer with your gut. These are questions that can – and should – be answered with data. And that data comes from the robust analytics that effective communication and feedback channels provide

4. It identifies knowledge gaps and other red flags

Through execution metrics, surveys, knowledge quizzes, and other data, analytics can identify knowledge gaps, protocol confusion, and other red flags. From there, organizations can triage their training to address the most urgent needs, then fill out the rest of the program as resources become available.

5. It improves profitability

When the Canadian golf retailer Golf Town **started using Nudge** to share critical corporate messaging directly with its associates and keep them up to date on product information and employee training, they saw an 8% boost in conversion across stores.

6. It drives operational agility

Investing in the employee experience is a huge differentiator for retailers looking to accelerate change. After all, for retail, nothing will be the same again. Consumer behavior, supply chain shortages, travel boons... nothing can be predicted like before. So, companies will need to stay nimble and adaptive to the changing world, and a well-informed, prepared workforce will be an integral piece of that puzzle.

7. It encourages idea sharing

One of the most profitable benefits of effective employee communication is that amazing ideas find their way from your workforce back up to head office – and to other locations. After all, if one location discovers an easy way to improve the customer experience through a tweak in a display, or boosts sales through a simple upsell, wouldn't you want the rest of the company to leverage that learning?

8. It improves workplace safety

Workplace accidents can really hit productivity and profitability, but prioritizing knowledge testing, standardizing SOPs, and confidence checks can do wonders. **One study** even found that every dollar spent on improving workplace safety had an ROI of $4.41.

9. It reduces turnover

The best way to forget about the labor crisis? Stop losing the staff you already have. And giving them the support and tools (and information!) they need is a critical part of that. "The know-how to do a job well is a key factor to job satisfaction and success for frontline workers," explains our **recently-commissioned Total Economic Impact™ Study, conducted by Forrester Consulting**. In fact, it found that deskless workers using Nudge have a 10% higher retention rate. That's the power of effective communication.

10. It makes you an employer of choice

Investing in your employee experience sets your brand apart from competitors also looking to hire. When you present yourself as an employer of choice, you entice more candidates to apply, which makes it easier for you to get closer to those pre-pandemic staff numbers (and, in turn, get your operations running smoothly).

Think you're nailing it? Your staff disagree.

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Here's what's happening at home

You might think your communication and feedback channels are setting up your staff for success, but your staff disagree. In fact, they're starved for information and for their voice to be heard.

Lack of tools

Part of the problem comes down to tools – or lack thereof. According to Emergence Capital's 2020 **State of Technology for the Deskless Workforce**, 60% of the deskless workers are unsatisfied with the technology they're provided to do their jobs. And 70% of deskless workers surveyed report that more technology would help them do their jobs better.

Lack of information

Even when workers are getting information, they want more. According to The Deskless Report, 51% of retail workers said they're receiving company updates, but 40% said they want more. Nearly 40% of associates said they're receiving updates on products and services, but 34% said they want more. The same is true of company vision and mandate. While 79% of workers said they have a clear sense of their company's vision, 66% of respondents still said they want to know more.

Disconnect on the effectiveness of channels

But perhaps the biggest issue is the disconnect between what workers need to do their job well and what head office thinks they're providing. According to The Deskless Report:

— *59% of retail workers said the communications they receive are somewhat to not-at-all useful, while 80% of retail leaders feel they're sending out meaningful, quality communications*

— *54% of retail leaders say information is shared with workers daily, but only 27% of associates agree*

— *79% of retail leaders say they're fostering a feedback culture, but only 27% of associates said they're asked for feedback often*

Not enough investment

These disconnects are extremely troubling. If retailers think they're nailing it, then they're not looking for ways to optimize or improve their systems. When asked what their organization was spending on employee communication or on overall employee experience in 2021, a whopping 30% of retailers answered "No budget allotted." That's almost double the average across all industries polled in The Deskless Report. And yet according to associates, these systems are very, very broken.

What's promising is retailers' intent to invest more in employee experience. According to our research, 63% of retailers plan to invest more energy or budget into employee experience this year, and 32% plan to invest specifically into communication. This means that if you're not investing in supporting your staff, you'll be seriously left behind.

So, what happens now?

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A 5-step plan for supporting your staff

Step 1: Let go of the your legacy processes

The first step in effectively supporting your staff is letting go of the legacy processes and tools that are holding you back. And this is a big one: The traditional communication cascade does not work for retail organizations.

In other words, it leads to broken telephone, to bottlenecks, reinterpretations of key information, and inefficiencies. The same goes for traditional feedback loops (like annual surveys), which don't focus on real-time info sharing and agile learning. They're more focused on human resources KPIs, like engagement, rather than delivering the very valuable information your associates can provide, like customer insights.

And both of these legacy processes mean that it's impossible to identify major gaps and challenges in your business before they become a bigger problem, like discovering your teams aren't ready to execute on an upcoming campaign, or identifying major knowledge gaps in your safety protocols.

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> *"Communication through a manager waterfall relied on the manager's ability to ingest the content and relay it to the deskless workers. It was not uncommon for messages to get lost in translation. Messages that were successfully relayed to a deskless worker had been filtered and reinterpreted, diluting the meaning of the communication."*
>
> **Total Economic Impact™ Study***, conducted by Forrester Consulting on behalf of Nudge*

But don't take our word for it – let's move on to Step 2: reviewing your existing strategy.

Step 2: Identify your support gaps

The best way to see where the gaps are in your employee experiences is to run an internal communications audit. This is a review of how well your organization and its leaders distribute and collect information to and from your workforce and how well the current setup aligns with your company goals. This audit will help identify the problems with the way you're currently supporting your team and then offer up ideas for how to adjust your strategy. At the end of this guide, you'll find a **worksheet to run your audit**, but here's a quick rundown of the steps:

1. **Create** an audit team

2. **Set** goals

3. **Collect** information (including metrics review, tools review, and anecdotal insights)

4. **Analyze** the intel

Step 3: Update your tech stack

The tools you use to interact with your associates should make your employee experience more effective and streamlined, but they can often do the opposite. You'll review your current tech stack during your audit in Step 2. After that, it's a matter of updating your stack with the tools that make the most sense for your organization. Our **communication tool comparison chart** at the end of the guide will help you weigh your options.

The dos and don'ts of retail employee communication tools

▲ **Don't: Rely on email**

Email doesn't work for getting real-time updates to your associates on the floor (especially if you don't have a BYOD policy in place). It's also too easy to leave a cohort of employees out of the loop if they change their email address or haven't yet provided it.

● **Do: Leverage a digital platform**

A digital communication platform makes it so much easier for retailers to support their staff by sharing updates, product information, SOPs, community-building, and feedback loops all in one place.
It also makes it easy to harvest metrics to monitor for red flags.

▲ **Don't: Bottleneck info at the floor manager**

Not only does that create a lot of opportunity for broken telephone, but it also puts a lot of pressure on overworked managers, who are already wearing many hats.

▲ **Don't: Assume posters and bulletin boards reach everyone**

Passive communication channels make a lot of assumptions about employee behavior and language. Plus, it leaves zero opportunity to gather workforce insights through metrics.

▲ **Don't: Rely on the one computer in the break room**

You've gone the traditional route with an intranet site or an LMS, but now your employees can only access company info from the one company computer shared by their whole team. Does that seem efficient?

● **Do: Go mobile**

Don't banish personal devices to employee lockers. A BYOD program is the best way to share real-time updates and collect vital insights.

Step 4: Build out a support strategy

Once you've identified your gaps and updated your tech stack, it's time to start supporting your team. Of course, this will vary from retailer to retailer, but there's a baseline of effective support to aim for. Here's what supporting your associates looks like:

Your feedback loops are accessible

Fostering a feedback culture is critical to retailers looking to support their frontline staff. According to **The Deskless Report,** 68% of retail associates say that feedback is "very" or "extremely" important to them. It's also where you'll identify issues before they become full-blown problems. Here are our tips:

— *Focus on accessibility and ease of use to allow for real-time feedback from customers and other on-shift insights*

— *Offer a variety of feedback channels – forums allow staff to share ideas and best practices, while private channels are better for management concerns or sensitive issues*

— *Leverage pulse surveys and confidence checks to regularly tap into how prepared your staff feel about upcoming campaigns and other key events*

Your communications are effective

To give your associates the support they need, you need to give them the information they're desperately searching for. Here are our tips:

— *Share information through a channel your associates can use easily and consistently (we recommend a digital communication platform they can access from their phones)*

— *Improve knowledge retention by keeping communications timely, bite-sized, and easy to read*

— *Corral longer information about procedures, processes, and SOPs into a central hub, so your staff can find info easily*

— *Gamify information sharing to boost engagement (employees love points, even if there isn't a tangible prize associated with it!)*

— *Do regular knowledge testing to identify retention issues, knowledge gaps, and potential disengagement (and flag ineffective communications)*

■ *Want to learn more about building an effective communication strategy?* **Read our Ultimate Guide to Deskless Employee Communication!**

Step 5: Monitor, optimize, and adjust

Once your employee support strategy is up and running, the final step is to monitor your programs regularly and collect workforce insights that will help you make data-driven decisions. Tracking employee metrics helps organizations make fact-based, data-driven decisions to improve performance, engagement, and more. Here are a few ways to monitor your strategy for the long term:

— *Use your communication engagement metrics to keep an eye on knowledge gaps, low read rates, and other warning signs for turnover*

— *Use execution metrics to monitor operational consistency and efficiency*

— *Use performance, recognition, and feedback data to identify top-performing associates, locations, or regions – and scale their best practices company-wide*

— *Use sentiment analysis, survey metrics, and forum data to quickly process feedback and idea-sharing at scale*

One more tip: Using a digital communication platform keeps all your communication and feedback metrics in one central place, so you can monitor your entire support strategy at the click of a button.

How Nudge will help you forget the labor crisis

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Nudge: Your solution to the labor crisis

The best way for retailers to forget about the labor crisis is to focus on developing their existing workforce, while striving to become an employer of choice.

That's where Nudge comes in. Nudge is a digital communications platform that enables your organization to improve workforce productivity and reach your organizational goals through better communication, faster feedback, and actionable workforce insights.
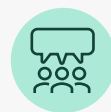
Everything we've recommended in this guide can be implemented quickly and easily with Nudge:

Centralized communication

Boost retention and gamify performance with bite-sized, targeted communications, knowledge testing, and a central resource hub.

Scalable employee onboarding

Set new hires up for success with in-app triggers to automatically send content on key milestones, such as start date and 30-day check-in.

Engaging feedback channels

Foster a feedback culture and build an employee community with topic-based forums, pulse surveys, and secure enterprise chat.

Embedded employee referral program

Encourage referrals with a customizable referral page, accessible right from employees' smartphones, that shares details on open roles and incentivizes sharing.

Robust workforce analytics

Uncover red flags, like knowledge gaps and disengagement, through in-depth workforce analytics that monitor execution at scale.

Nudge: Loved by our retailers – and their employees

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SPORTING life

"Nudge is a game changer for the retail landscape."

- Chad McKinnon, President, Sporting Life

Soft Surroundings

"Nudge has helped make the world feel a little bit smaller by connecting store staff from one coast to another with meaningful branded content."

- Marc Galloway, VP of Store Operations, Soft Surroundings

mastermind TOYS

"Nudge has closed the loop for us to communicate back to the stores how their input has contributed to our innovation and success as an organization."

- Sarah Jordan, CEO, Mastermind Toys

"An innovative and motivating app that does a good job keeping all of us on the same retail team connected and moving forward."
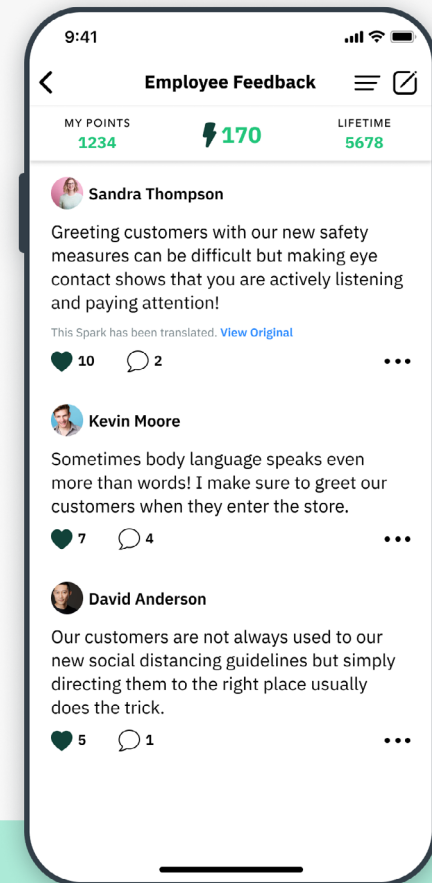
- Ivan B., User

"Great way to keep in touch with other associates and share ideas."

- Shannon I., User

"Great app. Gives good insights and information about what's going on in the company and tidbits about our daily routines!"

- Evelyn W., User

Apple Store
★★★★½
4.6 Stars
+6.3k Reviews

Google Play
★★★★½
4.6 Stars
+8.3k Reviews

9:41

Employee Feedback

MY POINTS
1234

⚡170

LIFETIME
5678

Sandra Thompson
Greeting customers with our new safety measures can be difficult but making eye contact shows that you are actively listening and paying attention!
This Spark has been translated. View Original
♥ 10   💬 2   •••

Kevin Moore
Sometimes body language speaks even more than words! I make sure to greet our customers when they enter the store.
♥ 7   💬 4   •••

David Anderson
Our customers are not always used to our new social distancing guidelines but simply directing them to the right place usually does the trick.
♥ 5   💬 1   •••

Get the communication platform your associates want to use.

Want to see how Nudge can help your organization?
Book a demo today or get in touch at hello@nudge.co

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Printables

*Use these worksheets and charts to take
your support strategy to the next level.*

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Internal Communication Audit

This worksheet will help you gather the intel needed to review your communication strategy and identify gaps and issues.

Audit team

Who will run your audit? If you don't have an internal communications team, we recommend stakeholders from operations, HR, marketing, and your frontline.

Name	Department	Role/Responsibility
E.g., Sarah Marshall	*E.g., Marketing*	*E.g., Communication Tools Review*

Audit goals

Your goals should be focused on identifying specific ways that you can improve how information is shared within your organization. For questions to help develop your goals, refer to the **Ultimate Guide to Deskless Employee Communication**.

GOAL 1	*E.g., Assess whether our communications are driving associate confidence*
GOAL 2	
GOAL 3	

Nudge

Collected info and insights

Use this section to compile your audit findings.

Metrics	
E.g. Email open rates	

02

Communication tools review				
Tool	**Owner**	**Use**	**How often it's used**	**Effectiveness**
E.g., LMS	*HR*	*Professional development*	*Quarterly*	*Only really used by managers*

Anecdotal Insights	
Source	**Feedback**
E.g., Joe Dopper, frontline associate	*Associates are learning about online promotions after they have been running for several days*

Analyzing your intel

Once you've collected your insights, the next step is to compile your findings into key insights and draw conclusions based on your original goals. From there, you can develop recommendations.

Key Findings

E.g., Both associates and managers don't regularly access current communication tools

Goal Review

Goal	Conclusion
Eg. Assess whether our communications are driving associate confidence	*Associates aren't being given the info at the right time to properly mobilize on promotions*

03

Recommendations

E.g., Centralize all communications to one digital platform that associates can access on phones

COMPARISON CHART

Deskless employee communication tools

Use this chart to compare the communication tools and technology options to consider when building a strategy.

Type of tool	Use	Pros	Cons
Email	Used for sharing updates and announcements and has a wide reach for head office to pass along information.	Easy-to-use communication tool that everyone has already adopted.	Organizations don't always have updated email databases for their full frontline workforce.
Intranet	Meant to provide employees across the organization with information in different content formats; typically accessible on all devices (primarily used through desktop).	Centralized hub for information and communications.	Associates aren't often able to access an intranet site during shifts, when they need the info the most; also, traditionally mostly one-way communication.
Internal Newsletter	Digital or print newsletter sharing company news, wins, updates on a weekly, monthly, or quarterly basis.	A traditional communication channel that is familiar to most workforces and doesn't require a lot of technology.	Organizations aren't able to share info in real time; also, it can be difficult to disseminate the newsletter to every employee.
Social Communities	A social network platform paired with secure hosting and data encryption for internal use.	Most employees are already engaged on social media, so you're reaching them where they already are; also, it's great for employee community building and upward feedback.	Not all employees are on social media regularly; also, a BYOD policy is required to ensure associates are accessing information in real time.
Signage/posters	Bulletin board signage and posters placed in high-traffic areas.	It's a low-tech option that is simple and easy to implement.	Effectiveness is limited by language and proximity barriers; also, you're not able to leverage workforce analytics to track the effectiveness of your communication strategy.
Employee surveys	Annual surveys or pulse checks sent to employees by email or through an intranet site.	Surveys foster upward feedback, which harvests great ideas and ensures workers feel heard.	Surveys sent in traditional formats have become white noise to employees, with most not even filling them out and others not giving meaningful answers.
Instant messaging	Platform for one-on-one and group chat and sometimes also video conferencing.	Allows for quick ad-hoc communication and connections across organizations.	IM platforms aren't well-suited to frontline and deskless workers who aren't at a computer all day.
LMS/Training tool	Used for the delivery of e-learning courses, training programs, and/or development programs; typically distributed through longer-form modules and are highly compliance driven.	Ongoing development is a great way to keep employees engaged and loyal.	Focused solely on training and development; lacks the functionality of a full communication platform.
Digital communication platform	Interactive platform with communication, social features, chat functionality, survey and quiz features, and forums.	Engaging, gamified, all-in-one platform to keep workers engaged with the brand on a daily basis; a smartphone app ensures workers can access information in real time.	An app-based platform requires organizations to adopt a BYOD policy to allow devices at work.