



MK 322 Retail Management

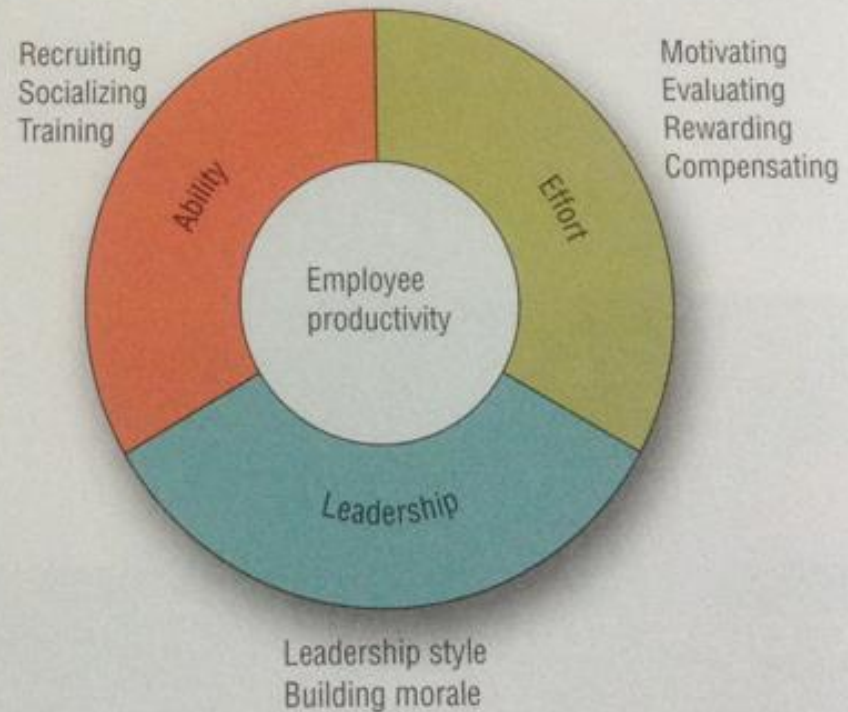
Chapter 16: Managing the Store

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Drivers of Employee Performance

EXHIBIT 16-1

Drivers of Employee Performance



Recruiting, Socializing, and Training Store Employees



Recruiting Employees

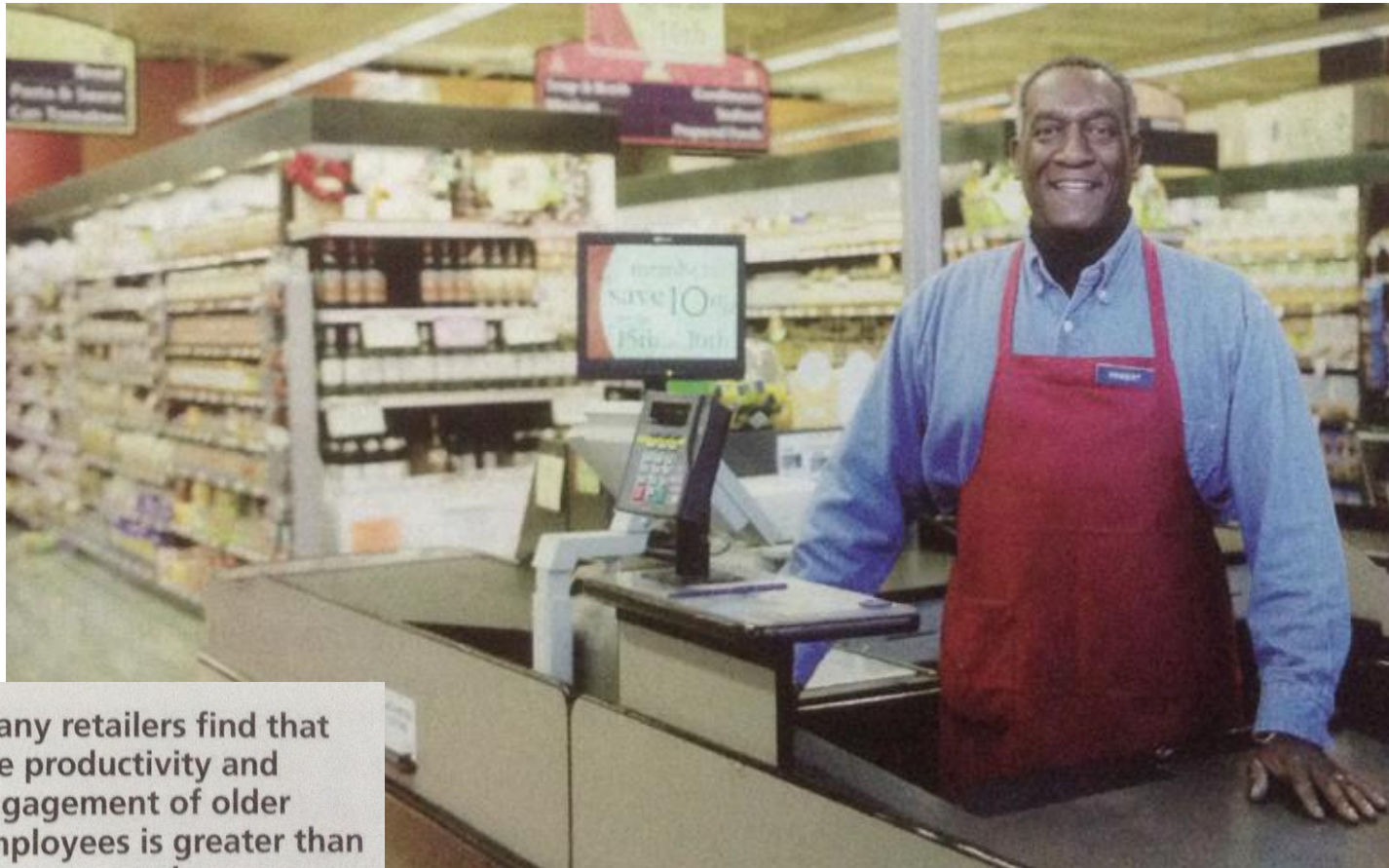
- Developing a Job Description

- How many salespeople will be working in the department at the same time?
- Do the salespeople have to work together in dealing with customers?
- How many customers will the salesperson have to work with at one time?
- Will the salesperson be selling on an open floor or working behind the counter?
- How much and what type of product knowledge does the salesperson need?
- Does the salesperson need to sell the merchandise or just ring up the orders and provide information?
- Is the salesperson required to make appointments with customers and develop a loyal customer base?
- Does the salesperson have the authority to negotiate price or terms of the sale?
- Does the salesperson need to demonstrate the merchandise?
- Will the salesperson be expected to make add-on sales?
- Is the salesperson's appearance important? How should an effective salesperson look?
- Will the salesperson be required to perform merchandising activities such as stocking shelves and setting up displays?
- Whom will the salesperson report to?
- What compensation plan will the salesperson be working under?

EXHIBIT 16-2
Questions for
Undertaking a Job
Description

Recruiting Employees

- Locating Prospective Employees



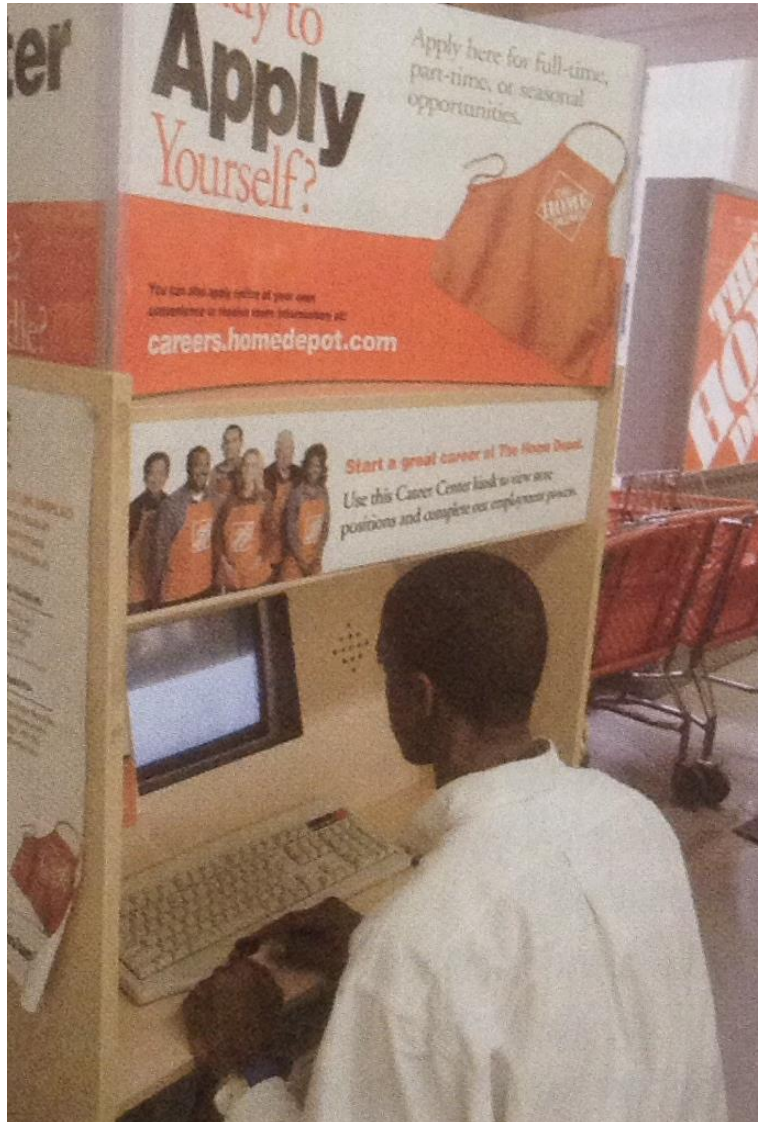
Many retailers find that the productivity and engagement of older employees is greater than younger employees.

Recruiting Employees

- **Screening Applicants to Interview**
 - Application Forms
 - References and Online Checks
 - Social Media
 - Testing
 - Realistic Job Interview



Recruiting Employees



Home Depot attracts and does an initial screening of prospective employees using web-enabled kiosks in their stores.

Recruiting Employees

- Selecting Applicants
 - Preparation for the interview
- Behavioral Interview: ask candidates how they have handled situations in the past, especially situations requiring skills outlined in the job description
- Legal Considerations in Selecting and Hiring Store Employees

Recruiting Employees

EXHIBIT 16-3

Interviewing Questions



EDUCATION

What were your most and least favorite subjects in college? Why?

What types of extracurricular activities did you participate in? Why did you select those activities?

If you had the opportunity to attend school all over again, what, if anything, would you do differently? Why?

How did you spend the summers during college?

Did you have any part-time jobs? Which of your part-time jobs did you find most interesting? What did you find most difficult about working and attending college at the same time? What advice would you give to someone who wanted to work and attend college at the same time?

What accomplishments are you most proud of?



PREVIOUS EXPERIENCE

What's your description of the ideal manager? Subordinate? Coworker?

What did you like most/least about your last job?

What kind of people do you find it difficult/easy to work with? Why?

What has been your greatest accomplishment during your career to date?

Describe a situation at your last job involving pressure. How did you handle it?

What were some duties on your last job that you found difficult?

Of all the jobs you've had, which did you find the most/least rewarding?

What is the most frustrating situation you've encountered in your career?

Why do you want to leave your present job?

What would you do if . . . ?

How would you handle . . . ?

What would you like to avoid in future jobs?

What do you consider your greatest strength/weakness?

What are your responsibilities in your present job?

Tell me about the people you hired on your last job. How did they work out? What about the people you fired?

What risks did you take in your last job, and what were the results of those risks?

Where do you see yourself in three years?

What kind of references will your previous employer give?

What do you do when you have trouble solving a problem?



QUESTIONS THAT SHOULD NOT BE ASKED PER EQUAL EMPLOYMENT OPPORTUNITY GUIDELINES

Do you have plans for having children/a family?

What are your marriage plans?

What does your husband/wife do?

What happens if your husband/wife gets transferred or needs to relocate?

Who will take care of your children while you're at work?

(Asked of men) How would you feel about working for a woman?

How old are you?

What is your date of birth?

How would you feel working for a person younger than you?

Where were you born?

Where were your parents born?

Do you have any handicaps?

As a handicapped person, what help are you going to need to do your work?

How severe is your handicap?

What's your religion?

What church do you attend?

Do you hold religious beliefs that would prevent you from working on certain days of the week?

Do you feel that your race/color will be a problem in your performing the job?

Are you of _____ heritage/race?

Socialization of New Store Employees

- Orientation Programs- are critical in socializing new employees
- A few hours to familiarize with rules and regulations
- One element of training program



Training Store Employees

- Structured Training Program- helps new employees acquire basic skills and knowledge, which they need to be able to do their jobs
- On-the-job-training- new employees work in specific jobs under direct supervision of their managers.
- Blended Approach- both structure and on the job. Best Buys attend monthly, 3 after hours training on new products, services update.

Training Store Employees



In this structured training program, newly hired Men's Wearhouse sales associates learn about the merchandise they will be selling

Motivating, Evaluating, Rewarding, and Compensating Store Employees



Setting Goals to Motivate Employees

- **Employee performance improves when they feel**
 1. Their efforts enable them to achieve the goals set for them by their managers and
 2. They will receive rewards they value if they achieve their goals, thus managers can motivate employees by setting realistic goals and offering rewards that employees want

Evaluating Store Employees and Providing Feedback

- Who should do the evaluation? – Manager who works closely with the employee
- How often should evaluations be made?
- Format of evaluation?



Evaluating Store Employees and Providing Feedback

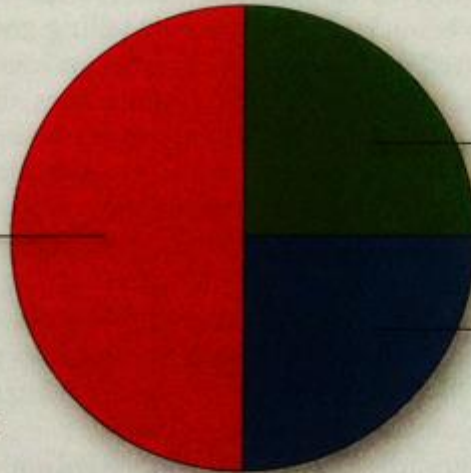
EXHIBIT 16-4

Factors Used to Evaluate Sales Associates at a Specialty Store

50%

SALES/CUSTOMER RELATIONS

1. Greeting. Approaches customers within 1 to 2 minutes with a smile and friendly manner. Uses open-ended questions.
2. Product knowledge. Demonstrates knowledge of product, fit, shrinkage, and price and can relay this information to the customer.
3. Suggests additional merchandise. Approaches customers at fitting room and cash/wrap areas.
4. Asks customers to buy and reinforces decisions. Lets customers know they've made a wise choice and thanks them.



25%

OPERATIONS

1. Store appearance. Demonstrates an eye for detail (color and finesse) in the areas of display, coordination of merchandise on tables, floor fixtures, and wall faceouts. Takes initiative in maintaining store presentation standards.
2. Loss prevention. Actively follows all loss prevention procedures.
3. Merchandise control and handling. Consistently achieves established requirements in price change activity, shipment processing, and inventory control.
4. Cash/wrap procedures. Accurately and efficiently follows all register policies and cash/wrap procedures.

25%

COMPLIANCE

1. Dress code and appearance. Complies with dress code. Appears neat and well groomed. Projects current fashionable store image.
2. Flexibility. Able to switch from one assignment to another, open to schedule adjustments. Shows initiative, awareness of store priorities and needs.
3. Working relations. Cooperates with other employees, willingly accepts direction and guidance from management. Communicates to management.

Evaluating Store Employees and Providing Feedback

	Average Performance for Sales Associates in Department	Actual Performance for Jim Taylor
Sales per hour	\$75	\$65
Average amount per transaction	\$45	\$35
Percentage multiple transactions	55%	55%
Number of preferred customers	115	125
Number of preferred customer appointments	95	120
Departmental shrinkage	2.00%	1.80%
Systems errors	10	2
Merchandise presentation (10-point scale)	5	8

EXHIBIT 16-5
Summary of Jim
Taylor's Six-Month
Evaluation

Rewarding Store Employees

- **Extrinsic rewards** are rewards provided by either the employee's manager or the firm such as compensation, promotion and recognition
- **Intrinsic Rewards** are rewards employees get personally doing their job well
 - Contests : Employee of the Month
 - Job Enrichment : the redesign of a job to include a greater range of tasks and responsibilities, including skill variety, task significant, autonomy, and job feedback

Rewarding Store Employees

 I'm lovin' it.

Brendan
Employee Of The Month



- 1. How long have you worked for McDonald's?**
I have worked at the Eagle Street McDonald's for 13 months.
- 2. What are some of your hobbies?**
I play Rugby and like to hang out with friends.
- 3. What school do you attend?**
I am going into Grade 11 at Dr. John M. Denison Secondary School.
- 4. Additional comments from the Employee of the Month:**
I am surprised and happy to be the employee of the month.

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Call our Hiring Line for details
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 I'm lovin' it.

Vilma
Employee Of The Month



- 1. How long have you worked for McDonald's?**
I have been working overnights at the Davis Drive McDonald's for 4 months.
- 2. What are some of your hobbies?**
I really like cooking and watching TV
- 3. If you had one wish what would it be?**
I wish to be very successful and prosperous.
- 4. Additional comments from the Employee of the Month:**
It is fun to work at McDonald's! I love being part of the team and helping out to prepare food in the production area. Thank you so much for this recognition.

Join the Team. Apply Now. Apply online at: www.WorksForMe.ca

espresso love  
new! Raspberry Mocha or Deluxe Hot Chocolate

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Compensation Programs

- **Types of Compensation Plans**

1. Straight salary compensation: receive fix amount of compensation for each hour or week they work
2. Incentive compensation plans: reward employees on basis of productivity
3. Straight commission: income is based entirely on commission
4. Quota-bonus plan: a bonus is provided when their performace exceeds the quota
5. Team incentives:based on performance as a department or store as a whole

Compensation Programs

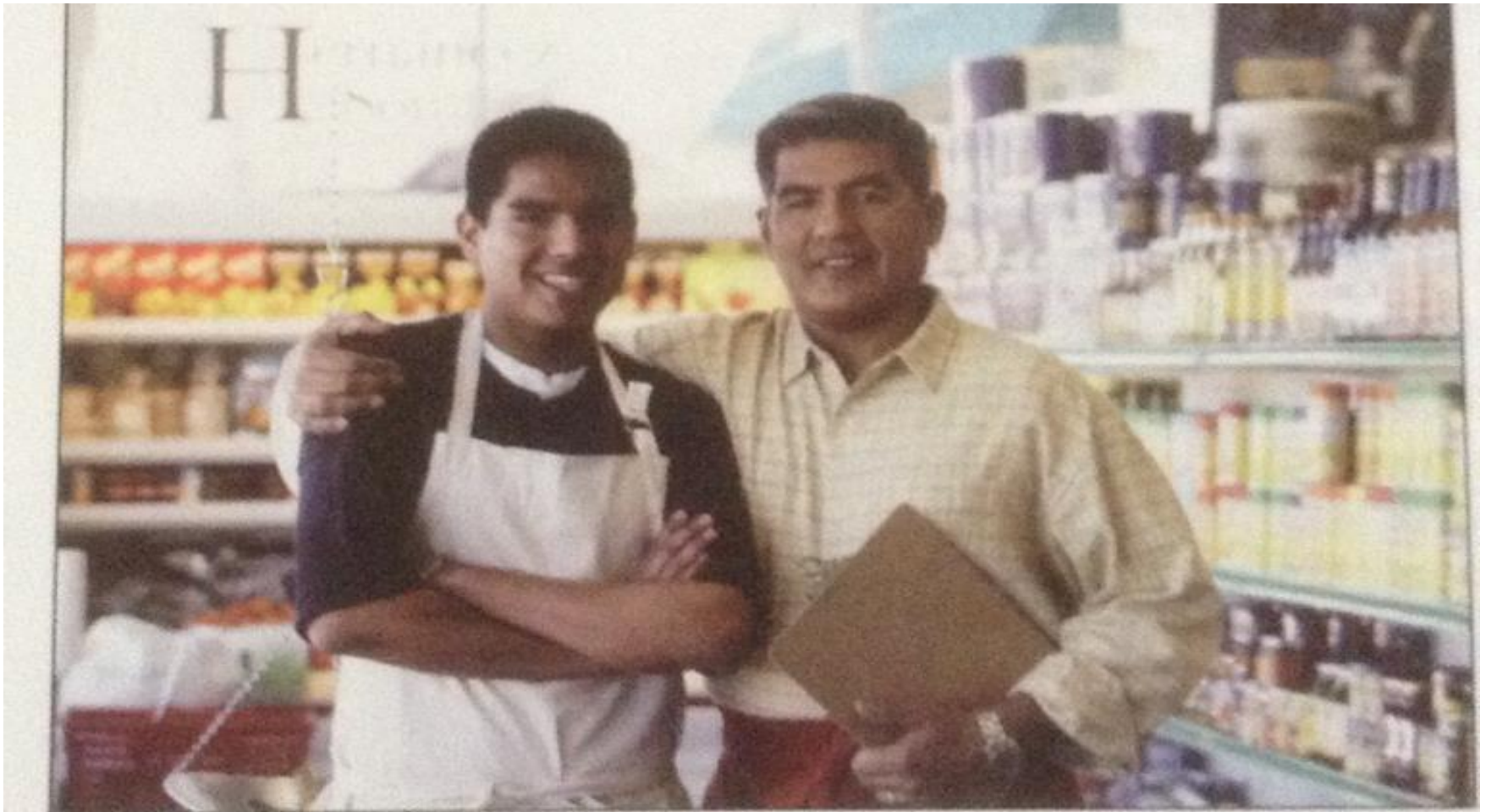
- Quota: is a target level used to motivate and evaluate performance
 - Sales per hour for salespeople
 - Maintained margin and inventory turnover for buyers



Types of Leadership

- Leadership is a process by which a store person attempts to influence others to accomplish a common goal or task
- Autocratic leaders: make decisions on their own and announce to employees, use authority to tell employees what to do
- Democratic leaders: seek information and opinions from employees and base their decisions on this information. They share power and information, and ask where and when they want and make schedules to accommodate employees

Types of Leadership



Great leaders know when to use democratic and autocratic styles to produce happy, motivated employees.

Types of Leadership



- Transformation leaders get people to transcend their personal needs for the sake of group or organization. They are engaged and generate excitement and create enthusiasm in employees through personal charisma; delegate challenging work to subordinates, free, open communicating and mentoring



Apple Store managers build morale and motivate their sales associates by holding "morning meetings" before the store opens.



That's All Folks