

# Keep what you build

To retain valuable talent on the private brand team, retailers need to understand — and deliver — what matters to those employees.

By Kathie Canning



**A** retailer's private brand team has to wear many different hats. In addition to brand and product development, the team likely will be responsible for scrutinizing and responding to consumer and shopper insights, ensuring quality assurance, developing and implementing marketing plans and much more.

A retailer, therefore, is challenged in identifying and hiring the right people for that team. And once the right people are in place, the real challenge is retaining them.

## A tough reality

Retailers are facing a number of challenges when it comes to retaining store brand personnel. One challenge is tied to the reality that in recent years, many of them have been recruiting talent from consumer packaged goods (CPG) companies — particularly those representing big brands. As store brands continue to morph from copycats into true brands, retailers often want to bring in people they view as having true brand development and brand marketing talent.

But doing so can bring about culture-shock issues, notes Thomas McElroy, principal with Deloitte Consulting LLP and the company's U.S. retail talent leader. CPG hires are accustomed to a creative environment that allows for some trial and error when it comes to product ideas and launches, while retailers generally have a more operational mindset and are more risk-averse.

"Sometimes it can be really challenging to have

a fit there because you're looking for them to adapt rather than [the retailer] adapting to the way that they've done things in the past," he says.

Retailers operate on thinner budgets and thinner margins than CPG companies, too, McElroy notes, meaning they have less money to throw at the making and marketing of brands and products. To keep CPG hires from bolting back to familiar territory, therefore, they also have to find a way to overcome challenges related to this financial inequity.

Another challenge is keeping the growing millennial employee demographic engaged. As Shawn Rossi, a partner with the New York-based Mercer LLC consultancy, explains, millennials have a mindset that differs from other generations, and they want to move up the ranks quickly.

"It's critical to keep millennials engaged," he says.

Of course, retailers' store brand teams also face countless other challenges in retaining talent — most of which also are common across a variety of functional teams in numerous other industries. These challenges run the gamut from unclear expectations to outright boredom.

## Understand what matters

When it comes to retaining talent, Pam Lassiter, principal of Boston-based Lassiter Consulting, points to the "Four Drive" theory set forth in the book *Driven* by Paul Lawrence and Nitin Nohria of the Harvard Business School. To maximize employee satisfaction — and, therefore, retention — employers need to consider their employees' key emotional drivers: to acquire, bond, comprehend and defend.

“Acquire is not only the money side, but the intangibles like status and power, etc., while bonding [considers] the connections with individuals and groups,” she explains. “Comprehend is curiosity about the company in general — not just your job — and the industry, and mastery of your field. Defend means justice, taking care of your family and friends, which gets to teamwork, people within the company and external threats.”

To maximize retention, companies must have strategies in place to satisfy all four drivers, Lassiter adds.

For his part, McElroy lists four slightly different drivers that come into play in retention: leadership, engagement, recognition and work/life fit. Leadership references the effectiveness of the employee’s manager, while engagement pertains to how much that employee really likes the job he or she is doing, he explains. Recognition, meanwhile, can be both financial and non-financial, and work/life fit goes beyond the number of hours the job requires to consider the overall culture of the company.

“Those are the four things that I think people are constantly looking at in terms of whether they are excited about coming to work every day and staying in the job,” McElroy says.



### Be proactive

Beyond understanding — and acting on — the drivers that motivate employees, retailers’ private brand teams will want to have some solid retention strategies in place. Competitive pay and incentives are a given, but other proactive efforts factor into employee retention, too.

One key strategy, particularly for retaining millennials, is to set clear expectations, Rossi says.

“Be upfront with them — here’s the promotion ladder; here’s what you can expect; here’s how you get there,” he advises.

And if a private brand team “steals” from the CPG talent pool, it must find a way to make up for that brand equity that talent is leaving behind, Rossi says. Whether it’s work/life balance or something else, it must find a way to deliver an employee value proposition beyond pay to that person.

“Make sure you can deliver on those promises,” he adds. “What’s very damaging is to say one thing and then change the game. That will cause disruption, especially if there’s opportunity to move around in the marketplace.”

If something in the employee value proposition does have to change at some point because of a major change in the business, private brand leadership then needs to approach the employee with good reasons and good communication strategies, Rossi notes.

Feedback, growth and bonding, driven by the employee’s manager, are other critical elements in the retention strategy, Lassiter asserts.

“Once you get the hang of it, that it’s about *them* — listening and interviewing them and getting their goals clear — your retention is going to have immediate payoffs,” she says.

Managers often think they don’t have the time to ask and receive employee feedback. But it doesn’t have to take a lot of time, Lassiter stresses. Discussions could take place in between meetings, for example — they simply need to be constant and ongoing instead of a once-a-year status report.

“If you know what the employee is working on and you know this person really values growth, you don’t wait for promotions,” she says. “You talk about that cross-functional team; you talk about how that person would like to grow.”

Retailers also would be wise to build a flexible talent model for their private brand teams, McElroy suggests. Most of the big HR-related consultancies, including Deloitte, could help here, he adds.

“If you look at what the boomers, Gen-Xers, Gen Y and the digital natives all want in a career, you see very different things,” he maintains. “So how do you create a model that’s going to engage these different groups of people?”

Finally, the private brands team would be wise to engage in “stay interviews,” says Dick Finnegan, speaker, author and CEO of C-Suite Analytics, Longwood, Calif. Such interviews allow employees to discuss what they like — and don’t like — about their current role.

“Retention challenges are usually based on incorrect assumptions [such as], ‘Should we add vision care?’; or ‘Let’s hope they don’t want more money,’” he says. “The real solution is to ask what is important to them, which is why stay interviews are so effective.” **SB**