Workforce 2020

Retail fact sheet: How high-performing companies set themselves apart

Data from our Workforce 2020 research program show a correlation between above-average profit margin and revenue growth and workforce development. Companies with above-average profit margin and revenue growth (high performers) are better prepared for the future workforce than those with below-average growth. Executives who report that their companies have below-average profit margin growth over the past two years (we call them underperformers) indicate that they are struggling to keep up with changing workforce trends. This is especially true when it comes to recruiting employees with both base-level and advanced skills. Perhaps most telling, underperforming companies are significantly less likely to say that HR issues are driving strategy at the board level—which could be a major oversight.

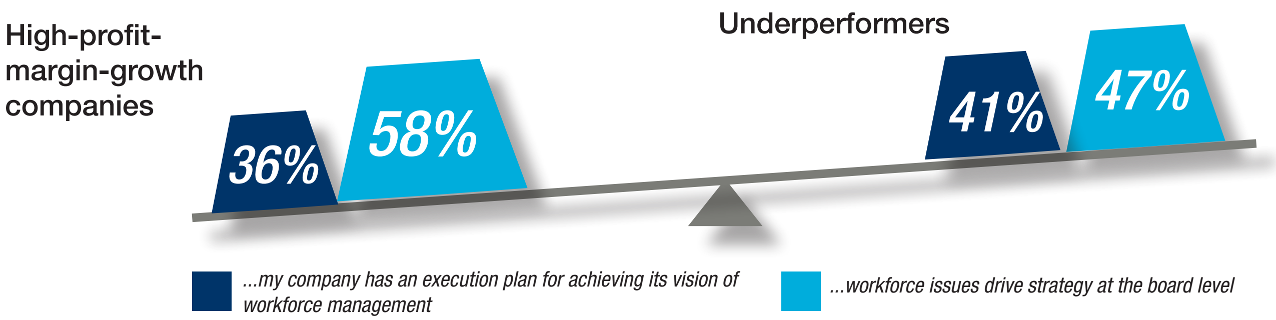
This fact sheet outlines the major differences between high performers and underperformers in the retail industry. Both face unique challenges and opportunities when preparing for the workforce of the future.

The New Face of Work

Research shows priorities shifting as economies rebound globally, but companies lag in understanding these changing dynamics.

- 61% of executives at high-revenue-growth companies say workforce issues are already driving strategy at the board level. That number is slightly lower for underperformers—56%—but falls to just 21% in three years.
- High-revenue-growth companies are significantly more likely to say workforce development is a key differentiator for their firm (46% vs. 39% underperformers).
- Below-average-profit-margin-growth companies are significantly more likely to say that their firm is sensitive to the wants and needs of different demographic groups (38% vs. 29% of high performers).

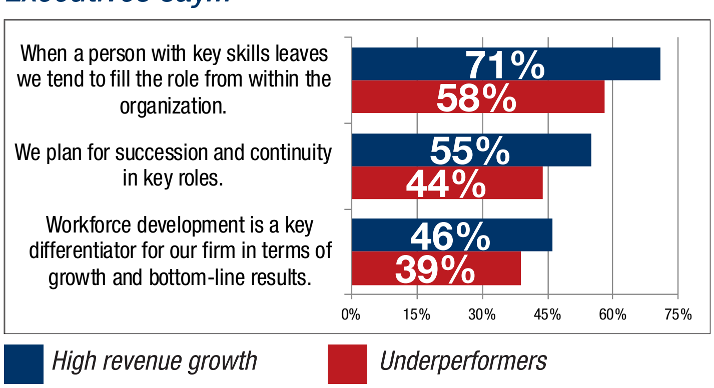
Executives say...



The Leadership Cliff

Executives and employees agree that leadership is lacking—and companies are not focused enough on developing future leaders.

Executives say...



- High-revenue-growth companies are significantly more likely to use quantitative metrics and benchmarking as part of their workforce development strategies (79% vs. 64% of underperformers).
- 36% of below-average-profit-margin-growth companies say that problems with leadership are affecting their expansion plans for growth markets (vs. 30% of high performers).

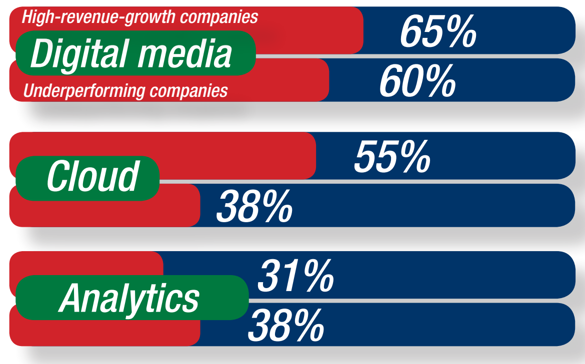
Workforce 2020—High performers

Bridging the Skills Gap—The Learning Mandate

Better training and education opportunities would benefit employees and businesses alike.

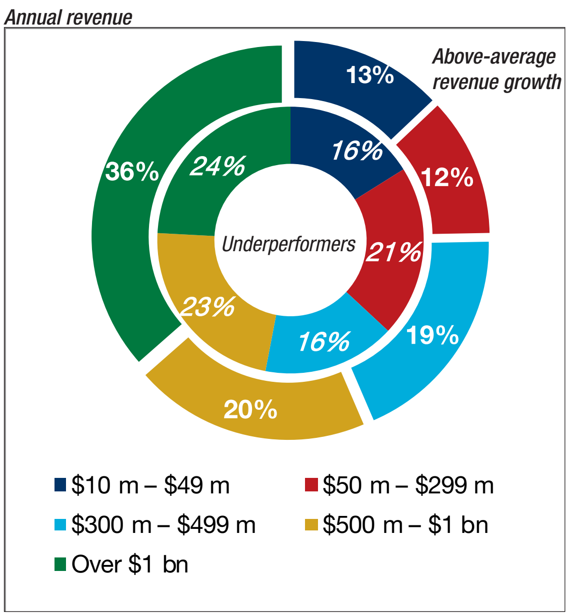
- 60% of retail companies with above-average revenue growth say that the changing nature of employment requires an increased investment in training (vs. 50% of underperformers).
- High-profit-margin-growth companies are significantly more likely to say they have an well-defined processes and tools for developing talent (47% vs. 36% of underperformers).
- One-quarter of companies with below-average profit margin growth say problems with talent and skills affect business performance (vs. 18% of high performers).

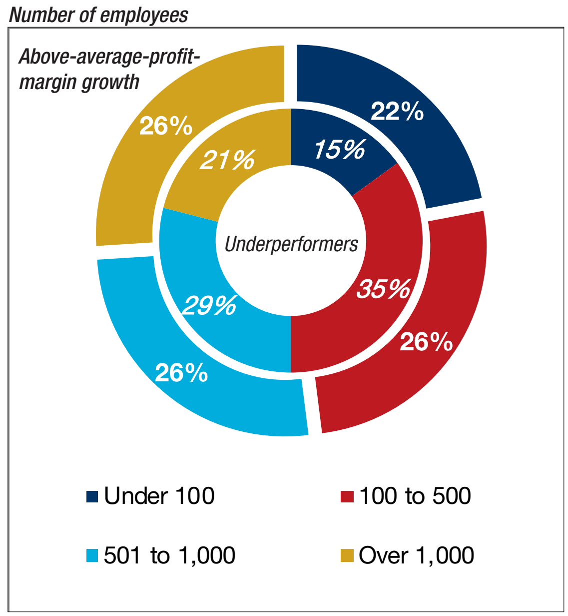
Executives say these technology skills are well-represented their organization:



Survey demographics: High performers

- High-revenue-growth executive titles: CEOs (2%); COOs (14%); CFOs (2%); CIOs (19%); CMOs (7%); Chief Human Resources Officers (6%); VPs/Directors of HR (12%); VPs of Learning/Development (9%); VPs Compensation & Benefits (17%); VPs Recruiting or Talent (11%)





About the research

Workforce 2020 is a large-scale global study to discover best practices and actual progress toward the creation of talent strategies for the future in the global economy. We surveyed more than 2,700 executives and 2,700 employees, and interviewed 28 executives across the following countries: Australia, Brazil, Canada, Chile, China, Colombia, the Czech Republic, Denmark, France, Germany, India, Japan, Kenya, Malaysia, Mexico, the Netherlands, Poland, Russia, Saudi Arabia, South Africa, Spain, Sweden, Switzerland, Turkey, UAE, UK, US. Survey respondents came from a variety of industries, company sizes, and age groups (49% of employee respondents are Millennials).

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