



Retail Employee Turnover Up as Black Friday and Holiday Shopping Season Nears, According to Korn Ferry Survey of Top U.S. Retailers

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– Retailers are Giving Wage Hikes to Some Existing Employees to Put Their Salaries on Par with New Higher Starting Wages–

LOS ANGELES--(BUSINESS WIRE)--Nov. 15, 2018-- There will be more unfamiliar faces working at your favorite retail outlets this upcoming holiday, according to a survey of top retailers conducted by [Korn Ferry](#) (NYSE:KFY) in advance of the holiday shopping season.

Nearly a third of respondents (29 percent) said they've seen an increase in employee turnover since the beginning of 2018. The survey also finds that of all retail positions, part-time hourly store employees have the highest turnover rate, with 81 percent average rate in 2018. That's an increase from 76 percent in 2017.

"Retailers are in a Catch 22 situation this holiday season. While high consumer confidence and a strong economy mean year-over-year sales are predicted to grow, low unemployment means there just won't be enough workers to fill retail positions," said Craig Rowley, Korn Ferry Senior Partner, Retail and Consumer. "To combat the situation, retailers are in a bidding war for hourly retail workers, and they are giving existing workers more hours to fulfill the need."

While retail corporate positions saw the lowest turnover rates in the industry, the percentage was higher in 2018 (15.6 percent) than in 2017 (13 percent).

Respondents cited "better opportunities / promotions" as the No. 1 reason for departures in the retail industry, followed by more money and a desire for a more hours.

When asked what retailers will be looking to do to curb turnover moving forward, "training" and "career pathing" were cited as the top focus areas, followed by "better communications on the employee value proposition" and "changes to compensation packages."

Wage Hikes for Some Existing Employees

In terms of compensation, retailers predict around 3 percent merit increases, which is consistent with past years. However, due to competition, many retailers are increasing starting wages for new employees. More than a third of respondents (34 percent) say that in 2018 they gave wage hikes to existing employees to put their salaries on par with increased starting wages, and 95 percent say the issue will be addressed by the end of 2019.

"Retailers this holiday season have to be creative when filling vacant positions, especially at the store level," said Rowley. "To retain top employees, employers need to lay out clear career paths, offer training and pay competitive wages. It's critical that employees feel nurtured and that they feel part of the organization instead of just having a job."

About the Survey

The November 2018 survey included responses from HR and compensation professionals at 53 major retail organizations, representing more than 2 million employees.

About Korn Ferry

Korn Ferry is a global organizational consulting firm. We help clients synchronize strategy and talent to drive superior performance. We work with organizations to design their structures, roles, and responsibilities. We help them hire the right people to bring their strategy to life. And we advise them on how to reward, develop, and motivate their people.

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MEDIA CONTACT

Tracy Kurschner
612.309.3957

Tracy.Kurschner@kornferry.com