



March 2021

FEATURE

The Retention Invention

High employee turnover rates diminish the shopper experience, but a focus on the employee experience during recruiting, hiring and onboarding builds a culture that serves customers better.

BY JERRY SOVERINSKY

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At a time when convenience stores face pressures from multiple channels, with diminishing margins that place an increasing emphasis on operational efficiencies and customer loyalties, a nagging, internal challenge persists: employee retention.

It's not enough that salaries, hourly wages and benefits continue to erode the operator's bottom line. But with competitors offering incremental wage bumps that lure would-be as well as current employees, employee retention has become problematic, to say the least, with these four statistics underscoring the sobering state of affairs, according to NACS State of the Industry data:

- **81.3%:** The average annual turnover of full-time associates.
- **27.6%:** The average turnover percentage of full-time store associates within 30 days of their hiring.

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- **36.3%:** The average turnover percentage of full-time store associates within 90 days of their hiring.
- **\$1,716:** The average onboarding cost for a full-time store associate.

You do the math.

If you're the typical convenience store, four out every five of your full-time employees (81.3%) will leave your company in the next year, with more than one in four not making it past their one-month hiring anniversary. And with the cost to hire a full-time employee averaging more than \$1,700, well, the situation is dire. For an industry dependent on frontline workers to serve as brand ambassadors, a high employee turnover rate threatens to diminish the shopper's experience, not to mention one's shrinking profits.

It's a dynamic that prompted an industry supplier and a major tech company—Cravety and Auth0—to build a better human resources solution for retailers, helping them attract, onboard and serve their employees, with an overarching goal of reducing attrition and turnover.

"Many workers [at convenience stores] are at the lower end of the pay range, with many jobs at the entry level," said Rick Fasino, senior account executive at Auth0, a company that leverages innovative technology solutions to build employee culture and transform spaces. "The objective for them is finding the right people before they go through the costly process of onboarding, building a culture that helps serve their customers better ... Because the best way to serve customers is to have good employees, and the best way to find and keep good employees is to treat them like customers."

The solution, Fasino said, is a sustained focus on the employee experience at every phase of the recruiting, hiring and onboarding process, building a strong relationship that breeds brand loyalty and productivity. And it's these elements that Auth0 and Cravety incorporated into their HR product. "We wanted to leverage the insights and technology that these stores use to serve their customers and orient it throughout the employee journey," he said.

A MORE AUTOMATED CANDIDATE EXPERIENCE

Enter Cravety Pathways EX (Pathways), an artificial intelligence-driven solution that integrates every phase of the recruitment and hiring process into a powerful digital experience, creating a more durable foundation for employer-employee relationships. Delivering seamless compatibility with major recruiting platforms and communications systems (Jibe, ICIMS, Workday, Kronos and other HRIS and ATS platforms, etc.), Cravety Pathways EX increases candidate engagement and delivers a more rewarding recruitment and hiring experience. "Visually, it's a very pleasing experience for the candidate. But behind the scenes, it automates things that typically require manual (and resource-intensive) responses," Fasino said. "It can also enhance virtual hiring, where every advantage and visceral connection to the employer brand counts."

"This is about improving the candidate experience through better communication," said Ed Bodensiek, chief executive officer at Cravety, which helps companies improve employee retention and productivity with its SaaS-based offerings. "Companies are struggling to hire and retain employees ... a lack of communication and transparency results in a bad experience for both candidates and employees."

PARTNERING FOR SUCCESS

Pathways EX is the result of a close partnership of two companies:

Auth0: Provides the authentication layer as the primary identity provider.

Cravety: Delivers the behavioral backend, personalizing the candidate's journey and content. The solution works as an intelligent overlay to your existing HRIS and ATS platforms and can be deployed in as little as three months.

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Additionally, with large retailers interviewing and hiring tens of thousands of candidates each year at significant cost, the ability to automate the process is essential for finding meaningful and productive efficiencies.

Machine learning distributes “next best action” communications in Pathways EX, meeting the candidate wherever they are in the hiring process while prompting them for inputs that move them to successive steps. “A large company might lose half of its candidates who don’t even complete the application,” Bodensiek said. “We build an identity with the candidate’s phone number and send them a text if they don’t fill out their form. Or maybe a video of someone working the same position that they’re considering. Candidates can self-select out if they don’t like what they see, saving everyone time and potential disappointment later.”

Even after a candidate is hired, Pathways EX continues to engage with the new employee, walking them through a uniform ordering process, for instance, or finalizing a background check. Collectively, these ongoing touchpoints create a solid foundation for the employer-employee relationship, which continues to strengthen once the hire begins work at the company.

TREATING EMPLOYEES LIKE CUSTOMERS

“Many companies confuse the employee experience with just adding a foosball table in the break room, or offering free doughnuts on Fridays,” Bodensiek said. “But what employees really want is control over their lives. And we’re delivering a digital experience that allows them to connect with the brand, feel respected, find transparency in the overall hiring process and find that greater sense of control.”

“That’s our operating premise,” Fasino said. “Treating employees like customers. And in doing so, we’re solving for retention and even candidate ghosting.”

It’s not a one-and-done proposition, but an end-to-end experience that carries over through the duration of an employee’s relationship with the employer. Communication layers are incorporated into each stage of the employee journey—candidacy, onboarding, engagement/productivity, transformation and transition—an effort to maximize productivity and retention. And using next best action prompts, the candidate remains tethered to a chronological process, gaining complete insight into required actions. “The next best action accelerator is an overlay, it works with your existing HR system,” Bodensiek said. For example, “If somebody in Workday changes a candidate status to ‘request interview,’ our system triggers the notification, and it requests an action,” like scheduling the interview.

SAMPLE EMPLOYEE EXPERIENCE

The process begins soon after the candidate downloads the Pathways EX App that serves as its Personalized Experience Portal. The app includes a company’s unique branding, which carries through every communication. Once open, the candidate can search for and apply for jobs with just a click, as the app autofills the candidate’s contact details.

Immediately after candidates submit an application, they receive a text message—again personalized to the candidate—thanking them for their application while sending them a link where they can track the status of their application. (Candidates can opt out of these notifications whenever desired.)

Next, a text message provides links to videos from current employees who work at the same position, providing insights into expectations and corporate culture.

If candidates make it to the interview phase, they receive a congratulatory text that explains the interview process and scheduling requirements—all accomplished within the Hub app. The app provides links that address articles about the interview process, interview tips from people who

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were hired by the company and pay information. And once the candidates schedule the interview, they receive a personalized text that confirms the interview details. The candidates can review bios of the company representatives who will take part in their interviews, too.

If an offer is extended, candidates are notified via text, with the app including a copy of an offer letter. The app includes a neat, chronological timeline of their process to-date, along with upcoming tasks to complete (should candidates accept the offer). That could include ordering a uniform (prompting the employee-to-be with sizing information), completing a background check, and managing expectations for the first day of work. Pathways EX continues to engage employees throughout the first year, too, helping to ensure improved, voluntary retention.

The entire process is automated, a huge lift for human resources, while the candidate/employee gains transparency to a sometimes complex and lengthy hiring process, along with much deeper engagement with the company.

BOTTOM-LINE SUCCESS

Of course, the bottom line on implementing any technology is measuring one's true bottom line, and in the case of Pathways EX, it is verified with tangible employee-related metrics assessing change in:

- Completed applications
- Productivity
- Turnover rate
- Employee satisfaction
- Hiring costs

"With the solution, we can see turnover rates trimmed by up to 20%," Bodensiek said.

But early feedback from both convenience stores and their employees expresses deeper engagement and a focus on culture to better able to serve a store's customers. With the economy undergoing wild volatility and retailing in general evolving quickly, the timing of a significantly improved employee experience couldn't be better.

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