



Why Human Capital Is Retail's Most Valuable Asset – And How To Nurture It

Learn tips to nurture & leverage human capital in retail.

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Introduction

On average, companies spend about one-third of their revenue on human and organizational capital. For a people-centric industry like retail, this statistic means one thing: human capital management isn't just an administrative function – it's a critical investment that can make or break your business.

But here's the catch: managing human capital in retail comes with its own unique challenges. From high turnover rates to seasonal staffing fluctuations, the retail sector requires a strategic approach that maximizes productivity while nurturing employee engagement. This is where brand representatives come in, playing a pivotal role in shaping the retail experience.

Keep reading to learn how you can improve your human capital management strategy and harness the power of brand representatives.

Human Capital: The Unsung Hero of Retail

Human capital — or the collective skills, knowledge, and abilities of an organization's employees — is the soul of the retail industry.

It's what gives a brand its personality, its charm, its allure. And when you invest in it, you're not just strengthening your workforce — you're building a community of loyal customers, passionate employees, and unforgettable experiences. After all, two stores might sell the same products, but the one with the more knowledgeable, helpful, and friendly staff will likely outperform the other: that's why [68% of consumers](#) say they are willing to pay more for products and services from a brand known to offer good customer service experiences.

Employees who are both knowledgeable and passionate about what they sell provide better customer service, offer more thoughtful product recommendations, and resolve issues faster and more effectively. Plus, they provide valuable insights into customer preferences and behaviors, guiding companies on how to adapt and stay ahead of competitors.

Why Your Employees are the Secret to a Strong Brand Identity

Brand identity is not just a reflection of your company's products or services, but also your people. And your employees, as brand ambassadors, play a pivotal role in shaping and reinforcing your identity.

When employees embody the values and ethos of your

brand, it lends credibility and authenticity to your company's image. It's not merely about donning a uniform or echoing a tagline; it's about living your brand's mission, vision, and values in their everyday work. For example, if your brand touts transparency and integrity as core values, your employees should prove these aren't just buzzwords by providing honest product information, admitting mistakes, and taking swift corrective action. In short, employees as brand ambassadors shouldn't just support your brand — they should be your brand in order to forge more meaningful connections.



Four Challenges with Managing Human Capital in Retail

The challenges of managing human capital in retail largely stem from the nature of the sector itself: high turnover rates, part-time or seasonal employment, and a diverse workforce with varied needs.

Let's take a closer look at them:

- **Employee Retention:** The retail industry is notorious for its high employee turnover rates. Factors such as low wages, lack of career advancement opportunities, and demanding work schedules can lead to job dissatisfaction and subsequently, high employee attrition.
- **Training & Development:** With the constant evolution of retail technologies and customer expectations, continuous training and development are crucial. However, providing consistent, quality training to a large, often dispersed, workforce can be a daunting task.
- **Workforce Diversity Management:** Retailers often employ a diverse mix of individuals – different ages, cultures, and backgrounds. Effectively managing this diversity means having to overcome communication barriers, meet diverse employee expectations and needs, and eliminate unconscious biases.
- **Schedule Flexibility:** Many retail workers struggle with unpredictable schedules, which can cause dissatisfaction and stress. Balancing the needs of the business with the personal lives of employees is difficult to get right, which can also drive employee turnover.

Neglecting human capital in retail carries a hefty price tag; disengaged workers cost the global economy \$7.8 trillion in lost productivity, and high employee turnover can cost retailers thousands of dollars per employee in recruitment and training expenses. Worse yet, if your team is unhappy or undertrained, your customer service suffers, leading to lost sales and a tarnished reputation that's hard to recover from. This is why it's crucial to invest in your people – through competitive wages, comprehensive training programs, and flexible scheduling options.

Ten Ways to Improve Human Capital Management in Retail

By implementing the following strategies, you can improve your human capital, leading to increased productivity, better customer service, and ultimately, higher sales and profitability.

1. Invest in Training and Development

Prioritize employee training to ensure your staff is equipped with the necessary skills and knowledge. This can include product knowledge, sales techniques, and customer service skills. Regular workshops, seminars, and online courses can be beneficial.

2. Promote from Within

Recognizing and rewarding top performers with opportunities for advancement not only boosts morale but also encourages employees to strive for excellence. This approach can foster a culture of loyalty and ambition.

3. Create a Positive Work Environment

The retail environment should be one that encourages teamwork, communication, and positivity. This can be achieved by fostering an open dialogue, recognizing good work, and promoting a supportive culture.

4. Offer Competitive Compensation

In order to attract and retain top talent, offer competitive pay rates and benefits packages. This could include health insurance, retirement plans, and paid time off.

5. Implement Flexible Scheduling

Given the unpredictable nature of retail hours, offering flexible scheduling can improve job satisfaction and reduce turnover. This could involve allowing employees to choose their shifts or offering remote work options where possible.

6. Encourage Employee Engagement

Actively seek feedback from employees and involve them in decision-making processes. This can help them feel valued and invested in the business, leading to increased productivity and commitment.

7. Diversify Your Workforce

A diverse workforce can bring a variety of perspectives and ideas to the table. You can achieve this by promoting inclusive hiring practices and providing equal opportunities for all employees.

8. Use Technology to Streamline Tasks

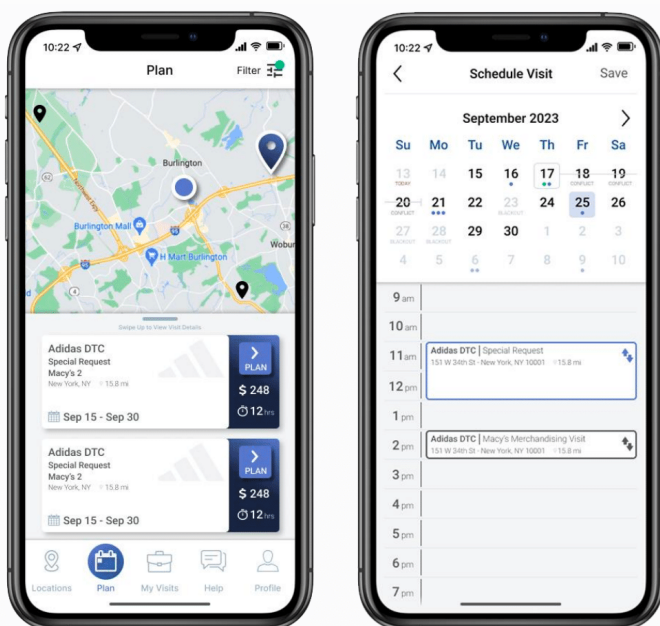
Implementing technology solutions can help reduce manual tasks and free up employees' time for more valuable activities like customer service. This could include tools like ThirdChannel's [unified retail software](#), self-checkout machines, or digital payment solutions.

9. Prioritize Employee Wellness

Retail can be a physically demanding industry. By promoting wellness initiatives such as regular breaks, ergonomic workstations, and stress management resources, you can ensure your employees stay healthy and productive.

10. Recognize and Reward Effort

Regularly acknowledge the hard work and achievements of your employees. Recognition can boost morale, motivation, and productivity, as an Achievers [employee recognition report](#) found that 92% of employees are more likely to repeat a specific action if they receive recognition for it.



Why Retailers Should Partner with Visual Merchandisers & Brand Reps

It's a tricky balance to keep your team motivated, your brand identity strong, and your sales performance high — but strategic partnerships with visual merchandisers and brand representatives can make it easier.

Here's how:

Human Capital Management Support

Visual merchandisers and [brand representatives like those from ThirdChannel](#) can help you manage your human resources more effectively. They can train your in-store team on product knowledge, sales techniques, and brand values, thus freeing up your time to focus on other important aspects of your business.

Brand Identity Enhancement

When it comes to your brand identity, these professionals are invaluable. They understand your brand's DNA and can ensure it is consistently represented across all your stores. They can elevate your brand's perceived value by creating visually appealing displays that tell your brand's story, resonate with your target audience, and set you apart from your competitors.

Boosting Adaptability

The retail landscape is constantly evolving, and adaptability is key to staying relevant. Visual merchandisers and brand reps can help you stay ahead of the curve by keeping you informed about the latest trends and consumer behaviors. They can quickly implement changes in your store layout or displays to cater to seasonal trends or new product launches, ensuring your retail space always feels fresh and inviting.

Optimizing Sales

These professionals don't just make your store look good — they also drive sales. By strategically placing products and creating enticing displays, they can influence customer behavior and increase purchase likelihood. They can help identify slow-moving items and come up with creative ways to showcase them, turning potential deadstock into hot sellers.



Optimize Your Human Capital Management Strategy with ThirdChannel



Choosing ThirdChannel's network of over 250,000 brand representatives is a decision that could redefine your retail business.

They bring both passion for your brand and extensive retail experience, offering fresh insights that can revitalize your store. Their unbiased perspective allows them to identify areas that may need improvement and recommend innovative solutions to enhance your performance.

Plus, unlike in-house teams that may be restricted by resources, our brand representatives can scale their services up or down seamlessly. This ensures you're always prepared to meet market changes and customer demands, keeping your retail operations agile and robust.

ThirdChannel is here to help you optimize your human capital management strategy — [just schedule a demo](#) to get started.

[Request a Demo](#)