



ECR Community Shrinkage & On-shelf Availability Group



The 60 Second Guide to the **ROLE OF EMPLOYEE ENGAGEMENT IN CONTROLLING RETAIL LOSSES**

Research undertaken on behalf of the ECR Community Shrinkage and On-shelf Availability Group, highlights the vital role good employee engagement can play in helping to manage a range of retail losses, including shrinkage, wastage, lost profits from out of stocks and cash loss.

The Value of Engaged Employees

- Based upon data from more than 200,00 members of staff from three of Europe's largest retailers, with a combined turnover of more than €35 billion and in excess of 1,500 stores.
- The study explored the link between levels of employee engagement (measured against 18 factors) and a range of types of retail loss.
- The study found that a significant number of employee engagement factors were found to be linked with the four loss indicators – 15 of the 18 Factors were associated with loss.
- It was calculated that by improving the performance of the bottom 25% of retail stores on just 6 key engagement factors, the European

Grocery Sector could reduce losses by as much as €380 million a year.

- By just targeting the bottom quartile of stores, it was calculated that the following savings could be made:
 - ◆ 9.8% reduction in waste.
 - ◆ 19.6% reduction in lost profits through out of stocks.
 - ◆ 12.5% reduction in shrinkage.
 - ◆ 9.5% reduction in cash loss.

Key Role of Store Management

- The role of store management was found to be key to delivering many of the most important engagement factors driving potential reductions in store losses. They needed to:
 - ◆ Communicate effectively.
 - ◆ Make staff feel appreciated and valued.
 - ◆ Build good teamwork.
 - ◆ Ensure staff roles are manageable.
 - ◆ Provide opportunities for staff development.
 - ◆ Take seriously ideas offered by their staff.

Engaged Employees Sell More and Lose Less

While it is widely recognised that well motivated and engaged retail staff can play a key role in helping to sell more, this report provides new evidence that they can also play a pivotal role in enabling retail companies to lose less.

Next Steps

- If you have your own staff engagement data, try re-analysing it within the context of your various store loss indicators.
- Share this knowledge with your HR partners to help develop more engagement-focused approaches to selling more and losing less.
- Develop ways to improve store management awareness of the important role they can play in improving employee engagement.

Find out more

Get a free copy of the full report by clicking [HERE](#)

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To find out more about the ECR Community Shrink Group visit:
<https://ecr-shrink-group.com>

