

Get Ready for Massive Disruption in Retail Employment

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► BA *cum laude*, Harvard University-

Social Studies

► MA, PhD, University of Minnesota-

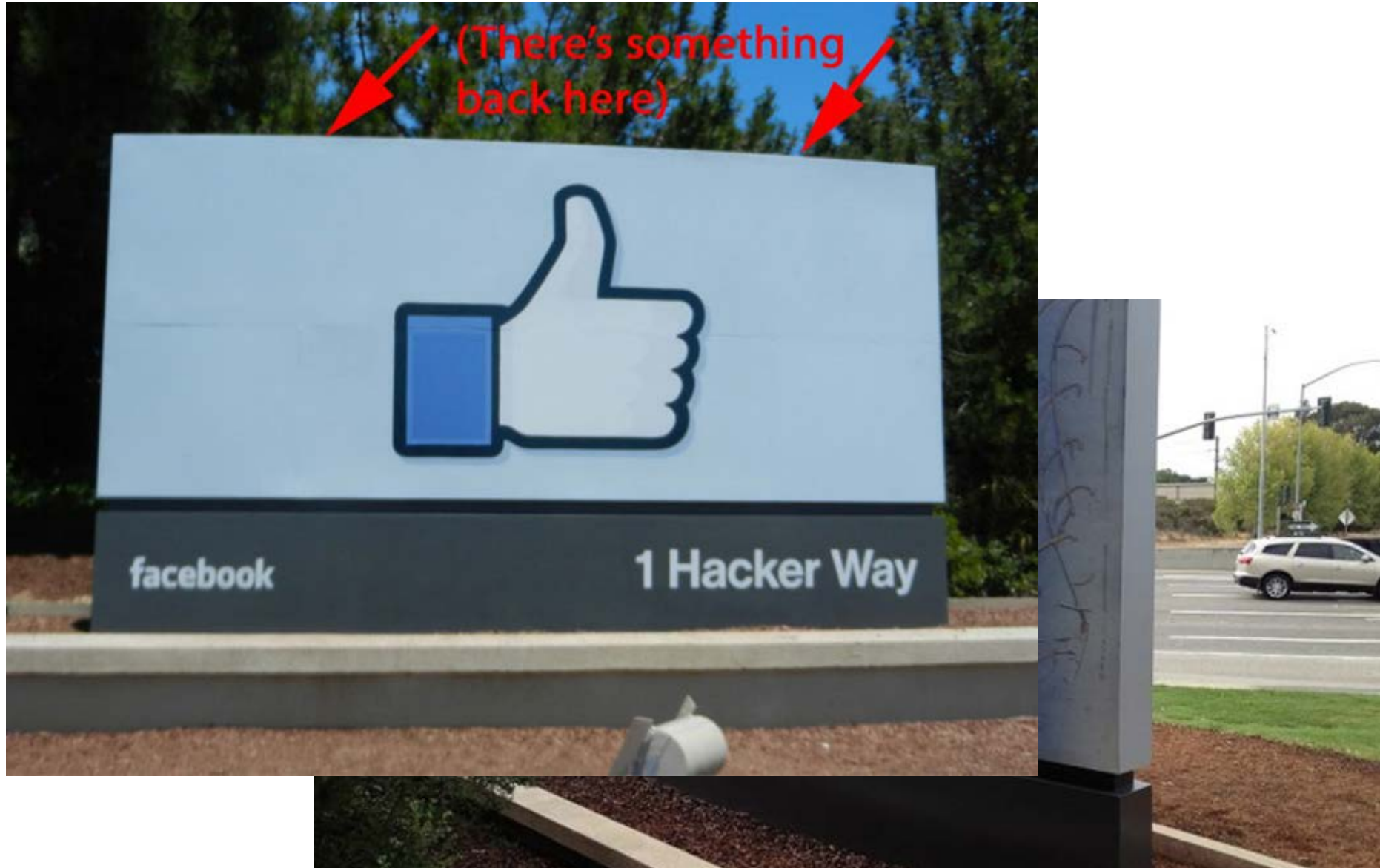
Human Resources and Industrial Relations

► 18 years of management experience with

- Sun Microsystems (Strategic HRM/Reengineering)
- Procter & Gamble (Consumer product marketing)
- Wells Fargo (Business Banking Manager 4 stores)
- US Bancorp (Business Banker)
- Cargill (Compensation- Golden Handcuffs)



Mark's Not So Subtle Message

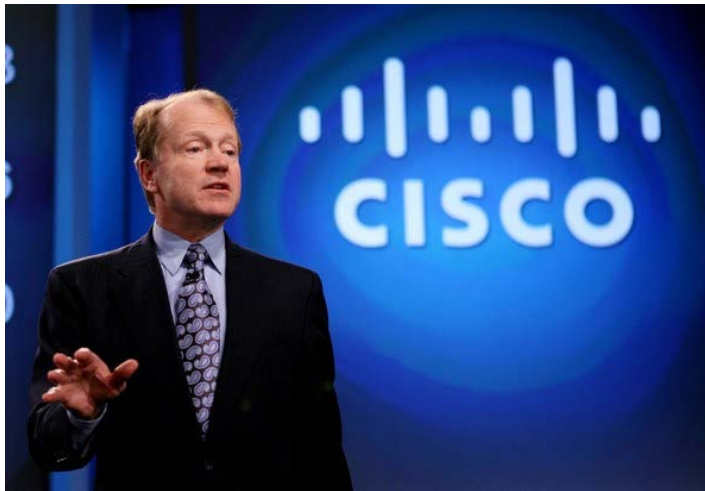


A Grim Reminder to Former Colleagues



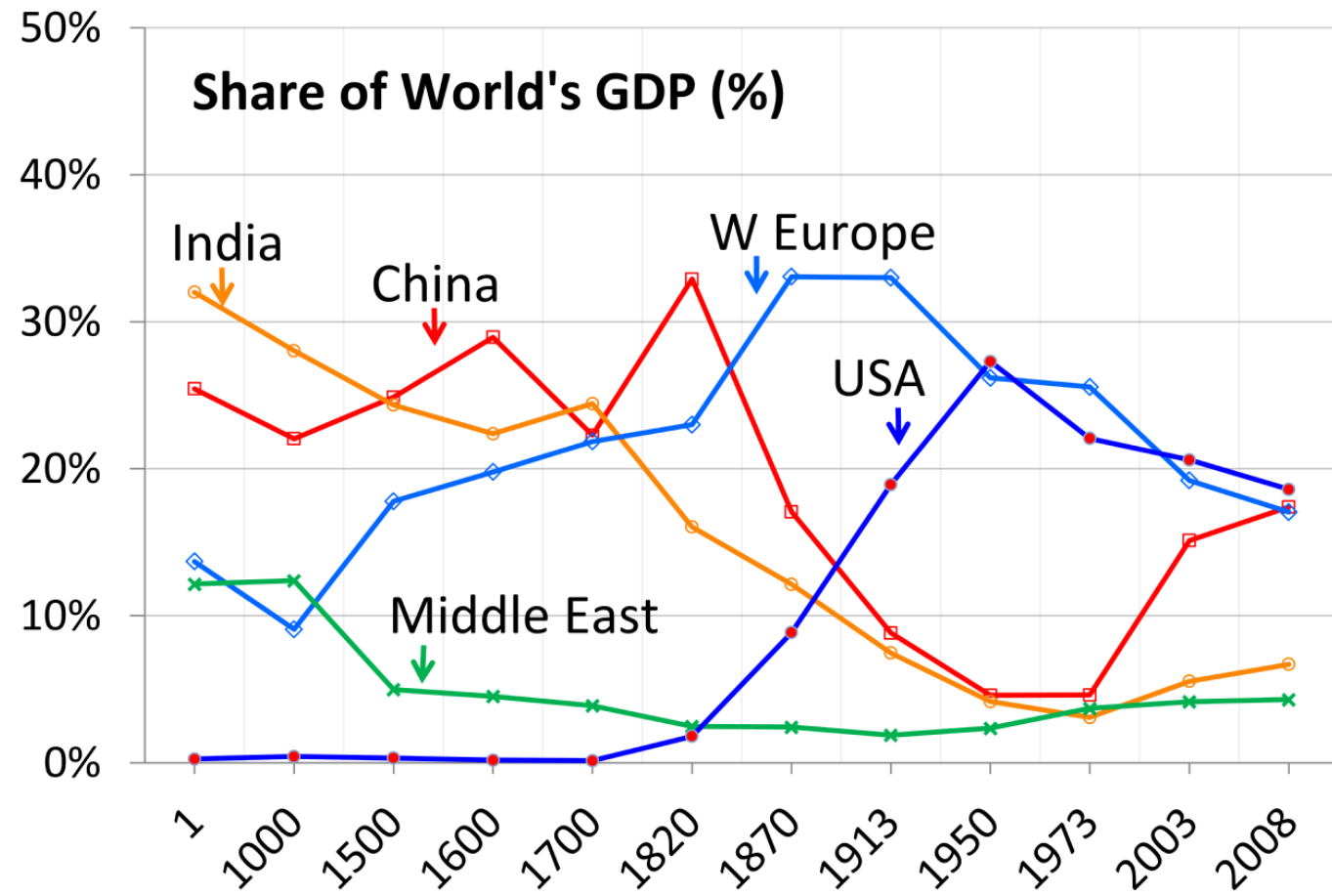
Managing in Retail

“The industrial revolution was about economies of scale. The internet revolution will be about economies of skill and how you empower people.”

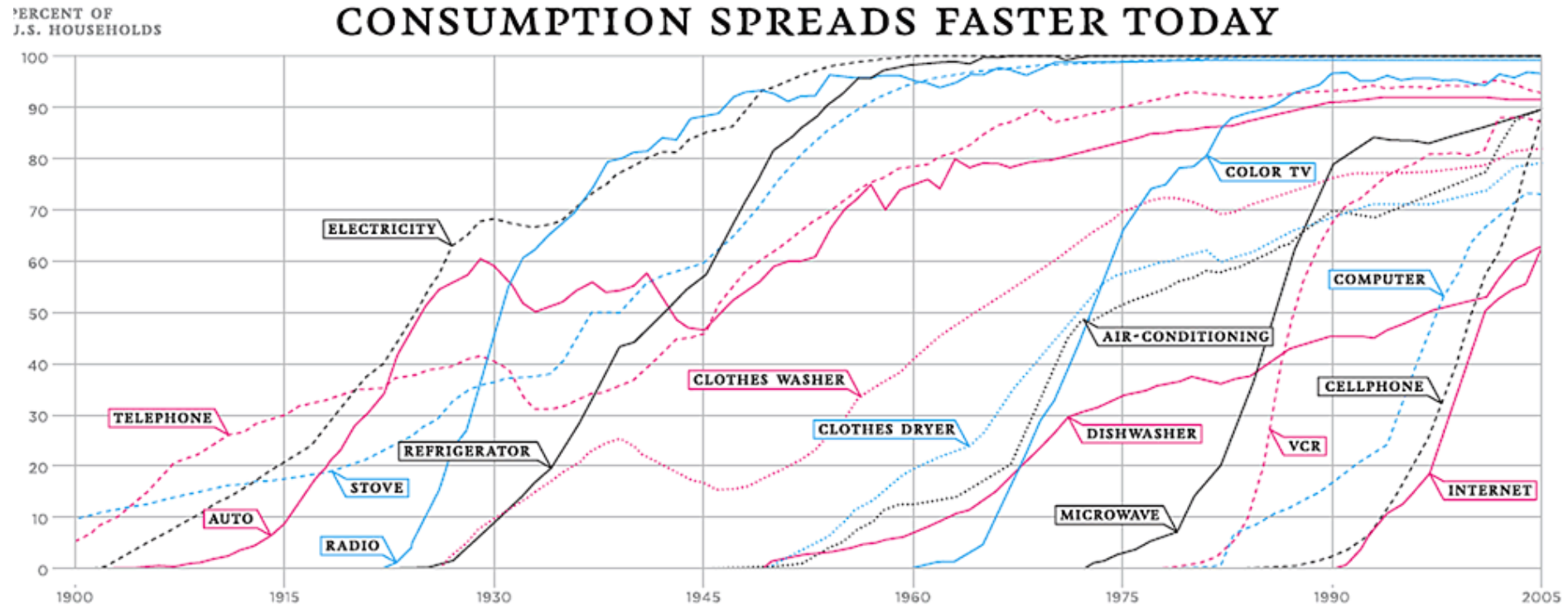


John Chambers
Former CEO
Cisco Systems

History Matters



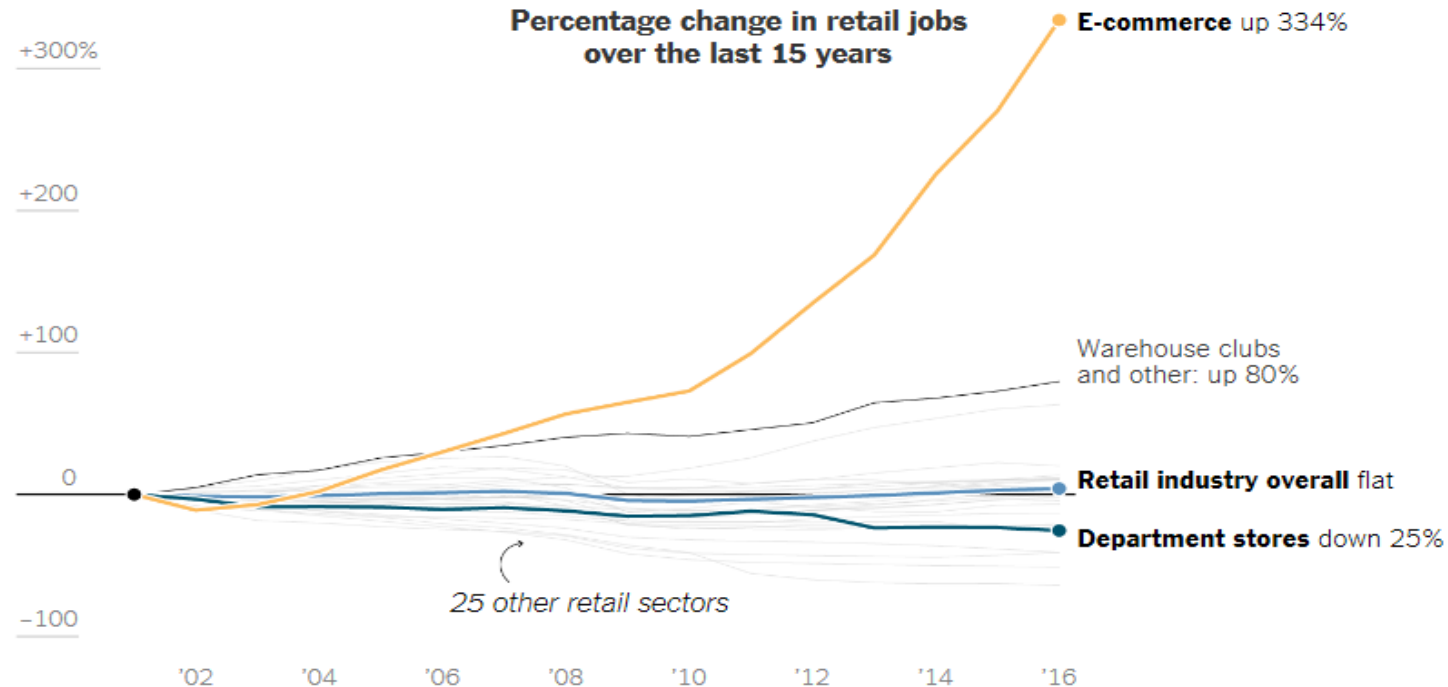
Rate of Adoption of Technology



Results in Massive Changes in Retail Employment

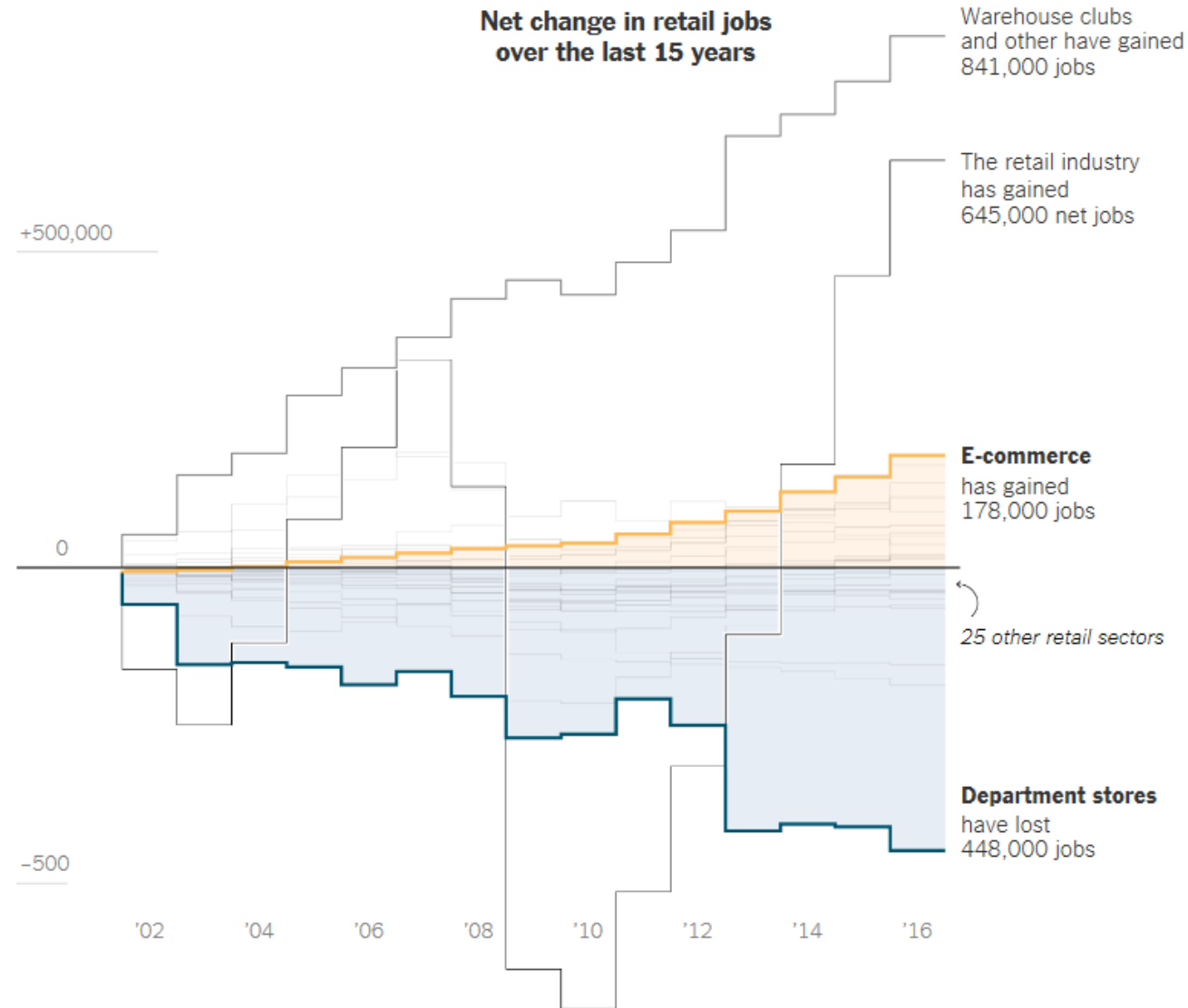
E-commerce jobs are growing fast ...

Employment attributed to electronic shopping firms has doubled in the last five years, outpacing other types of retail.



Source: Bureau of Labor Statistics

15 Years of Gains and Losses

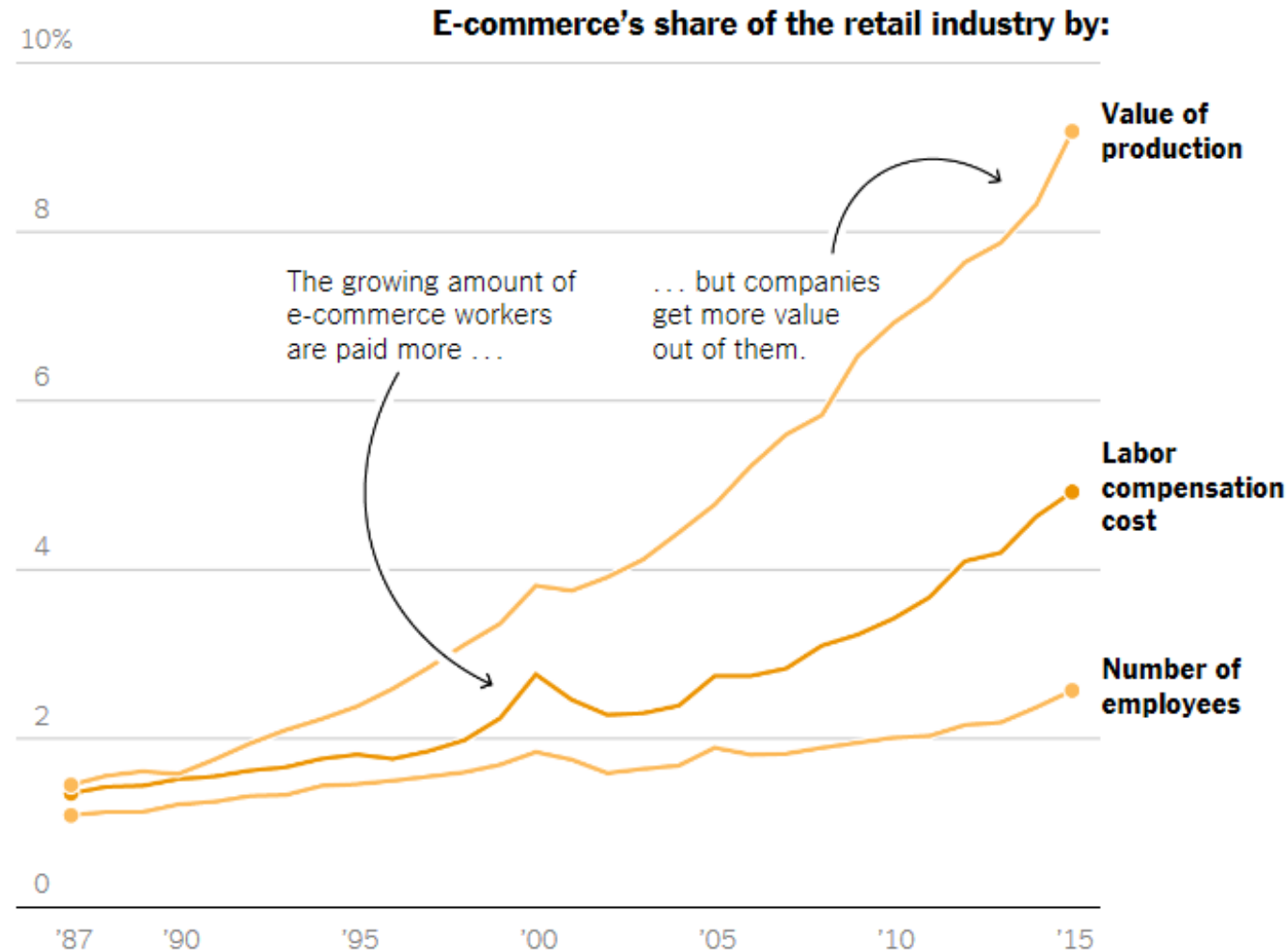


Kohl's & Amazon Interesting Bedfellows

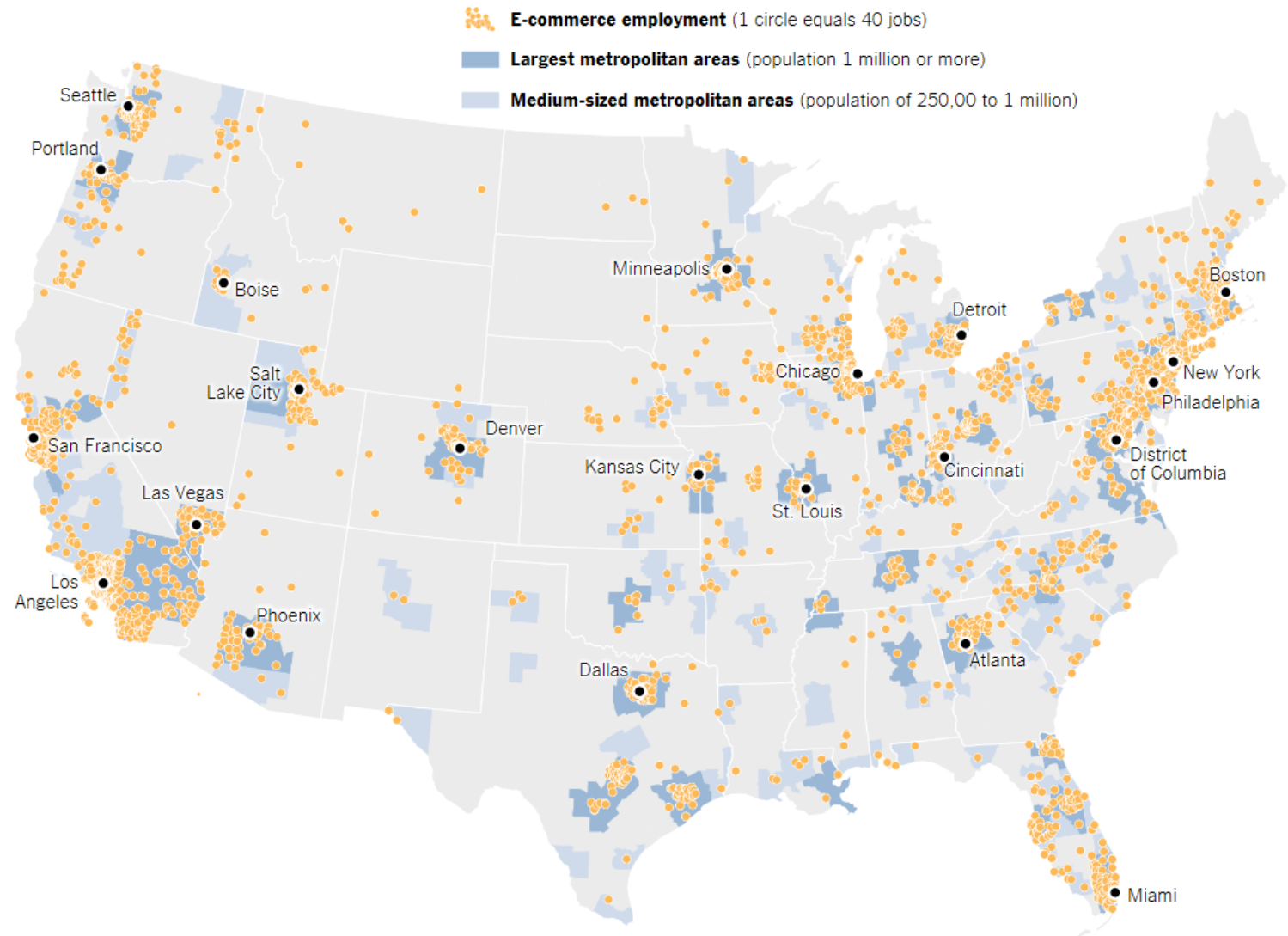


Source: Kohl's

Labor Econ 101: Productivity Drives Wages and Employment



Jobs Are Shifting to Metro Areas



Impact on Types of Jobs

Occupation	Employment in retail trade	Wages in retail trade
Retail salespersons	4,196,800	\$21,010
Cashiers	2,755,130	18,980
Stock clerks and order fillers	1,239,270	20,870
First-line supervisors of retail sales workers	1,104,490	37,020
Hand laborers and freight, stock, and material movers	321,750	21,300
Customer service representatives	294,270	24,280
Automotive service technicians and mechanics	292,790	38,100
Pharmacy technicians	266,230	28,220
General and operations managers	219,260	75,280
Combined food preparation and serving workers, including fast food	205,350	19,610
General office clerks	188,990	25,130
Pharmacists	183,160	121,680
Hand packers and packagers	179,160	18,770
Light truck or delivery services drivers	171,470	23,110
Bookkeeping, accounting, and auditing clerks	166,430	31,290
First-line supervisors of office and administrative support workers	162,840	36,800
Parts salespersons	156,990	27,650
Food preparation workers	154,850	19,850
Shipping, receiving, and traffic clerks	150,880	25,240
Butchers and meat cutters	121,230	28,450

Source: U.S.
Bureau of Labor
Statistics

4 New Jobs in Retail

1. Customer Experience Leaders
 - See “Driven to Delight”
2. Big Data Crunchers
 - IT/Marketing/Social Media
3. Techy Types
 - IT/Software Professionals
4. Modern Sales Associates
 - Mobile friendly with an old-fashioned sense of customer service (e.g. personal shoppers)

MONSTER

Top Retail Management BA Degrees

- Oregon State
 - Business degree with online retail concentration
- University of Arizona
 - BS in Retailing and Consumer Science
- Arizona State- Skysong
 - BA in Business with retail concentration
- Central Washington University
 - BS in IT and administrative management w/retail concentration

LA Area Retail AA Programs

- LACC (e.g. City College and LA Valley College)
 - Retail Management Certificate 25 units
 - One Retail Merchandising course
- LA Trade Tech
 - Retail Store Operations and Management AA 47 units
 - Fashion Merchandising 45 units
- Cerritos College
 - Retail Management Certificate 24.5 units
 - Fundamentals of Retailing or Retail Management

The Norman DART Model



There are Four purposes of Organizational Leadership

1. Directing talent

- Align work to goals



2. Attracting and Assigning talent

- Hire best available employees



3. Rewarding and Retaining talent

- Motivate employees to use maximum effort



4. Teaching and Training talent

- Help new employees master job
- Retrain existing employees



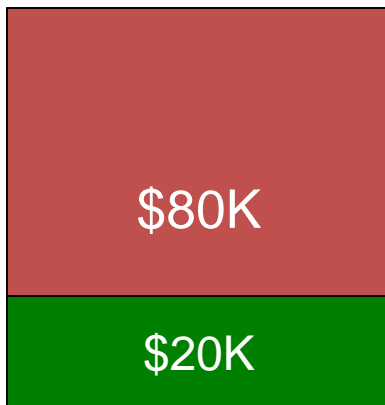
Directing Talent:

Retail Employees Not Aligned w/Technology

20% Alignment with Goals



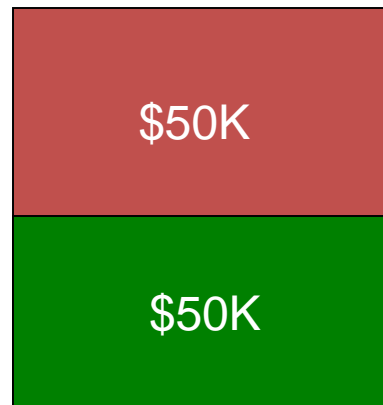
assume \$50K salary & benefits



- \$50K

Surplus - \$30K

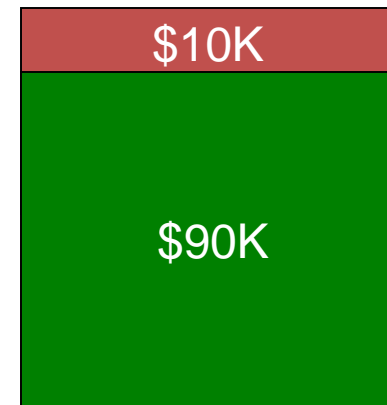
50% Alignment with Goals 50%



- \$50K

\$0K

90% Alignment with Goals

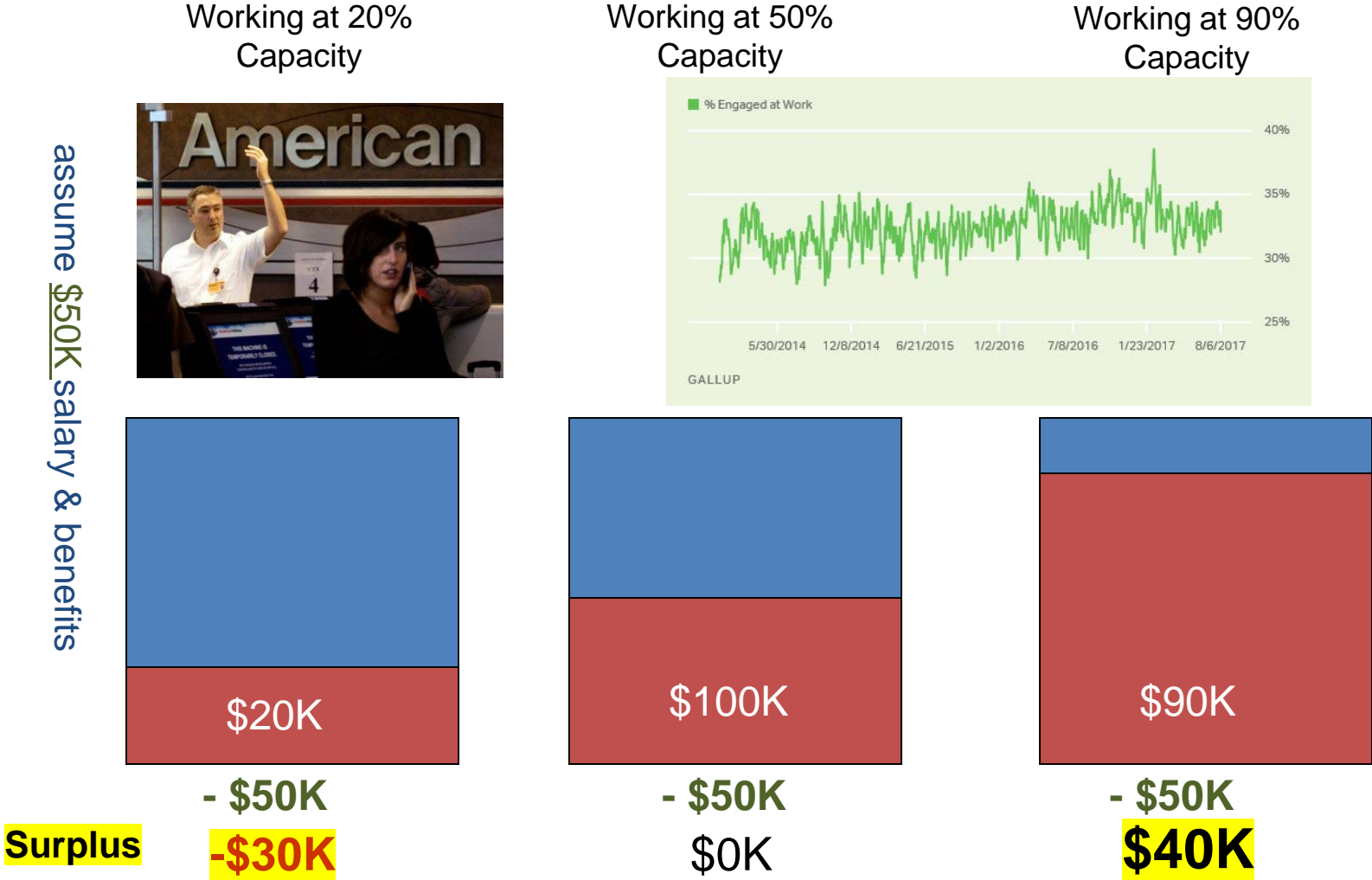


- \$50K

\$40K

Rewarding Talent:

Retail Employees Embracing Technology



The Norman DART Model



Model Organizations Procter & Gamble or General Electric

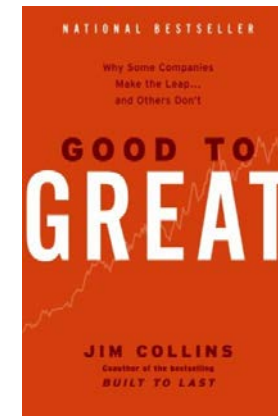
1. Directing talent

- 80% Alignment



2. Atracting and Assigning talent

- \$100K Current \$200K Potential



3. Rewarding and Retaining talent

- 80% Engagement



4. Teaching and Training talent

- Period 1 \$64K Value or \$14K Surplus
- Period 2 \$128K Value or \$78K Surplus

When the Arrow Misses



Walking Wounded Organization

1. Directing talent
50% Alignment
2. Atracting and Assigning talent
\$100K Current \$100K Potential
3. Rewarding and Retaining talent
50% Engagement
4. Teaching and Training talent
Great Training

Period 1 \$50K Value – \$50K Compensation =
\$25K Loss

Period 2 \$25K Value – \$50K Compensation =
\$25K Loss

\$50K LOSS!!!!

Typical U.S. Organization

1. Directing talent
70.71% Alignment
2. Atracting and Assigning talent
\$100K Current \$120K Potential
3. Rewarding and Retaining talent
70.71% Engagement
4. Teaching and Training talent
Great Training

Period 1 \$40K Value – \$50K Compensation =
\$10K Loss

Period 2 \$60K Value – \$50K Compensation = \$10
Surplus

NO GAIN!!!



Thank You!

Any Questions?

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Founder of the Organization Leadership Effectiveness Lab

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