
Retaining employees proving challenging in retail

The retail sector has seen strong growth in 2019 but businesses in the sector are still faced with many challenges to overcome in order to grow sustainably.

The CSO retail Index issued on 30th April demonstrated a strong performance in the sector in quarter one 2019 with sales volumes up 6pc and sales values up 4pc when compared with the same period in 2018.

The Irish retail sector employs almost 285,000 people. Approximately 72pc of those employed in the sector are based outside of Dublin, which is much higher than in sectors such as ICT and financial services where less than 50pc of jobs are outside the Dublin area.

The strong performance for Q1 is being driven by strong employment figures leading to improved consumer sentiment and levels of disposable income. The challenges in the retail sector mirror those of other SME's – given the strong level of employment in Ireland at present, it is proving challenging for many retailers to recruit and retain key staff for their business.

Touching on this issue, Owen Clifford, head of retail convenience at Bank of Ireland, says; “Progressive retailers are utilising innovative techniques to motivate and engage their staff. They are fully aware that their staff are their most important brand ambassadors and need to be fully engaged to maximise the potential of their business.

“As well as engaging new and existing customers, innovation and investment in-store is important to attract, engage and retain key staff. In a competitive employment environment, employees are seeking retailers who offer a modern, evolving working environment. We work closely with Irish retailers to ensure their stores reflect the values and visions of their communities.”

Ireland’s convenience retailers are recognised internationally as thought-leaders in customer service and product innovation. “The Irish consumer is extremely discerning and expects the highest standards on a consistent basis. In Bank of Ireland we recognise the importance of regular investment in store lay-out and offering to sustain footfall and ensure that customers are appropriately engaged. As Jeff Bezos from Amazon stated, ‘Yesterday’s wow very quickly becomes today’s ordinary’, said Clifford.

Working for Ireland’s leading business bank, Clifford and his team work really closely with retailers to support the growth of Irish businesses in a sustainable fashion, and says their proactive support has enabled the retailers to protect and grow their business in equal measure.

“We recognise that we have a unique opportunity to support our customers and to enable Irish businesses and the communities we jointly serve to thrive. Our proven financial capabilities and appetite, combined with comprehensive sector expertise, provide us with a strong platform to meet the funding requirements of Irish retailers.

“We understand the investment cycle, including the need for regular expenditure to maintain growth and profitability in this dynamic sector, and we have a strong appetite to support progressive, innovative retailers in the further development of their businesses in the coming years. We are available to discuss succession planning strategies, store portfolio expansion, employee retention initiatives and long-term funding requirements,” added Clifford.

In relation to the future of the sector, the outlook is very positive for the remainder of 2019 and leading into 2020. Clifford finished saying, "this is linked to improved employment and disposable income statistics. The Irish consumer is extremely discerning and progressive retailers recognise the need to invest regularly in their stores to drive growth and financial well-being for their business.”

By Stephen Larkin