



THE FUTURE OF HR FOR E-COMMERCE



CONTENTS

Introduction

Trends In...

4 Recruiting

| 4 Hot talent market

5 Seasonal Hiring

6 Employee Development & Training

| 6 Effective Onboarding

8 Delivering an Unforgettable Shopper Experience

9 Remote Employee Engagement

| 9 Retention

12 Data-Driven People Decision Making

About Namely

Introduction

E-commerce and retail have always been fast-paced (and even faster growing) sectors. But with the onset of the global COVID-19 pandemic and ensuing stay at home orders and mask mandates, e-comm shopping skyrocketed.

In 2020, U.S. shoppers spent 32.4 percent more on e-commerce than 2019, and 9 out of 10 ecommerce brands saw double digit growth in 2020. That pace has shown no sign of slowing. In fact, in 2021, e-commerce in the U.S. amounted to \$469.2 billion in 2021, an increase from \$431.6 billion in 2020.

Now, e-commerce companies are finding themselves operating in a changed—and changing—world. And companies in this sector have to reckon with the workplace pivots that come along with these changes.

As such, the HR department at e-commerce companies is no easy place to work. But the challenges that come along with being in HR for e-commerce brands also bring **massive opportunities** for these leaders to make pivotal decisions and shape the industry's future.

Many of these changes and challenges—recruiting in a hot talent market, finding seasonal workers, training and onboarding in a virtual world, The Great Resignation—were already prevalent for this workforce, but many companies are still finding themselves unprepared.

Let's take a look at what we can expect for HR at e-commerce companies in coming years.



Now that we've examined what makes HR so unique for the e-commerce industry today, what trends can we expect to see going forward?

From enhancing the employee experience to effective onboarding, we'll explore what the future of HR looks like for e-commerce and retail brands.

Let's get started.

Recruiting

Hiring in a Hot Talent Market

It's an incredibly competitive talent market across all industries, but it's especially true for e-commerce and retail companies. In fact, e-commerce employment grew more than any other retail vertical over the past 15 years—all while paying on average 26 percent more than their general retail counterparts.

According to BuiltIn, the most in-demand e-commerce jobs are software engineering, operations, marketing, data analytics, and UX/UI design.

Over the next year, e-commerce brands will have to get competitive with their benefits and compensation packages, as well as creative with their recruitment techniques, if they want to stay on top of their hiring needs.

Here are a few techniques that can help retail companies attract top talent:

Share Employee Testimonials

Consider having employees write what they love about working for your brand on sites like Glassdoor, BuiltIn, Comparably, and The Muse. Employer branding and reviews on these sites matter to potential employees and might be the make or break between them choosing your brand or another.

Offer The Right Benefits & Perks

It's traditional for retailers to offer their employees store discounts—and that's great! But as the talent market heats up and employees' opinions of what really matters to them changes (hello, WFA!), these baseline benefits will no longer cut it. In the future, we can expect e-commerce companies (and their recruits) to focus even more on total rewards (the combination of benefits, compensation and rewards that employees receive from their organizations) rather than just salary or in-office perks.

Share Your Mission

Retailers have missions, just like non-profits. And mission-based recruiting is an incredibly powerful tactic for e-commerce companies. Consider posting a video about your mission on your talent page and your social channel so potential recruits can see what your company is all about.

Offer Flexible & Remote Work

E-commerce has a leg up on traditional brick and mortar retail when it comes to offering flexible and remote schedules to their employees. And job seekers want this. 91 percent of workers in the U.S. working at least some of their hours remotely are hoping their ability to work at home persists after the pandemic.

Seasonal Hiring

Regardless of whether your company's busy season is fall, winter, spring, or summer (or all year long), HR teams at e-commerce and retail organizations are often pushed to their limits trying to staff for season hiring surges.

To make it easier on yourself and your recruiting team, give yourself at least 3 months to search for candidates, especially if the role requires specialized knowledge or on-the-job training. Time to fill can vary significantly across all industries and job types, with the national average being 26 days. Take into account the type of work performed; junior roles might only take a month to fill, while the search for more senior talent can take a few months.



Employee Development & Training

Effective Onboarding

Despite the impacts that COVID-19 had on hiring, retail and e-commerce employees are still in high demand. In fact, employment in the industry is projected to reach almost 450,000 jobs by 2026. As these companies strive to hire top candidates while keeping up with such rapid growth, they will also need to revamp their employee retention strategies.

What many companies don't realize is that the fight for top talent isn't over after candidates sign their offer letters. If anything, that's just the first step. This means that retail and e-commerce companies will have to reevaluate the rest of their HR processes in order to retain their employees, starting with onboarding.

Effective onboarding directly increases employee retention by helping new hires feel welcomed from day one. In fact, Glassdoor found that companies with a strong onboarding process improve their employee retention by 82 percent. If a new hire doesn't have a positive onboarding experience, they are twice as likely to search for other job opportunities and leave the company.

Unfortunately for retail and e-commerce companies, onboarding can be challenging—especially as more and more of them allow employees to work remotely. Whether they're onboarding across several storefronts and offices or bringing on seasonal employees, these companies have to develop an onboarding process that will be effective for their entire workforce.

So looking ahead, what exactly will onboarding look like in the retail and e-commerce industry?

Here's what we can expect to see:



Virtual Onboarding Programs

Onboarding new hires can be especially complicated for retail and e-commerce companies that either have some remote employees or don't have storefronts. Luckily, with the right technology, virtual onboarding programs can be just as welcoming and effective as in-person ones.

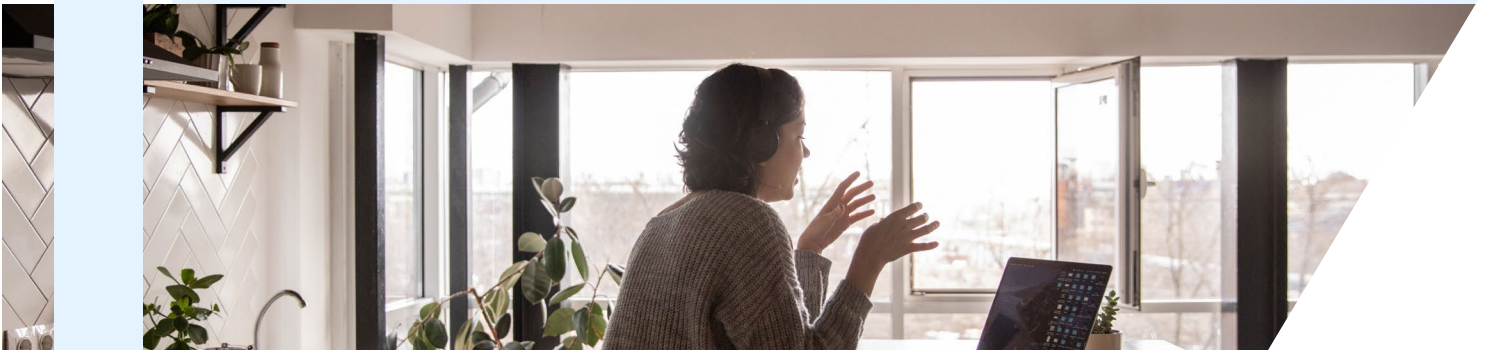
By using paperless onboarding software, retail and e-commerce companies can set up new hires no matter where they're located—especially if it integrates with their recruiting solution. Through this automated technology, HR teams will be able to kick off onboarding as soon as a new hire signs their offer letter. Before their first day, they can complete their paperwork and view policies, enabling HR to focus on their company's infrastructure, tech stack, culture, benefits, and other critical topics during actual onboarding sessions.

30-60-90-Day Plans

The first 3 months can either make or break an employee's experience at an organization—which is why retail and e-commerce companies will start making 30-60-90 day plans a critical part of their onboarding process. Broken into 3 parts, these plans clearly outline new hires' tasks and priorities, along with any training they will go through.

To give them metrics to strive towards, these plans should also list out new hires' goals. Simply writing down goals makes employees 42 percent more likely to achieve them. These goals should be SMART: specific, relevant, measurable, attainable, and time-based.

At the 30-, 60-, and 90-day marks, managers should check in with employees. During these one-on-ones, they can discuss their progress towards goals and any roadblocks they may be encountering. This will help keep employees motivated and set them up for success, increasing the chances of retaining them.



Delivering an Unforgettable Shopper Experience

Although enhancing your mobile site and using AI tools like chatbots can have a positive impact on your shoppers, their experience with your employees can either make or break a relationship with them. In fact, 58 percent of customers will stop doing business with a company if they have a poor experience.

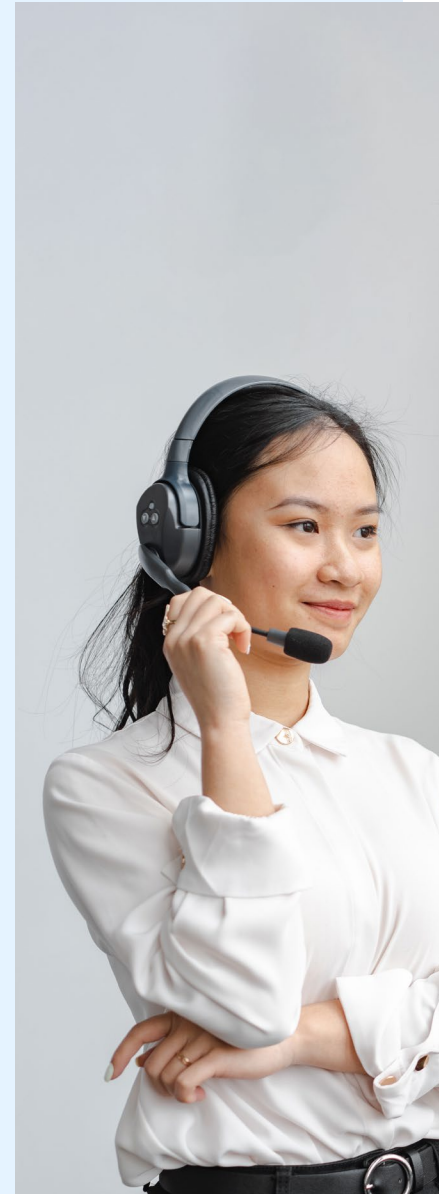
That's why continuing to train your employees after onboarding is so crucial. Whether they're working in your stores or from their desks at home, investing in their career development can kill two birds with one stone by helping them deliver an unforgettable shopper experience, while also retaining them. It's a win-win.

Let's take a closer look at how.

Exceptional Customer Support

Research shows that giving shoppers a positive customer support experience can have a direct impact on your company's bottom line. According to a recent study, 73 percent of shoppers say that receiving great customer support encourages them to spend more money than they planned to. Similarly, 73 percent of shoppers will also recommend a company to a family member or friend if they have a positive customer service experience.

Helping your employees develop and enhance their interpersonal skills through training can make a huge difference when it comes to their interactions with customers. Sharpening their communication, collaboration, and resolution skills will not only help them have positive encounters with shoppers, but will also help them navigate any negative ones. Since retail and e-commerce companies are very customer-focused, consider offering this training to all departments, not just the teams who speak with customers directly.



Upskilling

In addition to these interpersonal skills, there are other critical skills that your retail and e-commerce employees should be developing. That's where upskilling comes in.

HR teams can use upskilling to help form confident, productive teams, while making change in the workplace easier to handle. Since 91 percent of companies and 81 percent of employees say upskilling training has boosted productivity at work, it's becoming a popular resource to develop talent for future leadership roles, while keeping employees engaged and generating better performance.

Upskilling may take on several different forms, but usually includes internal training, apprenticeships, mentorships, partnerships with vendors, and relationships with universities and community colleges. These training programs can focus on helping employees develop a wide variety of new skills, such as analytical, digital, and organizational ones.

When building out your programs, you should make sure you are tailoring them to employees' career goals that tie back to your larger company goals. Regardless of the type of program, you also should get managers on board for follow-through. This will help employees take ownership of their personal and professional development and excite them about moving their career forward with the company.

Remote Employee Engagement

Retention

In order to retain their employees, retail and e-commerce companies will need to develop strategies to keep them inspired and motivated—especially if they are working from home.

Here are some ways you can keep your remote employees engaged to make sure that they're in for the long haul.



Give Useful Performance Reviews

Whether you conduct reviews quarterly or annually, evaluating your employees' performance is critical to keeping them engaged at your company. From quality of work to productivity, performance reviews recognize your employees for their accomplishments and identify their areas of improvement.

When a manager puts in the effort to execute a well-planned performance review, it can actually make a difference in an employee's work ethic and have a positive impact on the success of the company overall.

Instead of viewing performance reviews as a waste of time, make them a priority. By providing the right type of feedback for employees and properly executing reviews, you can change the way your employees and managers handle the process.

Career Development Convos + Career Pathing

Don't leave all of your career development conversations to performance reviews, though. In fact, performance reviews should focus more on the now—on individual and team performance and how that person has contributed.

Set aside separate time to speak with each employee about their career goals, what they hope to accomplish within the next 6 months to a year, what they want to learn, what they like and don't like, and how you can help them. This is a great opportunity to offer advice on courses they can take, help them find a mentor, or provide them with a stretch project that will help them test their skills and try out a project that might be more common if they upleveled their role.

Ensure that you also are completely transparent about the career path for that person's role—even laying it out in a document. Tell your employees what is expected of them at their current level and what exactly they need to do to take it to the next level.



Give Feedback & Recognition

Since low morale in the workplace can increase the likelihood of employee resignations, it's critical to implement a positive system of feedback. In fact, 20 percent of employees say feeling underappreciated for their contributions is hindering their engagement at work, and 40 percent of employees say their manager is just “okay” at recognizing their work. Nearly 70 percent of employees say they would likely leave their job if they didn't feel appreciated.

Receiving positive feedback can keep employees engaged, while motivating them to continue working hard and putting their best foot forward. Employees who feel encouraged and proud of their contributions to your company are more likely to stay.

Some ways that you can give recognition outside promotions and raises are things like spot bonuses, organizational awards, implementing a President's Club, and individual incentives for projects.

Still, money can't always buy happiness. Sometimes a simple “thank you” can go a long way. One study found that most employees said the most meaningful accolade they had ever received held “no dollar value.” Encourage your managers to regularly recognize their direct reports and consider implementing a fun employee recognition program.

Try Virtual Team Bonding Activities

When your workforce is dispersed, it's especially important to keep your employees engaged. From virtual lunches and happy hours to trivia and game nights, you can give them a well-deserved break from work—no matter where they are.

Small doses of team bonding throughout the week can also keep your employees engaged and boost morale. Consider allocating the first 5 minutes of your weekly team meeting to discuss the newest Netflix shows employees are bingeing or ask fun icebreakers.



Data-Driven People Decision Making

Tracking and reporting HR metrics is an important way to quantify initiatives, track progress toward goals, and enable informed decision-making. And over the next 5-10 years, HR at e-commerce companies will become increasingly more data driven. Not only will HR use data to make people decisions, but company leadership will lean on HR leaders for data that will help them make larger corporate choices, as well.

Some of the data points that we expect will become commonplace to measure are:

Quality of Hire

You could call quality of hire the “holy grail” of people metrics. Many organizations score employees based on a number of factors, including productivity, engagement, and adherence to company values. Identifying your company’s list of most valued characteristics in a new hire is the first step. Your list should include what matters most at your organization.

For each of your chosen factors, implement a rating system that ranges from one to five (e.g., severely underperforming, underperforming, neutral, satisfying expectations, exceeds expectations). Then you can use this formula: Quality of Hire = Average of (Performance + Productivity + Job Fit + Values Fit).

Turnover Rate

Out of all the data points measured by HR, few are as essential as turnover. Quite simply, turnover rate measures the number of employees who leave your company within a set period of time. While your base metric should include both voluntary and involuntary terminations (people who quit or are asked to leave, respectively), you can calculate turnover separately for both types of departures.

To calculate turnover rate, tally the number of involuntary and voluntary terminations over the timeframe you’re considering (typically a year). Then, divide this amount by your average headcount during that same period. Finally, multiply this number by 100 to arrive at a percentage.



Career Path Ratio

The notion of the career “ladder” has been relegated to the dustbin. Employee movement at modern day organizations is multi-directional—meaning lateral moves across departments and specialties are becoming more the norm. Enter our next metric: career path ratio, or a measure of how many internal moves are promotions versus lateral transfers.

To calculate this metric, simply divide your total number of promotions by the sum of all role changes, regardless of whether it was an upward or lateral move. If you did the math correctly, the resultant figure should be less than 1.



Unsure of what a healthy career path ratio looks like? The rule of thumb is that companies should average approximately four transfers for each promotion, meaning a career path ratio of 0.2 or less. If your ratio number ends up between 0.5 and 1.0, that may be indicative of a problem with how your business approaches development. In cases like these, managers may be guilty of “talent hoarding,” or shielding high-performers from any and all transfer opportunities.

Pay Equity

A pay equity audit requires you to examine your company’s payroll data for evidence of a pay gap and make appropriate recommendations to senior management. The goal of a pay equity audit is to understand whether employees performing similar work at the same level are paid consistently. This is a separate analysis from your annual pay adjustment cycle.

It is important to consult with a lawyer when you audit your pay practices; audits completed with a lawyer should be protected by attorney-client privilege. Start by pulling employee pay data and consider how you want to group the data. Good groupings are key to

ensuring your findings are sound. You'll want to look for things including: Pay gaps hidden in certain job titles or departments; underpaid high performers and overpaid low performers; significant differences in promotion rates, raise frequencies and bonuses; and men and women who do similar work, but are not at the same job level.

eNPS

Measuring your company's employee Net Promoter Score (eNPS) empowers your team to get an accurate read on something as subjective as how individuals feel about work.

If "NPS" sounds familiar, that's for a good reason. Originally conceived of by business strategist Fred Reichheld as a way for companies to gauge customer satisfaction, NPS surveys ask participants one "ultimate" question: "What is the likelihood that you would recommend [...] to a friend or colleague?"

Respondents are asked to measure their approval on a scale of 0 to 10. Those who respond with a 9 or a 10 are considered "promoters," and those who answer 0-6 are detractors. Anyone in between those ranges is considered "passive." An overall score is calculated by subtracting the percentage of employees who are detractors from the percentage who are promoters.

All action planning around engagement should be driven to raising that metric over time. This is also the most essential measure to observe with consistency. It's always tempting to change up the questions, but don't do it for at least the handful of questions that drive the overall engagement measurement.



About Namely

Distinguished by its intense commitment to diversity, equity, and inclusion, HR technology leader Namely is an employer of choice that helps mid-sized employers and their employees thrive. Delivering and streamlining the complexities of recruiting, onboarding, time & attendance, performance management, benefits administration, compliance, payroll and analytics from a single platform, Namely also offers Managed Payroll and Benefits services. The company further differentiates the client experience through personalized service and easy-to-use applications. Learn more at [Namely.com](https://www.namely.com) and follow us [@NamelyHR](https://twitter.com/NamelyHR).

