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ADDRESSING TODAY'S LABOR SHORTAGE

FUEL MARGININS

WE
ARE
HIRING !!!

**ADDRESSING
TODAY'S LABOR
SHORTAGE**

BY MAURA KELLER



Open any newspaper or glance at the headlines gracing online news sites and you'll see a common theme: More and more companies are facing an employee shortage and are grappling with finding much-needed people to fill roles. From white collar jobs to minimum wage employees, companies are having an exceedingly difficult time finding people to help keep their companies running smoothly.

Michael Gatta, vice president, national development at SCG, which has a recruitment marketing arm within the company, says the current overall situation in the gasoline marketing industry is that companies of all sizes are finding it increasingly difficult to find, hire, and retain qualified employees.

“At the beginning of the pandemic it was just the opposite,” Gatta says. “The convenience store, grocery store, and essential food service businesses had plenty of labor and most had cut back all recruitment-related advertising spending due to an overwhelming amount of applicants and all jobs being filled. That has changed in recent months.”

Bruno Mota is the co-founder and chief executive officer at Pembroke & Co., a consulting firm in Boston, Massachusetts that specializes in business consulting, loss prevention, HR consulting, and career services. Pembroke & Co. oversees loss prevention and operations for over 700 locations nationally including, restaurants, convenience stores, hotels, and micro markets.

Mota says the status he is seeing in the labor market is an increase in the demand for the services they provide and a decrease in people who are willing and/or able to work to keep up with this new demand.

“Convenience stores, much like grocery stores, are recession-proof. Meaning, during the pandemic, people are using these stores as a resource for their everyday needs; in many cases, the convenience store became a necessity,” Mota says. “Although an increase in business is a good thing, this creates trouble for the labor market. Typically, convenience stores can run pretty lean, functioning well with one to two employees. Due to the increase of sales, however, more employees are needed in the industry. People are finding themselves unwilling or unable to work during the pandemic, thus creating a labor shortage. The business has increased, but there are significantly fewer employees available to keep up with the need.”

Leading Causes

There are several reasons why c-store owners and gasoline marketers are currently finding it hard to attract and retain

employees. One, obviously has to do with the rapidly changing state of the pandemic, the vaccine effectiveness, and people's confidence in their current economic situation.

As Gatta explains, most who took these jobs early on are moving on to better opportunities as things are opening up again.

“Unemployment benefits and stimulus checks also have had some negative effect on some people returning to the workforce,” Gatta says. “The history of low wages and wage stagnation in these roles also plays a part. But mainly, lack of long-term recruitment strategies during the pandemic has contributed greatly.”

Another factor that contributes to the lack of available workers is the competition with government compensation. As Mota explains, people are getting paid unemployment, sometimes more than these industries can offer, to stay home. Some even find that staying home for slightly less than their pay at work is worth getting around the risks of the pandemic.

“There's no way for these companies to win when competing with the government,” Mota says. “Regarding convenience stores specifically, people are finding that the risk of going to work may not be worth the reward when they can get government compensation.”

Michael Hammelburger, CEO at The Bottom Line Group, attributes the passage of the Coronavirus Aid, Relief and Economic Security (CARES) Act to the labor shortage in the c-store industry.

“Because they've received financial support, many former employees have opted to remain home rather than seek employment back in these stores—and other industries,” Hammelburger says. “The best way to lure them back is to offer higher per hour rates and ensure their safety against the virus by having c-stores enforce strict health protection policies.”

Quincy Valencia, vice president of Product Innovation at AMS, also leads Hourly, a conversational hiring platform for hourly workers. Valencia says that the labor shortage isn't an issue isolated to convenience stores. Hiring and retaining hourly employees is a challenge facing industries like retail, restaurants, entertainment, hospitality, and logistics.

“This is a competition for talent unlike anything we've seen before,” Valencia says. “Some point to unemployment benefits being extended as a factor, which may be part of it, but not the only reason. With increased job availability, people are able to

join our team

be more picky with where they work. If the hiring experience of a c-store is poor, people are going to look elsewhere for work because they know there are other job openings available.”

And the rise of vaccines hasn’t created a light-switch moment for companies or employees. People may feel the trauma of the pandemic and remember their hours being cut or eliminated entirely. It will take more than a “Help Wanted” sign on the door to regain trust.

Steps Being Taken

So what can companies do to help curb the labor shortage and entice people to join their teams?

According Adrienne Somerville, CEO at Somerville Consulting Group, typically c-store owners appear to have a somewhat dated or archaic approach to recruiting. How often have consumers entered a c-store and saw a posted hiring sign on the glass entry door, or perhaps a hiring sign tapped to a clerk’s counter?

“C-stores must begin to recruit for the 21st century workforce, leverage technology and tools used in the 21st century,” Somerville says. “Today’s c-stores should create and/or reinvent their recruitment advertising by launching a purposeful campaign on social media platforms such as Facebook, LinkedIn, Google Search, and Instagram to attract the right talent to rebuild the c-store brand.” Additionally, aligning a recruitment strategy to workload demand and identifying a hiring cycle time will also increase the number of potential applicants for targeted c-store positions.

The candidates in this pool, that is, those applying for high volume/low complexity hourly roles, are very clear about the most important factors in deciding which jobs to apply for and, ultimately, accept. Valencia says speed to hire is critical, so first and foremost, quick response can make all the difference in the world. Then, it is imperative that owners ensure their compensation is at least competitive with the market, and, where possible, market leading, in deference to some of the perceived risks associated with working in a c-store environment.

“Offering set shifts, rather than insisting on open availability, helps parents and students better manage their schedules,” Valencia says. “And being flexible on part-time versus full-time can be appealing as well. Be creative! If you’re on a public transportation line, consider offering (and advertising) bus/train passes as part of the compensation. What doesn’t work in getting workers to join are ‘nice to haves,’ like discounted meals, or the possibility of a small annual bonus. Think about those things that meaningfully impact your employees, and you’ll get them to join and to stay.”

Retaining employees also should definitely be the next focus after recruiting, Somerville says. However, c-stores must first identify their current and future organizational requirements, aligning company demands to human capital strategies, and performing workforce development by balancing workload and staffing decisions to increase performance and recover lost COVID-19 revenue.

What’s more, Mota says it’s important to remember that what works for one geographical area will not work for another, so it’s important to be in tune with what the communities around

you are looking for. Are your communities more geared towards a family environment, or are they looking to fulfill an American Dream? Are you surrounded by aspiring youth who want to work toward their next steps in life, or families who are looking to sustain themselves?

“Knowing what the people around you are looking for allows you to help them achieve it, but it is up to you to create an environment that will allow them to do so,” Mota says. For example, if you are in an area full of young people or immigrants, share your story during the interview process of how you started your career. Share with candidates how you've been able to succeed. Let them know the growth potential, and inspire them with your success story.

“Don't be shy about sharing your experience, as people often find it captivating. Another method that works is having a company almost be a family-like environment,” Mota says. “In some parts of the country, people crave that hometown family feel. Having an environment where employees know each other, refer their friends or acquaintances, and see staff that have been with the company for many years or decades all help create a family-like atmosphere.”

Gatta also is seeing a push to increase wages, offer better working conditions/hours, and offer more full-time hours with benefits. Employee Referral Programs (ERPs) also are being used and are effective.

“Some of the more insightful companies are positioning these jobs as ‘careers’ where you can start entry level and work up to management in a few short years with training,” Gattasays. “Others are offering sign-on bonuses, paid time off, and vacations. All of these will work if held to consistent standards over the long-term. What doesn't work is the hope that there will always be another person to fill the role quickly as it was pre-pandemic.”

Sommerville adds that c-store owners can entice people to join their teams by not offering people a job, but instead promoting to people the amazing career opportunities, from potential store clerk to potential store owner. Once hired, business owners must provide standardized career roadmaps for employees to enhance talent to task matching and close skill gaps.

“Upon hiring, I strongly recommend business owners baseline employees' knowledge, skills, and abilities, specifically what they need to know in comparison to what they actually know,” Somerville says. “Next, I recommend focusing on a skill gap closure approach, based on performed gap analysis. Furthermore, with the assistance of modern technology, it is

imperative that companies conduct training needs assessments and provide targeted training and development programs to support future skill capability and capacity needs.” Remember, the value an employee feels by an organization's commitment to its growth yields higher retention rates.

“What has proven not to work is the lack of guidance and/or insight into career advancement and progression opportunities,” Somerville says. “C-store owners must be visibly intentional in demonstrating to their employees the value they bring to the industry and specifically their store.

Experts agree that a significant mistake gasoline marketers and other companies make, as it relates to hiring practices, is hiring for an immediate need—a position filled not necessarily based on the best position fit. Stated differently, companies appear to focus on closing staffing gaps by simply hiring. Instead, the focus must be on skill gap closure, which yields higher retention rates, because it promotes career growth and career progression.

“Once hired, companies ensure employees, at all levels, that they are appreciated, valued, and are making a daily difference at their particular store, in support of better serving their respective community,” Somerville says.

A Long-term Outlook

When it comes to the current labor shortage experts agree that it is simply not going to last forever. The reality is that stimulus checks and unemployment benefits are going to run out and people are going to have to start making money again.

“When this happens, people will apply to whoever is hiring. After the pandemic hit the job market, many business owners raised their minimum wage to attract people to work,” Mota says. “Once candidates start competing for jobs again, the industry won't have to maintain offering such high wages. I see longer-term profitably for convenience stores where some of those inherent inflationary costs that come with wages may be subdued for a bit, due to more competition on the employee side.”

The pandemic also has, hopefully, changed how we view hourly workers. It taught us that hourly workers are essential workers. “In the middle of 2020 we realized how hourly workers kept our society moving forward, so these employees should be treated as such,” Valencia says. “And this can't be something that was believed only for a few months during a pandemic year: we need to use this experience to reshape business in the years to come. Companies that don't recognize this moving forward are going to continue to struggle finding and retaining employees.” ★

