

# Convenience Store News

[http://www.csnews.com/article-employment\\_down\\_\\_turnover\\_and\\_pay\\_slightly\\_up-1822.html](http://www.csnews.com/article-employment_down__turnover_and_pay_slightly_up-1822.html)

In Print » May 23, 2011 » Features » **HR & Labor Study**

## Employment Down, Turnover and Pay Slightly Up

By Don Longo

*The average number of workers per store falls even as economy rebounds*

*When NACS retail members went to Capitol Hill in March in order to lobby lawmakers to resist big banks' efforts in delaying and repealing the Durbin swipe fee reform amendment, one of their talking points was how the humongous credit- and debit-card transaction fees – which hit a record \$9 billion last year for convenience stores – were contributing to the nation's stubbornly high unemployment rate.*

"The money I pay to the credit card companies in transaction fees could be used to hire an additional worker or at least prevent the layoff of at least one employee per store," one retailer told a Congressman. "The impact on local economies is staggering."

Now, research proves the truth of that statement. According to the just released Convenience Store News 2011 HR & Labor Study, the average number of store associates per store decreased by one, from 9.2 to 8.3 last year. That figure buttresses the argument of several retailers who have said that the rising expense of credit and debit card transaction fees essentially resulted in their employing fewer workers per store.

Turnover rates are slightly higher this year compared to a year ago, but well below the more-than-100 percent store level turnover c-store retailers faced in 2000. Convenience retailers also reported stiffer competition for good workers from other businesses, and noted they've increased salaries and benefits for their store level workers, according to the study.

▶ Fig. 1

## Number of Employees Per Store/Length of Stay

|                  | Number of Employees |        |       | Avg Length of Stay (in years) |        |       |
|------------------|---------------------|--------|-------|-------------------------------|--------|-------|
|                  | TOTAL               | SINGLE | CHAIN | TOTAL                         | SINGLE | CHAIN |
| Store associates | 8.3                 | 7.8    | 8.6   | 2.4                           | 2.8    | 1.6   |
| Asst. managers   | 0.7                 | 0.3    | 0.9   | 3.5                           | 3.9    | 3.2   |
| Store managers   | 1.1                 | 0.8    | 1.3   | 5.6                           | 7.0    | 4.9   |
| Field managers   | n/a                 | n/a    | 2.1   | n/a                           | n/a    | 6.1   |

Source: Convenience Store News Market Research, 2011

▶ Fig. 2

## Problems with Quality and Integrity of Work Force

|                                  | TOTAL | SINGLE | CHAIN |
|----------------------------------|-------|--------|-------|
| Employee shrink/theft            | 4.37  | 3.72   | 4.88  |
| Attitude/customer service skills | 4.24  | 3.53   | 4.78  |
| Reliability                      | 3.98  | 3.38   | 4.43  |
| Basic skills/competence          | 3.89  | 3.47   | 4.20  |
| Vendor shrink/theft              | 3.32  | 2.84   | 3.69  |
| Drug/alcohol use on the job      | 2.43  | 1.64   | 3.05  |

Rated on a scale of 1-10, where 10=most serious problem  
 Source: Convenience Store News Market Research, 2011

▶ **Fig. 3**  
**Turnover Rates**

|                    | 2011  | 2010  |
|--------------------|-------|-------|
| Store associates   | 45.1% | 41.9% |
| Assistant managers | 18.4  | 19.6  |
| Store managers     | 10.3  | 12.6  |
| Field managers     | 7.4   | 5.3   |

Source: Convenience Store News Market Research, 2011

▶ **Fig. 4**  
**What Factors Impact Turnover Rates?**

|   | 2011 | 2010 |
|---|------|------|
| Wages   | 3.17 | 3.38 |
| Dismissal for cause                             | 3.39 | 3.87 |
| Competition for employees from other businesses | 3.95 | 4.49 |
| Benefits  | 4.08 | 4.36 |
| Lack of career enhancement                      | 4.58 | 4.44 |
| Insufficient training during orientation        | 4.75 | 4.89 |
| Unpopular shifts (eg. overnight hours)          | 4.85 | 4.62 |
| Workplace safety                                | 7.05 | 6.69 |

Ranked from 1-8, where 1=most impact  
 Source: Convenience Store News Market Research, 2011

**Fig. 6**  
**Incentives Offered**

|  | STORE ASSOCIATES | STORE MANAGER |
|--|------------------|---------------|
| 401K plan                              | 40.9%            | 48.1%         |
| Insurance (net)                        | 37.5             | 55.7          |
| Medical                                | 37.5             | 55.7          |
| Dental                                 | 21.6             | 40.5          |
| Vision                                 | 17.0             | 27.8          |
| Cash bonus for meeting goals           | 33.0             | 55.7          |
| Sweepstakes/bonus gift program         | 14.8             | 12.7          |
| Tuition reimbursement                  | 14.8             | 19.0          |
| Employee of the month type recognition | 13.6             | 7.6           |
| Profit sharing                         | 12.5             | 15.2          |
| Stock in company                       | 2.3              | 2.5           |
| Other incentives                       | 21.6             | 22.8          |

Multiple responses accepted

Source: Convenience Store News Market Research, 2011

▶ Fig. 5

## Actions Taken to Reduce Turnover Rate at Stores

|   | 2011  | 2010  |
|---|-------|-------|
| Improving store atmosphere/corporate culture  | 46.6% | 50.7% |
| Enhancing training                            | 37.9  | 38.0  |
| Raising salaries                              | 34.0  | 44.0  |
| Flex time/attractive scheduling               | 31.1  | 51.3  |
| Creating opportunities for career advancement | 22.3  | 24.0  |
| Providing/adding benefits                     | 20.4  | 24.0  |
| Increasing store security                     | 12.6  | 26.0  |
| Other actions                                 | 9.7   | 7.3   |

Multiple responses accepted  
 Source: Convenience Store News Market Research, 2011

▶ Fig. 7

## Employee Insurance Changes in Past Year

|                                    |       |
|------------------------------------|-------|
| Made changes (net)                 | 41.8% |
| We increased employee contribution | 23.9  |
| We cut back on coverage            | 11.9  |
| We eliminated coverage             | 3.0   |
| We increased coverage              | 1.5   |
| Other changes                      | 9.0   |
| Made no changes                    | 58.2  |

Source: Convenience Store News Market Research, 2011

**Fig. 8**  
**Screening Tools Used in Hiring**

|                                  | 2011  | 2010  |
|----------------------------------|-------|-------|
| Application                      | 98.9% | 95.4% |
| Interview                        | 96.6  | 95.4  |
| Reference check                  | 76.1  | 77.8  |
| Background checks (Net)          | 50.0  | 40.5  |
| Dept. of Motor Vehicles          | 13.6  | 20.9  |
| INS                              | 6.8   | 9.8   |
| Criminal                         | 45.5  | 34.0  |
| Basic skills (ie. reading, math) | 44.3  | 44.4  |
| Drug testing                     | 33.0  | 25.5  |
| Credit check                     | 17.0  | 15.7  |
| Alcohol testing                  | 9.1   | 9.2   |
| Education check                  | 4.5   | 11.1  |

Multiple responses accepted

Source: Convenience Store News Market Research, 2011

**▶ Fig. 9**  
**Starting Hourly Wage for Store Associates**

|                  | 2011   | 2010   |
|------------------|--------|--------|
| Less than \$7.25 | 1.2%   | 4.1%   |
| \$7.25 to \$7.49 | 28.6   | 33.1   |
| \$7.50 to \$7.99 | 23.8   | 21.4   |
| \$8.00 to \$8.50 | 23.8   | 24.8   |
| \$8.50 to \$9.99 | 16.7   | 12.4   |
| \$10.00 or more  | 6.0    | 4.1    |
| Mean             | \$8.01 | \$7.78 |

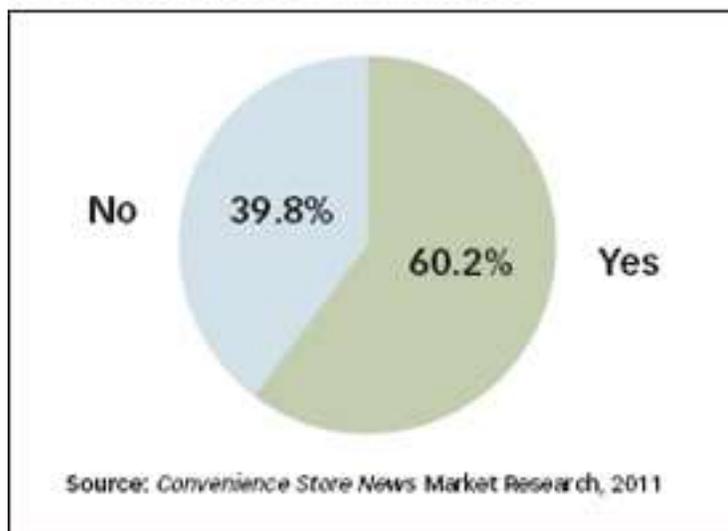
Source: Convenience Store News Market Research, 2011

**▶ Fig. 10**  
**When Store Associates Are Given Their First Increase**

|                       | 2011   | 2010   |
|-----------------------|--------|--------|
| After 3 months        | 41.0%  | 44.4%  |
| After 6 months        | 19.3   | 22.5   |
| After 9 months        | 3.6    | 4.2    |
| After 12 months       | 21.7   | 16.2   |
| Other mentions        | 14.5   | 12.7   |
| Mean (no. of months)  | 6.2    | 5.7    |
| Amt of first increase | \$0.36 | \$0.46 |

Source: Convenience Store News Market Research, 2011

**▶ Fig. 11**  
**Conduct Formalized Performance Reviews**



**▶ Fig. 12**  
**How Pay Scale Compares with Comparable Businesses in Market**

|                 | 2011  | 2010  |
|-----------------|-------|-------|
| We pay more     | 31.3% | 25.5% |
| We pay less     | 7.2   | 6.2   |
| We pay the same | 61.5  | 68.3  |

Source: Convenience Store News Market Research, 2011

**▶ Fig. 13**  
**Training**

|                    | LENGTH     | COST OF TRAINING |
|--------------------|------------|------------------|
| Store associates   | 41.3 hours | \$584            |
| Assistant Managers | 117.2      | \$1,857          |
| Store managers     | 210.1      | \$3,678          |

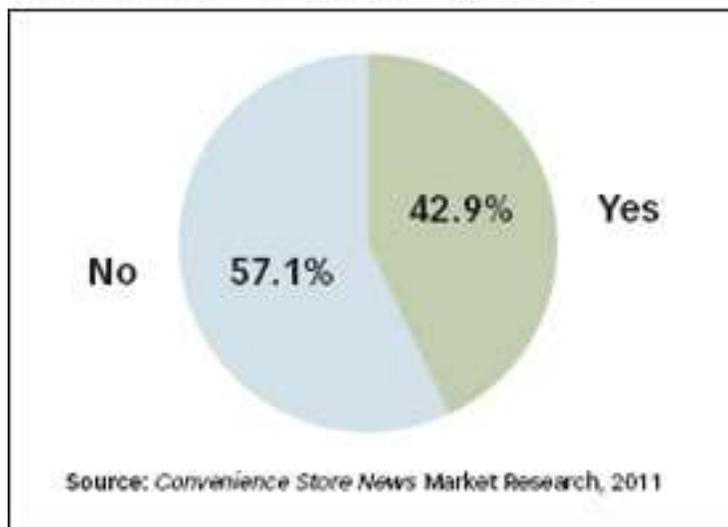
Source: Convenience Store News Market Research, 2011

**▶ Fig. 14**  
**Training Methods Employed by Company**

|                             | 2011   | 2010  |
|-----------------------------|--------|-------|
| On the job                  | 100.0% | 98.6% |
| Reduced expenses            | 18.8   | 18.2  |
| Computer-based/<br>internet | 17.6   | 14.9  |
| Computer-based/<br>DVDs     | 12.9   | 19.6  |
| Other mentions              | 5.9    | 4.1   |

Multiple responses accepted  
Source: Convenience Store News Market Research, 2011

**▶ Fig. 15**  
**Is Upselling Training Provided to Employees?**



Highlights of the study include:

- **Shrink and theft continue to be the No. 1 concern** cited by retailers about the quality and integrity of their employees. However, "attitude and customer service skills" moved up last year from fourth to second among retailers' concerns about their workforce. Meanwhile, "basic skills" dropped from second to fourth among retailers' list of most serious workforce problems.
- **Store level employee turnover rates were slightly higher in 2011 than in 2010, but nowhere near as high as in 2000 when the nation's unemployment rate was much lower.**
- Meanwhile, turnover rates among store managers, assistant manager and field managers continued to decline in 2011.
- As the economy improves, it appears competition from other businesses is again becoming a bigger factor influencing turnover. Competition from other businesses moved up from fifth to third among reasons for causing turnover among employees. **Wages and dismissal for cause continue to be the top two reasons for turnover, according to convenience store retailers.**
- Offering flex time and attractive scheduling is not being used as much this year to reduce turnover. Last year, flexible scheduling was the No. 1 tactic used by c-stores to reduce turnover among store employees, but it dropped to fourth this year. Improving the in-store atmosphere and the company's corporate culture moved up from second to first among turnover reduction tactics, followed by enhanced training and higher salaries. Creating career opportunities and providing or adding benefits are the other two tactics most often used to reduce store turnover.
- **In terms of benefits, or "goodies," as they are called by Sheetz CEO Stan Sheetz, health insurance and cash bonuses are the two most pervasive forms of incentives offered by c-store retailers.** For store level employees, a 401k plan and health insurance are the most popular benefits. More than half of store managers get a cash bonus for meeting goals, while a third of store employees also receive cash bonuses. Almost one in five store managers also get tuition reimbursement of some kind. A little less than 15 percent of c-stores offer tuition reimbursement to store employees. About 80 percent of companies in the c-store industry make matching contributions to employees' 401k plans.
- Despite the difficult national economy, only 3 percent of c-store retailers said they've eliminated health care insurance coverage for their employees. However, about 12 percent cut back on coverage and another 24 percent required employees to increase their contribution toward insurance premiums. Almost six out of 10 companies, though, said they made no changes in the health care insurance plans in the past year.
- **Starting salaries in the convenience store industry for store-level associates rose 2.9 percent in the past year, to a mean average of \$8.01 per hour (up 23 cents per hour).** About 6 percent of retailers, however, now start their store employees at \$10 per hour or higher, an increase from 4.1 percent in 2010.
- Meanwhile, the amount of time between hiring and receiving their **first merit increase** remained about six months for store employees. The amount of that increase declined by 10 cents to 36 cents per hour.
- Approximately 60 percent of convenience store retailers conduct formalized performance

reviews. Among chains, that figure is higher at 73 percent.

- In the 12 months since the previous survey, convenience retailers feel that their pay scales now compare better with comparable businesses in their market. Slightly more than 31 percent of c-store retailers said they pay more than competing businesses, an increase from about 25 percent who said that a year ago.
- In terms of training, c-store retailers appear to be spending less time but spending more money on instruction. This store associates will be trained an average of 41.3 hours each, at a cost of \$584 per employee. A year ago, the training time average 43.8 hours at a cost of \$519 per employee. About four out of 10 c-store retailers include upselling and suggestive selling within their training programs for store associates. For store managers, the training time now averages 210 hours at a cost of \$3,678 per manager, compared with about 220 hours and \$3,145 per manager a year ago.
- There wasn't much change in training methods from year to year. On-the-job training is still the most prevalent form of education, followed by classroom, although use of computer-based and DVD training videos declined somewhat from a year ago.
- About half of c-store retailers said they have formalized employee feedback programs in place. The most popular ways to garner feedback include district/headquarters meetings of all employees (14.9 percent), an employee hotline (11.9 percent) and electronic forums like a company Intranet (9 percent).
- In the event that a new hire doesn't work out, most convenience store retailers (75 percent) have a process in place to handle dismissals. Three-quarters also have an employee manual and more than 90 percent of retailers require new employees to read and sign a form stating they've read the manual.