

Spartan Stores Uses Kronos to Improve Hiring Efficiency and Profitability

Spartan Stores occupies a special niche in the supermarket industry in the Midwest, as the “neighborhood market” in the Michigan and Ohio communities in which it operates its 115 supermarkets and deep-discount drugstores. Spartan is also a primary distributor for 330 independent supermarkets and over 6,000 convenience stores. Supermarket industry turnover is high — over 100 percent, with an average cost of \$3,000 to replace an employee.

Despite an economic recession and increased competition from chains like Wal-Mart, Spartan survived its first quarter of net loss in its history (the first quarter of 2002). By improving its operational efficiency, the company quickly returned to profitability in the spring and summer of the same year. However, even though expenses were cut in other operational areas to achieve this efficiency, Spartan chose to invest in the Kronos[®] Workforce Acquisition[™] solution. It was an investment that resulted in dramatic returns in the first months of deployment.

A better way to hire better-fit employees

Spartan’s management recognized that one of the most critical factors supporting its brand as the “neighborhood market” was the quality and consistency of the people it hires. Lacking centralized hiring standards, the 100+ store managers were using inconsistent hiring criteria. Managers spent an inordinate amount of time screening candidates and not enough examining the crucial qualities of applicants.

Spartan’s Director of Human Resources, Linda Esparza, says, “We want to operate our stores better. Customer service is what we’re going to use to differentiate ourselves.” “It’s not the sheer applicant numbers we’re looking for,” she says. “It’s efficiently finding people who are the right cultural fit.”

Front-end supermarket positions are critical in terms of customer service. Cashiers, department managers, and baggers are in direct contact with customers, and build customer loyalty by remembering names, going out of their way to help, and making customers feel welcome. Observing the Kronos solution in action at a large national retailer, Esparza was eager to see if it could help address Spartan’s challenges.

Taking the “hunch” out of hiring

Spartan management was wary of adding another expense to operations, but they realized that the Kronos solution would quickly pay for itself and translate into a profit opportunity. The Workforce Acquisition solution gives each store manager reliable, job-relevant information about potential candidates. Store management knows, with an unprecedented degree of confidence, if a person would work out or not. Instead of conducting numerous screenings and applicant interviews, store managers are able to spend more time and energy on their customers. The end benefit: a smoother-running, more profitable store.

“We’ve been able to hire people who are more knowledgeable and more in tune with our customers.”

Linda Esparza,
Director of Human Resources

Spartan Stores

Business Type: Retail

Employees: 7,000+

Locations: 115

Product: Workforce Acquisition

Streamlining the application process

When job applicants come into the store, they are directed to an employment kiosk to fill out their application electronically. They enter the required prescreening information, complete the job application, and answer questions for a background check. They are also screened for Work Opportunity Tax Credit (WOTC) eligibility. Finally, they take a profile test to determine their suitability. If the test determines the candidate is a “green” — that is, a recommended candidate — the manager can immediately log on to the Hiring Manager’s Desktop to review the applicant’s summary. If the manager wants to conduct a personal interview while the applicant is in the store, he has all the information about the candidate available, including schedule availability, experience, and other relevant information.

Prescreening efficiency

When information is entered during the application process that renders the person ineligible for employment, the application quickly closes. Valuable management time is saved by eliminating candidates who cannot be hired. The candidate is simply informed that the company doesn’t have an opening that matches their experience.

Applicant pooling and sharing

If the manager doesn’t have a position that can be immediately filled, application files are kept on the Hiring Manager’s Desktop for a specified period set by HR, allowing candidates to be contacted at a later date. Applications are also shared with other Spartan Stores within a defined radius or store match, so another manager can tap into the pool. Cost efficiencies are applied as stores look out for each other’s needs, allowing a job applicant for one store to become an applicant for many.

HR becomes a profit source

While the Workforce Acquisition solution was being deployed, Kronos also partnered with a third-party tax provider to collect the application data to evaluate WOTC eligibility, a revenue opportunity Spartan had not previously taken advantage of. With the relevant eligibility data captured by Workforce Acquisition, the third-party provider could automatically apply for tax credits on Spartan’s behalf.

Within the first four months of using Workforce Acquisition in just 19 stores, Spartan was able to apply for enough WOTC tax credits to pay for the Kronos solution. For the first time, a department that had been considered a low-tech expense area was self-sufficient.

Turnover reduced

The Kronos solution also helped reduce employee turnover. “Turnover was huge,” says Beth Baumgartner, HR Manager for Spartan Stores. “That was probably our number one issue when we first spoke to Unicru [Kronos]. We were at over 100 percent. We’re down to 59 percent.”

The net benefits

Esparza reports that the Kronos Workforce Acquisition solution has allowed Spartan to spend less time hiring employees who are the right fit for the company. “We wanted a much better qualified person and this has allowed us to use an assessment tool we weren’t using before. We’ve been able to hire people who are more knowledgeable and more in tune with our customers.”



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