

CASE STUDY



Category: Retail

Business Type: Food Service

Employees: 5,000+

Locations: 450 U.S. and 23 International stores

Products:
Workforce Acquisition

Service: Managers' Excellence Program

PROJECT BENEFITS

- Streamlined hiring processes improve workforce productivity
- Manager's Excellence Program increases quality of managers hired
- District managers gain 20-30 hours/month for service, sales, and operations
- Time-to-hire cut from six-eight weeks to an average of 17 days

Caribou Coffee Improves Hiring Processes, Workforce Productivity, and Quality of Field Manager Hires

In 1990, during an adventure through the Alaskan wilderness, the founders of Caribou Coffee journeyed to the top of Sable Mountain. At the summit they were rewarded with sensational views of the boundless mountains, a clear blue sky, and a herd of caribou thundering through the valley. That panoramic view became the entrepreneurial vision for the company: Excellence is a product of hard work, and life is too short for anything else. This quest for excellence has paid off, and the company is now the second largest coffee shop retailer in the United States.

To stay true to its vision, Caribou realized it needed to improve its recruiting and hiring practices, especially when it came to unit-level managers. The company was using Kronos® Workforce Acquisition™ to hire and manage hourly workers, but knew it was not using the system to its full potential.

Caribou Coffee worked with Kronos to further streamline its hiring processes, improve workforce productivity, and increase the quality of the managers it hired. The results? Dramatic improvements in both hiring performance and the quality of new hires in unit-level management.

Lack of hiring process hurts workforce productivity

Caribou knows that unit-level managers drive corporate excellence. They inspire frontline employees to provide excellent sales and service, work safely and effectively, and stay with the company. But the lack of a standardized and reliable process for choosing managers to run individual stores was holding back store-level success.

District managers spent an average of 40-50 hours per month on interviewing alone. And they interviewed every applicant, which wasted more time. There was no profile for the kind of manager that Caribou was looking for. No process or accountability for interviewing and selecting quality managers. And no way to tell candidates where they were along the hiring continuum. Although Caribou did have an interview guide, it was 19 pages long — too long for most people to digest.

“The process was disorganized and confusing,” says Craig Heide, senior director of field human resources. District managers were spending so much time on recruiting and hiring that they couldn't focus their attention on service, sales, and operational excellence.

Hiring was costly and time consuming. Workforce productivity was suffering. And the disorganization and lack of accountability were detrimental to the company's efforts to build a brand as a great employer.

Tapping into the potential of Workforce Acquisition

Caribou wanted to shorten the recruitment and hiring cycle while ensuring that it hired people with the core competencies to succeed as retail managers. The company already was using Workforce Acquisition to hire and manage hourly workers. To improve manager productivity, Caribou decided to expand its use of the system and integrate cumbersome processes, including communications and background checking. Onboarding functions, such as data entry associated with payroll, also would be integrated into one system.

The company also wanted to use Workforce Acquisition’s reporting tools to provide upper management with the data it needed to improve processes on an ongoing basis. Finally, Caribou was committed to establishing a positive reputation with job seekers through precise and timely communication. According to Heide, “We needed to repair some damage because we hadn’t been communicating with people the way we should.”

Caribou discovers how to achieve manager excellence

Caribou partnered with Kronos to start a Managers’ Excellence Program. Together they came up with nine core competencies for store managers, district managers, and shift supervisors. Once the team identified the competencies, they developed an assessment for evaluating them. The results of the assessment would be used to help them in the interviewing process.

To better match candidates to specific jobs and locations, Caribou created and implemented a behavioral-based interview process. It identified not only what candidates had done and wanted to do, but pointed out their strengths and capabilities. The company then created a process in which regional recruiting managers conducted preliminary phone screens to filter out unsuitable candidates — before resumes were sent to unit managers.

Caribou also developed a training initiative to teach district managers the behavioral-based interviewing methods. The training’s goal: help managers conduct more effective interviews, analyze assessment results, and ultimately place candidates in positions in which they could achieve excellence.

Finally, Caribou leveraged its existing Kronos system to streamline hiring processes at the unit level. The company integrated several far-flung systems into one, including background checks, payroll, and communications such as rejection and offer letters. “We wanted to make it a one-stop shop for any field-level position we want to add,” says Heide.

The result: dramatic improvements in hiring performance

Workforce Acquisition allows company leaders to tie results to the recruiting function. What does this mean for Caribou? In both time spent hiring and time-to-hire metrics, the company has seen dramatic results in workforce productivity.

“Where it used to take six to eight weeks to hire someone, today we’re averaging about 17 days,” says Heide, who estimates that the system saves Caribou’s district managers about 20 to 30

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Senior Director of Field Human Resources

hours per month — hours they can use to run their businesses. And Caribou believes that evaluating candidates against its nine core competencies has significantly improved the quality of new hires at the field-level management team.

“The system allows our HR managers to truly be HR leaders in the business,” says Heide. “Unless the hiring manager needs a ‘tiebreaker,’ HR managers no longer are involved in field-level hiring.” Caribou now has a chain of accountability and clear ownership of the hiring process. Communication with candidates has improved, and regional recruitment managers are able to track all the steps in the hiring workflow to determine where a candidate is in the process.

Next goal: expand use of new core competencies

Caribou hires about 500 managers per year. Given the positive results it has achieved, the company now plans to use Workforce Acquisition to the fullest extent possible to:

- Evaluate the current workforce against new competencies
- Integrate competencies into the performance management process
- Link shift supervisor and district manager competency models for better internal succession planning
- Create training and learning activities to drive manager development and efficiency

With Workforce Acquisition, Caribou is able to improve workforce productivity, cut hiring costs, and achieve the excellence that is essential to the company’s culture within its hiring processes. “It’s been pretty exciting for us. What we want to do now is build on this,” says Heide.

