

# ***Enhancing Training Strategies on a Retail Environment through Six Sigma***

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**Abstract** — *This article discusses the crosstraining method established on a retail environment for a hiring process. This process was design with the Six Sigma approach, using DMAIC. It was developed a full training for new hires to standardize the process and ensure full knowledge of the organization's objectives. This process will allow the organization to retain employees and provide them the tools for the delivery of customer service and ultimately increased profitable sales.*

**Key Terms** — *Crosstraining, Customer Service, Hiring, Six Sigma.*

## **PROBLEM STATEMENT**

Customer service is one of the most important tools to provide an excellent customer experience in any type of company. Providing a good customer experience will continue to rely on the service you provide. In the book *Juran's Quality Planning & Analysis for Enterprise Quality* [1], the authors present three important factors in the service encounter with a customer: selection of the employee, the empowerment of the employee to act to meet customer needs, and the training of the employee.

Yearly, a store by department issues a massive hiring, which identifies associates for specific service areas of need. Once the season ends, some of these associates are hired as regular employees. However, it's needed to re-train them in the same areas, since there was no standardized cross training at the beginning of the season. The management did not establish any assessment to acknowledge the understanding of these service areas.

## **Research Description**

This research will create a complete plan to establish cross training that will allow the company

to fully train associates from the backroom to the sales floor in any customer service area. This will allow the store to improve in competitiveness, associates morale and the company's overall customer satisfaction. At the end, it will decrease inefficient use of time and materials, associates turnover and payroll expenses.

## **Research Objectives**

The objectives of this research are:

- Develop a strategy to standardize the training of a new associate in a department store.
- Guarantees broad understanding on the culture of the company.
- Supports quality and customer service in all service areas.
- Increase the associate's contribution to the company.
- Reduce errors on annual Operational Audits.
- Provide a better work environment to all management levels.
- Increase associates contribution to the business and build a better self-esteem.
- Deliver a welcoming on boarding process, setting a new associate up for success.

## **Research Contributions**

This research will ensure these contributions to the store:

- Ensures knowledge on company best methods and promotes quality in all service areas.
- Standardizes and regulates a complete and effective training.
- Enhance the overall customer satisfaction at the store to increased profitable sales.
- Decreases over production and cuts cost by avoiding redundant trainings.
- Develops efficiency and provides operational excellence to improve profitability.

- Provide internal promotion opportunities by improving skills and building networks with the new associates.
- Ensures all paperwork is filed and maintained per associate.

## **LITERATURE REVIEW**

Retail is a complex work environment that only those who are in it understand. Being on customer service on a daily basis, suggest that employees must be willing to demonstrate an outstanding behavior and have to be willing to serve others while having a good sense of what you are selling. For this to happen or be achieved is imperative that every employee understands every process at the store and to be sure that the service will be delivered adequately. Having a complete or all around training for newly hired employees could ensure any business to gain a better customer base, exceed customer satisfaction, and ultimately increase sales.

Edosomwan defines a customer and market-driven enterprise as one that is committed to providing excellent quality and competitive products, and services to satisfy the needs of a well-defined market segment [2]. In the preparation for new associates is important to ensure that it is provided a comprehensive review of the culture as well as all job responsibilities. This will guarantee that the associate feels welcomed and recognize the business competencies. Human errors can be minimized through education combined with hands-on training such as on the job training. Unfortunately, many organizations tend to focus heavily on physical system implementation and give little or no attention on education and training [3].

To facilitate the success of any strategy it is necessary the use of tools that will focus on the consistent development and deliverance of near perfect services. Ronald Snee [4] describes six sigma as an improvement approach for businesses. This concept seeks to find and eliminate causes of mistakes or defects in business processes by

focusing on outputs that are of critical importance to customers. Six Sigma is a rigorous, focused and highly effective implementation of proven quality principles and techniques. Incorporating elements from the work of many quality pioneers, Six Sigma aims for virtually error free business performance. In Six Sigma organizations, training plans are tied directly to the current and future needs of external customers. These needs are, in turn, the driver behind the organization's strategic plan. The strategic training plan provides the means of developing the knowledge, skills, and abilities that will be needed by employees in the organization in the future [5].

Six Sigma activities have to be implemented to make the most out of it. This could be done by planning and reviewing how the project could be a useful tool for the organization. By having a clear set of metrics and evaluating the possibility, goals in term of customer experience could ensure the fulfillment of the project. Implementing this tool through the DMAIC methodology will take a problem that has been identified by the organization and will use this technique to arrive at a sustainable solution. This can minimize or eliminate the problem, placing the organization in a more competitive position with its product or service [6]. On this case, there will be establish a complete training for a retail environment.

This next section will provide some terms that explore the knowledge in Six Sigma concepts and in retail environment that I work for.

## **BEST METHODS**

It is a practice, or combination of practices, that is determined to be an effective and practicable resource of ideas and concepts, that will help us to provide a structured training, set clear expectations, and standards.

## **OVERALL SATISFACTION**

Weekly, all the district stores receive a percentage that express the customer experience that the store provided that specific week end. This

percentage helps the store to identify critical areas of service that need to get an update on information or on workforce. Some of the areas include: cleanliness of the store, speed of checkout, friendliness of cashier, availability of items, and friendliness on the sales floor.

### DOOR TO FLOOR

This concept refers to the process in which the merchandise arrives from the truck and it gets processed. It goes to the sales floor with its merchandise protection system depending on the item and its price.

### CROSS-TRAINING

This technique is very useful to any company. Its objective is to teach every associate how to do more than one job. It is great to improve the knowledge of employees by giving them access to many processes at the workplace.

### PRODUCTIVITY

This concept is the measure of production efficiency. The measure of productivity is defined as a total output per one unit of a total input as stayed by David A. Nembhard in *Workforce Cross Training: Business Management 1<sup>st</sup> Edition* [7].

### EMPOWERMENT

According to John Maxwell in his book: *How Successful People Lead* [8]: empowerment means helping people to see what they can do without your help, and releasing them to do it. As you release tasks to the employees, you are training them and developing them.

### DMAIC

DMAIC is a data-driven quality strategy used to improve processes. It is an integral part of a Six Sigma initiative, but in general can be implemented as a standalone quality improvement procedure or as part of other process improvement initiatives such as lean [9].

### DMAIC ACRONYM

DMAIC is an acronym for the five phases that make up the process:

- Define the problem, improvement activity, opportunity for improvement, the project goals, and customer (internal and external) requirements.
- Measure process performance.
- Analyze the process to determine root causes of variation, poor performance (defects).
- Improve process performance by addressing and eliminating the root causes.
- Control the improved process and future process performance.

The DMAIC process easily lends itself to the project approach to quality improvement encouraged and promoted by Juran [9].

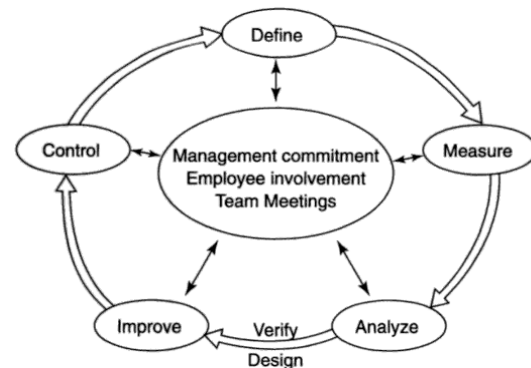


Figure 1  
The DMAIC Base Model

### METHODOLOGY

Maintaining staffing levels is an essential component to meeting and exceeding the business objectives throughout the year. By creating a proactive plan to address the need for new employees and additional cross training of existing employees during every season, will ensure that the peak business periods are supported with the right people, with the right skills, in the right positions. In the book *Training and Development* [10] by Rebecca Anne Richards, cross training and job rotation are two well-known techniques for backing up jobs. The term crossed team describes a

**Table 1**  
**Define Phase**

Phase	Concept	Duration	Actions	Review
Define	Introduction	4 hour shift (2)	Introduction to the new employee to the organization.	Introduction to Company, Safety and Loss Prevention Skill Tests
			Safety Training	
			Security	

workforce that members can interchange job duties without productivity loss. To develop a methodology in which we will determine the full understanding and develop a cross trained team of the new employees, will be applied the DMAIC model.

Based on this approach and the DMAIC methodology, I based the methodology to a retail store that issues massive hiring annually. This concept will standardize the training of new hires on the district of store. It will be implemented to validate its use on one of the stores of the district.

After identifying the new hires, the methodology will be developed to begin the initial orientation. This introduction will have duration of a 4 hour shift. The staffing manager will introduce the new employee to the organization. This first shift will be used to complete all Human Resources paperwork and provide the initial onboarding. As the Define Phase on Six Sigma, this phase will make sure that the opportunity of the project is fully included on the initial meeting. For the second shift of 4 hours on this phase, the safety and security introduction will be given. This concept is mandatory for audits purposes.

The next phase is the longest one, because of the need to understand every department process. It is important to identify employees that already know each concept to pair them up with new employees. This will provide a type of will consist on a walkthrough of the sales departments and the explanation of the merchandise locations. It will have as objectives:

- Understanding of the sales trend,

- Collaborating with the service areas for customers inputs,
- Ensuring the effective use of the best methods,
- Continuous recovery of the department,
- Actively engaging and assisting customers
- Always maintain clean and visually inviting store environment.

These objectives will ultimately achieve greater profitable sales, develop stronger teams for growth, execute better operational experiences and grow a bigger customer base.

In the backroom shift, the complete process of how the store receives and prepares the merchandise to be distributed on the sales floor will be explained. This phase will also include the protection standards that every department has in terms of the security strategy, the brand, department, and the price range. For this phase will be included the explanation on:

- Shoe/Apparel Mismates,
- Store/Truck Damage Reduction,
- Re-wrap Techniques,
- Merchandise Protection Supplies and Ticketing.

The training of the Front End and Credit Card are essential for the employees that will work on the registers. Both training will include the concepts that the employee has to follow to have an excellent service to the customer. The Front End Training has to explain each step of the sequence established to complete a purchase/return transaction. This method was developed to ensure an oriented explanation of the credit cards offering

**Table 2**  
**Measurement Phase**

Phase	Concept	Duration	Actions	Review
Measuring	Sales Floor	4 hour shift	Walkthrough on the sales floor. Explanation of the merchandise needs and the location of each department.	Merchandising Skill Tests
	Backroom	4 hour shift	Receive a truck delivery. Understand the merchandise protection standard.	Backroom, Processing and Shoe Skill Tests
	Front End	4 hour shift	Comprehend the register best methods and procedure.	Cashiering, Lay Away and Service Desk Skill Tests
	Credit Card	4 hour shift	Offer the credit card on the service areas.	Customer Experience Skill Test

and the returns policy. This will allow us to measure the overall service on every area. To help the new employee to learn the sequence of the process, there will be one of the registers with a 5S similar to the one established on Figures 3 to 5. This will permit a better standardization on the process and service.

Once the transaction process is completed, every employee must ask the customer to complete a service survey. This will allow us to measure the overall service on every area. Since the last area the customer will visit is the cash registers, the cashier must fulfill their needs if they did not complete their search at the store. Also, the speed of checkout will be a factor to consider in the employee training and deliverance.

The credit card offering is compulsory for every employee. Depending on the service area, the amount of credit cards volume may vary. On the training the benefits and ways to making the offer should be included. The customers with the credit card are more loyal to the company and spend more on the store. To complete the training, every new

Having achieved this goal, the cross training will serve with payroll savings, better customer service and driving higher profitable sales. Once management evaluates and considers which candidates should continue working for the organization, on the Improve phase, at least one of the managers should give the results. This phase will allow the organization to fulfill every need on

**Table 3**  
**Analyze, Improve and Control Phases**

Phases	Concept	Duration	Actions	Review
Analyze	Recovery	4 hour shift	The candidate will apply every concept learned.	The manager will analyze the efficiency of the candidate at a recovery shift on the sales floor.
Improve	Management	---	Management will evaluate the productivity of the candidate.	Management should announce to the candidate the results.
Control	Regular Employee	---	Determine which areas will the employee will work on.	---

the hiring process and improve any previous behavior that was not providing better employee attrition. On the Control phase, the employee should have a regular department or area that will work on but will have the availability to rotate departments when the employee could be needed.

**RESULTS AND DISCUSSION**

At the end of the process, the results were validated for the following quarter. To compare the results was based on the same document that reflects the customer satisfaction and sales obtained. In addition it is taken into account the payroll and the season in which the change in the training took place. The obtained results for 2017 Second Quarter were compared to the 2016 Second Quarter.

The sales compared to last year second quarter were higher. On Table 4 the results are presented. Some of the results may not have a direct impact due to the new training but they could have some relationship. The results related to customer satisfaction compared to last year results were positive, except those on red. The one that needs more attention is the "Friendliness of Cashier", because is an area that could be controlled by having the right person on the right place.

Having the results on the Operational Risk Assessment shown on Table 6, there could be a better explanation on Damage and Shrink Awareness since the obtained values were lower on the Shrink area. This may be affected by the

implementation on the new training. As an option for future trainings, it could be included the credit cards training on the front end training. This open space could be used to complete specialized training for the Shrink and Damage Awareness and Markdowns. This training has to be developed.

Within the future considerations to establish them within the next trainings should consider:

- Begin the process of acquiring talent prior to the start of the season; this will avoid a considerable increase in payroll which can be broken down over the course of the current year.
- Inside the Measurement Phase can be joined in the same shift the training of Front End and Credit Cards. This will provide savings to the payroll.
- Management must maintain talents file to keep different options when having vacancies.
- Periodic trainings should be established for all employees regardless of the time they have in the company to promote job growth.
- It is important that management knows the need for this initiative and that within the business needs the objectives of the training are maintained.
- Given that in PR the organization consists of 10 stores, if the district chooses to keep the initiative, they should consider an initial intensive training that provides the fundamental objectives within the organization beginning with Management.

**Table 4  
Sales and Inventory QTR2**

QTR 2	TY	LY
Quarter Sales	\$2,154,208	\$1,674,208
AVG Quarter Inventory	700,704 units	904, 016 units
Gross Profit Sales per Sq. Ft.	\$252	\$181

**Table 5**  
**Overall Satisfactory Survey**

QTR 2	TY	LY	Plan	VAR TO LY	VAR TO PLAN
Overall Satisfaction OSAT	51%	42%	54%	8% G	-3%
Store Cleanliness	32%	29%	40%	3% G	-8%
Items in the right place	32%	33%	39%	-2% R	-8%
Ease of Locating Departments	41%	37%	45%	4% G	-4%
Friendliness of Cashier	46%	51%	55%	-4% R	-9%
Speed of Checkout	35%	29%	44%	6% G	-9%

**Table 6**  
**Operational Risk Assessment Results**

Operational Risk Assessment TV vs. LY		
Shrink	TY: 70%	LY: 74%
Sizing Audit	TY:88%	LY: 88%
Human Resources	TY: 100%	LY: 87%
Operations	TY: 82%	LY: 80%
Ticket Audit	TY: 93%	LY: 90%

## CONCLUSION

Cross-training promotes the necessary organizational flexibility and empowers workers with the knowledge required to do a given job without being restricted by the constraints of the organization [11]. This could be considered at all levels of management. The experiences employees gain benefit the employee and company as well because workers have rounded view of the goals to attain [12]. Also, there will be less need for floating employees who are forced to wait until a specific position is not covered before providing value. All employees are able to be deployed to where the company needs them rather than just a small set of tasks that are covered by more limited skill sets [13].

By identifying techniques that provide better working environment, and standardize development for employees, it will help having a good training structure. Combining the DMAIC methodology with the operational processes on a retail environment will ensure full understanding of every task provided by Management. It is a system that could be applied to various organizations.

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