FMI STORE MANAGER SURVEY

What Motivates the People Running our Stores?

SPRING 2014 Final Report
About the Findings

The 2014 Store Manager Survey provides interesting and useful insights into the most pivotal job in a food retail company. Store managers can have a direct impact on operations, financial performance, employee behavior, and the customer experience. By understanding managers’ job perceptions – what works well and what needs improvement – we can take steps as an industry and at our own companies to improve the engagement and performance of the men and women who are running our stores.

One stand-out result is that over 90% of store managers “love” their job. That compares quite favorably with any national statistic on job satisfaction across all industries and professions. Newer managers (less than five years in the position) are more likely to love their job than are those with longer tenure, which presents an opportunity for the industry to examine and address the reasons for this decline. While male and female managers “love” their job equally, the survey results point to distinct drivers within each of these groups.

Importantly, the lowest-rated item on the survey is, “I have a healthy balance between my work life and home life.” This is a consideration that is clearly complex in any work environment but especially challenging in the lightning-paced world of a supermarket manager. Beyond the impact that this is likely having on the emotional well-being – and the job performance – of our store leaders, if the industry is to compete for the best young talent to assume future management roles, then it is imperative that we examine the work-life balance issue in more detail.

A few items that address other “higher-order” issues are also among the lowest-rated on the survey, including, “This company encourages me to take care of my physical and emotional health,” and, “I am given sincere recognition from my supervisors when I go above and beyond what is expected.” Indeed, RFG has found that companies sometimes overlook important emotional needs among managers and executives, even while working to address them with store-level staff.

On the other end of the needs spectrum, one very basic item is also among the lowest-rated, and it should be an eye-opener for the industry: One-third of the responding managers disagreed that “the equipment and systems in my store are up-to-date and allow us to do our job effectively.” From point of sale systems to deli slicers, having the right equipment to serve customers safely and efficiently should be table stakes in an increasingly competitive food retail space. This finding is especially incongruous with the growing access to highly capable personal digital devices, among employees and customers alike.
About the Findings, continued

An additional important insight is the strength of the working relationship between the store managers and field operations and merchandising management. One of the highest-scoring items is, “My immediate supervisor and I work well together,” with 95% agreeing with that statement (54% strongly). The results were essentially the same for another item, “The supervisors who visit my store treat me with respect.” These results reflect quite positively on the collaboration between store managers and their closest sources of direction and information.

When asked what they liked most about their job as a store manager, the most common responses revolved around people – working with employees and interacting with customers, and dealing with people in general. Least appealing about the job are difficult employees and long hours. When asked about the single biggest problem facing managers in supermarkets today, the most common responses were related to staffing challenges and not having enough time to complete job tasks. We also asked about ways to make the supermarket industry a more attractive career choice. The most common response was better wages and hours, followed by more opportunities for growth and advancement. The managers also feel we should be doing a better job of promoting the benefits of working in the grocery business.

Finally, store managers are confident in their knowledge about the various aspects of their job. Top on this list are the managers’ assessment of their people skills with both customers and employees, followed by a knowledge of the financial numbers of the business and ways to control store expenses. The lowest-rated self-assessment (by a wide margin) by the managers is of their computer skills. Not surprisingly, managers with longer tenure (generally older) are least confident in their computer skills. This certainly presents an opportunity to make sure these leaders receive any remediation necessary to bring them up to speed in an increasingly technology-enabled environment.

Respectfully Submitted,
The Retail Feedback Group
Spring 2014
## Participating Companies

FMI thanks these retailers for their participation in the 2014 Store Manager Survey

<table>
<thead>
<tr>
<th>Affiliated Foods</th>
<th>Cubby’s</th>
<th>Harding’s Galesburg Market</th>
<th>Mountain Market Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alex Lee Inc.</td>
<td>D’Agostino</td>
<td>Harmon’s</td>
<td>Niemann Foods, Inc.</td>
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<tr>
<td>Apple Market</td>
<td>Dorothy Lane Market</td>
<td>Harps</td>
<td>Northwest Company</td>
</tr>
<tr>
<td>Autry Greer &amp; Sons</td>
<td>Downtown Eagle Inc.</td>
<td>Harvest Foods</td>
<td>Oryana Natural Foods Market</td>
</tr>
<tr>
<td>B&amp;R Stores</td>
<td>E &amp; H Family Group</td>
<td>Hometown Foods</td>
<td>Pete’s</td>
</tr>
<tr>
<td>Balls Food Stores</td>
<td>E.W. James Supermarkets</td>
<td>Hy-Vee</td>
<td>Publix</td>
</tr>
<tr>
<td>Berkots</td>
<td>Fareway Stores</td>
<td>Jamieson Family Markets</td>
<td>Roche Bros.</td>
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<tr>
<td>Bill’s Fresh Market</td>
<td>FoodMart II</td>
<td>Kroger</td>
<td>Save Mart</td>
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<tr>
<td>Boogaarts</td>
<td>Fourth Avenue Supermarket</td>
<td>K VAT Food Stores</td>
<td>ShopRite</td>
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<tr>
<td>Burwell Economy Market</td>
<td>Freson Bros.</td>
<td>Lee’s Marketplace</td>
<td>Sonny’s Super Foods</td>
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<tr>
<td>Busch’s Inc.</td>
<td>G.E.S. Inc.</td>
<td>Lincoln Street Market</td>
<td>Strack and Van Til</td>
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<tr>
<td>Buy-Low Foods</td>
<td>Gary’s Super Foods</td>
<td>Mackenthun’s Fine Foods</td>
<td>Straub’s</td>
</tr>
<tr>
<td>C&amp;K Market Inc.</td>
<td>GE Foodland</td>
<td>Manito Super 1 Foods</td>
<td>Tops Markets</td>
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<tr>
<td>Coborn’s Inc.</td>
<td>Gerland Corporation</td>
<td>Martin’s</td>
<td>Wayfield Foods</td>
</tr>
<tr>
<td>Co-op Atlantic</td>
<td>Good Food Holdings</td>
<td>Merc</td>
<td>Wood’s Supermarket</td>
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<tr>
<td>Co-op of Eau Claire</td>
<td>Haggen Inc.</td>
<td>Mollie Stone’s Markets</td>
<td>Wray’s</td>
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<td></td>
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<td>Yokes Fresh Market</td>
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Survey Methodology and Participation

- 1,215 participants
- 65 companies
- Online survey vehicle
- Anonymous responses
- Randomized question order
- Question categories:
  - Job / Business / Career
  - Mission / Goals
  - Respect / Trust / Integrity
  - Work-Life Balance
  - Communication
  - Sanitation / Conditions
  - Training / Development
  - Performance Evaluation
  - Promotions
  - Celebration / Recognition
  - Compensation
  - Job Knowledge
Response Sample

**Years in Supermarket Industry**
- < 1 year: 0.2%
- 1-4 years: 1.3%
- 5-10 years: 3.9%
- 11-15 years: 7.2%
- > 15 years: 87.4%

**Years as a Store Manager**
- < 1 year: 17.4%
- 1-4 years: 32.0%
- 5-10 years: 25.1%
- 11-15 years: 18.3%
- > 15 years: 7.2%

**Gender**
- Male: 90%
- Female: 10%
Highest Rated Items

- **Very Qualified to Give Performance Review**: 2.1% Disagree, 38.5% Agree, 59.4% Strongly Agree
- **Work Well with Supervisor**: 5.6% Disagree, 40.2% Agree, 54.2% Strongly Agree
- **Love My Job**: 7.6% Disagree, 39.5% Agree, 53.0% Strongly Agree
- **Supervisors Treat Me With Respect**: 5.6% Disagree, 42.3% Agree, 52.1% Strongly Agree
- **Store Meets Food Safety And Sanitations Standards**: 4.3% Disagree, 46.9% Agree, 48.8% Strongly Agree
Response Segmentation: I love my job.

Number of years as store manager

<table>
<thead>
<tr>
<th>Years as Store Manager</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 1 year</td>
<td>3.4%</td>
<td>30.7%</td>
<td>65.9%</td>
</tr>
<tr>
<td>1-4 years</td>
<td>6.3%</td>
<td>36.8%</td>
<td>56.9%</td>
</tr>
<tr>
<td>5-10 years</td>
<td>8.7%</td>
<td>40.3%</td>
<td>51.0%</td>
</tr>
<tr>
<td>11-15 years</td>
<td>7.7%</td>
<td>40.5%</td>
<td>51.8%</td>
</tr>
<tr>
<td>&gt; 15 years</td>
<td>8.4%</td>
<td>41.7%</td>
<td>50.0%</td>
</tr>
</tbody>
</table>

Male

- Male: 7.4% Disagree, 39.6% Agree, 53.0% Strongly Agree

Female

- Female: 9.2% Disagree, 37.8% Agree, 52.9% Strongly Agree
### Male Store Managers

- Managing a supermarket is a rewarding occupation. *(Strongest predictor)*
- I feel that my job is secure.
- I am compensated fairly for my time, abilities, and experience.
- This company’s top management has a clear focus on strategy and direction.
- My immediate supervisor and I work well together.
- This store consistently meets our food safety and sanitation standards.

### Female Store Managers

- Managing a supermarket is a rewarding occupation. *(Strongest predictor)*
- I have a healthy balance between my work life and home life.
- Company policies are enforced uniformly/consistently (without favoritism).
- My last performance review was thorough and constructive.
- There is effective and timely communication between store managers and company headquarters.
Lowest Rated Items

- **Company Encourages Physical And Emotional Health**: 19.9% Disagree, 51.2% Agree, 28.9% Strongly Agree
- **Effective Communication between Store Managers and HQ**: 19.5% Disagree, 51.9% Agree, 28.6% Strongly Agree
- **Recognition for Going Beyond Expectations**: 21.0% Disagree, 51.9% Agree, 27.1% Strongly Agree
- **Equipment And Systems Are Up To Date**: 32.0% Disagree, 42.0% Agree, 25.9% Strongly Agree
- **Healthy Balance Between Work Life and Home Life**: 30.3% Disagree, 52.4% Agree, 17.3% Strongly Agree
Response Segmentation:
I have a healthy balance between my work and home life.

Number of years as store manager:
- < 1 year: 32.2% Disagree, 54.0% Agree, 13.8% Strongly Agree
- 1-4 years: 35.4% Disagree, 48.3% Agree, 16.3% Strongly Agree
- 5-10 years: 31.2% Disagree, 53.4% Agree, 15.4% Strongly Agree
- 11-15 years: 31.1% Disagree, 54.1% Agree, 14.9% Strongly Agree
- > 15 years: 26.1% Disagree, 52.6% Agree, 21.4% Strongly Agree

Male:
- 29.6% Disagree, 52.6% Agree, 17.7% Strongly Agree

Female:
- 35.9% Disagree, 50.8% Agree, 13.3% Strongly Agree
Job Knowledge

How knowledgeable do you feel about your...

- Not Very Knowledgeable
- Knowledgeable
- Very Knowledgeable

<table>
<thead>
<tr>
<th>Category</th>
<th>Not Very Knowledgeable</th>
<th>Knowledgeable</th>
<th>Very Knowledgeable</th>
</tr>
</thead>
<tbody>
<tr>
<td>People Skills With Customers</td>
<td>17.1%</td>
<td>82.9%</td>
<td></td>
</tr>
<tr>
<td>People Skills With Employees</td>
<td>0.6%</td>
<td>27.2%</td>
<td>72.2%</td>
</tr>
<tr>
<td>Financial Numbers Of Business</td>
<td>1.2%</td>
<td>32.9%</td>
<td>65.8%</td>
</tr>
<tr>
<td>Ways to Control Store Expenses</td>
<td>1.1%</td>
<td>37.1%</td>
<td>61.8%</td>
</tr>
<tr>
<td>Time Management Skills</td>
<td>1.9%</td>
<td>43.6%</td>
<td>54.5%</td>
</tr>
<tr>
<td>Generating New Sales</td>
<td>1.7%</td>
<td>48.5%</td>
<td>49.8%</td>
</tr>
<tr>
<td>Computer Skills</td>
<td>8.0%</td>
<td>62.2%</td>
<td>29.8%</td>
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</tbody>
</table>
Goal Clarity

Without referring to any notes, can you recite the top SPECIFIC business goals that you are trying to achieve this year?

- Yes: 83%
- 13% No, but my business goals are documented and I could refer to them
- 4% No, I have not formulated any specific business goals as of yet
Do you have a bonus plan in addition to your salary?

Yes
85%

How motivating is your bonus plan?

Very Motivating
50%

Somewhat Motivating
33%

Not Too Motivating
17%
What do you LIKE MOST about your job as a store manager?

- Working with employees
- Dealing with people
- Variety of tasks
- Making a difference
- Autonomy
- Accomplishing goals
- Part of company's success
- Impacting the community
- Merchandising
- Challenging
- Sense of accomplishment
- Interacting with customers
- Leading the store
- Growing sales
- Meeting bottom line / budget
What do you LIKE LEAST about your job as a store manager?
What is the biggest challenge facing store managers today?

- Changing workforce
- Tighter payroll / labor budget
- Growing sales
- Increasing competition
- Not enough time
- Budgeting; controlling expenses
- Lack of adequate training
- The economy
One way to make the supermarket industry a more attractive career choice...

- Promote benefits of the grocery business
- More competitive salaries
- Better fringe benefits
- Promote opportunities for advancement
- Better hours and schedules
- Better bonus/incentive compensation
- More training
- More full-time positions
Full Results:
Item Agreement Ratings
Full Results:
Item Agreement Ratings

**Job/Business/Career**

- **Managing Supermarket Is Rewarding**
  - Disagree: 6.7%
  - Agree: 44.7%
  - Strongly Agree: 48.5%

- **Love My Job**
  - Disagree: 7.5%
  - Agree: 39.5%
  - Strongly Agree: 53.0%

- **Job is Secure**
  - Disagree: 17.1%
  - Agree: 52.1%
  - Strongly Agree: 30.7%
Full Results:
Item Agreement Ratings

Mission/Goals

Management Has Clear Focus on Direction
- Disagree: 14.2%
- Agree: 41.7%
- Strongly Agree: 44.1%

Refer To The Company Mission Statement
- Disagree: 16.4%
- Agree: 40.1%
- Strongly Agree: 43.6%
Full Results:
Item Agreement Ratings

**Respect/Trust/Integrity**

- Supervisors Treat Me With Respect:
  - Disagree: 5.6%
  - Agree: 42.3%
  - Strongly Agree: 52.1%

- Store Managers Are Highly Respected:
  - Disagree: 15.7%
  - Agree: 51.5%
  - Strongly Agree: 32.8%

- Company Policies Enforced Without Favoritism:
  - Disagree: 17.8%
  - Agree: 52.6%
  - Strongly Agree: 29.6%
Full Results:
Item Agreement Ratings

Work/Life Balance

- Not Guilty About Taking Earned Time Off
  - Disagree: 14.6%
  - Agree: 49.7%
  - Strongly Agree: 35.8%

- Company Encourages Physical And Emotional Health
  - Disagree: 19.9%
  - Agree: 51.2%
  - Strongly Agree: 28.9%

- Healthy Balance Between Work Life and Home Life
  - Disagree: 30.3%
  - Agree: 52.4%
  - Strongly Agree: 17.3%
Full Results:
Item Agreement Ratings

**Communication**

- **Department Manager Meetings Engaging and Productive**
  - Disagree: 5.4%
  - Agree: 62.1%
  - Strongly Agree: 32.6%

- **Work Well with Supervisor**
  - Disagree: 5.6%
  - Agree: 40.2%
  - Strongly Agree: 54.2%

- **Effective Communication between Store Managers and HQ**
  - Disagree: 19.5%
  - Agree: 51.9%
  - Strongly Agree: 28.6%
Full Results:
Item Agreement Ratings

**Sanitation/Conditions**

- **Store Meets Food Safety And Sanitations Standards**
  - Disagree: 4.3%
  - Agree: 46.9%
  - Strongly Agree: 48.8%

- **Equipment And Systems Up To Date**
  - Disagree: 32.0%
  - Agree: 42.0%
  - Strongly Agree: 25.9%
Full Results:
Item Agreement Ratings

Training/Development
- Disagree
- Agree
- Strongly Agree

Supervisors Understanding of Mistakes
- 8.5% Disagree
- 60.6% Agree
- 30.9% Strongly Agree

Received Adequate Training
- 12.8% Disagree
- 48.1% Agree
- 39.1% Strongly Agree

Opportunities To Take Training Courses
- 22.5% Disagree
- 48.1% Agree
- 29.4% Strongly Agree
Full Results:
Item Agreement Ratings

**Performance Evaluation**

- **Very Qualified to Give Performance Reviews**
  - Disagree: 2.1%
  - Agree: 38.5%
  - Strongly Agree: 59.4%

- **Last Performance Review Was Constructive**
  - Disagree: 15.6%
  - Agree: 51.2%
  - Strongly Agree: 33.2%

- **Company Does Good Job With Employee Reviews**
  - Disagree: 19.3%
  - Agree: 49.6%
  - Strongly Agree: 31.0%
Full Results:
Item Agreement Ratings

### Promotions

**Promotions with Professionalism and Enthusiasm**
- Disagree: 8.7%
- Agree: 55.7%
- Strongly Agree: 35.6%

**Management Promotions for Abilities and Performance**
- Disagree: 13.7%
- Agree: 56.1%
- Strongly Agree: 30.3%
Full Results:
Item Agreement Ratings

Celebration/Recognition

- Celebration and Recognition of Achievements: 14.8% Disagree, 56.2% Agree, 29.1% Strongly Agree
- Company Recognizes and Rewards Years of Service: 19.1% Disagree, 35.4% Agree, 45.5% Strongly Agree
- Recognition for Going Beyond Expectations: 21.0% Disagree, 51.9% Agree, 27.1% Strongly Agree
Full Results:
Item Agreement Ratings

Compensation

- Disagree
- Agree: 48.0%
- Strongly Agree: 31.6%

Compensated Fairly: 20.3%