

Walmart Anticipates a Store Manager Shortage Despite \$200,000-a-Year Pay; Retailer wants to train college graduates to be store managers and move workers into corporate roles to build its talent pipeline

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FULL TEXT

Walmart Inc. wants to avoid a big problem: having too few store managers.

It is a key position for the retail giant, one that requires long hours and in big stores overseeing an operation with roughly \$100 million in annual sales and a team of 300.

Many managers leading the company's roughly 4,700 U.S. stores have been in their roles for at least a decade, and Walmart executives say they need to find a new generation to replace them. The tight labor market and competition for workers create another challenge—even for a job that often pays more than \$200,000 a year.

"My talent pool for store manager three years from now was not going to be what I needed it to be," said Brandy Jordan, a longtime Walmart human-resources executive.

Those worries led Walmart to create a program to recruit and train college graduates to become store managers, promising a starting wage of at least \$65,000 a year and an accelerated two-year track into the top store job. The program, known as College2Career, launched with two recent graduates this spring and aims to bring nearly 1,000 applicants through this summer.

The College2Career program is one piece of a shift inside the country's largest private employer. Walmart wants to better use the 1.6 million U.S. employees it already has and broaden the company's appeal to prospective job seekers. So far, that has included raising pay for thousands of workers and offering more and better opportunities for training.

Walmart leans on U.S. store managers to fuel the engine of its largest and most profitable unit. Traditionally candidates for those roles are promoted internally, working over nearly a decade to train as assistant store managers and then what Walmart calls co-managers before taking the top job.

Around 75% of Walmart managers started out as hourly workers at the company. Walmart aims to protect that pipeline by attracting more college graduates and outside hires and then fast-tracking them into managerial roles, said Ms. Jordan, who is also building new internal training programs.

To keep up with an onslaught of sales early in the Covid-19 pandemic and worker absences, Walmart hired around half a million people over six weeks between March and May of 2020, said Donna Morris, Walmart's head of human resources, who started the job in February 2020 after decades at technology companies. Other businesses shut down early in the pandemic, so many people flocked to those job offers. Then, later that year, Covid business protocols relaxed and the labor market tightened as demand for goods held strong.

To compete for employees, Walmart started to focus more on strategies to keep and recruit workers, said Ms. Morris. "By the end of 2020 we were getting really clear on, our workforce is truly the best asset."

In addition to increasing wages, Walmart last year dropped the dollar-per-day fee employees paid to participate in the company's subsidized university degree program, a move that boosted participation by 44%, said Ms. Morris. In

addition to the store-manager-training program, the company has programs to train existing store workers for corporate jobs and warehouse workers to become Walmart truck drivers .

"If you offer something that is a specialized opportunity it's highly retentive," said Ms. Morris. That means a company needs to "commit to a person's life beyond what they would expect from an employer," she said, with growth such as education that leads to promotions or immigration support.

Companies from Walmart to mom-and-pop lawn-care businesses have struggled to fill jobs for nearly two years. The Labor Department reported 11.5 million seasonally adjusted job openings in March, the most recent data available and the highest level since the department started reporting the figure in 2000. The number of times workers quit their jobs rose to 4.5 million, slightly higher than the previous record last November.

Competition for college graduates is pushing up pay for many white-collar workers. Wall Street banks have raised starting salaries for first-year analysts to \$100,000 or more. Salaries for junior lawyers are above \$200,000 at many top law firms for the first time.

Amazon.com Inc. has raised wages and added benefits throughout the pandemic and rapidly accelerated its pace of hiring, adding hundreds of thousands of workers to its ranks.

Walmart executives believe that a significant percentage of the U.S. population has worked for the retailer at some point in their lives. But, if the company can keep a worker for at least two years, they stay, Ms. Morris said. Walmart declined to share turnover data.

For now, two college graduates with existing Walmart connections are testing a program that the company hopes will attract hundreds. Kwasi Asare-Bediako, who emigrated from Ghana as a child and now lives in Boonton, N.J., has worked in Walmart stores for six years and has a degree in mathematics. Ty Juarez grew up in Southern California and recently graduated with a business degree while working at a Target Corp. store. Ms. Juarez's mother is a regional manager for Walmart.

Both program participants said that the training felt like a promising retail-industry opportunity, including the guaranteed starting wage. "It puts me in a perfect position to start a career," said Ms. Juarez. She sees store manager as a path to bigger roles, not a final destination, she said.

Over 12 weeks, the two trainees learned about stocking shelves, scheduling and on-the-job technology tools, through virtual courses and store walk-throughs with executives.

Walmart regional executives have been asked to build recruiting relationships with colleges in their local markets to find future trainees. "The stores already know the colleges," said Ms. Jordan. "We just didn't have a presence in the hiring space." In June, Walmart aims to have around 900 graduates or soon-to-be graduates start the store-manager training.

Aleia Marino, who started working as a self-checkout host at a Walmart in Ohio at 17, has been selected for the program's next class of trainees. Ms. Marino, now 20 years old, worked at Walmart after graduating from high school while earning an associate degree in early childhood education, but wants to move up in the company, not switch industries, she said.

At first, "I was just like, 'Oh, yeah, this will help me pay for college,'" said Ms. Marino. "As I went through I kind of fell in love with retail." She likes that the new program includes compensation transparency and a clear path to bigger jobs, she said.

"I want to see the impact that I have as a store manager," she said, "on that store, on the sales in that store and the associates."

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