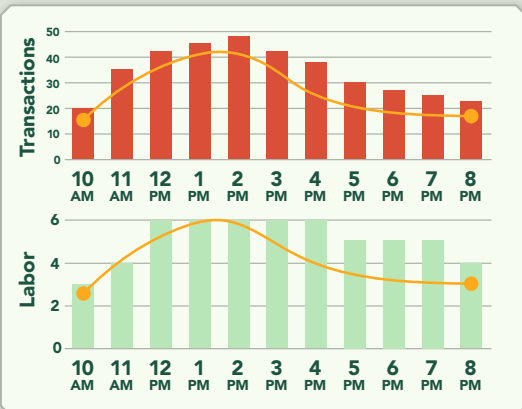# How Can you Quickly Tell if You Have a Labor Productivity Problem?

Labor is one of the biggest expenses, and given the labor shortages that so many retailers are experiencing, it's vital to make sure you're scheduling your labor as efficiently as possible.

But it's not just about how much labor you have. It's also about what the labor is focused on.

This chart shows how a retailer scheduled labor for a particular day. Comparing the number of sales transactions to labor hours, it appears as though this retailer did a pretty good job of scheduling labor to the transaction counts.

It doesn't look like any significant issues here. So how do you spot a productivity issue with this data?

The answer: You can't!
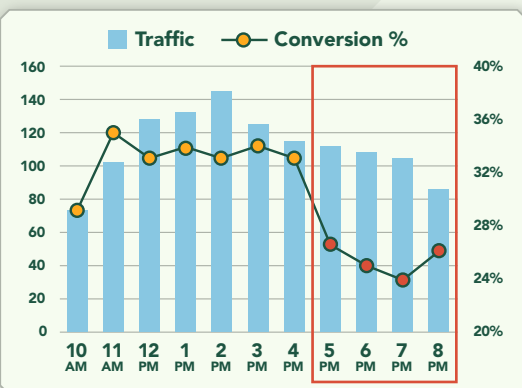
Now let's look at this store's traffic and conversion chart. Traffic is displayed in the blue bars and conversion rate in the yellow dots.

Now, from this chart it's clear that the store has a conversion problem between 5PM and closing.

But why?

One of the first things to look at when you see conversion rate sags like this -- is labor.

In most cases there's simply not enough labor scheduled and that's what's driving the conversion rate sag. But that's not the case here.
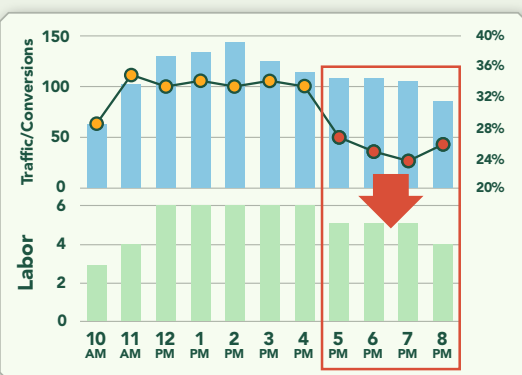
- When we compare traffic and conversions to labor, we get a completely different perspective.

- While it's true that there's less labor scheduled during these hours, it's not that much less labor.

- Labor went from six staff to five staff, but conversion rates sure dropped during these hours!

- If labor had been cut down dramatically – perhaps down to two labor hours during this day part – then we might conclude that there's not enough labor in the store, but that's not the case here at all.

- This looks like a case of a labor productivity problem. There's enough labor, but the conversion rates are still sagging.

With store traffic and conversion insights your store managers will know where to look. They can review who's working during these hours and investigate what tasks staff are focused on

"Without store traffic and conversion insights, your managers will never be able to diagnose their productivity issues. And, neither will you."

Mark Ryski Author, Founder & CEO of HeadCount

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