



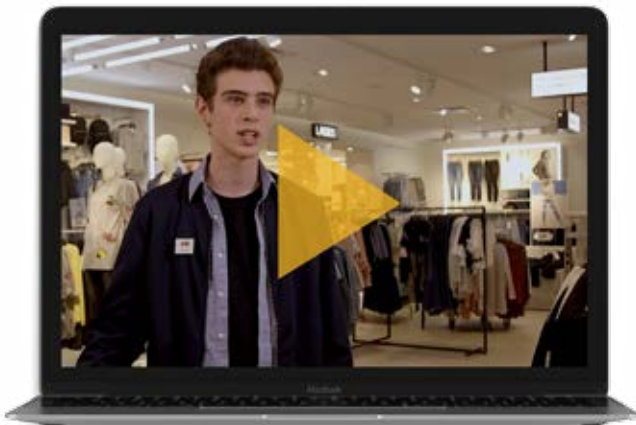
CASE STUDY: H&M CANADA

Shopping for Skills Over Experience

The following case study is H&M Canada's (H&M) journey towards more youth-inclusive hiring practices and can act as a roadmap for your company to take the next step.

Spanning 62 countries, 4,000 stores and over 130,000 employees globally, H&M (Hennes & Mauritz AB) is the second largest clothing retailer in the world. In Canada, they operate almost 100 stores with over 3,400 employees—most under the age of 29.

Watch the H&M case study video!



H&M's Challenge: Finding the "Quality" Candidate

To say H&M is a popular choice for young people to work at is an understatement. In some markets, recruiters often have to sift through over 1000 applications per week to find candidates, meaning H&M's recruitment team narrows down applicants based on experience. But experience, is not always an indicator of a great candidate, particularly for entry-level roles. There are many soft skills that make up a quality candidate such as attitude, friendliness, and a set of core values that align with the ideal customer service representative, which cannot be assessed solely based off of experience. This process therefore can make it hard for opportunity youth to make it through the traditional screening processes and unintentionally be screened out before they're given the chance to meet for an interview.

Why Do Youth Matter to H&M?

H&M strives to have its stores representative of its key customer demographic. With the largest segment of customers between the ages of 15 and 29, this is the most important population for H&M to stay focused on.

The company also has a strong commitment to hiring true fans of the H&M brand as a way to increase customer and employee engagement. Just as important, the company also looks for candidates who want to start a career in retail. Opportunity youth are open to long-term employment and career growth, something H&M has a history of providing. In fact, 57% of H&M's corporate staff started their careers working in an H&M retail store.

DID YOU KNOW...



The retail sector has more jobs than any other in Canada, making up 11.5% of the nation's total employment? That's over 1.9 million jobs, many of which are filled by young people, giving retailers a significant opportunity to change the landscape of youth unemployment.



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For those opportunity youth who make it through to the interview round, H&M found traditional behavioural interviews were challenging for them to succeed in due to lack of formal experience. Diverse candidates were not making it through the pipeline nor were younger candidates, both of whom are integral to H&M. Therefore they looked to create a new way of interviewing opportunity youth.

What H&M Did

H&M took on a significant effort to move away from traditional behavioural interviewing to job simulations with cohorts of youth. This allowed for clearer expectations of the role to be tested and a different way for youth to prove their skills.

Cohort Skills Assessment Hiring

H&M partnered with different community agencies as sourcing and onboarding partners and created a customized cohort assessment process and program. This new methodology tested soft skills as well as job specific requirements such as working cash and greeting customers for fitting room changes. Most recently, H&M partnered with Prince's Charities Canada (PCC) to launch its fourth cohort of this unique hiring process in Hamilton, Ont. The program rolled out over the course of five weeks with PCC sourcing and organizing a group of youth to participate in the following schedule:

- > Information session: Hosted by PCC to source and identify potential candidates for H&M recruitment.
- > Taster day: H&M hiring managers and store managers address the group and do a round of assessments to select a small cohort of youth who will go through the process.

- > In-class training: Youth are taught soft skills and communications strategies followed by a self-reflection assignment.
- > In-store training: Youth are matched with an in-store mentor and given one on one training of store tasks. Youth go through a full rotation of store responsibilities.
- > Work placement: Youth are tasked to demonstrate the skills they've learned in-store.
- > Final celebration: A final hiring decision is made for each youth.

H&M created unique job simulations to carry out candidate evaluations, which feature up to 16 youth at a time with 3 observers and 1 facilitator. H&M found this selection method gave each youth in the room a level playing field to demonstrate their skills and the speed by which they're able to learn and adapt.

FACT

According to a recent survey done by the Retail Council of Canada, almost half of respondents' said that only 10-24% of candidates interviewed were suitable for the position available. When asked what would disqualify an applicant from being a suitable candidate, the biggest reason among survey respondents was poor performance during an interview. We know opportunity youth often lack the soft skills needed to perform in interviews and so these numbers show how often this demographic gets screened out.





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Hiring Days

In addition to the targeted cohort hiring, H&M also hosts several large-scale Hiring Days, where all candidates who applied online are invited to a location to meet with recruiters.

Hiring days bring together hundreds of candidates to meet with recruiters on location. Upon arrival, candidates are requested to fill out availability cards and are sent to meet with a recruiter. Recruiters then decide on the spot who will go forward to a round of speed interviews. This process was created to help meet more candidates face to face in order to assess them based off of their availability and soft skills. What recruiters are finding though is that experience is still the first qualification that is being used to assess the individual—even though it’s often not enough to find the ideal quality candidate.

H&M also looks for those who demonstrate the company’s seven core values—something difficult for youth to show on paper. They are looking for candidates who are friendly, have the right attitude, and even a sense of fashion, qualities difficult to capture or explain on paper.



WHY ARE SKILLS ASSESSMENTS BETTER FOR OPPORTUNITY YOUTH?

Many opportunity youth lack relevant work experience, or have difficulty demonstrating their ability to pick up skills quickly and communicating their soft skills, especially in unfamiliar interview settings.

- Skills assessments allow youth to:
- Demonstrate competence
- Prove their work ethic
- Display their emotional intelligence

The KPMG Spotlight: Mapping the Road Ahead

To help H&M better sort through the thousands of applicants in ways that will allow for a higher number of quality candidates, KPMG’s Digital and People and Change Practices offered the following advice:

- > Ask key questions up front: While current applications require candidates to include their experience in their submission, KPMG recommends creating a set of key questions which align with availability for work and value based qualities which the retailer would consider integral for a successful candidate.

- > Identify your “showstopper” question: To make it easier for recruiters to sift through applications, H&M should consider what the big “must have” characteristic, or the showstopper, quality in a candidate will be. This will open up the possibility of bringing in a diverse group of candidates who are given the opportunity to show they have what it takes to be a true fan and loyal employee of H&M.

- > Link data to HR software: incorporating these questions into the online application means an algorithm then needs to be created that will filter applications within an internal talent management platform. This allows recruiters to identify candidates with the desired soft skills for open positions and who will move onto interviews or hiring days.

- > Create a real-time data collection method: since hiring days see hundreds of candidates, recruiters on location require quicker but more effective ways of screening applicants. Creating a digital app to capture key qualities and record assessment results will allow capturing granular data from face-to-face interactions into a larger data system, accessible by hiring managers and recruiters. This solution would enable interviewers to quickly and effectively make decisions based off the candidates performance rather than just experience.



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H&M’s Lessons for Success

The company has seen four cohorts go through the job simulation process with two key lessons and improvements emerging in the process.

The biggest, and ultimately the one that will drive the program’s success, is to ensure store managers are involved from the beginning. Making store managers a part of the process of recruiting and training of opportunity youth and liaising with employment agencies, created strong buy-in and heightened personal investment. Managers were able to witness candidate growth and success over time. H&M concluded

that identifying high-performing store managers to take on roles related to leadership and people development was essential and beneficial to the youth’s success.

Finding creative methods to assess candidates is integral to giving opportunity youth the chance to put their best foot forward. Many candidates lack formal work experience, or simply interviewing experience, and so it can be overwhelming and anxiety riddled for these youth. Providing them outlets to perform and show their capabilities in different ways, gives them confidence in their abilities and a fair platform to show their skills.

H&M’s Advice



“Select competencies that you are looking for and utilize skills-based tests or job simulations to assess candidates. We found interactive group interviews put candidates at ease and immersing them into an H&M setting allowed us to observe how they likely behave in our stores. Giving youth practical experience in completing tasks versus theoretical training or interviewing gave them more confidence in performing and putting their best foot forward.”

– Miles Lucas, Country Human Resources Manager, H&M Canada