Retail Management Competency Statements

For the National Professional Certification in Retail Management

TABLE OF CONTENTS

About the NRF Foundation....2
Competency Statements & Certification....2
Retail Management Content Outline....3
References....11
Sample Questions....12
Sample Questions Answer Key....14

ABOUT NRF FOUNDATION

The NRF Foundation is the 501(c)(3) nonprofit arm of the National Retail Federation, shaping retail's future by building awareness of the industry through statistics and stories; developing talent through education, experiences and scholarships; and fostering career growth among people who work in retail.

Invested in cultivating the next generation of retail leaders, the NRF Foundation offers a wide variety of resources, tools and experiences to support and promote retail education, research and careers.

COMPETENCY STATEMENTS & CERTIFICATION

The National Professional Certification in Retail Management is based on competency statements developed with input from numerous companies and employers who worked together to develop the assessments and certification. To help employees measure, document, and showcase their skills, these competency statements provide the fundamental knowledge, skills, and abilities that current and prospective employers need to succeed in related jobs and careers. The competency statements describe characteristics and communicate the keys to productivity and job success.

Workers can use certification to assess their knowledge and promote their professionalism. Earning certifications through assessments shows that a worker has demonstrated the knowledge and skills noted as important to successful employment in related jobs and careers. Certifications can help build a committed, professional workforce and raise image and opportunity in sales and service careers.

The certification was designed to capture the core of what Retail Managers need to know for a broad range of management and supervisory positions. As such, it is appropriate for anyone wanting to pursue a management career in retail and related industries in long-term career and company growth.

Developed by NRF Foundation with support from the U.S. Department of Labor and American Express Foundation, this credential defines a new level of career advancement to motivate retail leaders to stay and grow in their jobs. As such, these competencies have been identified to describe work in a best-practice, high-performance company at the level of a Retail Manager with 3-5 years of experience.

RETAIL MANAGEMENT CONTENT OUTLINE

The Retail Management Assessment consists of 100 questions covering five major work areas, also called domains. Each domain is further described through tasks and knowledge or skill statements. The following content outline describes the material to be tested by the Retail Management Assessment.

Type	Description	Number of Questions
Domain I	**Administrative and Financial Accountability**	**19**
Task 1	Reviews, interprets and responds to store operating and/or financial reports.	7
	Knowledge of basic business math and formulas	
	Knowledge of spreadsheets	
	Knowledge of standard report types	
	Skill in reading and interpreting reports	
	Skill in identifying and implementing actions to address issues uncovered on reports	
Task 2	Completes both selling and non-selling reports per company directives.	5
	Knowledge of spreadsheets	
	Knowledge of company standard selling reports	
	Knowledge of company standard non-selling reports	
	Knowledge of basic business mathematics and formulas	
	Skill in collecting and compiling data and information into reports	
Task 3	Conducts or oversees periodic physical inventory in compliance with company policy.	7
	Knowledge of physical inventory methods and schedules	
	Knowledge of basic business math and formulas	
	Skill in identifying and allocating resources to perform physical inventory	
	Skill in compiling and reporting physical inventory results	
Domain II	**Operations**	**20**
Task 1	Manages receiving, processing and flow of merchandise to and from selling floor in order to minimize damage or loss and ensure adequate stock on hand.	2
	Knowledge of merchandise receiving standards	
	Knowledge of company merchandise receiving policies and procedures	
	Knowledge of merchandise inspection and staging standards	
	Knowledge of company merchandise inspection and staging standards	

Type	Description	Number of Questions
	Knowledge of merchandise recovery standards	
	Knowledge of company merchandise recovery standards	
	Knowledge of merchandise return standards	
Task 2	Anticipates and avoids a potentially hazardous environment by understanding and enforcing all safety policies and regulations.	3
	Knowledge of safety policies, laws and regulations	
	Knowledge of safety inspection standards	
	Skill in developing, implementing and assessing safety inspections	
	Skill in identifying and remediating safety threats	
Task 3	Understands and implements store emergency/disaster plan to ensure safety and support loss prevention.	2
	Knowledge of emergency/disaster plan standards	
	Skill in developing, implementing and assessing emergency/disaster plans	
Task 4	Identifies, assesses and corrects/reports unsafe conditions to proper authorities in a timely manner and in compliance with applicable laws, regulations and company policies.	2
	Knowledge of safety policies, laws and regulations	
	Knowledge of safety inspection standards	
	Skill in identifying and reporting unsafe and/or potentially unsafe conditions	
Task 5	Implements and adheres to corporate policy to minimize loss through customer, employee and vendor theft, cash handling, fraud, and record keeping errors	3
	Knowledge of policies, laws and regulations regarding theft	
	Knowledge of theft deterrence standards	
	Skill in planning, implementing and assessing theft programs	
Task 6	Protects customer and employee information and property in conformance with company policies and regulations.	2
	Knowledge of applicable policies, laws and regulations	
	Knowledge of evolving identity theft issues	
	Skill in implementing identity and property theft programs	
Task 7	Creates a clean, safe and attractive shopping/working environment by scheduling repairs, cleaning and preventive maintenance to protect equipment and facilities and minimize customer/employee inconvenience.	2
	Knowledge of facilities maintenance standards	
	Skill in planning, implementing and assessing facilities maintenance programs	

Type	Description	Number of Questions
Task 8	Follows company store opening and closing procedures.	3
	Knowledge of store opening and closing procedures	
	Knowledge of cash handling procedures	
Task 9	Ensures adequate supplies in support of selling; e.g. bags, boxes, pens, etc.	1
	Knowledge of seasonal and/or special selling events	
	Knowledge of supply ordering, processing and management procedures	
Domain III	**Human Resources**	**18**
Task 1	Recruits sales associates using approved procedures to ensure there are qualified candidates to interview to satisfy job openings.	1
	Knowledge of company personnel requirements	
	Knowledge of company policies and regulations regarding candidate recruitment	
	Knowledge of job descriptions and roles	
	Skill in written and verbal communication	
	Skill in active listening	
Task 2	Accepts applications from job-seekers; may conduct initial interview or schedule interview for hiring manager.	1
	Knowledge of labor laws and regulations	
	Knowledge of company policies regarding interviewing	
	Knowledge of job descriptions and roles	
	Skill in interviewing	
	Skill in written and verbal communication	
	Skill in active listening	
Task 3	Interviews job applicants to select candidate best matching job profile.	1
	Knowledge of labor laws and regulations	
	Knowledge of company policies regarding interviewing and reference checks	
	Knowledge of job descriptions and roles	
	Skill in interviewing	
	Skill in written and verbal communication	
	Skill in active listening	
Task 4	Provides both positive and negative written feedback to employees in the form of periodic employee performance reviews and documented disciplinary activities in an effort to maximize staff performance.	1

Type	Description	Number of Questions
	Knowledge of corporate performance evaluation policies and procedures	
	Knowledge of corporate disciplinary action policies and procedures	
	Skill in interviewing	
	Skill in written and verbal communication	
	Skill in active listening	
Task 5	Provides ongoing coaching and guidance to associates to ensure quality performance/productivity, build employee confidence, improve workplace morale and communicate management expectations.	2
	Knowledge of employee objectives, goals and performance metrics	
	Skill in coaching	
	Skill in written and verbal communication	
	Skill in active listening	
Task 6	Conducts or arranges scheduled, required, and/or ad hoc training/cross-training to employees to understand and apply company policies, meet sales goals, and service standards in order to maximize productivity and ensure adequate staffing.	1
	Knowledge of company training policies and resources	
	Knowledge of training techniques and methods	
	Knowledge of company culture, mission and objectives	
	Skill in planning, execution and facilitation of training events	
	Skill in assessing training events	
Task 7	Counsels/guides employees in developing skills, knowledge and abilities to enable career advancement and improve retention.	1
	Knowledge of job descriptions and responsibilities across various titles	
	Knowledge of company career paths and opportunities	
	Skill in assessing employee skills	
	Skill in developing an employee development plan	
	Skill in coaching, mentoring and providing employee feedback	
Task 8	Actively participates in personal growth and career development by seeking opportunity and continuous learning.	1
	Knowledge of job descriptions and responsibilities across various titles	
	Knowledge of company career paths and opportunities	
	Skill in assessing personal skills	
	Skill in seeking coaching, mentoring and feedback	

Type	Description	Number of Questions
Task 9	Follows company ethical guidelines and values and promotes the same behavior in subordinates to build and maintain positive company reputation.	2
	Knowledge of company mission, values, goals and policies	
	Skill in assessing personal behavior	
	Skill in seeking coaching, mentorship and feedback	
Task 10	Creates work schedules using projected workload, employee availability, and employee skill sets to optimize sales/service and operations while meeting payroll and budgetary constraints.	1
	Knowledge of employee availability, preferences and skill sets	
	Knowledge of payroll budgetary constraints	
	Knowledge of applicable laws and regulations	
	Knowledge of sales projections and seasonal/special sales events	
	Skill in collecting, analyzing and reporting data	
Task 11	Complies with all applicable laws and regulations when dealing with all applicants, employees, customers, and vendors and ensures that subordinates similarly comply.	2
	Knowledge of labor laws and regulations	
	Knowledge of company policies regarding employee management	
	Skill in verbal communication	
	Skill in active listening	
	Skill in diplomacy	
Task 12	Terminates, or recommends termination, in accordance with company policy and applicable laws and regulations.	1
	Knowledge of company policies regarding progressive discipline	
	Knowledge of company policies, laws and regulations regarding employee termination	
	Skill in reasoning, decision making and negotiations	
	Skill in written and verbal communication	
	Skill in presenting oneself with confidence, professionalism and objectivity	
Task 13	Identifies, investigates, and resolves employee conflict consistent with company policy while maintaining the dignity and respect of all involved.	1
	Knowledge of company policies regarding employee conflict resolution	
	Skill in reasoning, decision making and negotiations	
	Skill in written and verbal communication	
	Skill in presenting oneself with confidence, professionalism and objectivity	

Type	Description	Number of Questions
Task 14	Plans and conducts store meetings with employees to communicate objectives, solicit input and feedback, and recognize achievement thereby promoting consistent, open, and interactive communication.	1
	Knowledge of departmental objectives	
	Knowledge of planning and conducting a professional meeting	
	Knowledge of cross cultural differences	
	Skill in verbal communication	
	Skill in facilitating meetings	
Task 15	Assures proper processing of payroll, benefits and other personnel administrative responsibilities in accordance with company policies and procedures and all applicable laws and regulations.	1
	Knowledge of company policies regarding payroll and benefits processing	
	Knowledge of basic benefits terminology and application	
	Skill in basic business math and formulas	
	Skill in collating and organizing data	
Domain IV	**Merchandising**	**19**
Task 1	Manages new and replenished merchandise through the monitoring of stock reports, physical counts, seasonal needs, hot/slow sellers and basic items to maintain optimal inventory levels.	5
	Knowledge of product seasonality patterns	
	Knowledge of competitor's pricing and stock levels	
	Knowledge of company labeling policies	
	Knowledge of fixture availability	
	Knowledge of inventory locations	
	Knowledge of delivery lag periods/order cycle times	
	Skill in visual memory	
Task 2	Follows company policies and procedures or guidelines to make merchandise floor ready.	4
	Knowledge of company labeling policies	
	Knowledge of electronic article surveillance systems	
	Knowledge of the principles of visual display	
	Knowledge of item shrink potential	
	Knowledge of fixture availability	
	Knowledge of inventory location	

Type	Description	Number of Questions
	Knowledge of advertisement timing	
Task 3	Follows company policies and procedures or guidelines for signage, visual display, and merchandise placement to maximize sales, ensure safety and minimize shrinkage.	5
	Knowledge of product seasonality patterns	
	Knowledge of competitor's pricing and stock levels	
	Knowledge of company labeling policies	
	Knowledge of electronic article surveillance systems	
	Knowledge of the principles of visual display	
	Knowledge of gross profit structure	
	Knowledge of item shrink potential	
	Knowledge of fixture availability	
	Knowledge of inventory location	
	Knowledge of advertisement timing	
	Skill in visual memory	
	Skill in building displays	
Task 4	Responsible for accurate markdown/markup of merchandise in response to company directives.	5
	Knowledge of product seasonality patterns	
	Knowledge of competitor's pricing and stock levels	
	Knowledge of company labeling policies	
	Knowledge of the principles of visual display	
	Knowledge of gross profit structure	
	Knowledge of item shrink potential	
	Knowledge of markdown/markup retail math	
	Knowledge of inventory location	
	Knowledge of forced sales	
Domain V	**Selling and Services**	**24**
Task 1	Ensure customer satisfaction within company policy by meeting and exceeding customer expectations to increase sales and customer loyalty.	4
	Knowledge of company service level policies	
	Skill in verbal and written communication	

Type	Description	Number of Questions
	Skill in active listening	
	Skill in decision making and problem solving	
Task 2	Resolves customer comments/complaints, consistent with company policy, by empowering employees to provide meaningful resolutions, thereby increasing sales and customer loyalty.	4
	Knowledge of company policies regarding customer complaint resolution	
	Skill in decision making, problem solving and conflict resolution	
	Skill in verbal and written communications	
Task 3	Analyzes and responds to customer feedback to increase customer satisfaction, sales and customer loyalty.	3
	Knowledge of basic business mathematics	
	Skill in written and verbal communication	
	Skill in decision making and problem solving	
Task 4	Enhance customer loyalty by ensuring the perceived value of products and services is greater than competitors' by offering superior service, and product knowledge thereby ensuring the store's success.	3
	Knowledge of competition	
	Knowledge of product mix	
	Knowledge of customers	
	Skill in written and verbal communication	
Task 5	Maintains and/or increases customer loyalty through the implementation of special marketing and promotional efforts.	2
	Knowledge of marketing techniques and methods	
	Knowledge of advertising techniques and methods	
	Skill in written and verbal communication	
	Skill in problem solving and creative thinking	
Task 6	Monitors seasonal and community events to ensure the right product mix, thereby increasing customer traffic and improved store sales.	3
	Knowledge of inventory requirements associated with special selling events	
	Knowledge of special selling event calendar	
	Knowledge of customer traffic flow patterns	
	Skill in written and verbal communication	
	Skill in active listening	
	Skill in community networking	

Type	Description	Number of Questions
Task 7	Promotes effective selling skills to ensure meeting or exceeding sales goals and customer satisfaction.	3
	Knowledge of employee skill sets	
	Knowledge of products	
	Skill in written and verbal communication	
	Skill in active listening	
	Skill in coaching, mentoring and employee development	
Task 8	Applies the store's service model to gain an understanding of customer's shopping patterns, groups, and habits to support and increase sales.	2
	Knowledge of corporate service model	
	Knowledge of customers	
	Knowledge of corporate mission, vision and goals	
	Skill in written and verbal communication	
	Skill in active listening	

REFERENCES

The Retail Management Assessment is based on current knowledge of the retail management profession. The references recommended below, although not comprehensive, may be helpful in preparing for the assessment.

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Meet Your Customer's Needs. Crisp Learning, 1999.

SAMPLE QUESTIONS

The following sample questions provide examples of the content included on the Retail Management Assessment. However, an important aspect of the computer-based assessment is the multimedia aspect – video clips, audio clips, and question types that cannot be adapted to paper and pencil, including sorting, identifying records, and other physical responses, which could not be incorporated into this sample. To check the answers to these sample questions, view the key on page 14.

1. A retailer's goal relating to store merchandise loss is to:

   A. Prevent shoplifting.
   B. Observe shoplifting.
   C. Detain shoplifters.
   D. Prosecute shoplifters.

2. A scale of benefits is allowed in which of the following groups of policies?

   A. Layoff and promotions
   B. Discharge and discipline
   C. Bonuses and perks
   D. Recruitment and access to training

3. Deceptive pricing occurs when:

   A. Markdowns are not clearly marked on the ticketed item.
   B. A misleading price is advertised to lure customers into the store.
   C. The sign on the fixture does not match the item's ticketed price.
   D. A sales associate takes an authorized markdown at the register.

4. When discussing with a sales associate how to handle an upset and dissatisfied customer, it is **BEST** to:

   A. Coach the associate to get a manager as quickly as possible.
   B. Coach the associate to inform the customer to stop being angry.
   C. Coach the associate to allow the customer to vent her anger.
   D. Coach the associate to diffuse the customer's anger first and find out why she is upset.

5. For resale purposes, a company purchases three chairs at $15 on January 5th, five chairs at $17 on January 15th, and two chairs at $15 on January 25th. On January 20th, the company sells four chairs. Using the LIFO inventory method, how much inventory does the company still have?

   A. Six chairs at a total value of $92
   B. Six chairs at a total value of $100
   C. Six chairs at a total value of $160
   D. Four chairs at a total value of $60

6. Development of an effective warehouse loss-prevention procedure includes all of the following **EXCEPT**:

   A. Control of shipping operations.
   B. Merchant marketing responsibilities.
   C. Receiving procedures.
   D. Transportation operations.

7. A sales associate in hosiery needs to know a customer's weight and height in order to help size. What is the **BEST** way to obtain this information?

   A. "How much do you weigh?"
   B. "You look like you are in the Plus sizes."
   C. "Just look on the packages. You will be able to determine the proper size."
   D. "Let's look at the size chart, where do you see yourself according to the manufacturer's recommendations?"

8. The book method of inventory at retail value is the record of stock that should be on hand (stock purchases and stock sold). No actual physical count is required for book inventory, but if done, it is included. Given the chart below, what is the **TOTAL** inventory shortage?

4th Quarter		
Physical Inventory	September 1	$10,000
Purchases	September to January	$15,500
Goods Sold	September to January	$15,000
Physical Inventory	February 1	$10,000

   A. $0
   B. $500
   C. $15,000
   D. $30,500

9. Using the chart below, which full-time associate had the best selling productivity based on personal selling cost?

Housewares Department Monthly Sales Report – February 2005			
Employee	**Total Payroll**	**Total Sales**	**Personal Selling Cost**
#16, full-time	$1,012 ÷	$16,010	= 0.063
#13, part-time	$809 ÷	$9,260	= 0.087
#17, full-time	$1,400 ÷	$18,554	= 0.075
#11, part-time	$637 ÷	$11,622	= 0.054

   A. #16
   B. #17
   C. Both #16 and #17
   D. Not enough information

SAMPLE QUESTIONS ANSWER KEY			
Question Number	Content Area	Answer	Reference
1	Domain III	A	Kimiecik, Rudolph. *Loss Prevention Guide for Retail Businesses.* John Wiley and Sons Publishers, 1995.
2	Domain III	C	Levy, Michael and Barton Weitz. *Retailing Management.* McGraw Hill/Irwin Publishers, 2003.
3	Domain III	B	Dunne, Patrick and Robert Lusch. *Retailing.* Southwestern College Publications, 2004.
4	Domain III	D	McArdle, Geri. *Building the Sale.* Crisp Learning, 1999.
5	Domain III	A	Berman, Barry and Joel Evans. *Retail Management: A Strategic Approach.* Prentice Hall Press, 2003.
6	Domain III	B	Kimiecik, Rudolph. *Loss Prevention Guide for Retail Businesses.* John Wiley and Sons Publishers, 1995.
7	Domain III	D	National Retail Federation. *Get to Know Your Customer.* National Retail Federation, 2002.
8	Domain III	B	Bohlinger, Maryanne Smith. *Merchandise Buying.* Fairchild Books and Visuals, 2001.
9	Domain III	A	Rosenberg, Jerry. *Dictionary of Retailing and Merchandising.* John Wiley and Sons Publishers, 1995.