

Predicting the Shrink Related Performance of Casual Male Big & Tall Store Managers with the Retail Management Assessment Inventory

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ABSTRACT

The Vangent, Inc. Retail Management Assessment Inventory (RMAI[®]) was administered to 461 Casual Male Big & Tall (Casual Male) store managers as part of a benchmarking study. These store managers were then rated by their managers on various aspects of their job performance. Additionally, Casual Male provided store level metrics to use as criteria. Vangent, Inc. assessed the relationships between the RMAI and shrink related store performance metrics and job performance ratings. Results indicated that the RMAI predicted shrink related store metrics, such that higher RMAI scores were associated with lower shrink in the stores. The RMAI also predicted shrink related managerial performance ratings, such that higher RMAI scores were associated with higher levels of performance. This case brief profiles the shrink related findings from the RMAI benchmarking study at Casual Male. One critical study finding is that the RMAI Business Ethics scale was a robust predictor of the shrink related metric and performance rating variables. Overall, Casual Male can expect to realize a reduction in inventory shrinkage by using the RMAI to help hire future store managers who will help create and maintain a culture of ethical behavior.

RETAIL MANAGEMENT ASSESSMENT INVENTORY (RMAI)

The RMAI is a standardized measure of potential for success in retail management, and is an ideal instrument for the selection of department and store managers and franchisee candidates. The RMAI was designed primarily for personnel selection and placement, and for the identification of personal strengths and areas in need of improvement. Overall, the RMAI helps measure a job candidate's interest in, motivation toward, and knowledge about retail management. The assessment consists of 242 questions and 13 measurement scales. Ten of the scales are content scales that feed into the Management Potential Index, which is an overall composite. The final two RMAI scales, Candidness and Accuracy, are used to help estimate the validity of a candidate's responses.

CASUAL MALE BENCHMARKING STUDY

Vangent worked with Casual Male to benchmark the RMAI in the Casual Male context. The purpose of this study was to:

1. Demonstrate the validity of the RMAI for predicting store manager performance
2. Afford Casual Male additional data with which to evaluate their current manager talent pool, and
3. Create cutscore standards for the RMAI specific to Casual Male.

Four hundred sixtyone Casual Male store managers completed the RMAI online and were rated on their job performance by their managers via a web based survey. Casual Male also provided Vangent with store metrics to use as criteria. The goal was to demonstrate that the RMAI predicted managerial ratings of performance, as well as store performance metrics for which the store manager would have a measure of control (e.g., shrink).

SHRINK RELATED STUDY FINDINGS

Vangent conducted two types of analyses to assess the relationship between the RMAI and shrink related variables. First were a set of contrasted group analyses (see Table 1 and Figure 1) that looked at RMAI scores for the top 25% and bottom 25% of the store managers based on the shrink ranking of their store (there were approximately 100 managers per group). Results of these contrasted group analyses indicated that the top 25% of store managers (i.e., those managing stores experiencing the lowest shrink) scored higher than the bottom 25% of managers (i.e., those managing stores experiencing the highest shrink) on 8 of the 11 RMAI content scales, with three of these mean differences being statistically significant, including the Business Ethics scale and the Understanding Management Procedures and Practices scale (see Table 1). These analyses also indicated that the top 25% of the store managers had a higher passing rate than the bottom 25% of managers for 8 of the 11 RMAI scales (using a standard score of 40 as the cutscore; see Table 1).

The second set of statistical analyses conducted were correlational analyses that assessed relationships between the RMAI scales and managerial job performance ratings and store performance metrics. The first correlational analyses looked at relationships between the RMAI and four shrink related job performance ratings (Integrity/Honesty, Knowledge of Company Procedures & Practices, Responsibility, and Knowledge of Business Finances). Results of these analyses (see Table 2) indicated that all 11 of the RMAI scales correlated significantly with at least one of the shrink related performance ratings, with 8 of the 11 correlating significantly with at least three of the ratings. Three RMAI content scales (Business Ethics, Understanding Management Procedures and Practices, and the overall Management Potential Index) correlated significantly with all four shrink related job performance ratings. In these analyses, higher RMAI scores were associated with higher managerial job performance ratings.

SUMMARY AND CONCLUSIONS

The second correlational analyses looked at relationships between the RMAI scales and three shrinkrelated store performance metrics (shrink rate, shrinkvariance, and shrink rank). Results of these analyses (see Table 3) indicated that 4 of the 11 RMAI scales, including Business Ethics and the Management Potential Index, correlated significantly with at least two of the three shrink related performance metrics. The Business Ethics scale correlated with all three store performance metrics. In these analyses, higher RMAI scores were associated with lower shrink performance metrics.

Vangent worked with Casual Male Big & Tall to benchmark the Retail Management Assessment Inventory (RMAI) for its store managers. Results of this study indicated that the RMAI predicted shrink related job performance and store metrics at Casual Male. A robust finding was that higher RMAI Business Ethics scores were associated with lower shrinkrelated performance and metrics. Overall, Casual Male can expect to realize a reduction in inventory shrinkage by using the RMAI to help hire future store managers who will help create and maintain a culture of ethical behavior.

**Table 1. Top 25% Casual Male Managers vs. Bottom 25% Casual Male Managers (based on Store Shrink Ranking):
Table of Store Group RMAI Differences.**

RMAI Scale	Store	Sample Size	% Passing Scale (40)	Mean Score	Standard Deviation	Standard Error of Mean	t-test Sig (2 tailed)
Background and Work Experience	Bottom 25% Store	104	84.6%	54.48	18.58	1.82	
	Top 25% Store	113	79.6%	55.50	22.87	2.15	0.719
Management and Leadership Interest	Bottom 25% Store	104	73.1%	50.11	19.84	1.95	
	Top 25% Store	113	6.90%	50.04	20.36	1.92	0.982
Management Responsibility	Bottom 25% Store	104	71.2%	50.67	19.27	1.89	
	Top 25% Store	113	71.7%	50.56	18.18	1.71	0.964
Understanding Mgt. Procedures and Practices	Bottom 25% Store	104	66.3%	48.12	18.72	1.84	
	Top 25% Store	113	84.1%	54.07	18.00	1.69	0.018
Customer Service Orientation	Bottom 25% Store	104	68.3%	46.97	19.73	1.93	
	Top 25% Store	113	75.2%	51.42	20.78	1.95	0.108
Management Arithmetic	Bottom 25% Store	104	85.6%	58.03	22.67	2.22	
	Top 25% Store	113	92.9%	66.75	22.47	2.11	0.005
Energy Level	Bottom 25% Store	104	70.2%	19.20	19.97	1.96	
	Top 25% Store	113	77.0%	53.44	21.67	2.04	0.135
Management Orientation	Bottom 25% Store	104	63.5%	44.31	19.85	1.95	
	Top 25% Store	113	54.0%	41.75	20.79	1.96	0.355
Job Stability	Bottom 25% Store	104	51.0%	36.82	21.70	2.13	
	Top 25% Store	113	53.1%	40.46	22.09	2.08	0.222
Business Ethics	Bottom 25% Store	104	77.9%	53.02	18.45	1.81	
	Top 25% Store	113	83.2%	58.99	20.67	1.94	0.026
Management Potential Index	Bottom 25% Store	104	71.2%	46.82	19.44	1.91	
	Top 25% Store	113	71.7%	50.61	17.22	1.62	0.131

Note. Understanding Management Procedures and Practices, Management Arithmetic, and Business Ethics showed statistically significant differences ($p < .05$) between the top 25% and the bottom 25% of stores, with the bottom 25% of stores having lower RMAI scale scores.

Figure 1. Top 25% Casual Male Managers vs. Bottom 25% Casual Male Managers (based on Store Shrink Ranking): Average RMAI Scale Score Profiles.

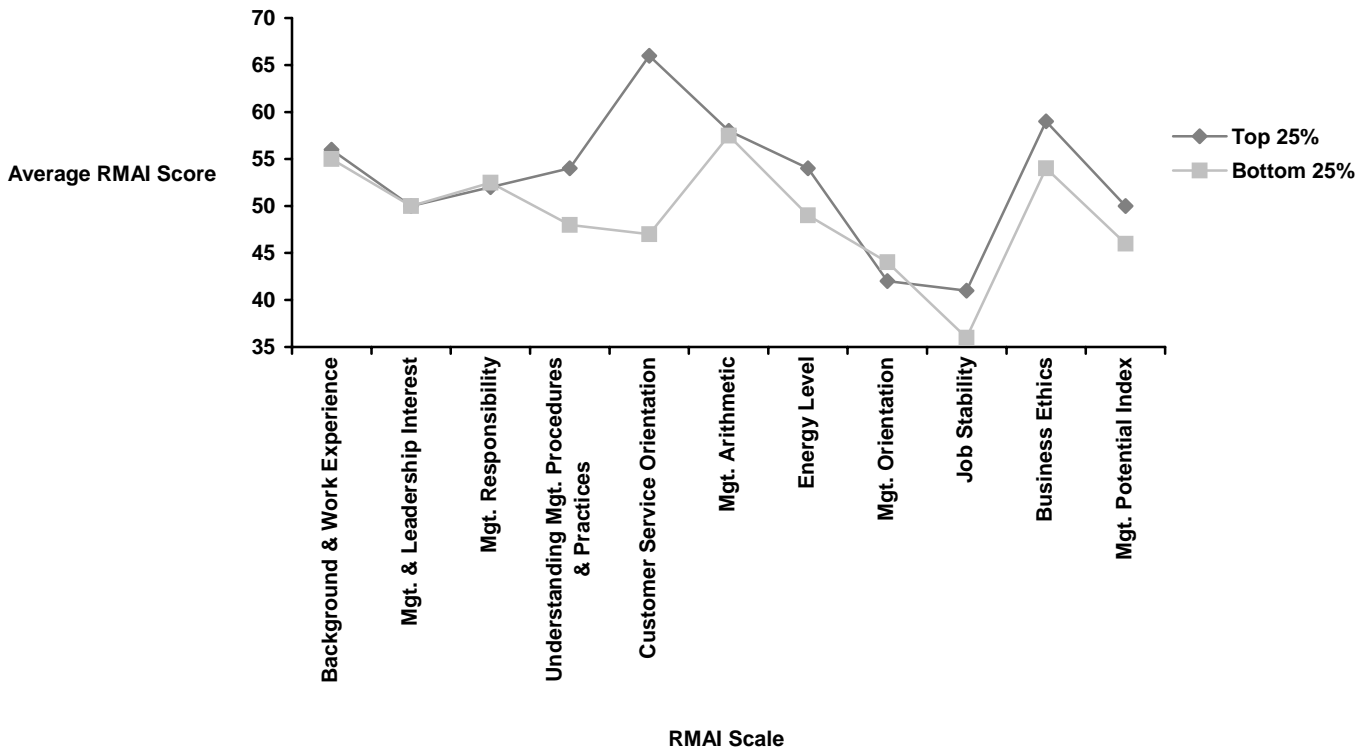


Table 2. Correlations between the RMAI Scales and Shrink Related Managerial Job Performance Ratings.

RMAI Scale	Integrity/Honesty Global Rating	Knowledge of Co. Policies Global Rating	Responsibility Global Rating	Knowledge of Business Finances Global Rating
Background and Work Experience	.03	.13	.11	.26
Management and Leadership Interest	.07	.01	.01	.27
Mgt. Responsibility	.07	.10	.13	.16
Understanding Mgt. Procedures and Practices	.15	.24	.14	.34
Customer Service Orientation	.13	.07	.06	.13
Management Arithmetic	.07	.21	.14	.36
Energy Level	.06	.03	.10	.24
Management Orientation	.12	.10	.09	.16
Job Stability	.15	.07	.13	.17
Business Ethics	.10	.13	.10	.18
Management Potential Index	.13	.18	.20	.39

Note. N=420. Correlations in red are significant. Understanding Management Procedures and Practices, Business Ethics, and the Management Potential Index were correlated significantly with all of the global performance ratings ($p < .05$), such that higher RMAI scores were associated with higher managerial performance ratings. Correlations were corrected for unreliability of the ratings and RMAI scale restriction of range.

Table 3. Correlations between the RMAI Scales and Shrink Related Store Performance Metrics.

RMAI Scale	Shrink Rate N 430	Shrink Variance N 432	Shrink Rank N 432
Background and Work Experience .	-.03	-.04	-.04
Management and Leadership Interest	-.06	-.06	-.03
Mgt. Responsibility	-.04	-.04	.01
Understanding Management Procedures and Practices	-.16	-.16	-.13
Customer Service Orientation	-.09	-.09	-.08
Management Arithmetic	-.10	-.10	-.15
Energy Level	-.08	-.08	-.08
Management Orientation	.03	.03	.04
Job Stability	-.05	-.05	-.05
Business Ethics	-.13	-.13	-.10
Management Potential Index	-.10	-.10	-.08

Note. Correlations in red are significant. Understanding Management Procedures and Practices, Management Arithmetic, Business Ethics, and the Management Potential Index correlated significantly with one or more of the shrink metrics ($p < .05$), such that higher RMAI scores were associated with lower shrink metrics. Correlations were corrected for RMAI scale restriction of range.