Omni-connected retail workforces—a new dynamic

Creating value for retail employees through omni-connected experiences

The pandemic and its aftermath changed everything for the retail workforce. More than two years of worries about their health and job security, plus new consumer behaviors and disrupted supply chains pushed some people to breaking point. Employees reflected on what was most important to them, both professionally and personally. And some found new roles thanks to a wide-open job market.

The number of global active retail job openings has grown by **174%** year on year.[1]

A fundamental question
every retailer should ask:
Are our employees getting
what they want and need?

It's become increasingly important for retailers to understand not just how their employees work, but how they feel about it. The goal is to have similar enriched data and deeper-level understanding of the employee experience that top retailers have of the customer experience. This insight is critical for retailers to stay competitive, win top talent and prepare for many changing roles—from the executive suite to the store.

Facing record-high talent shortages, retailers are focused on attracting, retaining and nurturing employees and organizational culture. Our survey of retail executives reveals they are improving benefits (89%), investing in supporting technology (88%), increasing salaries (85%), offering training (79%), and reducing transaction activities to make work more interesting and engaging (77%).[2] Despite these efforts, one-third of these executives tell us that staff morale is low, and almost 9 in 10 are worried about turnover.[3]

While these investments matter to employees in the short term, they are not enough to make a long-term difference given the economic downturn. Worsening economic conditions add more stress and more concerns about financial wellness.

And Gen Z workers, who are arguably the largest percentage of the retail workforce, have never experienced this environment of climbing inflation and soaring food and energy prices.

New mindset, new relationship

Given all these influences, the dynamic between retail employees and employers has shifted. They have a different relationship based on a new employee mindset focused on purpose, personal fulfillment, choice and trust. Whether they work in the head office, distribution center or store, retail employees have a newfound understanding of what matters beyond a generous benefits package.

There is no "unknowing" what they discovered during the pandemic. They found out just how supportive working environments can be. They experienced flexibility in where and how work gets done. And many came to know how it feels when employer and personal values align.

Just like most retailers focus on curating the best customer experience, they should also focus on creating the best employee experience that supports their desire to:

Be seen. Empowered to bring their whole selves to work in an environment that cultivates equality.

Be heard. Asked about their views and assured that there is room for their contributions and ideas.

Learn. Encouraged to build skills to remain employable in the future in roles that are satisfying.

Feel safe. Strengthened by a culture that values wellness and trust as non-negotiables.

Advance. Offered predictable career paths and skills to continually take on new challenges.

It comes down to fostering employee experiences in which employees feel highly connected to each other, their leaders and their work. **We call these omni-connected experiences.** Our research found that only one in eight retail employees feels connected in this way at work.[4] This is a significant liability for retailers considering how important a productive and engaged workforce is to their success.

What is an omni-connected experience?

Omni-connection levels the playing field so people can fully participate and have an equitable experience. (Omni-connection does not mean always on or connected 24/7. Quite the opposite.) Through these experiences people are able to forge relationships, create both personal and business value and impact, and grow their careers.

Omni-connected experiences make employees feel highly connected to each other, their leaders and their work—and support their desire to be seen, heard, learn, feel safe and advance.

Seen

94%

of employees at companies that champion workforce well-being and equality put significantly more effort into their work.[5]

Heard

Only

19%

of retail employees feel that their company genuinely cares for them (compared to 26% for other industries).

Learn

94%

of retail workers say if their company invested in their learning and development they would stay longer.[6]

Safe

34%

of retail employees working in omni-connected environments are more likely to experience a deeper level of trust in their organization.

Advance

78%

of workers believe their employer is responsible for skilling them to be more employable in the future.[7]

The omni-connected premium benefits employees and retailers

Our research reveals that omni-connected experiences are good for both employees and retailers. Yet only 13% of the retail employees we surveyed felt they were benefitting from omni-connected experiences at work.

How can retailers bring omni-connected experiences to all of their employees?

Financial

Omni-connected companies experience a

7.4%

revenue growth premium per year.[8]

Trust

Retail employees benefiting from omni-connected experiences are

34%

more likely to experience a deeper level of trust toward their organization and team.

Retention

Being omni-connected accounts for

59%

of a retail employee's intention to stay.

Productivity

Of retail employees who benefit from omni-connected experiences, more than

94%

say they can be productive anywhere.

Creating value through omni-connected experiences: 4 key actions

Based on our research, we've identified the key actions retailers can take to create value for people and business through omni-connected employee experiences.

(1) Instill modern leadership:
Lead with empathy, transparency and trustworthiness

Create connections in safe places. It's one thing to make retail employees feel safe and able to share their ideas and perspectives. It's another thing entirely to ensure that retail leaders return that honesty with compassion and trust. As important as creating an environment that values employees' voices is, it also takes effort and investment to help retail leaders develop the behaviors that make individuals feel safe and respected. No one should feel diminished because they chose to speak up or show vulnerability.

Listen, learn and act. When retail employees— those at headquarters and those in stores and warehouses—trust leaders to listen, act and be transparent about progress and feedback, more and better ideas will follow. Town halls, all-hands programs and listening forums are all legacy practices—but they have staying power because they work. In addition, retailers should pursue

unconventional ways to create social communities that foster opportunities to listen to employees. These include CEO coffee chats, reverse mentorship programs and senior leader roundtables.

Change legacy mindsets. It's time to let go of the notion that employee culture and productivity can only be maintained and developed if employees are physically present every day, all day. After all, great ideas aren't just born in the conference room. What's needed is a mindset shift toward quality of output and how it is measured over physical presence. Put simply, retail leaders should be measuring employees on their work, not where they do it. In addition, retail leaders should change mindsets to consider retention, employee satisfaction and wellness as being as important as revenue and profit on the score card. Management at all levels should be incentivized to care about these aspects of the employee experience as lead measures.

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A legacy of leadership

IKEA's founder had a progressive approach to retail leadership when he started the business in 1943 because he embraced culture and values. This approach continues in the company today. Getting the job done and treating "co-workers" well is central to the leadership ethos at the home goods and services retailer. Leaders' performance is measured not solely on meeting business objectives, but also, on how they treat other people. If leaders struggle to do this, the company intervenes and provides guidance, using a shared understanding of the culture as the common language for leaders and employees.[9]

2 Grow a thriving culture
Nurture cultural norms that prioritize purpose, authenticity and psychological safety

Connect people to purpose. The more that all retail employees regardless of their work location understand how the work they do is aligned with the company's greater purpose (beyond simply boosting the bottom line), the more fulfilled and driven they will be. Retail employees become even more engaged when they can expand their skills and grow. Investing in employees' development and helping them achieve their aspirations is a clear signal to them that the work they do has meaning.

Make it safe to be yourself. When retail employees can demonstrate their strong sense of self, they forge stronger connections with their team. But this assumes retail leaders are creating safe spaces for employees to be seen, heard and valued. And that

they are demonstrating that different ideas and experiences matter to the long-term success of the organization. Along with providing mental resilience resources and tools, retail leaders must be willing to show their own vulnerability and focus on self-care, in turn, giving their team agency to do the same.

Co-create culture. No one person or group owns the culture. For retail organizations, particularly those that have large, dispersed workforces, it's essential that every employee feels like a culture creator in an organization that is inclusive and embraces diversity. Creating opportunities for employees to get involved in working groups, trainings and enrichment programs can empower them to own and improve the culture, ensuring that it reflects who employees are and what they want.

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Fulfilling employees through learning

To improve employees' virtual learning experiences, Italy's leader in the hearing aid industry—**Amplifon S.p.A**—created a powerful learning platform for its global operations. The platform offers an interactive Netflix-like user experience to guide learners seamlessly through Amplifon's learning catalog, regardless of location or device. With channel- and category-based learning recommendations, the system makes it easy to navigate its extensive learning library. It also provides automatic recommendations and integrates with the company's productivity and performance systems, so learning is easy to track. It's an approach that empowers individual learners. So much so that the retailer saw a 455% increase in courses completed and a 420% jump in hours spent in the system.[10]

3   Enable the agile and resilient organization
Take flexibility further and scale new ways of working

Look beyond where—to what, when and how.
After two-plus years of remote or hybrid work arrangements for millions of people, it's easy to confuse the commute from the bed to the desk with the notion of flexibility. They're not one and the same. Location is only one small piece of the larger idea of flexibility, which should also consider what retail employees work on, when they work and how. Today, fewer than one-fourth of workers surveyed feel they have permission to be flexible and have the autonomy to manage their time to help ensure they are being most productive.

Rede ine what it means to "come to work."
The entire notion of "coming to work" for the day is ready for a refresh. That means figuring out how teams can maximize the benefits of both time together and time apart and what matters most to

retail employees to make their commute worthwhile. It also requires thinking ahead and designing for retail employees across multiple types of work locations and arrangements. That optimizes everyone's experience by the tools, equipment and technology they use to foster connection, belonging and productivity. And just like individuals, the entire organization must be resilient and able to pivot quickly, given that work and world circumstances will remain fluid.

Reimagine the store portfolio. As retailers align the purpose, function and operating model of retail stores with the realities of the industry today, changes will make for new consumer experiences. This "Store of Tomorrow"[11] vision offers new opportunities for retail employees to work in different areas of the business and pursue different career paths.

What about front-line workers?

Whether it's retail store associates, distribution center workers, grocery store clerks or delivery drivers, front-line essential workers keep the retail world working. And while they may not have a choice in work location, there are other areas of flexibility that retailers can explore to provide more autonomy in their front-line employees' experiences.

For example, many retailers are rethinking how to create flexibility for distribution center workers. These workers are essential to serving the consumer, but typical supply chain networks hinge on stability and consistency. The question is how can retailers serve consumers and employees at the same time here? Some are testing the concept of four-hour shifts that allow workers to pick up smaller shifts in times that are more convenient to them. This will require new thinking around how retailers plan for labor in these facilities. But it can be a breakthrough in supporting employees who need flexibility.

(4) Empower people through technology:
## Give people power over technology, not the other way around

Establish a robust technology foundation.
Retailers that use cloud to build a seamless technology and capability foundation can support the ever-changing needs of the business by meeting the ever-changing needs of people. At the start of the pandemic, business continuity for many retailers depended on people's equal access to stable internet service and the power of cloud to keep them connected and collaborating. This robust technology foundation is essential to help people work in new ways, wherever they need to be. What's key for retailers is to go beyond moving on-premises apps to the cloud as a technology play, and start designing around the user experience while simplifying and connecting the apps together.

Think like a technologist. Retailers that think like technology companies will have an advantage. It's about being in the business of data. But the only way to do this well is to implement technologies that capture data and draw insights—and ensure that employees can use these tools. For example, it's key to empower retail employees with collaboration technology like Teams, Zoom or WebEx, along with a decent Bluetooth headset. These are still vital, but access isn't empowerment.

Retailers need to encourage their people to think like technologists and experiment—using the data and tools in their hands to discover new processes and solutions in their work. When retail employees have this level of autonomy, a stronger sense of connection will take hold along with new levels of innovation.

Look beyond the tools of today. Retailers that are expanding employees' technology toolbox, along with their agency, are seeing benefits. They are harnessing the upside of emerging technology, like the metaverse, to support equitable opportunities to participate and contribute. It's also worth exploring human-machine collaboration. With seamless collaboration between humans and machines and leveraging bot co-workers, retail employees can do higher-value work and experience a greater sense of purpose. We're already seeing retailers invest in technology tools to enable breakthrough experiences for their employees by connecting experiences together. For example, some are using video collaboration tools to transform the traditional floor walk and connect and streamline workflows between employees in stores and at headquarters. Finally, information can find them instead of the other way around.
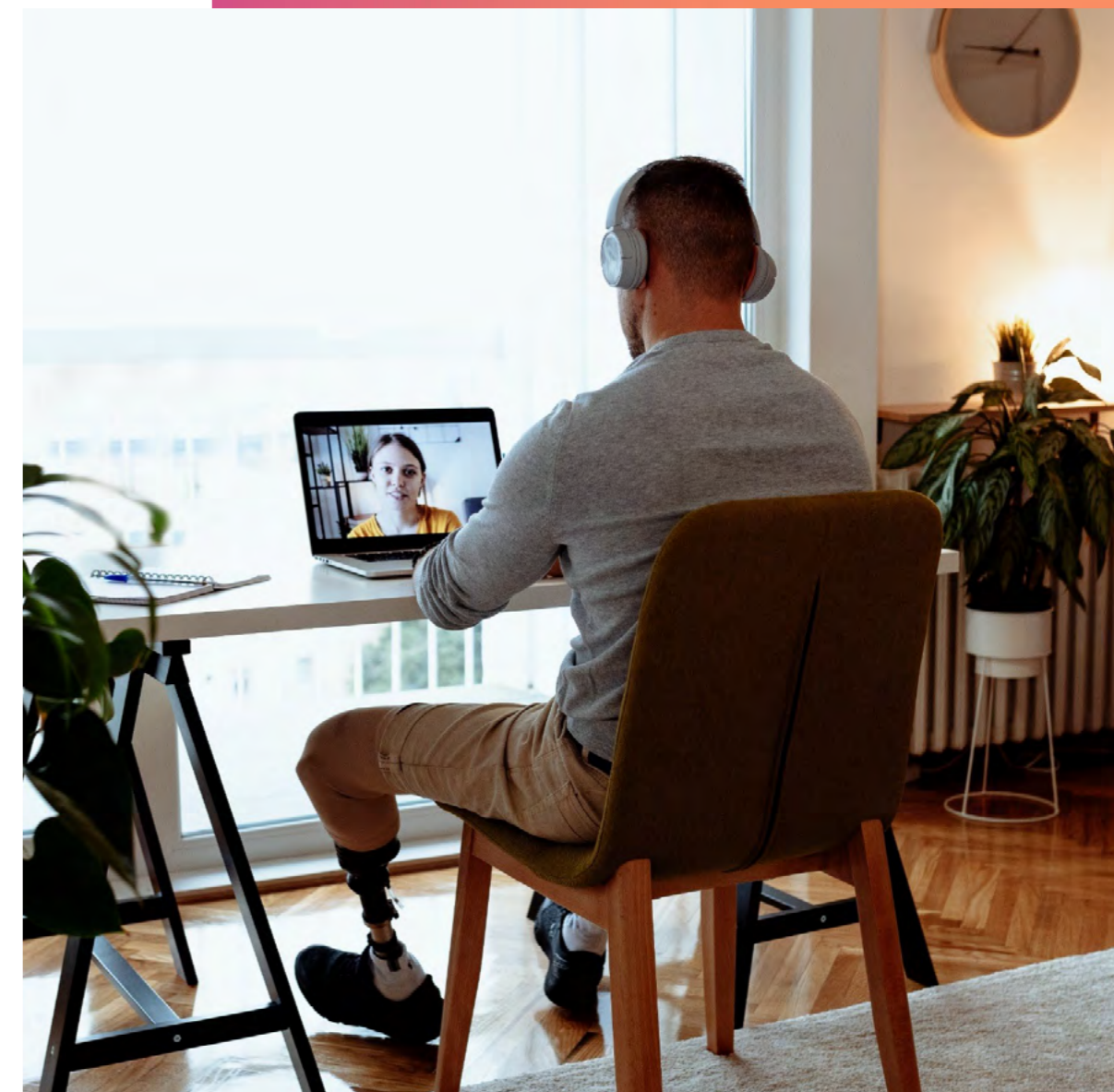
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The right tools, not more tools

Walmart, the world's largest retailer, sees technology as essential for supporting its people. More than 700,000 of its front-line workers are being offered a Samsung Galaxy smartphone, paid for by the company and loaded with the Me@Walmart app that allows people to clock in and out, connect with colleagues, ask questions of a voice-activated personal assistant and more. Combining multiple tools into one app isn't just good for associates who, through the depths of the pandemic, put in long hours to serve their local communities; it's also good for recruiting in a tight labor market. Walmart is showing its people that it trusts them to use technology in ways that best suit them individually—people can swap shifts through the app, for example—to make their jobs and lives more manageable and flexible.[12]

Walmart is letting technology play a supporting role in people's productivity and connectedness—not the starring role.

Now is the time for retailers to make the omni-connection

Omni-connected experiences can meet retail leaders' goals for growth, speed and sustainability—and employees' needs for flexibility, equity and meaning. However, they must be envisioned and executed with trust at heart and value at the core. Retailers that embrace this opportunity can strengthen culture strategically, unlock employees' potential and move their organizations forward, by design.

Most retail CEOs would agree that the past few years can be defined as an equal mix of unpredictability and tough decisions. Working toward omni-connected experiences is the opposite. It can result in lasting, positive outcomes for consumers and the business alike. That, of course, makes it one of the best investments a retail leader can make.

References

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About the research

A multi-method approach using three proprietary research initiatives.

1. Survey: Accenture Research conducted a survey of 500 retail workers across skill levels, as well as 110 C-level retail executives. Both surveys were conducted in 12 countries: Australia, Brazil, Canada, China, France, Germany, India, Japan, Singapore, Sweden, the United Kingdom, and the United States. The survey was conducted between July and August 2021. We measured omni-connection by (1) assessing the strength of connection employees have to their organization, team and work (2) completing a factor analysis to ensure unique but related constructs, and (3) enforcing reliability measures of a Cronbach alpha of .7 or higher.

2. Interviews and multiple case studies: We triangulated our findings from the large-scale primary data (survey and in-depth interviews with 15 C-level executives). We also collected more than 50 case studies through secondary research and interviews, focusing on initiatives that organizations are undertaking to enable omni-connected experiences.

3. Economic value modeling: We combined CXO survey insights on organizational culture with econometric modeling to estimate the impact on a company's financial results and effect on workers' Net Better Off scores through improved omni-connectedness and reducing the "hustle culture" behaviors. Then, we examined the relationship between Net Better Off and revenue growth from earlier research and academic papers to estimate the effects on financial performance.

4. Data science analysis on earnings calls: We collected ~40,000 transcripts of ~8,700 global companies from January 2020 to April 2022 to understand the leadership focus on organizational culture.

For details please see: Care to Do Better (Accenture, 2020)