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# Reimagine the retail workforce

Adapting to new ways of working

# A retail workforce that can adapt to constant change at speed has never been more critical.

## **Consumers' expectations have changed radically—and permanently.**

The pandemic is estimated to have accelerated digital adoption by three to five years, consolidating a dramatic shift to online shopping and new delivery channels.<sup>1</sup> The shift in consumers' expectations, especially around the support and well-being of the workforce, has been just as seismic. Almost half won't shop with retailers that have laid off staff or cut benefits during the global health crisis.<sup>2</sup> A similar proportion have already ditched companies that don't meet their Inclusion and Diversity (I&D) standards.<sup>3</sup>

**Employees' expectations have also escalated.** Employees not only want a supportive working environment that enables them to unlock their full, personal potential. They now expect their employers to be significantly more socially conscious as well. Around half agree that the values a company holds will become more important to them in the future.<sup>4</sup>

**Meeting the evolving expectations of both customers and employees in an unprecedented economic and social climate is now the new normal for retail—and it demands a significantly more adaptive workforce: a workforce that is digital, data fluent and diverse.**

Yet although many retailers rose heroically to the immediate challenges of the pandemic, by pivoting corporate staff to remote working and store staff to online and fulfillment roles, remarkably few have invested proactively in the new skills, new ways of working and new workplace organization that are the foundations of a truly adaptive, future-ready workforce.

Right now, only a little over half (57 percent) of non-managerial retail workers believe that their potential is being fully realized at work.<sup>5</sup> And that suggests many retailers have yet to address the most basic building block of all: a purpose-driven workforce culture.



# Defining a purpose- driven culture

## Inclusion and diversity

As much as 64 percent of a person's potential (defined as their ability to use their skills and strengths at work) is influenced by their sense of well-being in the workplace.<sup>6</sup> Inclusion and diversity are key components of that sense of well-being and thus vital values for the company. All employees need to feel welcomed and respected; to know that they can bring their full selves to work; that their voices will be heard; and that the business employing them has bold, decisive leaders committed to inclusivity at all levels.

Retailers with a strong sense of purpose demonstrate a clear understanding of what these principles mean in practice. Pacsun, the global apparel brand out of California, actively champions the mental health of its youthful employee (and consumer) base, for example.<sup>7</sup> And in response to the campaign for racial justice led by Black Lives Matter, the US division of France-based Sephora was the first retailer to take the 15 Percent Pledge, committing to a 15 percent share of shelf space for Black-owned brands.<sup>8</sup> The multinational retailer has since been joined by other big retail brands, including Gap.<sup>9</sup>

## Innovation and growth

A culture of equality and diversity, where everyone feels they have a chance to advance and thrive, is also a powerful multiplier of innovation and growth.<sup>10</sup> Almost three quarters (74 percent) of retail employees who enjoy such a culture say they have more positive experiences at work.<sup>11</sup>

A clear indication that a purpose-driven workforce culture helps to drive the business forward.

Almost half of today's workforce would take a pay cut of as much as **15%** to work at an organization with an inspiring purpose.<sup>12</sup>

A woman with red hair and glasses is smiling and looking to the left. She is wearing a patterned blue and white shirt. The background is a bright office with large windows and a blurred figure of another person in the foreground.

# Building the future-ready workforce

Purpose is only the foundation of the new workforce; necessary, but not enough to prepare a retailer for the future.

**The nature of retail work, where it's done, how and by whom will also need to be systematically reviewed, reimagined and for the most part reinvented.**

# 01

## What is the future of work?

Retail work of the future will be all about building unbreakable relationships with consumers by leveraging digital technologies and analytics. Success likely will hinge on personalization and customization, enabling shoppers to curate their own experiences of the brand. And this, in turn, depends on retailers having a single view of the customer, across all channels.

To make the shift away from serving consumers with physical assortments and toward generating multiple revenue streams via a single, integrated marketplace, retailers will require new organizational structures and operating models: capability-driven, end-to-end workflows enabled by simplified structures and clearly defined roles and responsibilities.

Multiple leading retailers are making that shift. Walmart, for example, having long operated with different digital and store teams, is consolidating its buying teams into a single merchandising organization to avoid duplication and better serve the customer.<sup>13</sup>

### Review

Ask yourself:

#### **What is your vision for the future of work?**

How will you serve the new consumer? What will you need to win their loyalty?

#### **What capabilities will you need?**

Which value drivers and strategies will differentiate your organization in the marketplace?

#### **Can your culture support new ways of working?**

Are your purpose and values serving and resonating with your consumers and employees?



# Who will do the work and how?

Sustaining a spirit of innovation in the workforce means that all employees will need a test-and-learn mindset. And as workforce roles change, a single enterprise workflow that clearly defines the responsibilities of each function in each role will be required—as well as a detailed understanding of the new roles that need to be created.

Retailers will need to evaluate and prepare their existing talent as these new roles emerge. While maintaining expertise in a single function, each employee will need to develop cross-functional skills as well. Digital literacy, data and analytics, and end-to-end consumer experiences must take priority in any reskilling or upskilling exercise. And retailers should invest extensively in the digital technologies that can augment human intelligence, enabling them to be used confidently and with ease.

There are advantages to upskilling existing employees who already know the business and the culture well. And leveraging partners, who can help with the upskilling curriculum or provide key skills to shadow, will help to build up the organization quickly.

Retailers should invest extensively in the digital technologies that can augment human intelligence, enabling them to be used confidently and with ease.

## Retail roles defined:

**Digitally enabled designers:** Coordinate and manage planning and development, leveraging digital to create, and use consumer insights to drive decision-making

**Consumer-centric merchants:** Develop a cohesive product line and curate hyper-personalized and hyper-localized assortments across all channels, regardless of seasonality

**End-to-end supply chain associates:** Drive end-to-end supply chain visibility and responsiveness through cost-effective distribution networks and optimized product flows across all channels

**Brand ambassador store associates:** Serve consumers as ambassadors of the brand and rely on technology to support such manual tasks as restocking and checkout

**Data-driven marketers:** Define and manage the brand plan and consumer journeys across the marketplace, including building, programming and executing marketing plans together with merchants.

## Some retailers are already ahead of the game

For example:

UK grocer, Co-Op, is working with IRI and the University of Keele to create apprenticeships and internships in data science.<sup>14</sup>

US retailer Best Buy is growing technology talent and thus accelerating innovation in a five-year investment program that prioritizes diversity—30 percent of new digital and technology hires will be Black, Latinx, Indigenous or women.<sup>15</sup>

Woolworths Australia is training more than 60,000 staff across multiple divisions in digital, data analytics, machine learning, VR and robotics.<sup>16</sup>

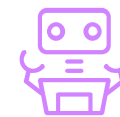
A successful talent strategy requires a multi-pronged approach: Build, Buy, Bot, Borrow.



**Build:** Reskill the existing workforce and enable continuous learning.



**Buy:** Recruit external talent for specific areas of expertise that don't exist in-house.



**Bot:** Automate highly manual tasks to refocus employee efforts elsewhere.



**Borrow:** Leverage partner and ecosystem capabilities when either building or buying doesn't deliver the necessary talent fast enough.

## Reimagine

Ask yourself:

### What new skills will you need for your workforce?

How must roles and teams change to develop the capabilities needed?

### How will you source the future skills you need?

Which skills could be built internally? Which new skills should you recruit to enable your strategy at pace?

### How can you personalize the employee journey?

Aligning individuals with the right skills will be critical. Can you create specific, tailored learning journeys?





## Reskilling in digital technologies is good for both employees and employers.

Digital fluency (defined as the ability to use digital creatively) predicts and explains more than half (54 percent) of a worker's ability to be agile. Companies whose people can use digital creatively are almost three times (2.7) more likely to have boosted revenue growth by at least 20 percent in the past three years, and more than five times (5.4) more likely to maintain these growth rates over the next three years.<sup>17</sup> Fully 98 percent of workers say they would recommend an employer who enables continuous learning to others.<sup>18</sup>

# 03

## Where will the work be done?

The retail workplace of the future will be both diverse and dispersed. And now that remote work is a way of life, retailers need to explore new talent pools that may be further afield, as well as ways to ensure their existing talent will stay.

By bringing work into the home, the pandemic has made the workplace more human, giving employers new insights into the lives of the people who work for them and forcing them to rethink almost every aspect of worker well-being—from burnout and mental health to new pay and benefits policies.

Sustaining the cohesion of a purpose-driven culture remotely is a particular challenge. And thanks to virtual conferencing, head-office staff might never need to come to the office again. In fact, since employees will likely need to meet physically only for key collaboration or celebration moments, a hotel-style model could emerge.

Leading retailers are taking a hybrid approach to the challenge. Walmart, for example, plans to add small, robot-staffed warehouses to its stores to help supplement the filling of orders for pickup and delivery.<sup>19</sup> And physical stores are being relocated or repurposed. UK department store John Lewis is converting 45 percent of retail space in its London flagship to office space;<sup>20</sup> while Nordstrom is enabling all Nordstrom Rack stores to fulfil online orders for its customers.<sup>21</sup>

Intelligent technologies empower people to create innovative customer products, services and experiences both onsite and remotely. But ensuring that work is done once, done right, and done in only one place will be critical to avoid wasteful duplication—and that requires role clarity and streamlined processes between employees at global headquarters and those working closest to the consumer.

### Reinvent

Ask yourself:

#### **What is your new work location strategy?**

Can you meet your employees' new working needs? How will you future-proof your culture? How will you re-invent or reinvest in your physical spaces?

#### **Can you integrate collaborative tools?**

Do you have the digital platforms a disparate workforce requires to connect with their teams and execute effectively?

#### **How will you maximize workforce productivity?**

Can your processes eliminate duplication and drive ownership in decision making?

# Be proactive to speed up and scale

**The pace of change in retail will only accelerate. To keep up, retailers will need to continually redefine their workforce models and explore new ways to serve the consumer more effectively and efficiently.**

Plenty of players are planning for a more customer-responsive future. Indeed, more than 400,000 retail jobs have been created globally in the first two months of 2021.<sup>22</sup> But the ability to adapt to new expectations and new ways of working will be the hallmark of a successful future retail workforce—and that requires bold, proactive leadership.



## Strong, visible and decisive leadership is key. Leaders should start by:



### **Defining a purpose-driven culture**

that sustains equality and diversity, where everyone feels they have a chance to advance and thrive, and that drives innovation and growth.



### **Leveraging the best of workforce talent**

by providing continuous learning, balancing hard with soft skills and maintaining a purpose-driven culture remotely.



### **Choosing the partners and ecosystems**

that can help strengthen the workforce's ability to provide enhanced and seamless customer experiences in a significantly more dynamic marketplace.



### **Building a future-ready workforce**

that has reimagined the nature of work, where it's done, how and by whom.



### **Maintaining cohesion**

by maximizing the effectiveness of workforce interactions across more diverse teams.

Leading retailers are showing a way forward. The time to join them and take the creation of a future-ready retail workforce to the next stage is now.

# References

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<sup>5</sup> Accenture: [Care to do better](#)

<sup>6</sup> Accenture: [Care to do better](#)

<sup>7</sup> BOF: [At PacSun, Company Values Defined by Youth Culture](#)

<sup>8</sup> Forbes: [Sephora First To Accept ‘15% Pledge’, Dedicating Shelf-Space To Black-Owned Businesses](#)

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<sup>10</sup> Accenture: [Getting to Equal 2019](#)

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