

**future workforce
expectations
and mindsets.**

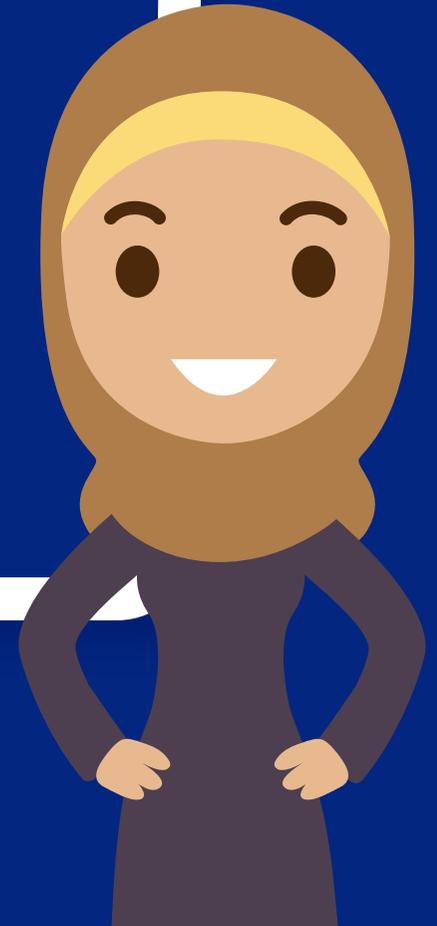
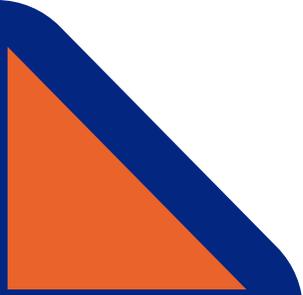




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intro.



Retailers are facing unprecedented challenges as widespread economic and social upheaval amplified by the coronavirus pandemic reboots customer and employee expectations. Meeting these new expectations requires a significantly more adaptive retail workforce: one that is digital, empowered, flexible and diverse.

In this new normal, the role of the retail leader has evolved. With technology helping to ease the administrative burden store managers have traditionally faced—shift scheduling, for example—managers can spend more time leading by developing their teams and interacting with customers to ensure both are receiving a more personalised and rewarding experience that encapsulates the brand’s purpose and values. That can help encourage return custom and limit the potential for staff turnover.

This is increasingly critical given that employees are becoming more discerning about who they are willing to work for, in part because the pandemic has prompted many to review their career choices and what they want out of life. Organisations that don’t accommodate these shifting expectations—such as demands for more flexibility and closer alignment of values on matters including sustainability and ethics—risk finding it harder to attract and retain the best talent in the future. Organisations that strive to make their workplaces more welcoming are also more likely to perform better financially. For instance, the 100 best companies to work for, according to workplace culture experts Great Place To Work, provide a 3.23x greater share price return.

A new generation of workers also have different expectations about work. Not only do they want jobs that have purpose and employers that share their values, they are also far more digitally savvy than previous generations and therefore expect organisations to provide the right tech to do their jobs in a modern, digital-first way.

1.

how are retail leaders changing?



“ leaders can unlock five times more human potential by better managing peoples’ everyday work experiences. ”

Disruptions caused by the pandemic, a broader shift in consumer shopping habits and a greater focus on social inclusion and diversity means it is more important than ever for retail leaders to keep their staff: safe (amid the risk of being exposed to Covid-19); employed (with the growing preference for online shopping); supported (to empower personal and professional development); and equal (to ensure staff are not discriminated against for their age, gender, race or anything else). That means it is vital for managers to understand the characteristics of what makes a good leader in this new retail climate, not just to meet the changing expectations of customers and employees but also to create a more attractive working environment: research shows that leaders can unlock five times more human potential by better managing peoples’ everyday work experiences.

With retail stores increasingly transitioning from traditional brick and mortar transaction hubs to a more immersive and interactive experiential destination, the role of the manager is also changing. In this new environment, managers are ‘experience orchestrators’—ensuring both customers and employees receive a more tailored personalised experience—as well as taking on the job of ‘coach and storyteller’. This means someone who can embody a brand’s values and instil that sense of purpose across the store, helping strengthen customer and employee loyalty. The omnichannel retail experience also means store managers need to be digitally aware so they can navigate the technology that will enable intelligent automation and data analytics to create smarter stores for shoppers and retail workers alike. In addition, leaders need to be expert communicators—managers that listen to staff and take onboard those views are more likely to produce motivated and happy employees.



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Embracing this new role is a challenge. Amid the general day-to-day staffing issues and overseeing these new modes of customer engagement, managers are feeling the pressure. Manual processes and outdated tech only exacerbate the problem, with managers frequently weighed down by administrative back office tasks instead of leading from the front. Beyond being paid more to perform this evolving role, 42% of managers said they would value the provision of digital tools that make it easier to communicate with their teams, with another 36% saying they would value reducing the time spent on admin such as staff scheduling. This matters because 36% of managers say they spend between three and 10 hours or more creating and managing schedules. Given the critical role managers play in attracting and retaining employees, those admin tasks can increase the rate of staff turnover.

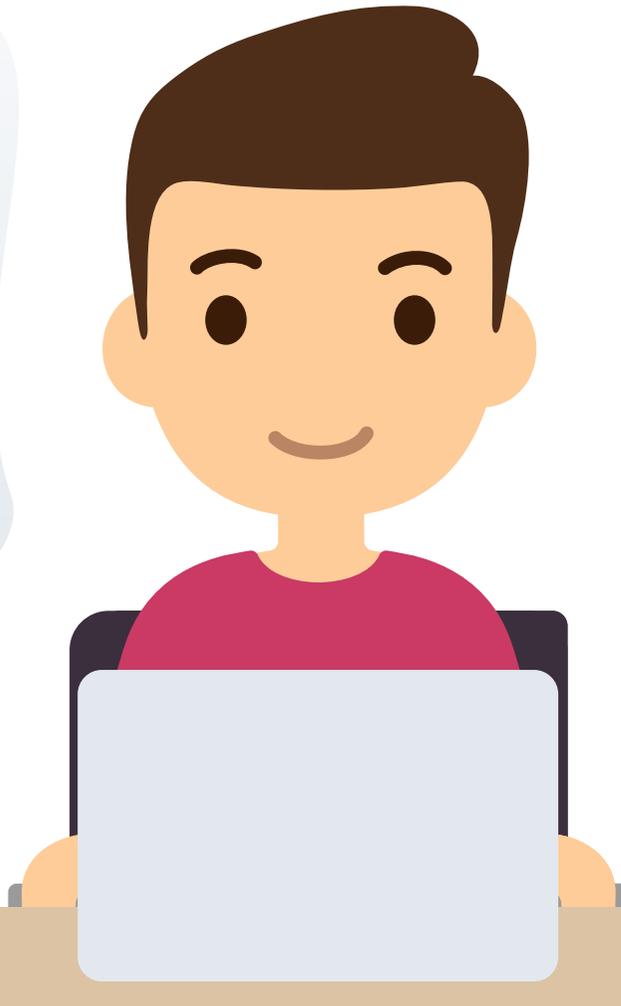
Meantime, almost half of managers said if their administrative burden was reduced, they would spend more time on coaching and developing their teams (49%), while just over a quarter (27%) said they would spend more time interacting with customers.

All of that data underscores the need for businesses to invest more in technology to free up store managers' time to focus on staff development and training and creating engaging experiences for consumers and employees.

2.

how are employees changing?

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While the pandemic has accelerated changes in the way people shop, it has also sparked a wave of change in the job market. What has been coined as the 'great resignation' as Covid-19 triggers people to reassess their careers and consider new opportunities, employees are becoming more discerning about who they work for. Research shows that more than half of workers are exploring new sources of income or contemplating career changes. With consumers and investors already demanding businesses do more to improve their sustainability, ethical and moral standards, retail workers are now calling for the same. If their values are not compatible, employees are likely to start looking elsewhere.

Against that backdrop, employees are three times more likely to remain in a job where they feel like they understand their broader impact on society. Therefore if employees feel that their jobs have purpose, then they are more likely to stick around for the long-term, as well as enjoy their work more and go the extra mile for their employers. Furthermore, half of today's workforce would take a 15% pay cut to work for an organisation with a purpose. To that end, retailers need to put in place policies that focus on social issues, whether that is around sustainability, tackling discrimination or supporting charitable causes. Policies on their own, however, are unlikely to drive lasting change—organisations also need to ensure their internal cultures are aligned with these goals.

Greater control over work schedules is a key priority for today's workers, with 59% of hourly-paid employees saying a lack of schedule empowerment is their number one reason to quit a job other than poor pay. Employees want the ability to pick up extra shifts, swap shifts with colleagues and give scheduling input to their employer. They also want modern communication tools, such as a mobile app, to make it easier to communicate with their manager and check work rotas; 39% cited poor communication with their employer as a top reason to quit. Employees also want the option to be paid early if they have a financial emergency without having to use expensive payday lenders or borrow from friends or family.

Employee expectations and mindsets also vary according to generation—what was acceptable to older generations may be less so to Millennials and Generation Z (Gen Z), who now make up 60% of the hourly workforce. The latter group (anyone born after 1995) are bringing new norms, new ways of thinking, new ways of behaving and new ways of collaborating to the workplace. As well as being the most ethnically and racially diverse generation in history, they are also more outspoken on issues around gender and identity and expect employers to share these views.

Yet it is important for organisations to recognise that employees across generational divides all have the same fundamental needs from their work: meaning, purpose, good leaders and professional growth.





3.

what do the newest generation of retail employees want from work?

While previous generations may have viewed work and life as entirely separate endeavours, Gen Z aspires to integrate work and life in a way that is more meaningful. When searching for potential work, qualities Gen Z's typically look for from prospective employers include clarity in purpose, transparency, sincerity and the ability to have a voice in the workplace. This cohort are likely to choose employers that are making a difference and shun those that lack values and social purpose. They are also more independent and ambitious: more than three-quarters of Gen Zers (76%) believe they are responsible for driving their own careers, with almost a third (32%) of new graduates expecting to be managing employees within five years. They also expect more scheduling flexibility than any other cohort: they don't want to have fixed start and finish times, while the ability to pick up extra shifts as needed is essential. For those not on hourly contracts, a four-day work week is a key expectation (either working longer shifts on those days or simply maintaining normal hours).

Gen Z workers also expect employers to think more creatively about employee benefits—younger staff are likely to shrug at supposed perks such as casual dress codes or free snacks in the break room. Instead, Gen Zers expect companies to invest more in their personal development, such as paying for educational courses to broaden their skills, as well as provide financial support such as help with student loan repayments (higher tuition fees mean Gen Zers are the most indebted generation to date). Some organisations are responding to this by offering personalised benefits packages to tailor perks to the wide range of needs and wants different employees are looking for. This more personalised approach creates the same experience this generation has come to expect as consumers.



As digital natives, Gen Z workers have grown up in a more technologically advanced society, with many using smart devices since their pre-teen years. That means they are less tolerant of outdated equipment and software, expecting the same level of technology at work as they have at home. Research shows that Gen Zers are more likely to turn down job offers if an organisation doesn't have modern digital platforms and equipment. In other words, organisations need to provide a mobile-first employment experience where their working lives can be managed entirely through an app.

Diversity and inclusion is also important to Gen Z workers. They are prepared to confront systemic injustices and they expect their employers to take a stance on social issues—silence can be viewed as complicity among Gen Zers. They want their employers to fully embrace diversity, but overall workforce diversity is not enough—Gen Zers expect diversity to be reflected at leadership level as well.

In order to attract and retain Gen Zers, organisations need to take greater steps to update their values and meet the expectations of this new generation of workers. That means embedding technology into the overall working experience, such as providing digital communication tools to improve efficiency, store operations devices to optimise work processes and virtual recruiting to better connect with prospective Gen Z employees. Organisations also need to offer less rigid work arrangements, such as using intelligent scheduling technology and enabling gig-like flexibility to improve work-life balance. Finally, organisations should be transparent about their purpose in order to build trust and to better align with Gen Z principals.



key takeaways.

evolving role for retail leaders. 1

Retail managers need to understand what it takes to be a good leader in an age of economic and social upheaval and amid a wholesale shift in consumer shopping preferences where physical retail stores have become destination experiences. In this new world, managers technology can make work simpler by automating routine tasks, meaning managers spend less time on admin and more time leading, inspiring others and delivering exceptional customer experiences that are personalised and more engaging. In other words, tech can empower managers to do the human work that they do best.

employees expect more. 2

The coronavirus pandemic has changed how people view work, with many employees considering new career paths and being more selective about their employers, increasingly favouring organisations that have more progressive moral, ethical and sustainability standards. Employees are more likely to stick around if their employer has the right values—with some even willing to take a pay cut to work for organisations with a broader social purpose. Likewise, employees are more inclined to work for organisations that enable greater flexibility to improve their work-life balance—whether that is swapping shifts without fuss or having more input over scheduling.

attracting the tech generation. 3

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