



# Employee experience in retail: a special report

## The 21st century retail challenge

The world has turned and the retail industry has experienced and been affected by seismic changes in the last decade. But what has been the impact on employees' experience at work amid all of this industry and organisational change? And where should retail employers be focusing to keep hold of and get the best from their people going forward?

We're well placed to answer these questions and shine a light on the retail employee experience through our extensive employee research with some of the UK's foremost retailers. We've also made use of our retail benchmark of some 1.4 employee responses from 40 retailers.



## Employee experience vs employee engagement

Employee experience encompasses engagement alongside enablement and empowerment and reasons that, where all three are present, an employee will be far more likely to reach greater levels of individual performance.

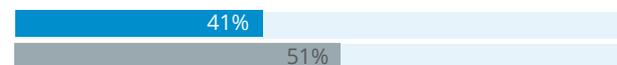
Engagement as an emotional state driven by an individual's perception of different components within an organisation, which in turn has a measurable impact on business performance.

## The impact of change

The traditional heartland for retail – the high street – has been in gradual decline in recent years. But it's hardly surprising given the perfect storm faced. From austerity and lower consumer demand to increased competition from international markets and Brexit uncertainty, there has been unprecedented change and challenge.

But perhaps the biggest change of all has been the shift to online. Since 2008, online retail has grown from less than 8% to now account for roughly 18% of all retail sales. And by 2020 it is predicted to top 20%. So, the big question is, "are retail businesses doing enough to modernise and adapt to the market changes?" Our benchmark data gives a mixed response to this question but it does seem that employees are becoming more reassured on this point.

### Change is managed effectively



### Confidence in leadership



### Confidence in the future



### Manager open to suggestions for change

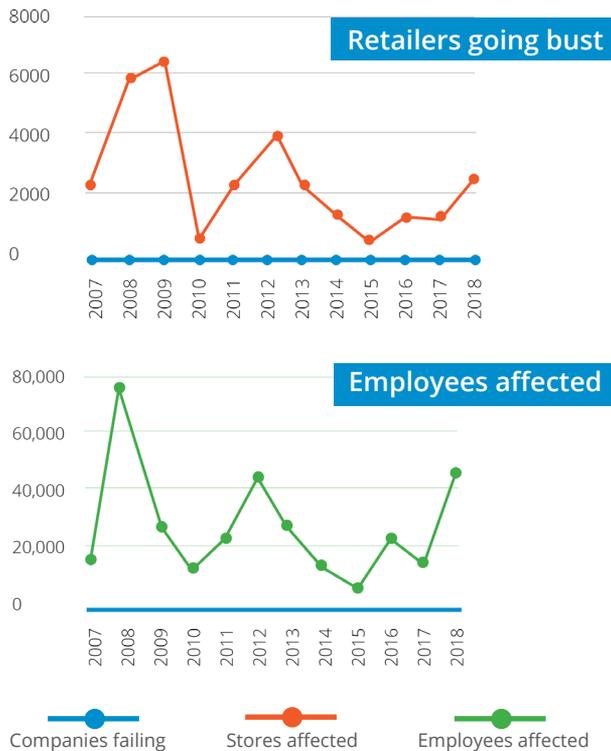


Retail employees (blue bar) Employees overall (grey bar)

What about retail employees' engagement? Well scores are broadly in line with our overall cross industry benchmark. Perhaps the key here is whether employees say they would recommend the company as a great place to work, as this is typically a question that defines engagement for retailers. It's heartening then that an above average 79% of retail employees say they would recommend the company as a great place to work (vs overall BM score of 77%).

## Gradual high street decline

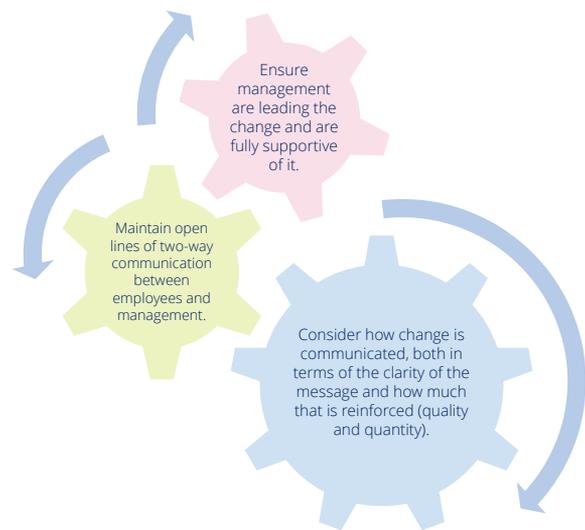
ONS stats back up the idea of a gradual decline rather than something more sudden, with the number of retailers going bust remaining pretty consistent over the past 10 years. Also broadly stable is the number of stores affected in recent years. The notable spike we see in 2018 is likely a result of issues faced by major players like House of Fraser, Poundworld and Toys 'R' Us.



While these scores are pretty comparable to overall benchmarks, there's no doubt that retailers and their employees can benefit from being closer together. This will mean that companies can deliver strategies and the organisational change needed, and employees will feel involved, more 'bought in' to company goals and, crucially, that their voices are being heard.

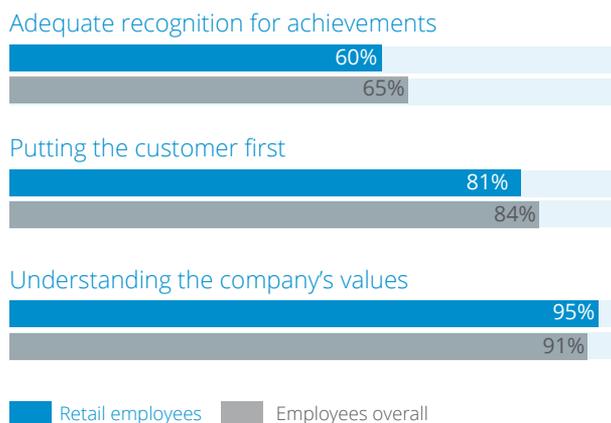
## Effectively managing change

Running employee surveys or similar listening programmes is important but is really the tip of the iceberg. To effectively oversee organisational change you must go further in the following ways:



## Optimising the employee experience

The employee experience and especially employee engagement has a massive bearing on the outcome of change initiatives, turnover, absenteeism, customer service and sales. So what most influences retail employees' experience?



## Equipping your employees

The shift to online shopping means retailers need new skills – either through re-training current employees or hiring in more tech-savvy workers.

This 'enablement' of employees is fundamental to the wider employee experience and it has a direct impact on engagement too. It is about having the resources, be that training, support, or physical tools needed to do one's job.

### So how 'enabled' are retail employees?

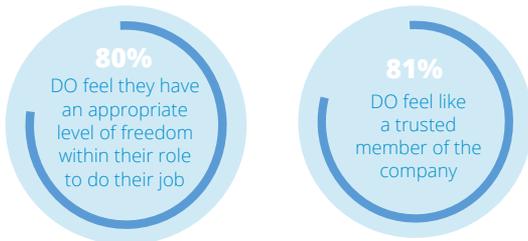


Both scores put retail slightly behind the overall benchmark comprising all other industries. And this trend continues when we look a bit deeper. While retail employees' awareness of and access to training is in line with other industries, fairness could be an issue worth focusing on. Only 66% of retail employees believe that everyone is given equal opportunities at their company – some 10% less than the overall benchmark.

## Bringing employees with you

Employees feeling listened to and involved in business direction is fundamental to their feeling of empowerment at work. Alongside enablement this impacts upon their engagement and overall experience.

### How empowered do retail employees feel then?



This shows that empowerment in retail is very much in line with what we see at an overall level and these should be considered 'good' scores.

## What next for the future of retail?

It should be heartening for retailers that, despite the challenges their industry has faced, employees still appear to be largely 'on board' in engagement terms. Based on our findings, we've highlighted three possible focus areas for retailers:

**1** Manage organisational change more effectively, bringing employees with them

**2** Better equip and enable employees to do their jobs through more effective training or giving them the best tools/resources.

**3** Do more to recognise employees' achievements and efforts

And, on a general point, retailers must also learn to better use all available data to predict changes and prepare themselves and their employees for future challenges down the road.

So, whilst it is imperative to remain outward-looking and be aware of macro trends outside, don't underestimate the wealth of insights that you may already have at your fingertips from looking inside and asking your employees.

# M&S

EST. 1884

M&S is a great example of an organisation that has grasped the value in looking beyond engagement to gain a deeper understanding of how their employees feel.

Having spotted a disconnect between some engagement survey scores and outputs, we started to measure enablement and empowerment to give a more complete picture of what is driving employees' perceptions of the organisation. This is helping them to make improvements across the employee lifecycle.



Read the full *M&S case study* to learn more.

### References

- <https://www.forbes.com/sites/forbescoachescouncil/2019/02/01/what-exactly-is-the-employee-experience/#5947a62d4dbf>
- <https://www.ons.gov.uk/businessindustryandtrade/retailindustry/bulletins/retailsales/previousReleases>

ETS employee survey benchmark database, which is a contemporary data set that is updated annually and comprises 2.2 million employee responses from 170 different surveys.



Call us on **+44 (0)1932 222700**



Or email us at **info@etsplc.com**



**www.etsplc.com**