



THE COMPLETE GUIDE TO  
**RETAIL EMPLOYEE  
ENGAGEMENT**

**YOOBIC**

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# Introduction

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2021 was the first year in more than a decade when the percentage of engaged workers in the U.S. declined.

**Only 34% of employees were engaged with their work<sup>1</sup>.**

## How did we get here?

During the pandemic, retail workers received recognition as fundamental pillars of society. They were labeled ‘**frontline heroes**’ and ‘**rockstars**’ as they continued to fulfill their responsibilities while burdened with increased stress and heavier workloads.

But now, as society is more adjusted to the new routine, the praise for store workers has died away, yet they’re still facing all the stress, demanding customers and increased responsibilities. It’s no wonder they’re feeling disengaged.

The role of the retail store associate has changed - it isn’t transactional anymore. Store associates have become facilitators and curators of the in-store experience. They build relationships, they help turn uncertain shoppers into new customers, and they drive the loyalty that leads to future visits. They’re the most important ambassadors of a retailer’s brand, and their knowledge, behavior and skills have the power to either increase sales or lose them.

Ambassadors who are deeply engaged in the work they do are the differentiator every retailer needs.

**This eBook will show you how to give store employees what they need to feel consistently engaged in their roles.**

# Why Engaged Employees Are A Business Differentiator

Only 24% of executives<sup>2</sup> surveyed by the Harvard Business Review think their employees are highly engaged. This means that the vast majority of businesses aren't enabling their workforce to perform to their potential.

Highly engaged employees demonstrate unique patterns of behavior<sup>3</sup>, including:

- Resilience in the face of challenges and barriers - they don't let obstacles destroy their ability to perform.
- Taking accountability for their performance and not blaming others for mistakes.
- Independently and proactively trying to improve their engagement rather than expecting someone else to engage them.

The value of employee engagement shouldn't be underestimated. When comparing top-quartile with bottom-quartile engagement, Gallup<sup>2</sup> found that businesses had a median percent difference of:

**81%**

*less staff absenteeism*

**66%**

*increase in employee wellbeing*

**43%**

*lower turnover rate*

**10%**

*increase in customer loyalty*

In addition to this, businesses with engaged employees demonstrated **23% increased profitability.**

But how?



### **Engaged store associates are more productive.**

On average, disengaged employees make 60% more errors<sup>4</sup> than their engaged peers.



### **Engaged store associates are less likely to turnover.**

Retail already has a notoriously high quit rate, and it was one of the hardest industries hit by the Great Resignation. In 2021, 94% of retailers reported that they were having difficulty filling vacant positions<sup>5</sup>.

Turnover has both hard and soft costs:

<b>Hard costs</b>	<b>Soft costs</b>
<ul style="list-style-type: none"><li>• Paying out accrued holiday time.</li><li>• Hiring and training expenses.</li><li>• Lost sales from reduced teams.</li></ul>	<ul style="list-style-type: none"><li>• Loss of knowledge and skills.</li><li>• A drop in team morale.</li><li>• Disgruntled customers.</li></ul>

Researchers at the University of Phoenix found that annual turnover for just one grocery store costs a retailer \$190,000 per year<sup>6</sup>, and that employee cynicism is a precursor to turnover.

Engaging store associates before they reach the point where they want to quit makes costly turnover less likely.



### Engaged store associates have more fulfilling customer interactions.

Employees who find their work enjoyable and rewarding consistently provide a more personable customer experience. They initiate more interactions with customers and take every interaction further, because they enjoy helping customers find what they need.

But what does it actually mean to be an **engaged retail store associate**?

- 1 Derive **personal satisfaction** from helping customers and going above and beyond
- 2 **Care about their success** individually, as a store team and as a company
- 3 **Feel an emotional connection** with their organization and the brand

An engaged frontline retail workforce is instrumental in creating a **flawless customer experience**.



# Unengaged Store Associates: Retail's Status Quo?

Unfortunately, most retailers don't give store associates what they need to feel engaged.

Employees don't feel like they're being invested in. So employees stay, do the bare minimum, and then turnover. Rinse and repeat.

41% of retail employees<sup>7</sup> **hardly ever look forward to going to work.**

Employee turnover rocketed during the pandemic, surpassing 60% in 2021. For context, it had hovered around 42-45% from 2016-2019<sup>8</sup>.

So why are retail store associates prone to feeling unengaged in their roles?

## The Myth

Retail workers are relatively young compared to other industries and Gen Z and Millennials aren't as hard working.

The median age for employees in clothing stores is 31, in shoe stores it's 26 and in sporting goods and toy stores it's 34.

It's the bane of many an employer's existence. They're entitled, they lack loyalty and they're bound to quit for a more exciting job.

## The Reality

What younger generations really want is a job with meaning and values that match their own. And that's a good thing.

If they chose your organization it's probably because they feel some sense of affinity with your brand and believe in it. Capitalize on that.

Spoiler Alert: Regardless of age, we pretty much all want the same thing. A study interviewed 6,000 employees<sup>9</sup> of varied ages and found that when reward and recognition were given, engagement increased, regardless of age.

## The Myth

Retail work is unskilled and increased automation means that workers can essentially function on autopilot, so why would they feel engaged?

## The Reality

Technology hasn't replaced workers. It has automated the transactional parts of working in a store and refocused the store associate role on customer service - which is skilled work.

Researchers at the UK's University of Strathclyde<sup>10</sup> interviewed store associates, supervisors and managers at high-end fashion stores. Interviewees considered their product knowledge, customer-reading and styling skills an essential part of being a store associate, but often didn't receive the pay or recognition that someone using the same skill set in an office setting would receive.

Retail employees don't need tech as much as office workers do and there's no point investing in tech solutions for your deskless workforce.

It's true that much of workplace technology isn't built for the realities of a frontline job, so the strategies for increasing engagement in office environments won't work for frontline teams.

This is a huge missed opportunity - 80% of the workforce globally is deskless<sup>11</sup>. Of that 80%, 497 million work in retail. Empowering these workers with the right tech is a sure-fire way for businesses to make waves.

Positive change is coming - 82% of retail companies surveyed last year planned on increasing spending on deskless technology.

Store associates work long hours for minimum wage and collectively they're responsible for millions, if not billions of dollars in sales. They selflessly serve your happiest and unhappiest customers. **They deserve to be invested in.**



# 3 Steps To Create Highly Engaged Store Associates

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## Tools and tech

Nobody applies for a store associate role because they enjoy sitting in a back office doing admin. People are drawn to retail roles because they enjoy interacting with customers: it's what makes the role fulfilling. The personal touch of the in-store experience is also what draws customers into stores and encourages them to interact with the brand. Store associates are most valuable to a business when they are spending more time with customers, answering their questions and investing in their experience.

To do either of these, **store associates need time**. Here's the problem:

- Retailers have invested heavily in tech that will engage customers and improve their shopping experience, but they **haven't done the same for their frontline staff**.
- Most store tasks are **paper-based** or require someone to run into the back office to send an email from the **only computer in the store**. Working in retail hasn't caught up with the outside world - yet.
- **Low-value admin and store operational tasks** are necessary for the image and upkeep of the store, but they prevent store teams from focusing their time where it matters because they're so time-consuming.



## How does simplifying low-value store tasks engage employees?

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### **It demonstrates your credibility as an organization to store teams.**

Employee engagement starts when a retailer decides to equip store teams with everything they need to do their best work. Invest in the technology to make work easier for your employees, and they'll feel motivated to invest in customers.



### **It increases job satisfaction.**

Your store associates didn't take the job because stocking shelves or putting together a giant cardboard display are the most exciting things out there. Working in a customer-facing role isn't a piece of cake, but ultimately helping people is engaging and motivating, and it's what your store teams signed up for. Help them focus on that, and watch their engagement grow.



### **It empowers employees to become more autonomous.**

Empowerment is another one of those buzzwords with an unclear meaning despite how often it's used. An empowered retail employee has the knowledge and confidence they need to make an impactful difference to the customer experience. Management can trust empowered employees to make the right decisions without micromanaging, hand-holding and big-brothering. When you know someone trusts you and your best judgment, you can't help but feel more engaged with your work.

## Where to start with the right tools and tech:

### 1. Identify low-value tasks



Any store tasks that consist of mostly following instructions, while using anything paper-based or manual data collection, can likely be automated, simplified or streamlined with tech.

### 2. Use technology to simplify them



For a deskless workforce, this is going to be mobile-based tech. Does that mean it's time to rethink the age-old policy of "no devices out on the shop floor"? We'll let you decide.

### 3. Involve store teams



Get store teams involved in the process of selecting and designing new tools and tech to make it user-friendly and achieve full adoption.



Find out how Fitness World helps its clubs save time by digitizing daily tasks and operations.

Read the Case Study

## Continuous learning

Retailers already know that learning is crucial for creating a skilled team of workers.

Good training helps store associates become the knowledgeable, friendly and helpful experts who make a shopping trip infinitely better.

Just like the tools and tech you give employees to make their jobs easier, training demonstrates your credibility as an employer. Not only is training essential for succeeding at your job, it's also critical for job satisfaction, personal development, career progression and retention.

Unfortunately, training isn't serving store associates, and it shows.

[A 2022 survey](#) of 1,400 frontline employees found that **64% want opportunities for career growth** within the organization, but **only 42% feel their organization has invested in their professional development**.

Store associates are always on the go and have a multitude of other competing priorities like school, family and other jobs. Typical 'information dumps' like classroom training or long training sessions completed on a back office computer don't fit into their working day and don't help workers learn. They're also not very fun.

To see results from training, employees have to actually want to complete it and retain what they've learned afterwards.

only  
**42%**

of retail workers feel that their organization has invested in their professional development.



## How does the right training engage employees?

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### **It fits into the flow of work.**

Short, frequent bursts of training (also known as microlearning) have been proven to help learners retain knowledge better. A study found<sup>12</sup> that university students who answered just one question after reading just one chapter of a textbook outperformed their peers who answered more than one question after reading more than one chapter. Use microlearning to deliver training throughout the employee's tenure, not just the first week, and you'll see engagement grow.



### **It's targeted and personalized.**

Part-time employees don't have to know every store procedure top-to-bottom in the way that full-time employees do. Employees in a store with a beauty products wall need more product knowledge than employees in a smaller store without a beauty products wall. If you train all these groups in the same way, you risk half your employees zoning out and not retaining all the relevant and non-relevant information. None of us learn in the same way, so no two employee learning tracks should look completely the same, either.



### **It makes learning fun.**

A study found that websites with game-playing elements like scoring, leaderboards and badges boosted engagement by a third<sup>13</sup>. Gamified training not only engages employees while they're doing the training - it also motivates them to start it, complete it, and see where they rank against their peers. It turns learning into a social activity. Retail roles are hands-on and learning needs to be equally active. Training is far more engaging if it involves interaction in the form of quizzes and other more enjoyable ways to test knowledge.

## Where to start with improving learning:

### 1. Take stock of what's being used.



Speak to store employees and managers - which formats work well? What type of training do they feel they need more of? What are their biggest barriers to learning at the moment?

### 2. Digitize training



Digitize training and partner with a provider who can work with you to understand exactly what you need. Work alongside them to establish exactly what training courses you need to create and how you can make them as exciting and interactive as possible.

### 3. Involve store teams



A big problem with take-home training is that it shifts the burden onto employees, who likely aren't paid for time spent training on their days off. Mobile-first training that's broken down into bite-sized chunks is far more manageable for busy employees with lots of other things on their plates.

### 4. Set goals with personalized learning pathways



How long should it take employees to be up and running on product knowledge? What training does a sales associate need to complete to be promoted? How will training support sales goals for the store? Employees need to know what's expected and exactly what they need to do to both personally progress and contribute to business goals.

### 5. Keep evolving



What's the point of investing in training if you have no idea how it impacts sales, retention, progression and other KPIs? Employees who complete training should improve their product knowledge, sales and customer service skills, and that means they should be doing better both individually and as a team. If they're not, HQ needs to make changes. Retail is always changing, so retail training should always be changing too depending on what works and what improvements are needed.

## Build community

With the increased stress and reduced teams that have been brought about by the pandemic and the labor shortage that followed, creating a sense of community and belonging is more important than ever.

But **retailers are failing to provide this.**

[Our 2022 survey](#) showed that having a strong workplace community is very important to 67% of frontline retail employees. Yet 39% of frontline employees don't feel like they have a strong workplace community and 62% don't feel well connected to their organization's management and HQ.



## How does building community engage employees?

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### **It makes them feel valued.**

Engaged employees are motivated to go above and beyond, and that's what creates a strong company culture and an exceptional customer experience. But only 16% of frontline employees are fully satisfied with the recognition they receive. If employees can't see the impact they have, why would they bother to engage? Never underestimate the power of being recognized by your peers as a source of motivation. Seeing your name at the top of a leaderboard or having your store get a shoutout from HQ can go a long way for engagement. Recognizing a job well done and ensuring teams feel valued is crucial for engagement.



### **It gives them a voice.**

Actively seeking out employee feedback demonstrates that the company cares about their opinions and wants to take store employee ideas on board. Store employees are the ones having face to face interactions with customers every day, hearing their needs and concerns and guiding them to purchase. They are the best possible source of information into how a retailer can better cater to customers. If they feel they can make a real difference, that will motivate them to engage.



### **It connects them to the wider company.**

The sharing of knowledge and best practices between employees and stores boosts teamwork and individual performance. Stores are a goldmine of data and knowledge about how to work efficiently and handle the most difficult customer situations. If employees can reach out to their more experienced peers for support in challenging situations, they not only can easily access the information they need but also feel part of a supportive workplace community.



## Where to start with improving learning:

### 1. Consider how you recognize great work

Incentives such as cash bonuses are great, but that's not the only, or even necessarily the best way to recognize a job well done. Ideas for recognition include team treats, personal development time and shout-outs on the company newsfeed for individuals and teams who have gone the extra mile with a personalized message from HQ. The right kind of reward and recognition not only encourages teamwork, it also creates an emotional connection between employees and the brand.



### 2. Take their pulse

Use regular pulse surveys to give employees opportunities to share how they are feeling and express ideas or concerns with HQ. Take their ideas on board when strategizing around how to improve the employee experience.



### 3. Give them the right tools

Equip employees with the tools to share knowledge and connect with their peers. Use features like forums so employees can share knowledge and congratulate each other on their achievements. [76%](#) of frontline employees would feel more connected if they could access company communications on a mobile device. Therefore, a communication platform formatted in the style of a social media app will connect employees with a space to share knowledge and opinions in a way that feels intuitive and accessible. The best workplace communication tools automatically translate posts and comments into the user's native language.



Discover how GANT increased its employee engagement score and created a globally connected digital community!

Read the Case Study



# Key takeaways

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Employee engagement in retail is about to become as indispensable as fast and easy shipping.

Either retailers get it right or customers get frustrated and shop somewhere else. Sure, it's easy enough to use the same tired old excuses - retail associates are young, they're working part-time, they're not skilled - but it won't be long until justifying an unengaged workforce starts to drag your business down and drive talented workers away.

Here's what it takes to make your store associates actually enjoy and feel motivated by their jobs:

- 1** Equip store teams with the tools and technology to eliminate friction in daily tasks, so they can invest more time in customers.
- 2** Adapt training to the realities of a store associate job, so employees actually want to do the training and retain the information afterwards.
- 3** Build community by showing employees the value of everything they do and how it contributes to the success of the brand.

# The All-in-One AI-Powered Digital Workplace That Your Frontline Teams Will Actually Use

YOOBIC gives business leaders and frontline teams the performance tools they need to communicate, learn, and work - **all in one place**.

300+ companies around the world trust YOOBIC to improve operational consistency and agility, get real-time visibility into multi-location business execution, and improve their employee and customer experience.



AÉROPOSTALE



Want to see it in action?

Get a Demo

# End Notes

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- <sup>2</sup> [The Impact of Employee Engagement on Performance](#), Harvard Business Review, 2020
- <sup>3</sup> [Who's Responsible for Employee Engagement](#), Gallup, 2022
- <sup>4</sup> [State of the American Workplace Report](#), Gallup, 2017
- <sup>5</sup> [Korn Ferry Retail Survey Finds a Very Slow Movement to Include DE&I Incentive Metrics in Compensation Packages](#), Korn Ferry, 2021
- <sup>6</sup> [Misconceptions Of Employee Turnover: Evidence-Based Information For The Retail Grocery Industry](#), Journal of Business & Economics Research (JBER), 2014
- <sup>7</sup> [Retail and hospitality staff the least engaged](#), HR Magazine, 2017
- <sup>8</sup> [Retail Turnover Rates In 2021](#), Dailypay, 2021
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- <sup>10</sup> [Skill requirements in retail work](#), Jstor, 2017
- <sup>11</sup> [The rise of the deskless workforce](#), Deskless Workforce, 2018.
- <sup>12</sup> [A review of the trend of microlearning](#), Journal of Work-Applied Management, 2021
- <sup>13</sup> [Gigya's Social Gamification Boosts Content Discovery by 68%](#), Gamification.co, 2013