



Navigating the Gen Z Shift: Redefining Retail Employee Engagement

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The Retail Revolution: Adapting to Gen Z's New Way of Working

Purpose-driven, inclusive and fiercely protective of their work-life balance, Gen Z (b. 1997-2012) is transforming the way we work by introducing a new set of values and expectations that are challenging traditional work environments and rewards.



Known as 'digital natives' — meaning they have never known a world without digital technology — they are adept at multi-tasking, value flexible working and experience higher levels of burnout than older workers.





Who is Gen Z?

Get to Know Gen Z



Population Size

Gen Z, born between 1997 and 2012, is estimated to make up around **32% of the global population**, making it the largest generation. *(Source: United Nations, 2019)*



Education

Gen Z is the most educated generation yet, with around **59% enrolled in college or university**. *(Source: Pew Research Center, 2018)*



Tech-Savvy Workforce

97% of Gen Z consider technology when evaluating job opportunities, and **75% believe that access to technology influences their job choice**. *(Source: Dell Technologies, 2020)*



Remote Work Preferences

Around **72% of Gen Z prefer a flexible work schedule**, including remote work options. *(Source: IBM Institute for Business Value, 2020)*



Diversity

Gen Z is the most diverse generation yet, with around **48% being non-Caucasian**. *(Source: Pew Research Center, 2018)*



Financial Outlook

Around **60% of Gen Z is worried about the cost of education and job prospects**, leading them to prioritize financial stability and seek out job opportunities that offer growth and security. *(Source: Deloitte Global Millennial Survey, 2019)*

Get to Know Gen Z



Activism

Gen Z is highly socially conscious, with around **76%** believing that companies should take a stand on social issues. They are more likely to support brands that align with their values. (Source: McKinsey & Company, 2019)



Job Hopping

Gen Z is more likely to switch jobs frequently, with around **47%** planning to stay with their current employer for less than two years. (Source: Robert Half, 2019)



Gig Economy Participation

Around **40%** of Gen Z actively participate in the gig economy, either through freelance work, contract positions, or side hustles. (Source: Pew Research Center, 2021)



Entrepreneurial Spirit

Approximately **72%** of high school students in Gen Z express a desire to start their own business. (Source: Junior Achievement, 2019)



Importance of Work-Life Balance

77% of Gen Z consider work-life balance crucial when considering job opportunities. (Source: McKinsey & Company, 2022)



Communication Preferences

While **65%** of leaders believe their communication is effective, only **35%** of deskless workers, which include many Gen Z employees in retail and other industries, agree. (Source: Deskless Report, Axonify, 2023)



Job Insecurity

Around **37%** of Gen Z workers feel underpaid for the amount of hours they work, compared to 29% of non-Gen Z workers. (Source: Pew Research Center, 2021)



Talking About My Generation



Gen Z's preferred way of working presents a unique set of challenges for the retail space where 30% of the current workforce falls into the demographic and that number is set to increase YOY.

But before we dive into the challenges, let's first discuss the differences between the generations that make up the workforce today.

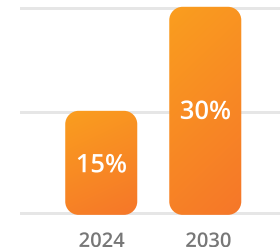


| Types | BOOMERS (1946-1965) | GEN X (1966-1977) | MILLENNIAL (1978-1995) | GEN Z (1995-2012) |
|------------------------|--|---|---|--|
| Technology | Colour TV, Space Race, HiFi | Computers, Satellite, Walkman | Gaming, Mobile phones, Dial-up Internet | High-Speed Internet, Social Media |
| Work | Live to work | Challenging | Work to live | Life first |
| Aspiration | Job Security | Independence | Flexibility | Freedom |
| Change Appetite | Loyal to single employer, part of their identity | Professional development and/or promotion | Expected every few years | Constant |
| Career | Path to upward mobility | Increase options and opportunity | Switch jobs based on reward and recognition | Multiple jobs and parallel careers, 'Company of One' |



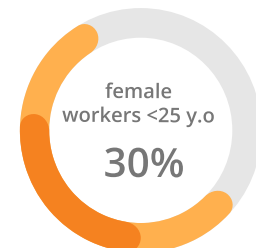
The Workforce Generational Shift

In 2024, Gen Z makes up approximately 15% of the workforce in the U.S. and UK. **This share will more than double (31%)** by 2030 when they will become the second largest generation of workers behind millennials.



Retail is the UK's largest private sector employer with 2.7 million employees and two-thirds of those employees work for the 75 largest retail companies. Retail is also the largest private sector industry in the US, employing 32 million people.

Across the UK and US, **female workers make up 58% of the retail worker population, with 30% under the age of 25 (Gen Z).**



★ **Gen Z are Realists**

Generation Z are radically inclusive and connects on common causes and interests. This is not dictated by economic circumstances but a shared worldview. They also think it's natural to belong to different groups based on viewpoints and experiences rather than subscribe to institutional norms. **Gen Z likes to understand different truths and wants less confrontation believing this can be solved by dialogue rather than conflict.** They are also realistic and want to unveil the truth behind all things. This can be challenging with the endless amount of information they can consume.

Finally, they are forgiving of organisations that own their mistakes and do the right thing. *Source: McKinsey, TrueGen 2018*



The Era of the 'Side Hustle'

One of the most significant shifts in employee attitude is the way Gen Z views their career trajectory and life ambitions. Unlike previous generations, **Gen Z employees do not place their livelihood in the hands of one organisation.** Instead, they are constantly seeking better opportunities and insulating themselves from potential job losses by embracing the concept of the 'side hustle'. This can be anything from freelance work to running an online business or participating in the gig economy.



When compared to other generations, Gen Z are more than twice as likely to have an additional job on the side of their main role.

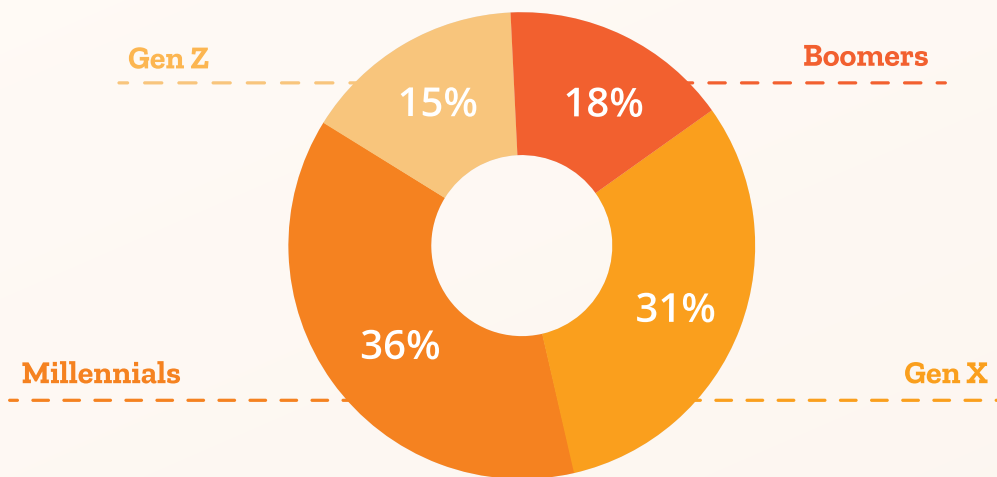
To remain competitive, organisations need to recognise and respond to this shift by reevaluating their strategies for attracting and retaining Gen Z talent. **Traditional benefits and rewards aren't enough; companies must emphasise opportunities for growth, flexibility, and a sense of purpose in the role,** all of which are crucial in effectively engaging this generation in the workplace.



It's also worth noting that Gen Z tops the generational list in actively or passively looking for new job opportunities. Some of this can be explained by increasing job mobility and easier access, especially to knowledge-orientated roles but a common theme is the sense of feeling 'undervalued'.

Of Gen Z workers, 37% feel underpaid for the amount of hours they work, compared to 29% of non-Gen Z workers. In particular, Gen Z women are 60% more likely than Gen Z men to leave a job in search of better compensation. **This is a powder keg for retail that already hires a large percentage of Gen Z staff who are female.**

Share of workforce (As of 2022)



Source: 2023 Visual Capitalist, Gen Z's Open Relationship with Employers

72%

of Gen Z is the most likely generation to have either left or have considered leaving a job because their employer did not offer a feasible flexible work policy.

Source: 2023 LinkedIn Workplace survey

77%

of Gen Z consider work-life balance crucial when considering job opportunities.

Source: McKinsey, Gen Z in the working world, 2022

Key Retail Employee Challenges

65% of leaders believe their communication is effective, and only 35% of deskless workers agree.
Source: Deskless Report, Axonify 2023

Burnout

According to a survey by Kronos Incorporated and Future Workplace, 45% of all retail workers report feeling burned out and 91% of those aged 18-24 say they feel heightened levels of stress (Source: Cigna Global Wellbeing Survey 2022). Retail workers, in particular, are being asked to do more and becoming overburdened. Cross-training in multiple areas is helping with job variety but retail employees are often ill-equipped to meet job expectations due to poor training, feedback and clunky technology. This is a red flag for Gen Z workers who expect technology to intuitively support their role.



Gen Z's desire for autonomy and purpose in their work may lead to heightened expectations and a greater likelihood of experiencing burnout when those expectations are not met. This generation places a strong emphasis on work-life balance and meaningful work, and any discrepancies in these areas could exacerbate feelings of burnout.

Misalignment

A disconnect is appearing between companies driving initiatives that focus on community and culture rather than addressing more fundamental needs around livelihood and stability. **To effectively engage, support, and retain retail staff, it's crucial for organisations to prioritise understanding and addressing issues related to job security, financial stability, and career advancement opportunities.** In doing so, companies can create a more supportive and fulfilling work environment that resonates with the needs and aspirations of their employees.



Communication

The communication cascade for retail workers often mirrors that of desk-bound workers, operating within a top-down framework. However, this structure often leads to fractured communication with little understanding of what is being shared, read, understood and, crucially, what is resonating. Without the opportunity to provide feedback or comment, this communication gap widens, with less employee tolerance and increased resentment and frustration. **To bridge this gap effectively, organisations must foster an environment where feedback is valued and acted upon.** This ensures that communication remains meaningful, relevant, and conducive to the success of both the company and the individual.



Feedback

Unstructured and poor feedback is a common feature for retail workers. Gen Z expect their feedback to be acknowledged, their ideas taken on board and concerns addressed. **Implementing a structured feedback strategy, such as regular surveys focused on specific topics, can significantly enhance the workplace experience for Gen Z retail staff.** This approach allows organisations to identify areas for improvement, gather actionable insights, and demonstrate their commitment to addressing the needs of their employees effectively.



Enablement

The buzz around digitising the customer experience has been met with mixed responses as retail workers are expected to handle different systems to run various operational tasks. This focus on operational efficiency is often at the expense of enabling the frontline and deskless experience to improve customer satisfaction. **Retailers need to strike a balance, ensuring that digital tools and systems are designed not only to streamline operations but also to empower frontline workers and enhance customer satisfaction effectively.**



Solving Retail employee generational challenges by improving engagement



Streamline Communication

Unstructured feedback is useful for tacit exchanges and can identify possible trending topics or insights from staff. This can form the basis of semi-structured feedback in a forum or group to ask specific questions. **The final stage of structured communication can be supported by an engagement survey to quantify feedback at scale and make improvements.**



Unlock Potential

To unlock the potential of retail staff, it's essential to quickly identify areas in need of improvement and develop targeted programs that empower and upskill employees. **Regular engagement plays a pivotal role in this process, allowing managers to identify areas of opportunity while continuously assessing progress and refining strategy and processes over time.**



Build Confidence

Build trust by guaranteeing anonymity which enables valuable feedback, suggestions for improvement and concerns to be raised without fear of reprisals. Confidentiality should be a core requirement of any engagement strategy and platform.



Improve Onboarding

Improving onboarding processes is crucial in light of the high turnover rate in the retail industry, where 31% of workers leave their jobs within the first six months. More than a process and legal introduction, onboarding serves as a critical component for culture and understanding the mission, values and purpose of the organisation and how it aligns with the individual employee. **Engagement surveys can assess how successful onboarding is across all new starters in different areas of the company.**



Conclusion

By embracing these insights and strategies, retailers can navigate the Gen Z shift with confidence, driving employee engagement and productivity while boosting their bottom line.