

# RETAILERS NEED AGILITY TO RESHAPE FOR THE FUTURE



**EGÉ EDÍ SIVA**  
DIRECTOR, RETAIL AND E-COMMERCE  
EUROPE INDUSTRY LEADER, REWARD  
DATA SOLUTIONS  
AON

ADOPTING AGILE STRATEGIES LIKE VIRTUAL WORKING, FLEXIBILITY AND ALIGNED BENEFITS CAN HELP BUSINESSES SUCCEED IN THE POST-PANDEMIC WORLD

When the COVID-19 pandemic forced a UK lockdown in March, retail businesses were forced to react and respond to a crisis few had anticipated. This initial stage – the first of three detailed in Aon’s COVID-19 Crisis Management Model – demanded reaction to the immediate needs of the organisation and its employees. In June, as the pandemic progressed, the majority of retail businesses (63%\*) had moved on to the second stage – recovery; with a focus on stabilising the business.

Towards the end of summer, an increasing number (28%) of retailers had shifted their focus to the critical third stage – reshape; where companies focus on restructuring, creating or pivoting to new product and service offerings, and deploying new talent strategies. But, with only 52% of retailers globally (38% in Europe) planning to bring back at least 75% of their furloughed workforce in the next six months – according to Aon figures – there is now a need to build efficiencies with fewer resources. Given these pressures, it’s clear that a successful reshape strategy will depend on retailers evolving to a more digital ready and agile workforce.

## BUILDING AN AGILE WORKFORCE

While it is good news that nine out of ten retailers believe that agility is critical to their future, this conviction does not always translate into action. Aon carried out pulse surveys in August for both the retail and technology sectors which found that while 50% of the technology firms consider themselves extremely or very agile, only 34% of retailers think the same; while just under two thirds (60%) see themselves as moderately agile with room to improve. So, how can they go about achieving their aim of being more agile?

With an ambition of delivering workforce agility, a greater investment in technology infrastructure is often the first priority. Aon’s survey supports this conclusion with 91% of retailers rating it as important or very important. There are, however, other high-ranking human capital-based initiatives that can have a big impact on the quest for agility often cost much less and are faster to implement such as virtual working, flexible working schedules, improved benefits and effective communications.



**RACHEL SILVERMAN**  
ASSOCIATE PARTNER RETAIL AND  
E-COMMERCE EUROPE INDUSTRY  
LEADER, REWARD DATA SOLUTIONS  
AON

## VIRTUAL WORKING

More than half of retailers now provide ongoing flexibility to work in the office or virtually and nearly eight out of ten are now identifying roles that can operate well remotely. To support this switch, 62% are investing in tools and technology to support remote collaboration. Despite this, retailers are behind technology firms in terms of helping employees who work in virtual settings to be more effective and productive. One in five retailers are not making changes or are unsure about how to support virtual working, while less than one in ten tech firms are in the same position.

In almost all the actions they took, retailers were not as quick as technology firms in terms of introducing short-term measures supporting virtual working. Gaps exist particularly for the actions taken in training managers on leading effective, virtual, remote teams and providing employees with more wellbeing tools. Addressing these shortcomings can help improve the virtual working experience.

## BE MORE FLEXIBLE

The ability to flex hours for employees can play a key role in becoming more agile and Aon’s research showed that more than 65% of retailers have implemented or are considering implementing a form of flexible work schedules. Of those, 53% are allowing their employees to further flex their working hours, either permanently or temporarily, while a higher 62% can do so with their manager’s approval. While this is encouraging, the tech sector scores better with 73% of companies having implemented or are considering flex work.

## ALIGN YOUR BENEFITS

When it comes to provision for employees with children, it’s a surprise that more is not being done to support them given the particularly disruptive nature on retail staff of long-term school closures on productivity. A third (33%) of retailers surveyed said they were not prepared to support employees who were not able to send their children to school or child care as a result of the pandemic. Given the prolonged and continued uncertainty of the pandemic, the provision of childcare assistance programs could be invaluable given the disruptive nature of school and nursery closures.



## HOW IS YOUR ORGANISATION HELPING EMPLOYEES WHO WORK IN VIRTUAL SETTINGS TO BE MORE EFFECTIVE AND PRODUCTIVE?



### COMMUNICATE

Underpinning all this should be a focus on great ongoing and multi-channel communication. When asked what factors are most important to building and maintaining an agile workforce, having the communications infrastructure and tools was considered highest with 93% of retailers surveyed ranking it as very important or extremely important.

### A CATALYST FOR CHANGE

The positive takeaway from the survey is that retail companies have shifted quite quickly in recent months as they have begun to realise the pandemic is not going away and have to accelerate their long-term transformation plans. But, as our findings show, there is more they can do to become more agile to achieve the change needed. And COVID-19 is a catalyst for that change.

Imagine a parallel universe where there was no COVID-19. This evolution of the retail industry we're seeing now would have happened eventually with its winners and losers. The difference is that the pandemic is forcing these changes today, on everyone in the industry, and the winners will be the businesses who quickly adapt and integrate agility throughout their operations.

\*All statistics sourced from the Aon COVID-19 Pulse Survey 5, August and represents Global Retail and e-Commerce (including Hospitality, Restaurant and Wholesale). To access complimentary results: <https://rewards.aon.com/en-us/sites/reports/covid-19-pulse-survey-5>

EGÉ EDI SIVA

// ege.edi.siva@aon.com

RACHEL SILVERMAN

// rachel.silverman@aon.com



The information contained in this document is intended to assist readers understand COVID 19 issues and is for general guidance only.

This document is neither intended to address the specifics of your situation nor is it intended to provide medical, legal or specific risk advice. You should review the information in the context of your own circumstances (including further safety or medical information from credible sources) and develop an appropriate response. Whilst care has been taken in the production of this document, Aon does not warrant, represent or guarantee the accuracy, adequacy, completeness or fitness for any purpose of the document or any part of it and can accept no liability for any loss incurred in any way by any person who may rely on it. Any recipient shall be responsible for the use to which it puts this document. This document has been compiled using information available to us up to its date of publication and is subject to any qualifications made in the document.