



Retail's Resilience and Rebound

Examining Retail's Workforce Outlook for
the 2024 Holiday Season and Beyond



This report analyzes survey responses collected by Morning Consult on behalf of the UKG Workforce Institute™ July 16–30, 2024, from more than 500 retail executives and managers representing both the frontline and a corporate perspective at small/medium (fewer than 3,000 employees) and large (more than 3,000 employees) U.S. retailers. Their feedback reveals insights into how stores are preparing for the 2024 holiday shopping season and other seasonal peaks while navigating staff shortages, labor costs, and more during retail's annual surges.

Retail's Ready to Bounce Back

After a few years of uncertainty, retailers are well on the road to recovery. By remaining focused on talent and providing a great work experience, stores can achieve greater success during the 2024 shopping season and in the year ahead.

This is the fifth annual retail survey from UKG, and while retailers still face numerous challenges — from recruiting and retaining talent to meeting the evolving needs of their employees and enhancing the employee experience — they remain resilient in navigating these concerns and are overall more optimistic about the future.

In 2024, employee satisfaction increased by 27%, while unfilled store positions and voluntary employee turnovers steadily decreased — all signs that employers' efforts to strengthen workplace culture and provide retail associates with the flexibility they crave are working.

As retailers become more and more comfortable with the idea of using technology and AI to streamline processes and increase efficiencies, they're learning that it allows them to do more with less — and that this approach is good for business.

And while retailers may not have all the talent they need to fill their holiday schedules, consumers are showing few signs of slowing down their spending. As a result, 55% of retailers say they'll be open on Thanksgiving to give consumers access to pre-Black Friday deals, and 71% say their stores will have extended hours during the busy holiday season.



The bottom line?

Retailers are moving in directions that will satisfy both employees and customers alike, which will have many positive benefits for the upcoming holiday season — and beyond.

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2025 Business Priorities

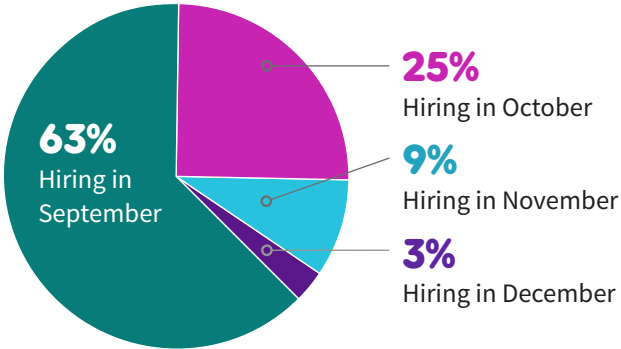
2024 Holiday Season: Early Hiring and Pre-Pandemic Sales Levels Expected

This year's holiday sales are predicted to return to pre-pandemic levels,¹ with inflation-concerned consumers spending just moderately more than they did last year. And while fewer retailers say they're planning to increase their hiring in anticipation of busier stores, the great majority of them state they feel prepared for the season. Those who are hiring aren't wasting any time, possibly because of this year's shortened post-Thanksgiving shopping window. It turns out that **63% of retailers began hiring for the holiday season by September, compared with only 52% who began hiring by that time in 2023.**

The holiday season headcount will decrease this year compared to 2023.



2024 Holiday Season Hiring



87% OF RETAILERS AGREE

“ I feel ready and prepared for the upcoming holiday season. ”



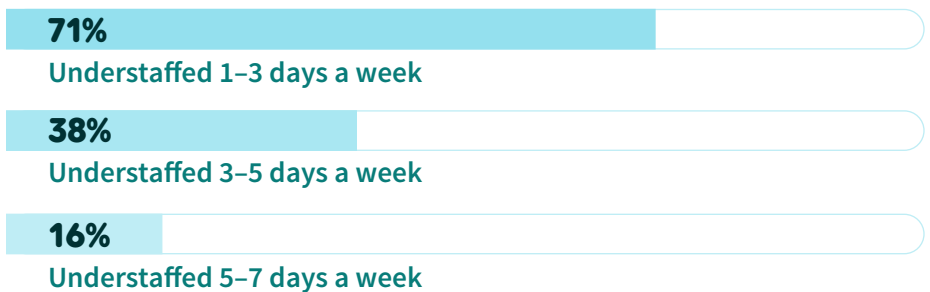


“ I will feel challenged to fill labor gaps for the 2024 holiday season. ”

Understaffing: Part of the Fabric of the Season

One side effect of the decrease in hiring in 2024 is that most retailers anticipate their stores will be understaffed for at least one day a week during this crucial consumer spending season. Of course, understaffing can lead to a number of issues, including poor customer service and overworked employees in jeopardy of burning out. Today, 85% of retailers agree: **Labor shortages impact our ability to meet customer service expectations.**

How can retailers lessen the impact of understaffing? By taking proactive steps to maintain productivity. For example, **81% of retailers say they are cross-training employees now in preparation for the next seasonal surge** and **71% say they incentivize employees to pick up hard-to-fill shifts.**



RETAILERS WEIGH IN ON THEIR TOP 5 WORKFORCE CHALLENGES FOR 2024:

- 1 Scheduling flexibility **32%**
- 2 Communication between frontline workers, store managers, and corporate **32%**
- 3 Employee engagement, morale, and culture **26%**
- 4 Employee productivity **26%**
- 5 Staffing shortages **25%**



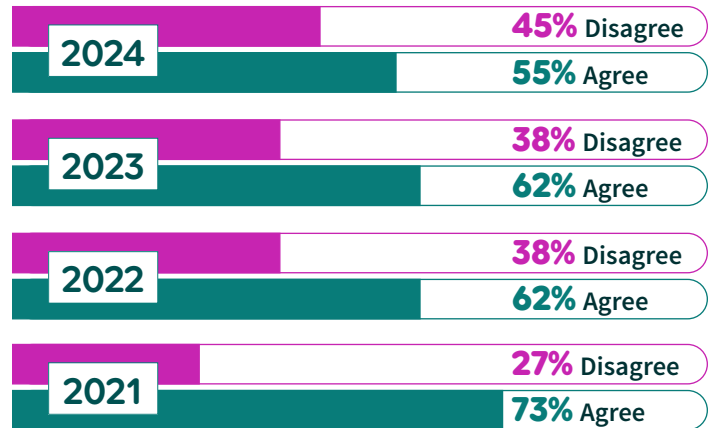
Retailers Still Face Recruiting Challenges — But the Landscape Is Improving

For the past several years, we've asked retailers whether they agree or disagree with the statement:

"It seems like people don't want to work in retail anymore."

This year, 45% of retailers disagreed with the sentiment — the most favorable outcome since our survey's inception and up seven percentage points from 2023. The number of those who agree with the statement has slowly decreased each year, showing signs of growing optimism among retailers for attracting talent.

Here's a comparison of the results of the past four years for the same statement:



Recruitment challenges for 2024 and beyond

The retail industry is one of the top five industries with the highest employee turnover rate, so recruitment is an ever-present issue. In 2023, recruitment challenges were exacerbated by the high cost of labor, staffing shortages and skills gaps, and consumer shopping habits shaped by inflation.

IN 2024, THE TOP 5 RECRUITING CHALLENGES ARE:

- 1 Competing with employers in other industries for skilled talent **55%**
- 2 Finding candidates who want to work for the organization **55%**
- 3 Attracting diverse talent **52%**
- 4 Finding talent with the right experience **47%**
- 5 Finding talent with the right skills **46%**

Interestingly, retailers with high retention of store managers were three times more likely to say attracting diverse talent was a top recruiting challenge. This suggests that a focus on retention may enable a greater emphasis on diversity.

The gig market continues to grow

These days, retailers aren't just competing with other retailers for talent. Thanks to the gig economy, workers have more opportunities than ever before for flexible and diverse job opportunities that attract a wide range of candidates. This shift is reshaping the hiring landscape, making it crucial for retailers to adapt their strategies to attract and retain top talent.

No Surprise Here: Retail Employees Are Burned Out

Employee burnout is a significant issue for the frontline workforce, especially in retail. Mental and physical exhaustion from long hours spent standing, moving around, and serving customers can take their toll. Burnout can be exacerbated by understaffing, unreasonably high expectations, and a lack of recognition or support from management. The bottom line: It can quickly lead to a talent shortage that can be both challenging and costly to navigate — and that can affect employers' bottom lines.

33%

OF FRONTLINE EMPLOYEES
always or often feel burned out at work.

This is a new statistic for 2024, highlighting the ongoing challenges associated with maintaining employee wellbeing in the retail sector.

71%

OF RETAILERS
AGREE

“My store(s) typically extend store hours during the holiday shopping season (i.e., November–December time frame).”

In 2024, **1 in 5 store managers** report responding to situations involving angry shoppers on a weekly basis — and 20% report observing signs of employee burnout weekly.

Compared with 2023, the frequency of these incidents has remained consistent, indicating that burnout and customer-caused stress continue to be prevalent issues — but at least they are not increasing.

85%

of retailers agree:
“Labor shortages impact our ability to meet customer service expectations.”

Focusing on Retention Through Culture and Trust

Even in high-turnover industries, many workers are looking for meaningful careers that give them a sense of purpose. Employers shouldn't assume that retail workers only plan to stay for a few months. More than three-quarters of employees at great retail workplaces and close to half of workers at typical retail companies have little to no intention of changing jobs.²

That message seems to be getting through, based on retailers' current strategies for maintaining or improving employee retention. Most strategies are based on creating a supportive and engaging work environment that focuses on trust and belonging — and addresses many employee needs.

RETAILERS' TOP STRATEGIES FOR MAINTAINING AND IMPROVING EMPLOYEE RETENTION

1 Ensuring work is purposeful and aligned to company strategy **35%**

2 Building trust between employees and leaders **32%**

3 Ensuring employees are proud of their work **31%**

4 Ensuring people feel they do meaningful work **30%**

5 Promoting inclusion and belonging **28%**

6 Providing schedule flexibility **27%**

7 Enabling employees to be heard **26%**

8 Increasing pay rates **26%**

Retailers are shifting their employee retention strategies. Last year, Increasing pay rates ranked #2 on the list.

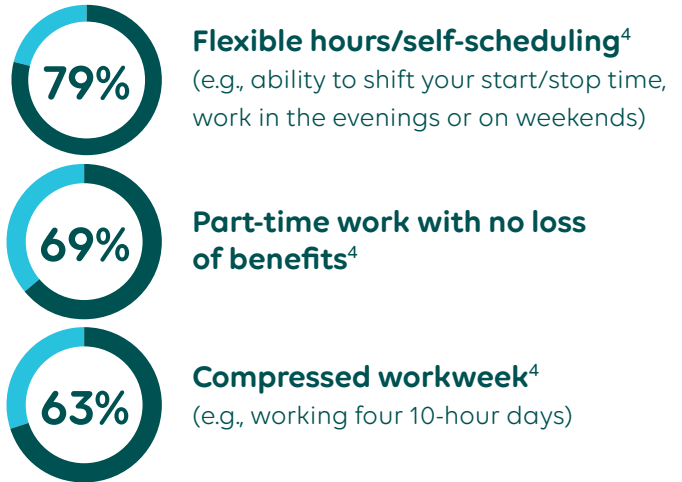


Scheduling Flexibility = Happy, Productive Employees

Schedule flexibility is a complicated topic for the retail industry. That’s because retail employees want to be able to adjust their working hours to fit their personal needs. This can lead to greater work-life balance for employees and increased employee productivity, loyalty, and retention for employers.³

However, due to the in-person nature of retail, most frontline workers must be present at a physical workplace to perform their jobs — and retailers must be able to add them into the schedule when the business needs them, which is not always when their employees want to work. With fewer opportunities for remote or hybrid work, the frontline workforce expects greater workplace flexibility in other ways — such as more say in determining their schedules and the ability to swap shifts with coworkers. **Currently, 63% of retailers say that store employees have the freedom to set their own shift availability.**

According to a forthcoming [UKG Workforce Institute](#) global study on perspectives from nearly 13,000 frontline employees and leaders, these are the forms of flexibility retail employees most desire:



GOOD NEWS!

Schedule flexibility is the #1 factor retail employees care about (44%), and it’s the #1 factor retailers say they will prioritize in 2025 (36%).

Offering satisfactory levels of workplace flexibility is still a challenge for retailers. **When asked if their organizations offer flexible work arrangements, here’s what they said:**

53% OFFER

**Flexible hours/
self-scheduling**

46% OFFER

**Shift trading
with coworkers**

43% OFFER

**Opportunities to
work at multiple
locations**

42% OFFER

**Opportunities
to work across
multiple roles**

36% OFFER

**Compressed
full-time
workweek**

33% OFFER

**Working as an
on-demand employee**
(not regularly scheduled,
who opts in to shifts)

32% OFFER

**Part-time work
with no loss of
benefits**

What Retail Employees Want — and What Retailers Think They Want



Retail employees value being heard. By listening to — and acting on — the needs of their workforce, retailers can improve overall job satisfaction, which goes a long way toward boosting retention. Employer efforts to understand exactly what drives individual purpose in the workplace will go a long way to help existing employees find what they're looking for right where they are.

Let's compare retailer and employee perspectives!

HERE ARE THE TOP 5 BENEFITS RETAIL EMPLOYEES WANT FROM THEIR JOBS:

- 1 **Schedule flexibility (44%)**
(e.g., ability to swap shifts, work at multiple locations, pick up shifts)

- 2 **Wellness benefits (42%)**
(e.g., mental health support, childcare assistance, fitness stipend, paid family leave)

- 3 **Growth opportunities (39%)**
(e.g., regular promotions, career path)

- 4 **Easy mobile access to work information (35%)**
(e.g., paystub, schedule, time off accrued)

- 5 **Core benefits (34%)**
(e.g., health, vision, dental, retirement)

For employees, **competitive pay ranked 11th** in top benefits they want.

What was more important to employees than pay?

- Predictable schedules
- Rewards and recognition
- Frequent and transparent communication
- Paid time off
- Workplace culture

HERE ARE THE TOP 5 BENEFITS RETAILERS ARE PRIORITIZING FOR FRONTLINE EMPLOYEES:

Retailers also rate this as their **#1 priority (36%)**

This makes retailers' **top 5 list at #5 (31%)**

This makes retailers' **top 5 list at #2 (35%)**

While #4 on retail employees' list of priorities, this option did not make an appearance on retailers' list. **That's an employee needs "miss" and a technology gap that requires further exploration!**

This is **#8 on retailers' list (29%)**

What rounded out retailers' top 5?
Rewards and recognition
Competitive pay

Retail Associates Are Clear on How They Want to Be Recognized

Rewarding retail employees for the work they do — particularly around the holidays — is crucial. Why? Recognition can motivate employees and boost productivity, provide them with a sense of accomplishment, and keep them from looking for another job.

Of course, recognizing employees in the way they prefer is best of all. Currently, besides a pay raise or promotion, employees prefer a cash bonus, paid time off, or gift cards — and it just so happens that they are among the top ways that retailers currently recognize or reward employees.

TOP 5 WAYS RETAILERS RECOGNIZE OR REWARD EMPLOYEES

50%



Cash bonus

A cash bonus is a **retail employees' first choice** for recognition, with **69%** choosing this option.

47%



Paid time off

53% of retail employees choose paid time off.

47%



Positive rating on their performance review.

42%



Gift cards

46% of retail employees prefer gift cards.

42%



Verbal praise in a 1:1 meeting with their manager.

1

2

3

4

5



The Evolving Role of Technology in Retail

Technology can play a critical role in enhancing the work experience for retail associates who want to be able to manage their schedules, check their paystubs, look up their benefits info, and connect with other employees quickly and easily from their phones. **More than half (55%) of retailers say they provide technology tools for communication, time and attendance, and scheduling.**

HERE'S WHAT RETAIL EMPLOYERS WHO OFFER WORKPLACE TECHNOLOGY HAVE TO SAY ABOUT IT:

- 94% say:** Technology has allowed our frontline employees mobile access to critical work information (e.g., schedules, time worked, time-off requests, benefits info).
- 93% say:** Technology has made it easier for our frontline employees to manage their work preferences and schedules.
- 92% say:** Technology plays a role in enhancing our frontline employees' experiences at work.
- 91% say:** Our organization leverages mobile technology to support our frontline employees' work experience.
- 90% say:** Our organization has been transparent with frontline employees about the purpose of new technology being implemented at work.
- 86% say:** Our frontline employees would like our organization to invest more in workplace technology.

More than 3 in 4 (77%) retailers agree:
Store managers can manage the schedule and make changes from a mobile device.



“Frontline employees would like our organization to invest more in workplace technology.”



SPOTLIGHT ON AI

Emerging AI tools can present managers and leaders with an objective view of their organization's current state, along with prescriptive guidance to improve business outcomes. For retail employees, AI can support them in key moments and empower them to accomplish more in the flow of work. Ideally, AI is a collaborative tool that can help create a more dynamic workplace environment.

While 60% of retailers say that frontline employees are worried that technology will replace them and their jobs, those worries are currently unfounded. The introduction of AI technology in retail doesn't equate to replacing human workers — it's meant to augment their capabilities.

88%
OF RETAILERS
AGREE

“AI in the workplace is positively impacting efficiency in stores today.”

Currently, nearly **3 out of 5 (58%)** retailers say they do **not** offer AI tools such as chatbots and content generation.



Preparing for the Future: Setting Priorities for 2025 and Beyond

Where retailers place their focus today are the areas that can pay dividends tomorrow. While last year's priorities focused more on the employee and customer experience — with the top five priorities being employee satisfaction (38%), customer experience (36%), employee training and development (31%), pay equity (31%), and attracting and retaining talent (30%) — retailers' priorities for 2025 and beyond are more focused on investments that can help build a more resilient and competitive business.



RETAILERS DEFINE THE MOST CRITICAL BUSINESS PRIORITIES FOR STORES IN 2025:

- 1 Omnichannel investments (BOPIS, Mobile POS, etc.) 37%
- 2 Price optimization and promotion management 32%
- 3 Inventory management/allocation 32%
- 4 Customer experience 32%
- 5 Diversity, equity, inclusion, and belonging 30%
- 6 AI/GenAI technology that drives efficiency 30%
- 7 Employee health and safety 30%
- 8 Generating cost savings 27%
- 9 Strengthening company culture 26%
- 10 CRM/customer loyalty programs 25%

ABOUT UKG

At UKG, our purpose is people. We are on a mission to inspire every organization to become a great place to work through HCM technology built for all. More than 80,000 organizations across all sizes, industries, and geographies trust UKG HR, payroll, workforce management, and culture cloud solutions to drive great workplace experiences and make better, more confident people and business decisions. With the world's largest collection of people data, work data, and culture data combined with rich experience using artificial intelligence in the service of people, we connect culture insights with business outcomes to show what's possible when organizations invest in their people. To learn more, visit ukg.com.

SURVEY METHODOLOGY

Research findings are based on a survey conducted by Morning Consult on behalf of UKG, from July 16 to July 30, 2024, among a pool of 514 retail executives and managers representing both the frontline and a corporate perspective at small/medium (fewer than 3,000 employees) and large (more than 3,000 employees) U.S. retailers. Industry segments include big box (26%), department store (28%), grocery (17%), specialty (5%), and others spanning discount, luxury, pharmacy, and wholesale (24%). The project's objective was to understand how U.S. retailers prepare for seasonal surges, including the 2024 holiday shopping season, while navigating staff shortages, high labor costs, and inflation to create memorable customer experiences in stores and increase revenues during peak seasons. All interviews were conducted online with adults 18 years or older. UKG has conducted similar holiday season studies in [2020](#), [2021](#), and [2022](#), and [2023](#).

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1. Deloitte, Holiday Sales Expected to Increase 2.3% to 3.3% (September 12, 2024), found at <https://www2.deloitte.com/us/en/pages/about-deloitte/articles/press-releases/Deloitte-Holiday-Retail-Sales-2024-2025.html>.
2. UKG Workforce Institute, 2024 Industry Insights Report | Retail Edition, found at <https://www.ukg.com/resources/industry-brief/ukg-workforce-institute-2024-industry-insights-report-retail-edition>.
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Our purpose is people