



eBook

Optimise retail success: Future-proof your workforce with Deloitte and Workday

 workday |  Deloitte.

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Executive summary

The retail industry faces a unique time of disruption. Drastic economic shifts have increased costs for retailers and driven sharp changes in consumer behaviours. Supply chain disruption remains an ongoing challenge. Regulatory burdens, sustainability and a changing workforce all make it difficult for retailers to evolve quickly and stay competitive.

Retailers have successfully adapted to many past challenges, but the retailers of the future will need a new level of agility and efficiency to retain their competitive advantage. To start, they will need to future-proof their workforce.

Every strategy for future success starts with the employee. The frontline workforce is the foundation of every retail business's ability to accelerate modernisation and adapt to rapid change. Yet, with workforce weaknesses being one of the primary challenges for today's retail leaders, how can these leaders begin to make strategic changes to meet business goals both now and in the future?

This eBook explores this question, outlining a skills-based approach that combines a people-centric strategy with AI-driven agility and efficiency to help you create a resilient and productive workforce that's ready to carry your business into the future.

Deloitte and Workday bring deep expertise in helping retailers build resilient workforce strategies. In this eBook, we share insights into the current retail landscape exploring key challenges, priorities and practical solutions to help you strengthen your retail business with a more engaged, efficient and agile workforce.



A crucial industry with a shifting foundation

Retail is a critical pillar of the economic landscape, and its challenges are complex. Macro-economic impacts, supply chain concerns, sustainability factors and shifting generational behaviours make it imperative for retail leaders to pursue new levels of agility to continue meeting rigorous demands.

Top forces reshaping retail¹



Changing consumer demands



Radical industrial upheaval



Extreme climate change



Economic, policy and power shifts



Evolving society and culture



Exponential technological advance

But how can retailers grow when there is a crack in the foundation of the industry? The workforce is the ground floor on which all other strategic efforts are built, and the retail workforce is in a risky position, shifting under the weight of employee turnover, skill gaps and technological limitations.

The new era of retail will be defined by accelerated technological innovation, new consumer preferences and complex risks. Deloitte insights say modern business models and digital-first strategies will be key for retail success² and highlight six major trends leaders are engaging in to meet these new demands.³

1 Responding rapidly to change

2 Evolving customer experiences

3 Innovating for growth

4 Addressing risk directly

5 Driving cost efficiencies

6 Empowering a future-ready workforce

With an unreliable workforce, a retail business can't hope to reach its strategic potential and compete long term. Empowering a future-ready workforce isn't just one of many trends; it's the non-negotiable first step in ensuring success for every other competitive initiative.



A workforce in decline

By the end of the decade, working-age populations could decrease by 8 million and 12 million in the eurozone and the European Union, respectively.⁴ As labour shortages persist, competition for skilled talent is high.

A shortage of skills

Over half (51%) of leaders across industries are concerned about talent shortages, and only 32% believe the skills in their organisations today are the same ones needed for future success.⁵

Talent turnover stays high

Turnover is the enemy of efficiency. Yet, retail, where efficiency is critical for the bottom line, has one of the highest rates of turnover. In 2022, data from Korn Ferry showed a turnover rate of 76% for hourly in-store retail positions.⁶ And, in 2025, retail industry data from Verizon shows that hiring and retention remain the number one challenge, cited by 98% of grocery retailers and 88% of speciality retailers.⁷

Challenges contributing to employee turnover:

- Burnout
- Inflexible scheduling
- Misaligned skills
- Limited growth
- Poor training



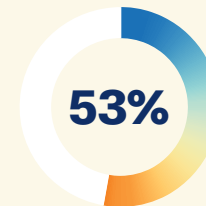
There are several reasons why retail has one of the highest turnover rates of all industries. Burnout resulting from tough and often inconsistent scheduling is a significant factor, alongside low employee engagement due to dissatisfaction with pay and progression opportunities. This is all exacerbated by a lack of easily accessible mobile-first tools that have the power to resolve these issues.

Laurent Homeyer

Senior Industry Advisor, Retail, Hospitality & Transportation, Workday

The retail skills gap indicates the need for a new approach

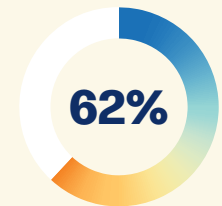
Global insights into talent gaps and hiring competition hold true across retail.



of retail leaders are concerned about a skills shortage in the next 3 years⁸



Retail is largely impacted by a lack of social skills and individual skills⁹



expect competition for qualified and skilled talent to intensify¹⁰



Intent to invest in the workforce

In 2024, Deloitte reported that, to help solve these challenges, 71% of European retailers and 66% of MEAA (Middle East, Asia and Australia) retailers were planning to invest more in hiring, retaining and future-proofing their workforces.¹¹ Results from the 'Deloitte 2025 US Retail Industry Outlook' show a similar trend, with two-thirds of respondents allocating moderate-to-major investments towards hiring, retention and future-readiness.¹²

But simply investing more won't hold the answer for a future-proof workforce. It's time for retail leaders to invest in an approach to human capital that is built for the future of work.



A new way forward: Building the workforce of the future

Retailers who are ready to embrace new workforce strategies will be prepared to capitalise on the changing landscape to create an even stronger competitive advantage. To help retail leaders on this journey, Deloitte and Workday offer a fresh perspective on how to proceed.

Deloitte, a global consulting firm renowned for its expertise in strategy, human capital, and end-to-end technology implementation and transformation, and Workday, the AI platform for managing people, money and agents, are helping retailers build a strategic foundation for a stronger workforce. Together, we're delivering a vision that integrates strategic insights and modern technologies to empower retailers to make more informed decisions for workforce performance, productivity and value.



In today's rapidly evolving retail environment, marked by shifting consumer behaviours, technological advances and increasing competition, success lies in empowering frontline workers through skill enhancement and seamless technology integration, fostering resilience and adaptability. By cultivating continuous learning and leveraging AI, retailers address operational challenges with innovative solutions, driving operational excellence and securing lasting customer loyalty.

Jerome Isaert
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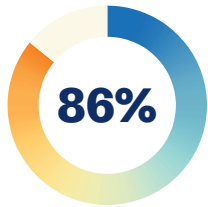
Transform the workforce with an AI-driven skills-based approach

1. Solve talent gaps with skills-based strategies

In the Workday global study of 2,300 business leaders in director positions or above from organisations employing at least 100 people worldwide, we found that leaders are quickly shifting to a skills-based model to help solve talent shortages and make their organisations more adaptable in the face of change.



55% of organisations have started their transition to a skills-based organisation¹³



86% of business leaders would be comfortable hiring based on a skills profile¹⁴

Benefits of a skills-based workforce

Whilst traditional approaches prioritise tenure, degrees and rigid job descriptions, a skills-based approach allows organisations to hire based on needed skills, and emphasises ongoing skill development, cross-functional roles and adaptive career progression to help you uplevel talent, keep employees engaged and create a more agile business.

Traditional approach

- Inflexible roles limit responsiveness
- Overlooks internal talent
- Slower adaptation to new technologies
- Limited employee development
- Higher turnover

Skills-based approach

- Continuous learning and adaptability
- Quick realignment of talent
- Career mobility and personalised growth paths
- Improves talent acquisition
- Enhances retention

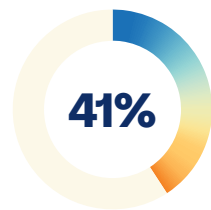


2. Elevate workforce management with AI

Retail is a natural fit for AI solutions. Already, retailers globally expect AI to automate key business processes like demand forecasting and personalisation.

- 89% of retailers are actively using or assessing AI.¹⁵
- 87% of those using it say it positively impacts revenue.¹⁶

But AI isn't only practical for operational processes. It's a highly valuable asset for managing human capital. According to Deloitte's 'Global Retail Outlook 2024', perceptive retailers already know this, with two out of five likely to use AI in human capital management processes.¹⁷



41% of retailers are likely to prioritise AI/GenAI to improve workforce management, hiring and training¹⁸

Benefits of AI in workforce management

An AI-integrated approach to workforce planning and management enables better resource utilisation, enabling employers to match scheduling to employee preferences and availability. A 360-degree view of workforce talent and skills gaps highlights priority areas to address. With a skills-based approach, HR can better match employees to roles where they will make the most impact.

A skills focus also allows retailers to offer personalised career development and growth opportunities that keep employees engaged and support the future of the business. And, with automated HR processes leading to improved efficiencies, valuable team members can spend more time pursuing those higher-value goals.

3. Drive value for employees

Retaining skilled employees requires meeting needs on an individual level. Employees who are empowered to perform independently, equipped to work effectively and exposed to career development opportunities are much more likely to stay with the company. Creating this culture of satisfaction requires employers to focus on timely technology, tools and training.

Roughly two-thirds of workers are not satisfied with their opportunities for training and skills development.¹⁹ This is another high-impact opportunity to implement AI; Deloitte notes that AI tools can help guide employees on upcoming tasks and provide quick answers to operational questions.²⁰ With this support, training demands are reduced, and workers are free to operate more efficiently and focus their energy on meaningful tasks instead of problem solving.



In the professional environment, **79%** of European employees who use generative AI think it will make their work easier within the next two years, and **73%** expect it to improve their overall work experience.²¹

Now is the time for retailers to not only invest in advanced technology, but to also invest in the related training, ensuring employees have everything they need to be successful day-to-day and for their ongoing career trajectories.



Providing employees with the most relevant training and tools to adapt in a rapidly evolving technological environment is crucial for attracting and retaining the talent that will work to improve business performance at a time when heavy investments are mandatory and profit margins are eroding.

Yannick Franc
Partner Strategy & Operations,
Deloitte France

Connect insights with intention for a future-proof retail workforce

In today's dynamic landscape, agility isn't a luxury; it's a necessity for reducing operational costs and creating lasting customer loyalty. Workday enables retailers to achieve that agility from the ground up with a future-proof workforce using Workday Illuminate™ – the AI capabilities at the core of the Workday platform.

Workday Illuminate isn't just about incremental improvements; it's about reimagining how you operate. We're delivering measurable value through:

- Next-level insights: Go beyond surface-level data with AI-powered analytics that reveal hidden patterns and drive smarter, more strategic decisions
- Unprecedented productivity: Automate complex tasks and empower your teams to focus on high-value initiatives, unlocking productivity at a scale you've never experienced before
- Significant cost savings: Optimise frontline worker scheduling, identify inefficiencies and reduce operational expenses to drive a healthier bottom line

Workday Illuminate is a catalyst for true transformation. It's the key to unlocking the agility, efficiency and strategic advantage that will propel your business into the future.



Workday Illuminate for the workforce lifecycle

Goal	Workday capabilities	Customer proof
Attract talent	<ul style="list-style-type: none"> • Skill suggestions • Skill matching • Workday Skills Cloud 	<p>“We chose Workday because we wanted data that would help us build our HR strategy, especially in terms of people development, to make sure we have a consistent approach worldwide.”</p> <p>Chief Human Resources Officer, Duvel</p>
Engage workers	<ul style="list-style-type: none"> • Assistance & insights • Learning recommendations • Intelligent answers 	<p>“We’re educating frontline workers to let them know opportunities exist for them across the organisation and completing their skills profile enables that. This impacts our internal job fill rate and reduces time to productivity vs. an external hire.”</p> <p>Talent Lead, Best Buy</p>
Optimise results	<ul style="list-style-type: none"> • Demand management • Shift generation • Anomaly detection • Planning & prompts 	<p>“Having access to all the data we keep in Workday means we know the labour demand we’ll have in a particular store in a particular week and can prepare accordingly. This has been the biggest value driver over the past year in optimising our HR function.”</p> <p>Max Weber, VP, HR & Controlling, Mister Spex</p>
Analyse efficiently	<ul style="list-style-type: none"> • Intelligent shift generation • Worker recommendations & best match 	<p>“We’re always looking for ways to make the lives of our people and managers easier. That’s why we’re all in with Workday – one source for information and truth.”</p> <p>Dietmar Knoess, VP, People & Organisation, PUMA</p>
Hire based on skills	<ul style="list-style-type: none"> • Skill matching • Skill suggestions • Workday Skills Cloud 	<p>“Workday Skills Cloud helps us with our talent management. We’re using [the Workday platform’s] capabilities to suggest skills based on jobs. We have a 14% increase year-over-year for internal fill!”</p> <p>HRIS Lead, Best Buy</p>
Retain talent	<ul style="list-style-type: none"> • Text summarisation • Task prediction • Gig & job matching • Forecasting 	<p>“We really want to drive a change in philosophy that will allow us to base our dynamism on both external skills, through recruitment and internal skills within the organisation: a skills-based organisation.”</p> <p>Louis Bosche, Head of HR Tech, Pernod Ricard</p>
Assess performance	<ul style="list-style-type: none"> • Workforce analytics • Priorities • Benchmarking 	<p>“Workday gave us exactly what we were looking for – a one-stop shop that was immediately understood by all stakeholders, offering a great user experience thanks to its amazing ease of navigation for everybody.”</p> <p>Belk, Inc.</p>



Retail frontline workers want to be connected to the organisation and to be valued and heard. They want the skills needed to do their jobs and to broaden and grow their careers.

Laurent Homeyer

Senior Industry Advisor, Retail, Hospitality & Transportation, Workday

Conclusion

Deloitte and Workday are here to help lead the way, offering the strategic insights, retail industry expertise and technological advisory and implementation support needed to shape the future of retail. To learn more about how these solutions can help future-proof your workforce and empower growth, connect with Workday for a deeper conversation.



Unlock new levels of performance with Workday Illuminate



Finance & planning

Drive financial excellence and reduce risk through intelligent automation



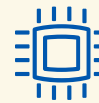
Human resources

Develop a tailored, skills-based approach to future-proof talent management



Operations

Deliver actionable insights at the moment of need to protect and grow your bottom line



IT

Scale AI initiatives and mission-critical performance without IT complexity



By placing tangible business value, responsible innovation and user-centric design at the forefront, Workday Illuminate empowers businesses to harness AI's full potential to drive unprecedented productivity and drive forever forward.

Carl Eschenbach

CEO,
Workday

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