

INDUSTRY USE CASE

The Retail Sector



The top 3 challenges for HR professionals in the Australian and New Zealand retail sector

Retail HR teams don't need convincing that AI matters. Most have already moved past experimentation. The harder question is how to make adoption stick consistently across every role, location, and team, not just where it's easiest.

That pressure is only building. 89% of retail organisations expect workforce growth, with 53% forecasting an increase of 11–25%. Every new hire and every existing employee whose role is shifting needs support, development, and measurement against outcomes the business cares about.

This report explores the workforce challenges shaping retail today and how Retail HR teams are responding.

Three connected challenges are
shaping Retail HR today:

1

Moving from AI adoption to
organisation-wide impact

2

Building the capabilities
Retail needs next

3

Workforce readiness,
onboarding and productivity

Moving from AI adoption to organisation-wide impact

Many Retail HR teams have moved beyond experimentation, while others are still testing where AI can add value.

83% of retail HR leaders say AI is being used widely or in pilots, and 73% say AI is extensively or mostly integrated into the organisation. But only 4% report active use among more than 75% of their workforce, while just 24% extensively measure AI's impact. The challenge is moving from pockets of use to supported, measurable adoption across the workforce.

4%

report active use among
more than 75% of their
workforce

CHALLENGE 2

Building the capabilities Retail needs next

Upskilling, cross-skilling and reskilling are the third-biggest challenge facing retail HR teams, cited by 22% of organisations. It's the clearest sign that AI adoption depends as much on people and capability as it does on technology

Internal skills are already a top-three priority for 23% of organisations, alongside HR reporting and analytics (26%) and expanding AI use (23%). Capability building is the foundation on which the rest of the AI agenda sits.

HR leaders agree on where the value lies: 32% identify supporting AI adoption as the most important HR skill, 29% point to interpreting AI-generated insights and data, and 88% say AI is effective for skills and capability planning.

None of this happens without HR in the driver's seat, understanding which capabilities changing roles require and turning that insight into development people can genuinely use.

51%

expect L&D budgets
to increase

58%

expect AI technology
budgets to increase

53%

expect investment in
AI skills to increase

Workforce readiness, onboarding and productivity

Growth adds pressure, not just headcount. 89% of retail organisations expect workforce growth, with 53% forecasting an increase of 11–25%, meaning more new starters across increasingly distributed teams.

With training already representing an annual investment of \$1,781 per employee, the opportunity is to make that learning more targeted, accessible and connected to the needs of each role.

There's a human side too: 16% of retail HR teams cite change fatigue, a reminder that readiness isn't only a process problem.

A more connected recruitment, onboarding and learning experience closes that gap, helping people access what they need sooner, across locations and schedules.

26

days for a new hire to become fully productive.

So what does it all mean?

Each challenge is closely connected. Expanding AI use, adopting it consistently, and building the capabilities to support it all depend on the same thing: clear visibility into where adoption has landed, where the gaps are, and what people need to close them.

For retail, these pressures are amplified by fast-growing, distributed workforces spread across stores, regions and support functions. As demand for skilled, work-ready people grows, organisations need AI adoption, capability development and onboarding to work together, not be managed in isolation.

With greater workforce visibility and a clearer path from recruitment through to development, retail leaders can move from scattered pilots to organisation-wide impact, ensuring the right people with the right capabilities are ready at the pace the business is growing.

Turn AI Adoption into organisation-wide impact

HOW

Build stronger data foundations, connected processes and clearer workforce visibility to support AI adoption across every store, region and team. Without that foundation, AI adoption stays fragmented and hard to scale beyond the pockets of the business already using it.

RESULTS

According to a Forrester Total Economic Impact™ study commissioned by ELMO, a representative 500–employee organisation modelled measurable benefits including:

80%

less time spent
producing reports

\$122,000

savings from
reduced HR admin

\$14,000

saved from increased
reporting efficiency

**Faster
workforce**

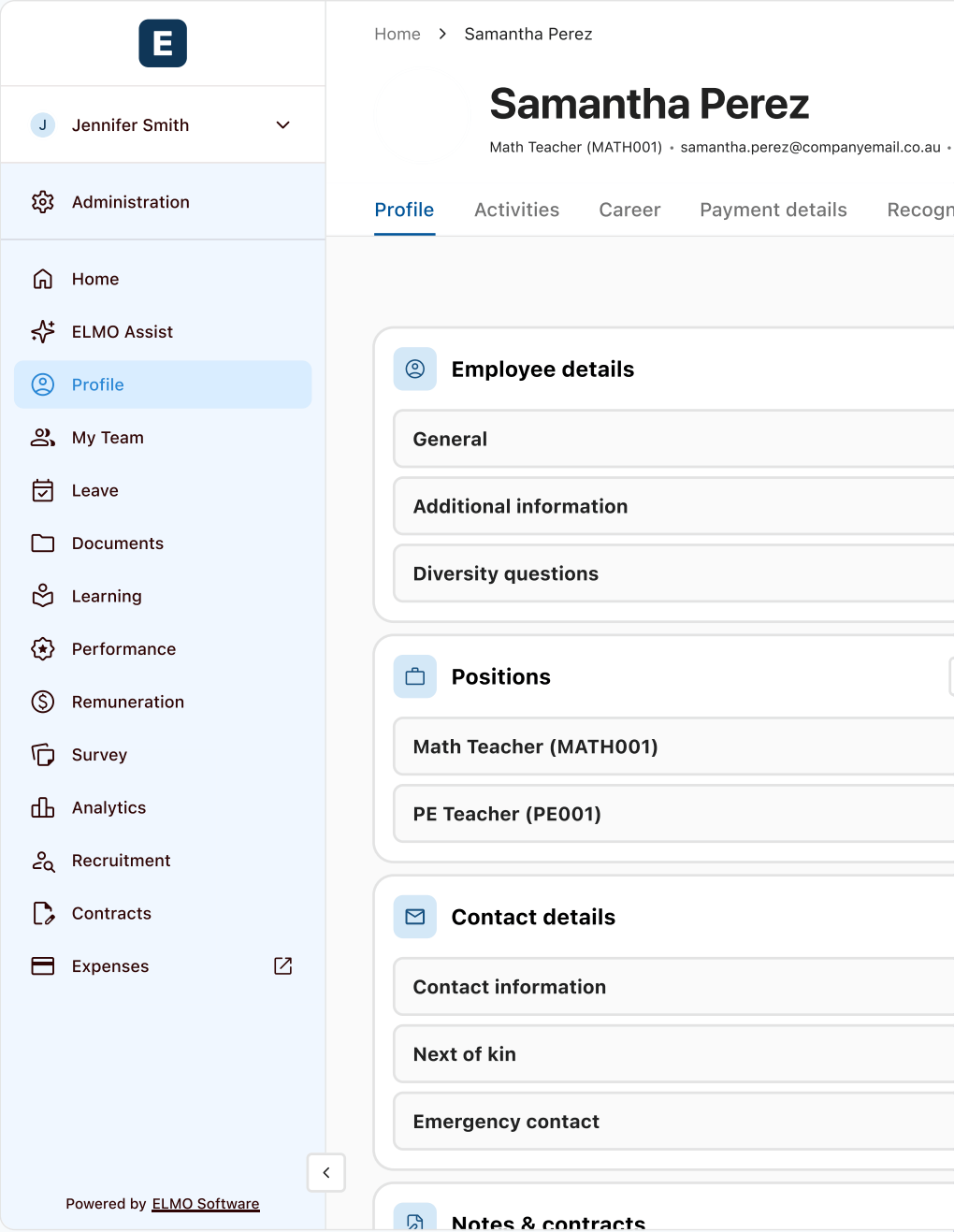
insights for more
confident planning and
stronger governance

Product: ELMO HR Core

Retail HR teams can use ELMO HR Core to:

- ✓ Maintain a single source of truth across stores, regions and corporate teams
- ✓ Improve visibility across workforce data, learning activity, recruitment and onboarding progress.
- ✓ Reduce manual administration and fragmented reporting
- ✓ Use ELMO Insights to ask workforce questions in plain English and explore answers through dashboards and reports.

This isn't about deploying AI across every workflow. It's about making adoption more consistent and measurable, giving HR the foundation to turn pilots into activity they can see, support and measure.



Turn changing roles into targeted development

HOW

Map the capabilities that changing retail roles require, close the gaps, and deliver structured development at scale, including for frontline teams.

AI adoption depends on human capability, not the other way around. Without a clear view of emerging skills needs, retail organisations risk investing in training that doesn't match where the business is actually heading.

RESULTS

The TEI study modelled measurable capability and efficiency gains for a representative 500-employee organisation:

\$772,000 saved from improved training development and rollout

50% faster training completion via an intuitive, accessible learning experience

Accelerated training

through a centralised repository of content and template

Build capability

with easier access to learning and development opportunities

Product: ELMO Career Development, connected to ELMO Learning

Retail HR teams can use these ELMO tools to:

- ✓ Map the capabilities for your retail organisation
- ✓ Assess current capability and identify gaps with confidence
- ✓ Get a forward-looking view of emerging skills needs with Capability Forecast
- ✓ Deliver accessible, structured development at scale, including for frontline teams

Career explorer lets staff assess their capabilities against their current or future desired roles – a employee driven tool that helps drive career development opportunities and aid succession planning.

AI plays a role here as a source of insight and efficiency, not a replacement for a skills strategy. That still depends on HR turning identified gaps into development that people can genuinely use.

Capability Framework

Framework overview

Proficiency scales5

Available job families10

Capabilities125

Activated job families

Product Management	:	
Edit capabilities	20	
Edit proficiency targets	100%	

+ Activat

Capability assessment

Create capability assessment

Cre

Your Capability Library

Type ▾Job family ▾

▾ Abstract thinking

Functional

▾ Collaboration

Core

▾ Communication (verbal)

Core

▾ Communication (written)

Core

▾ Cross-functional collaboration

Functional

Help new starters become ready to contribute sooner

HOW

Create a smoother, more connected handover from recruitment to onboarding to learning, so new starters are ready to contribute faster.

As retail workforces grow, the pressure to recruit, onboard and prepare people consistently only builds. A disconnected process means duplicated admin, slower starts, and new hires who take longer to contribute.

RESULTS

The TEI study modelled measurable recruitment and onboarding gains for a representative 500–employee organisation:

70%

reduction in time
spent managing
job applicants

\$38,000

saved through increased
recruitment process
efficiency

1 week

faster time-to-hire through
integrated recruitment
and onboarding

Product: ELMO Recruitment and Onboarding

Retail HR teams can use these ELMO tools to:

- ✓ Automate recruitment workflows and speed up contract creation
- ✓ Create a smoother handover from candidate to employee in one connected flow
- ✓ Reduce duplicated administration and manual follow-up before day one
- ✓ Make required learning easy to access, wherever people work

This is the tangible outcome for retail HR: a clearer path into the organisation and more people ready to contribute as the workforce grows.

E

J

⚙️

🏠

🌟

👤

👥

📁

📖

📊

🔍

📝

📦

Home > Contracts

Contracts

Contract Workflow Management

Contract status ▾ User type ▾ Show: Active ▾

Employee	User type
SP Samantha Perez samantha.perez@email.com	Employee
BC Brady Craig brady.craig@email.com	Onboarding
KC Kathryn Calhoun kathryn.calhoun@email.com	Onboarding
LF Luka Fletcher luka.fletcher@email.com	Employee
MH Mathew Horn mathew.horn@email.com	Employee
TA Teresa Acosta teresa.acosta@email.com	Employee
TM Trevor Martin trevor.martin@email.com	Onboarding
TJ Taylor Johnson taylor.johnson@email.com	Onboarding

Items per page 10 ▾ 1 - 10 of 22 items

>

Building a more resilient retail workforce

The workforce challenges facing retail are closely connected. The ability to scale AI adoption, build the right capabilities and get new starters productive faster all rely on having access to accurate workforce data, clear visibility across the business, and the ability to make informed decisions.

As retail workforces grow and spread across more stores, regions and teams, HR needs more than standalone processes. It needs a connected approach that brings AI adoption, capability development, recruitment and onboarding data together in one place.

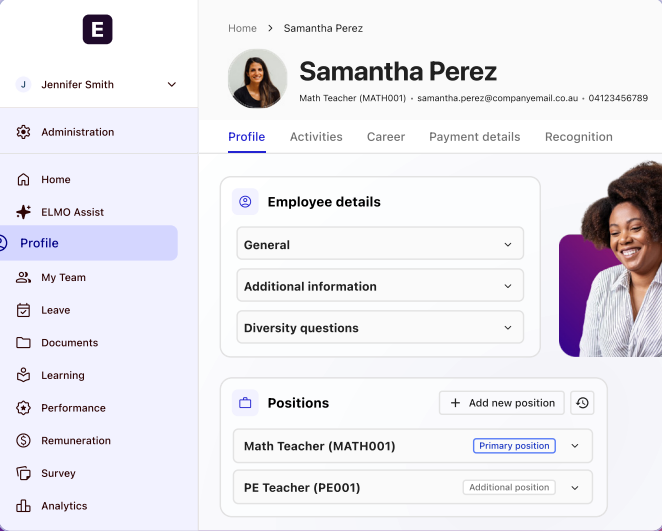
ELMO helps retail organisations build a more capable, responsive and connected workforce by providing the visibility, automation and insights needed to scale AI adoption, close capability gaps and get every new starter contributing sooner.

The Complete AI Workforce Platform™

Founded in 2002, the ELMO Group comprises ELMO Software, Breathe HR and Rotageek. ELMO Group is a multinational provider of people management solutions, trusted by over 18,000 organisations across Australia, New Zealand and the United Kingdom.

ELMO is The *Complete* AI Workforce Platform™. It unifies HR and Payroll on one connected data foundation and layers native AI to turn workforce data into insight and action. ELMO's mission is to get Australia and New Zealand's workforce ready for what's next and supports the full employee lifecycle, from recruitment and onboarding to learning, performance, payroll and more.

Backed by ISO-certified security, Australian-based data hosting and local experts who guide change throughout the journey, ELMO helps mid-sized organisations build the foundation for AI-ready workforces of tomorrow.



The screenshot displays the ELMO AI Workforce Platform interface. On the left is a navigation sidebar with the ELMO logo and a user profile for Jennifer Smith. The main content area shows the profile of Samantha Perez, a Math Teacher (MATH001), with tabs for Profile, Activities, Career, Payment details, and Recognition. The Profile tab is active, showing Employee details (General, Additional information, Diversity questions) and Positions (Math Teacher (MATH001) as Primary position, PE Teacher (PE001) as Additional position). To the right of the profile is a photo of Samantha Perez. Below the profile are several HR modules: HR Core, AI Insights, Workforce Design, Recruitment & Onboarding, Payroll Partner Network, Performance & Remuneration, and Learning & Content Library.