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The human side of retail resilience: Exploring employee well-being as a driver of human-centric innovation

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ABSTRACT

This interpretivist qualitative study examines how frontline retail employees experience and shape innovation in a rapidly evolving industry, addressing the underexplored behavioral health foundations of retail transformation. Drawing on 40 interviews, ethnographic observations, and organizational documents across supermarkets, fashion outlets, and logistics hubs, the study uses thematic analysis to identify four key processes. First, employees experience innovation ambivalently, as both a stressor (e.g., job insecurity, emotional labor, overload) and a challenge that enables coping, skill development, and expanded roles. Second, well-being – supported by managerial practices, psychological safety, and fair conditions – functions as a critical resource that facilitates experimentation and adaptation. Third, employees enact micro-innovations in daily work (e.g., service improvizations, operational workarounds) to manage demands, protect well-being, and maintain service quality. Fourth, well-being-supportive climates foster trust and perceived organizational support, strengthening resilience and sustained engagement during disruption. Integrating the Job Demands–Resources model, psychological safety, and service-dominant logic, the study positions frontline employees as active co-creators of human-centric innovation, highlighting the central role of behavioral health in sustaining long-term innovation capacity.

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Human-centric retailing; employee well-being; service innovation; retail resilience; psychological safety

Introduction

Retailing is at the forefront of one of the most profound transformations in modern business history. Digitalization, e-commerce expansion, automation, and data-driven personalization have rapidly reconfigured how retailers operate and compete, reshaping not only business models but also

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everyday work. Over the last decade, the industry has shifted from a predominantly brick-and-mortar model to an omnichannel and increasingly digital ecosystem, driven by technologies such as artificial intelligence (AI), predictive analytics, and cashierless innovations (Grewal et al., 2017; Shankar et al., 2021). These transformations promise efficiency, convenience, and enhanced consumer experiences. However, while organizational and scholarly debates frequently emphasize technology adoption and consumer orientation, much less attention has been paid to the behavioral health foundations of retail transformation – specifically, frontline employees' stress, psychological safety, coping, and well-being, and how these shape their innovative role (Akram et al., 2021).

Frontline retail employees constitute the backbone of the industry, serving as the first and often primary interface between firms and consumers. They are instrumental in implementing innovation strategies and shaping consumer experiences (Pantano et al., 2020). At the same time, these employees face considerable pressures: high workloads, irregular hours, precarity in contracts, and anxieties related to technological displacement (De Witte et al., 2016; Klein, 2021). The COVID-19 pandemic accentuated these dynamics – retail workers were reclassified as "essential", sustaining access to food, clothing, and household goods, while simultaneously enduring heightened health risks, stress, and instability (Carnevale & Hatak, 2020). Rather than being merely passive recipients of change, many employees improvised frontline adaptations – what can be described as "micro-innovations" – to ensure service continuity, support customers, and cope with operational disruptions (Pantano et al., 2020). These adaptations can be understood as behavioral health responses to intensified job demands, where workers mobilize coping strategies, social support, and professional pride to sustain performance under strain.

Despite their crucial role, research often reduces retail employees to variables in efficiency models, rather than recognizing them as active co-creators of innovation and resilience. While service and organizational behavior literatures have long shown the value of psychological safety and employee empowerment for fostering creativity, learning, and performance (Edmondson, 1999; Gardiazabal & Bianchi, 2021), retail scholarship has tended to under-theorize these mechanisms from an employee perspective. A growing body of evidence indicates that employees who feel supported, valued, and safe are more willing to experiment, embrace technological changes, and contribute proactively to organizational transformation (Bakker & Demerouti, 2017; Shujahat et al., 2025). Large-scale organizational initiatives such as Google's Project Aristotle similarly highlight psychological safety as a central condition for team effectiveness. This suggests a conceptual shift: employee well-being should not be treated

merely as a byproduct of innovation, but rather as a psychological and social resource that enables innovation and adaptive behavior in the face of disruption.

Several theoretical perspectives support this view. The Job Demands–Resources (JD-R) model shows how job resources – such as autonomy, perceived organizational support, and supervisory care – not only buffer against strain but also stimulate engagement and innovative work behavior (Bakker & Demerouti, 2017; Eisenberger et al., 1986). The concept of psychological safety, initially articulated by Edmondson (1999), suggests that workplaces where employees feel able to voice ideas, admit mistakes, and question routines without fear of reprisal are more likely to accelerate learning, adaptation, and collective problem-solving. Within these climates, perceptions of organizational support and fairness function as key job resources that underpin both well-being and constructive risk-taking. Finally, service-dominant logic (Vargo & Lusch, 2016) positions value creation as fundamentally relational, arising not only between firms and consumers but also through employees' interactions within organizations. Taken together, these frameworks foreground the central role of employees' behavioral health – encompassing stress, coping, psychological safety, and well-being – in enabling adaptive, human-centric innovation within retail transformation.

Accordingly, this study seeks to explicate the interdependence of well-being, innovation practices, and resilience among retail employees, with a specific focus on the behavioral health mechanisms involved. The following research questions guide the analysis: (1) How do frontline employees experience the behavioral health impacts (e.g., stress, psychological safety, coping) of innovation initiatives implemented in their workplaces? (2) Through what behavioral health mechanisms does employee well-being facilitate or constrain innovative behavior and adaptability in retail contexts? (3) How does employee well-being operate as a resource in shaping the resilience of retailers and the communities they serve?

By addressing these questions, this research contributes to both theory and practice. Theoretically, it repositions employees not simply as implementers but as co-creators of human-centric innovation, extending JD-R, psychological safety, perceived organizational support, and service-dominant perspectives into the retail domain. Empirically, it surfaces novel insights into everyday adaptation and micro-innovation, grounding concepts of resilience in the lived experiences and coping practices of frontline workers. Practically, it makes the case that prioritizing employee well-being is integral to building resilient and adaptive retail ecosystems, rather than a peripheral human-resources concern. In summary, while retail transformation is often viewed through the lenses of technology and consumer experience, this article demonstrates that such transformations ultimately

rest on the shoulders of employees. Their well-being functions as a critical resource that shapes whether innovation leads to resilient, human-centric outcomes or to stress, disengagement, and fragility.

Literature review

Retail transformation and innovation

The retail industry has undergone a fundamental transformation over the past two decades, driven by technological advancement, globalization of supply chains, and shifting consumer expectations. Historically, retail was predominantly brick-and-mortar, with stores acting as the primary, and often only, interface for firm–consumer interaction, but the rapid adoption of digital technologies has created omnichannel environments where physical stores, e-commerce platforms, mobile commerce, and social media channels converge to form hybrid consumer journeys (Lemon & Verhoef, 2016). These changes are systemic rather than incremental, restructuring not only how firms sell and consumers buy, but also how work is organized and experienced by frontline employees (Pantano et al., 2020).

Digitalization has been a central catalyst of this transformation, as artificial intelligence (AI), big data analytics, and machine learning increasingly drive operational decisions in areas such as inventory management, customer relationship management, and demand forecasting (Davenport et al., 2020). Technologies such as self-checkout, handheld devices, and app-integrated loyalty programs require staff to integrate new tools into their workflows while simultaneously maintaining the emotional labor of customer service (Akram et al., 2021; Huang & Rust, 2021). In practice, these innovations often intensify job demands – through work acceleration, algorithmic scheduling, tighter performance monitoring, and more complex customer expectations – which heighten risks of strain, stress, and burnout if not matched by adequate job resources and support.

Retail transformation is therefore multifaceted, encompassing technological, organizational, and social dimensions that intersect in employees' daily work. Technological innovation enables new forms of efficiency and personalization; organizational innovation involves new business models such as platform-based ecosystems or direct-to-consumer strategies; and social innovation includes community partnerships, diversity initiatives, and human-centric programs (Shankar et al., 2021). The interplay among these dimensions demands that employees constantly learn, adapt, and cope with changing routines, juggling tensions between efficiency and empathy, automation and human contact, and global standards and local relationships. Without adequate attention to these behavioral health implications – workload intensification, job insecurity linked to automation, and

expanding emotional labor – retail innovation strategies risk eroding the well-being of the very workers who enact them.

Taken together, the retail transformation literature highlights a tension. On the one hand, digitalization and innovation promise efficiency, personalization, and sustainability; on the other hand, they expose workers to risks related to inequality, exclusion, and diminished control over work processes (Kietzmann et al., 2018; Schultz, 2025). This tension positions human-centric approaches as increasingly vital: without sustained attention to employee well-being, empowerment, and agency, retailers may implement technically sophisticated but behaviorally fragile systems that undermine resilience over time.

Human-centricity in retail research

As retailers adapt to increasingly digitized, data-driven, and globalized environments, scholars and practitioners have shown growing interest in placing the human at the center of retail transformation. Human-centricity in retail research reflects the idea that successful innovation depends not only on technological advancement or operational efficiency, but equally on the well-being, experiences, and values of key stakeholders – customers, employees, and communities (Li & Duan, 2026). By shifting emphasis from narrow efficiency metrics to broader human experience and inclusivity, human-centric approaches question dominant, performance-driven narratives in retail strategy.

Marketing and retailing research has traditionally emphasized customer-centricity, showing how tailoring offerings, services, and interactions to maximize customer lifetime value can drive firm performance (Sheth et al., 1991). Critics, however, argue that customer-centricity, while ostensibly human-facing, often remains primarily instrumental, positioning customers as means to economic ends rather than as stakeholders whose well-being matters in its own right (Frow et al., 2011). Human-centric retailing broadens this lens, incorporating the holistic well-being of customers, employees, and communities and acknowledging moral, social, and emotional dimensions – such as psychological safety, dignity, and community development – alongside transactional ones (George et al., 2016; Li & Duan, 2026).

On the consumer side, research shows that meaningful, personalized, and ethical experiences increasingly drive satisfaction and loyalty. Consumers expect retailers to respect data privacy, demonstrate transparency, and practice sustainability as baseline expectations rather than optional extras (Hollebeek & Macky, 2019). Empirical studies indicate that when retailers are perceived as authentic and socially responsible, they foster greater trust and brand advocacy and contribute to consumers'

psychological and social well-being, including feelings of belonging and purpose (Ladhari et al., 2019; Mourtzis, 2023). Yet these studies predominantly frame human-centricity in relation to consumers, leaving the employee and community dimensions comparatively under-developed.

Employees are central to enacting retail transformation, as they implement technological rollouts and operational changes while co-creating experiences with consumers in everyday encounters. Recent service research emphasizes that employee well-being and empowerment are essential for creating authentic retail experiences in which consumers feel supported and valued (Gardiazabal & Bianchi, 2021; Klein, 2021). Emotional labor – expressing empathy, managing consumer frustration, and personalizing interactions – constitutes invisible value creation that depends heavily on psychological safety, perceived organizational support, and fair working conditions. Human-centricity therefore requires recognizing employees as stakeholders whose well-being is integral to innovation outcomes, not merely as labor costs or implementation resources.

A third dimension of human-centric retailing concerns the community contexts in which retailers operate. Retailers are increasingly viewed as socio-economic anchors within regions, providing employment, supporting local suppliers, and hosting community initiatives that contribute to place-based resilience (Heinonen, 2025; Sewell et al., 2017). Studies highlight mutually reinforcing benefits of community engagement: retailers gain legitimacy and trust, while communities benefit from local investment, opportunities, and inclusive growth (Deigh et al., 2016; Lund et al., 2021). However, community engagement is often framed as peripheral corporate social responsibility rather than as a strategic component of innovation and resilience, which underplays its role in shaping how employees and communities jointly navigate disruption.

Despite the growing prominence of human-centric perspectives, significant gaps remain. First, the employee dimension of human-centric innovation has been less systematically explored than the consumer dimension; research on ethical consumption and consumer well-being has flourished, whereas studies that explicitly situate employee well-being as an antecedent of innovation are comparatively scarce. Second, the community dimension is often under-theorized, treated as an external beneficiary rather than as an active co-creator within innovation processes. Finally, most studies examine customers, employees, and communities in isolation, limiting opportunities to understand holistic human-centric innovation that spans these stakeholder groups. This study responds by positioning frontline employees as a timely focus for advancing human-centric retail research, examining how their well-being connects customer experience, innovation adoption, and community-level resilience.

Employee well-being in retail and service contexts

Employee well-being has emerged as a central concern in organizational studies, reflecting both ethical imperatives and strategic considerations. Well-being encompasses physical, psychological, social, and economic dimensions of employees' experiences at work (Danna & Griffin, 1999). In service- and labor-intensive industries such as retail, well-being is especially critical because frontline workers mediate between organizational strategy and consumer experience, so their health, motivation, and engagement shape productivity, service quality, and the capacity to engage in adaptive and innovative behavior (Grawitch et al., 2015).

Well-being is multidimensional: physical well-being refers to safe, healthy working conditions; psychological well-being includes job satisfaction, resilience, and mental health; social well-being involves supportive relationships and belonging; and economic well-being relates to income adequacy, job security, and predictable schedules (Aboobaker et al., 2022). In retail settings, these dimensions are threatened by demanding physical work, high customer volumes, emotional labor, precarious contracts, and limited career advancement, conditions that heighten vulnerability to stress, burnout, and disengagement (Loon et al., 2019).

The Job Demands–Resources (JD-R) model provides a valuable framework for understanding how these conditions affect well-being. According to JD-R, job demands such as workload, time pressure, or emotional strain can lead to exhaustion and burnout unless buffered by job resources such as autonomy, supportive supervision, and development opportunities (Bakker & Demerouti, 2017). In retail, job demands are often high and resources unevenly distributed, which can produce high turnover, resistance to organizational change, and limited openness to innovation (Kooij et al., 2017). Conversely, when employees experience sufficient resources, they report greater engagement, stronger commitment, and more frequent innovative behaviors.

Emotional labor is a defining feature of retail work, as employees must regulate their emotions to display friendliness, patience, and composure in interactions with customers (Grandey & Sayre, 2019). Surface acting – suppressing or faking emotions – has been linked to stress and emotional exhaustion, whereas deep acting – aligning internal feelings with role expectations – can sustain customer satisfaction but may deplete psychological energy over time (Mann et al., 2024). Organizational systems that provide training, peer support, and reasonable workloads can mitigate these costs, enabling employees to perform emotional labor in ways that are more sustainable for their well-being (Klein, 2021).

Emerging scholarship emphasizes the link between well-being and innovation in service contexts. Employees who feel psychologically safe – able to

voice ideas, admit mistakes, and experiment without fear of negative consequences – are more likely to engage in creative problem-solving and propose improvements (Harvey et al., 2019). In retail, where innovation is often enacted "on the ground" through small adjustments in service interactions and processes, such psychological safety and well-being become catalysts for everyday micro-innovations (Janssen, 2000). Conversely, job insecurity, which is prevalent in environments affected by automation or gig-based employment, undermines motivation and proactive behavior, leading employees to conserve resources and avoid risk-taking rather than engage with change (De Witte et al., 2016).

Organizations shape employee well-being through both structural design and cultural practices. Structural factors include fair scheduling, ergonomic workspaces, transparent career paths, and equitable compensation; cultural factors include supportive leadership, recognition, inclusive climates, and channels for employee voice (Guest, 2017). Empowering leadership styles that foster autonomy and meaning have been shown to enhance well-being and encourage employees to innovate in their daily interactions (Amundsen & Martinsen, 2015). Similarly, mechanisms for collective voice, such as employee councils and feedback systems, strengthen perceptions of fairness and psychological safety, thereby supporting both well-being and engagement with innovation (Wilkinson et al., 2020).

The current phase of retail disruption further heightens the significance of well-being. Digital technologies such as automation in checkouts, algorithmic scheduling, and data-driven performance monitoring create both opportunities – for skill development and reduced manual labor – and threats, including job loss fears and intensified surveillance (Shankar et al., 2021). The COVID-19 pandemic underscored that employee well-being is central to organizational resilience: frontline workers were essential to maintaining operations under heightened risk, and retailers that invested in protecting health and providing psychosocial support were better able to sustain service delivery and safeguard reputations (Carnevale & Hatak, 2020; Pantano et al., 2020).

Overall, the literature shows that employee well-being in retail is multidimensional and closely tied to organizational outcomes such as engagement, emotional resilience, and innovative behavior. Yet most retail transformation studies continue to prioritize technological efficiency and consumer-facing metrics, leaving the employee perspective under-developed and the role of well-being as a behavioral health resource enabling innovation and resilience insufficiently examined. This study addresses this gap by exploring how employee well-being fosters adaptive, innovative, and resilient practices in retail, positioning employees not merely as costs of transformation but as vital agents within human-centric innovation.

Well-being as an enabler of innovation

Innovation in retail has traditionally been conceptualized in terms of technological advancement, operational efficiency, and consumer-centric strategies. However, organizational and service research increasingly highlights that innovation is deeply rooted in the behaviors, mindsets, and relational dynamics of employees (Janssen, 2000). For frontline retail workers, who serve as both implementers and initiators of small-scale micro-innovations, well-being provides a crucial psychological and social foundation that shapes whether they interpret change as an opportunity for growth or as a threat to stability (Gardiazabal & Bianchi, 2021).

Innovative work behavior involves generating, promoting, and realizing ideas that improve work processes, services, or products (Janssen, 2000). Research indicates that employees experiencing higher levels of well-being – characterized by energy, resilience, and positive affect – are more likely to engage in such behavior, whereas those facing stress, burnout, or insecurity tend to conserve resources and avoid risk, constraining innovation (Shujahat et al., 2025). From a JD-R perspective, well-being can be viewed as a resource reservoir: when employees have sufficient job and personal resources, they are better able to invest in exploration, experimentation, and creative problem-solving (Bakker & Demerouti, 2017).

Psychological safety is a critical mechanism linking well-being to innovation. Defined as a shared belief that the work environment is safe for interpersonal risk-taking, psychological safety enables employees to speak up with new ideas, acknowledge errors, and question routines without fear of embarrassment or punishment (Edmondson, 1999; Harvey et al., 2019). Studies show that psychologically safe environments amplify the positive effects of well-being on innovation: employees who feel both well and safe are more likely to propose changes to store layouts, experiment with new product displays, or suggest alternative uses for digital tools (Frazier et al., 2017). Such climates are fostered not only by managerial behavior but also by team cultures characterized by mutual support, open communication, and inclusive practices.

Within service-dominant logic, value is co-created through interactions among firms, employees, customers, and other stakeholders rather than produced unilaterally by organizations (Vargo & Lusch, 2016). Retail transformation exemplifies this dynamic: employees are active agents who co-create value with consumers in context-specific encounters, and their well-being shapes the quality and innovativeness of these interactions. An employee who feels supported and empowered may find new ways to personalize service, introduce sustainability practices, or integrate digital tools into customer journeys, whereas a fatigued or stressed employee may

deliver only transactional interactions, missing opportunities for innovation and relationship-building.

Innovation and resilience are closely linked. Resilience refers to the capacity of organizations to adapt, recover, and thrive amid disruption (Duchek, 2020). Evidence from recent crises such as the COVID-19 pandemic suggests that employee well-being contributes to resilience by enabling sustained motivation, proactive coping, and constructive responses to uncertainty (Carnevale & Hatak, 2020). In retail, resilient employees devise local solutions to problems, maintain customer relationships during disruption, and reorganize work creatively to deal with shortages or system failures, often through micro-innovations grounded in their everyday knowledge.

Leadership plays a pivotal role in translating well-being into innovation outcomes. Transformational and empowering leadership styles enhance well-being by fostering purpose, recognition, and autonomy and, in turn, create conditions in which employees feel able and motivated to innovate (Amundsen & Martinsen, 2015; Javed et al., 2019). Retail managers who balance performance demands with human-centric support are better positioned to harness employees' well-being as a basis for adaptive innovation, whereas purely transactional approaches risk creating climates of stress and burnout that suppress innovative efforts.

In sum, the literature indicates that employee well-being is not merely a byproduct of organizational practices but an essential enabler of innovation and resilience in retail. By shaping employees' cognitive resources, affective states, and interpersonal dynamics, well-being underpins innovative work behaviors and the adaptive capacity of retail firms. Yet, despite growing recognition of these links, relatively few studies have examined how positive states of well-being generate innovation capacities under conditions of digital and organizational transformation. Integrating JD-R, psychological safety, perceived organizational support, and service-dominant perspectives, this study therefore investigates how employee well-being operates as a behavioral health resource within the innovation–resilience nexus in retail, providing the conceptual foundation for the empirical analysis that follows.

Methods

This study employs a qualitative, interpretivist research design to examine how employee well-being functions as a behavioral health resource that enables innovation and resilience in retail contexts. An interpretivist approach is appropriate because the research questions focus on meaning-making, sensemaking, and context-specific experiences – how frontline workers understand, cope with, and act upon innovation demands – rather

than on testing predefined causal relationships or estimating prevalence (Creswell & Poth, 2018). A qualitative design enables detailed insights into frontline employee perspectives and the "invisible" micro-practices of innovation and coping that are difficult to capture through surveys or secondary data alone. By emphasizing multiple, situated realities rather than a single objective truth, the interpretivist stance aligns with the study's aim to illuminate diverse behavioral health mechanisms linking well-being to innovation and resilience.

Research design

We adopted a multi-method qualitative design, combining semi-structured interviews, ethnographic observation, and organizational document analysis. This triangulated strategy enhanced the richness of insights and strengthened methodological rigor by capturing multiple perspectives and types of evidence (Flick, 2018).

Semi-structured interviews provided in-depth accounts of employee experiences, perceptions of innovation initiatives, and how participants understood the relationships between job demands, well-being, and their ability to engage with innovation. Ethnographic observations contextualized these accounts by capturing real-time behaviors, interactions, and unspoken dynamics in retail environments, offering a naturalistic view of stress, coping, psychological safety, and everyday micro-innovations. Organizational documents, including HR policies, training materials, well-being programs, and corporate communications on innovation and transformation, situated employee experiences within formal organizational narratives and strategies.

Taken together, this design allowed us to examine both top-down narratives (organizational policies and corporate discourse) and bottom-up realities (employee stories, practices, and coping strategies), supporting a holistic understanding of how employee well-being operates as an enabler or constraint of innovation and resilience.

Research setting

The study was conducted in multiple retail contexts selected to reflect the diversity of organizational models and transformation pressures. The settings included: (i) supermarkets and grocery chains introducing self-checkout systems and integrating online ordering and click-and-collect services; (ii) fashion retailers experimenting with digital fitting rooms, e-commerce integration, and sustainability-oriented initiatives; and (iii)

warehouse and logistics hubs implementing automation in picking, packing, and delivery processes.

Studying these heterogeneous sites enabled cross-contextual comparison, highlighting both shared and sector-specific dynamics related to job demands, well-being risks, and opportunities for innovation. These settings also represent workplaces where frontline employees are directly exposed to technological change, shifting customer expectations, and evolving performance metrics, making them particularly suited to an exploration of behavioral health processes and innovation linkages.

Sampling strategy and recruitment

A purposive sampling strategy was employed, aimed at capturing diverse voices across roles, contract types, and organizational contexts (Patton, 2015). Inclusion criteria required that participants: (i) held frontline or lower-level supervisory roles with regular customer or operational contact; (ii) had at least six months' tenure in their current organization; and (iii) were directly affected by recent innovation initiatives (e.g., new technologies, workflow changes, or service formats) (see Table A1). We excluded senior executives and purely back-office roles with no direct exposure to frontline operations.

Participants included store associates and cashiers (customer-facing roles), department supervisors (middle management responsible for implementing retailer-led innovation initiatives), and warehouse workers and delivery personnel (logistics roles involved in technology-mediated operations). Organizations were identified through existing professional networks, industry contacts, and snowball sampling. After initial contacts with HR or site managers, we invited eligible employees to participate on a voluntary basis.

In total, we recruited 40 participants across three broad retail categories (supermarkets/grocery, fashion, logistics). We sought heterogeneity in: (i) employment contracts (permanent, part-time, gig-based); (ii) experience levels (early-career vs. long-tenured employees); (iii) organizational size (regional vs. multinational firms); and (iv) gender and age groups. We monitored thematic saturation during data collection, noting when new interviews no longer produced substantially new codes or themes within each sector. Saturation was reached after approximately 30 interviews, and an additional ten interviews were conducted to confirm the stability of themes across sites and roles (see Appendix A).

Data collection

We conducted semi-structured interviews lasting between 45 and 75 min, either in person at the workplace (in a quiet area) or *via* secure video

conferencing, depending on participants' availability and organizational constraints. The interview guide, informed by the JD–R model, psychological safety, and service-dominant logic, covered three main domains (see Appendix B):

Perceptions of innovation: how participants understood and experienced new technologies, workflows, or strategic changes in their workplaces.

Well-being experiences: key stressors, coping strategies, job demands and resources, and perceptions of managerial and organizational support for well-being.

Innovation practices and resilience: concrete instances where employees experimented, improvised, or adopted new behaviors in response to organizational change or disruption, and how these related to their well-being.

The semi-structured format allowed us to maintain a core set of questions while giving participants the flexibility to narrate experiences they considered most salient, thereby aligning with the human-centric, interpretivist focus. The main sections of the interview guide and example questions are provided in Appendix B.

Over a six-month period, we conducted ethnographic observations in five retail sites (two supermarkets, one fashion store, and two logistics hubs). We engaged in non-participant observation during different shifts and days of the week to capture variability in workload and customer flows. Fieldnotes documented employee–customer interactions, informal collaboration among employees, responses to technological tools (for example, self-checkout systems, handheld devices, automated picking systems), and visible signs of strain or coping (e.g., pacing of work, humor, peer support, withdrawal). Observational data also captured the atmosphere of the workplace (noise levels, crowding, time pressure) and how teams reacted to disruptions such as system failures or sudden surges in demand.

We collected organizational documents, including HR policies, training manuals, internal communications on innovation initiatives, and materials describing well-being programs or employee support measures where available. These documents were used to identify formal expectations and narratives about innovation, well-being, and resilience, and to compare them with employees' lived experiences and interpretations.

Data analysis

Data analysis followed the thematic analysis approach outlined by Braun and Clarke (2006), combining inductive coding with a theory-informed, interpretive lens. We first familiarized ourselves with the data by reading and re-reading interview transcripts, fieldnotes, and documents, and by writing preliminary analytic memos.

We then conducted initial coding, generating data-driven codes that captured concrete descriptions of job demands (e.g., workload, emotional labor, surveillance), well-being resources (e.g., managerial support, team cohesion, schedule control), stress and coping strategies, micro-innovations, and narratives about resilience and vulnerability. Although the interview guide was informed by JD–R, psychological safety, and service-dominant logic, we did not impose these categories as a priori codes; instead, we used them as sensitizing concepts in the later stages of analysis.

A hybrid coding strategy was adopted. Two members of the research team independently coded an initial subset of transcripts to develop a shared codebook, discussing discrepancies and refining code definitions through iterative meetings. Once agreement on the preliminary codebook was reached, the remaining transcripts and observational notes were coded, with periodic team discussions to add, merge, or clarify codes as new patterns emerged. NVivo software was used to manage and systematize the coding process.

In the theme development phase, we grouped related codes into candidate themes that captured recurrent patterns across interviews, observations, and documents – for example, ambivalent experiences of innovation as both threat and opportunity, well-being resources that enabled adaptation, and everyday micro-innovations used to manage demands. These candidate themes were iteratively reviewed and refined by the full research team, checking for coherence within themes and distinctiveness between themes, and testing them against disconfirming cases across sectors and roles.

In the final interpretive stage, we related the empirically grounded themes to the theoretical framework, examining how they illustrated or extended key ideas from the JD–R model, psychological safety, perceived organizational support, and service-dominant logic. This process involved moving back and forth between data extracts, theme narratives, and relevant literature to articulate the behavioral health mechanisms through which well-being enabled or constrained innovation and resilience. A summary table of themes, sub-themes, and illustrative evidence is presented at the start of the Results section (and in more detail in Appendix C – see Table C1).

Research quality, trustworthiness, and reflexivity

We applied Lincoln and Guba (1985) criteria of trustworthiness to enhance the rigor of the study. To support credibility, we conducted member-checking with a subset of participants, inviting them to comment on short summaries of the emerging themes and to indicate whether these resonated

with their experiences. We also triangulated data across interviews, observations, and documents, looking for convergence and divergence.

To enhance transferability, we provide thick descriptions of the research settings, organizational contexts, and participant roles, enabling readers to assess the applicability of findings to other retail environments. Dependability was supported through an audit trail comprising coding decisions, analytic memos, and documentation of changes to the codebook and theme structure over time. Confirmability was fostered through reflexive practices, including regular team discussions about interpretations, active consideration of alternative explanations, and the use of reflexive journals.

Reflexivity was an integral part of the research process. The authors come from backgrounds in organizational psychology, management, and social sciences, with varying degrees of prior engagement with retail and service work. We were sensitized to issues of worker well-being and human-centric innovation, which could have influenced the questions we asked and the aspects of narratives we found salient. To address this, we explicitly discussed our assumptions and positionalities at the outset, revisited them during analysis meetings, and sought to challenge one another's interpretations, particularly when they seemed to align too neatly with our expectations. We also remained attentive to negative or disconfirming cases that complicated neat narratives about well-being and innovation.

Ethical considerations

The study received ethical approval from the authors' university ethics committee before fieldwork commenced. All participants received an information sheet explaining the study's purpose, procedures, and their rights, and provided informed consent prior to participation. Participation was voluntary, and employees were assured that they could withdraw at any time without consequences. To protect confidentiality and anonymity, we used pseudonyms in all transcripts and reports and removed identifying details about individuals and specific organizations. Given the potential vulnerability of frontline employees in precarious retail work, particular care was taken to avoid revealing information that might allow employers or colleagues to infer participants' identities or specific sites.

Findings

Innovation as disruption and opportunity

A prominent theme across the interviews was the ambivalent way in which employees interpreted innovation initiatives. Employees did not experience

innovation as a single, uniform process; rather, they interpreted it through their own job demands, resources, and expectations about the future, in ways that are consistent with a Job Demands–Resources (JD–R) perspective. For many, innovation was experienced primarily as disruption – heightening anxiety, intensifying workloads, and threatening job security – whereas others perceived it as an opportunity for skill development, greater control, or more meaningful work.

Several participants, especially cashiers and warehouse workers in large supermarket and logistics chains, described innovation as destabilizing when it involved automation or digital surveillance tools. Cashiers required to adapt to self-checkout systems often associated these technologies with redundancy and erosion of visibility:

> 'The new self-checkouts feel like a way of making us unnecessary. Customers do not see us anymore, and I worry that management will too.' (Participant 7, supermarket cashier, 7 years of service)

Warehouse workers highlighted that automated picking systems reduced idle time but increased work intensification and perceived surveillance:

> 'The machines set the rhythm now, not us. You have to keep up, or the system flags you if you fall behind. It is like being chased all day.' (Participant 15, logistics employee)

In JD–R terms, these accounts show innovation functioning as a job demand – increasing time pressure, emotional strain, and perceived loss of control – without a commensurate increase in resources, which heightens strain and burnout risk. Under such conditions, resistance to innovation appears less as "conservatism" and more as a rational response to resource depletion, perceived threats to the psychological contract (security, fairness), and concerns about dignity at work.

In contrast, supervisors and some longer-tenured staff in both fashion and supermarket contexts emphasized the challenge demand side of innovation, especially where training and support were available. They described new digital tools as providing greater oversight and mastery of their work:

> 'The new digital inventory system is complex, but once you learn it, it actually gives you more control. I can see patterns I never noticed before. It makes me feel like part of something more advanced.' (Participant 2, department supervisor, fashion retailer)

Younger, part-time workers – often more digitally fluent – were more likely to frame certain innovations, such as app-based scheduling, as increasing flexibility and autonomy:

> 'I like the app-based scheduling; I can swap shifts more easily and check everything on my phone. It feels more flexible, not just extra work.' (Participant 20, part-time store associate, 20 years old)

Across sectors, these narratives suggest that the same innovation can operate simultaneously as a hindering demand or a challenge demand depending on role (frontline vs supervisory), contract type (permanent vs gig), and digital literacy. For example, anxiety about automation was more pronounced among older cashiers and warehouse staff on permanent contracts, while enthusiasm for digital tools was more common among younger, part-time employees in fashion retail.

Many participants expressed ambivalent feelings, particularly when innovations clearly benefited consumers but added to employees' workload and emotional labor.

> 'Customers love click-and-collect, but for us it means running around constantly, picking orders, plus still serving people in-store. It feels like two jobs in one.' (Participant 4, supermarket associate, 4 years of service)

These "micro-negotiations" with innovation show employees actively weighing consumer gains against heightened strain, highlighting a tension between customer-centric and employee-centric innovation outcomes.

Analytically, this theme illustrates that innovation initiatives act as new job demands that may either deplete or build resources depending on how they are implemented, communicated, and resourced. When innovations are rolled out with insufficient training, limited autonomy, and high surveillance, they contribute to stress, burnout risk, and perceptions of dehumanization. When they are accompanied by adequate resources – clear communication, training, and opportunities for input – employees are more likely to experience them as challenge demands that support growth, self-efficacy, and engagement. This extends existing change and innovation literature by showing frontline employees as sense-makers who filter innovations through lenses of well-being, agency, and fairness, rather than as passive resisters or adopters.

Well-being as a foundation for adaptability

Whereas the first theme describes how employees interpret innovation as either strain or opportunity, the second theme underscores how employee well-being operates as the foundation for adaptability. Employees with stronger well-being resources – supportive supervision, psychological safety, fair treatment, and manageable schedules – described greater capacity to adapt to innovation, experiment, and cope with change. In contrast, those with limited resources, unstable contracts, or chronic overload described "survival mode," where adaptation and innovation were experienced as impossibly costly.

In line with JD–R and psychological safety research, participants repeatedly linked their willingness to engage with innovation to the presence of supportive, non-punitive managerial behavior.

> 'When my manager actually listens, it makes me less afraid of the new systems. I feel like if I struggle, I will not just get blamed – I will get help figuring it out.' (Participant 33, supermarket associate, 3 years of service)

Where support and training were minimal, innovation demands were perceived as uncompensated burdens:

> 'They roll out new tech and expect us to figure it out after one short briefing. No extra time, no extra training. It is like, sink or swim – and if you sink, it is on you." (Participant 10, part-time cashier, fashion retailer)

These contrasts illustrate a behavioral health mechanism: psychological safety and perceived organizational support buffer the stress associated with new demands and enable employees to approach change with curiosity rather than fear. Without such resources, employees conserve energy, disengage, and may quietly resist change as a coping strategy.

Participants also highlighted the importance of formal and informal well-being resources during acute disruption, particularly the COVID-19 pandemic.

> 'During COVID, we were exhausted, but when the company gave us mental health check-ins and extra rest breaks, it felt like they had our back. That is what kept me going and adapting to all the chaos.' (Participant 39, warehouse picker, multinational logistics hub)

In contrast, workers in firms that symbolically praised "heroes" while intensifying demands described deteriorating morale and burnout:

> 'Everyone was called a hero, but behind the scenes, we worked longer hours, no hazard pay, no extra staff. After a while, people just stopped caring. We did the minimum to survive.' (Participant 18, supermarket cashier, 9 years of service)

Here, the psychological contract – expectations of mutual care and reciprocity – appears central: when organizational actions violate it, employees shift from engagement to emotional withdrawal, undermining resilience.

Autonomy emerged as a particularly salient resource linking well-being to adaptability and innovation. Employees who enjoyed some discretion in how they organized tasks or engaged customers described higher motivation and creativity:

> 'They let me arrange the display how I thought customers would like it. Sales went up that week. Having some control makes me feel trusted, and I enjoy coming up with ideas.' (Participant 1, department supervisor, fashion retail)

By contrast, highly standardized and monitored environments – more frequent in logistics hubs using strict digital metrics – were associated with feelings of dehumanization and reduced initiative:

> 'The system times every move. There is no space to try something different, even if it might work better. You follow orders, like a robot.' (Participant 35, logistics employee, 2 years of service)

Across sectors, part-time and gig workers particularly emphasized schedule instability and income unpredictability as core threats to well-being, which in turn limited their cognitive and emotional capacity to learn new systems.

Several participants emphasized that poor working conditions actively undermined adaptability. For example, over-scheduling without breaks or unstable contracts created cognitive and emotional exhaustion that left little capacity for embracing innovation:

> 'How can you expect me to learn a new system when I am running on four hours of sleep because the roster keeps changing at the last minute?' (Participant 13, gig-based delivery driver)

Analytically, this theme reveals two interrelated axes of well-being. Along a buffering axis, resources such as mental health support, rest breaks, fair scheduling, and recognition reduce strain and burnout risk, sustaining basic resilience. Along an enabling axis, resources such as autonomy, psychological safety, and meaningful voice create conditions for curiosity, experimentation, and innovative behavior. When both axes are present, employees describe a higher capacity to adapt to and co-create innovation; when either axis is weak, they report coping through withdrawal, surface compliance, or minimal effort.

Bottom-up human-centric micro-innovations

While formal innovation initiatives in the participating organizations were largely designed top-down, the data reveal a rich layer of bottom-up micro-innovations generated by frontline employees in all three sectors. These practices were often small-scale, improvised, and not formally recognized as "innovation," yet they improved customer experiences, streamlined work, and supported team well-being.

In supermarkets, employees described adapting service routines to better meet the needs of specific customers, especially those struggling with new technologies.

> 'We had an older lady who struggled with the self-checkout. I started walking her through the scanner step by step every Friday, and after a while, I just made it part of my routine. She does not ask for it, but it makes her happy and less nervous. Nobody told me to do it – it just felt right.' (Participant 23, supermarket cashier, 5 years of service)

Here, micro-innovation takes the form of relational and emotional labor – fine-tuning service to reduce customer anxiety and protect the employee

from repeated conflict, illustrating how well-being and service quality are co-produced.

In logistics hubs, employees described creating informal workarounds to rigid system routes to reduce physical strain and increase efficiency:

> 'Management wanted us to follow the exact picking route on the handheld devices, but we realized it was not the fastest. A few of us mapped out a shortcut system. We still got orders done, sometimes faster than the machine route, and it made the job feel less exhausting.' (Participant 26, logistics employee, 4 years of service)

Such practices illustrate how employees recalibrate job demands by locally optimizing workflows, effectively creating new job resources (less physical exertion, more predictability) that reduce strain while maintaining or even improving performance.

Employees also repurposed corporate technologies for peer support and coping. In fashion retail, a scheduling app designed for rostering became a space for mutual aid:

> 'The scheduling app had a chat function. We started using it to swap shifts, but it soon evolved into a group where we shared tips, helped each other, and posted updates when work was though. It kept morale up. That was not the purpose of the app, but it worked.' (Participant 28, fashion store sales associate, 2 years of service)

These examples show employees co-creating social resources – information sharing, emotional support – through unofficial uses of tools, thereby reinforcing both well-being and resilience.

Some micro-innovations also extended to informal sustainability practices, as in a grocery supervisor's account of redirecting unsold food:

> 'At the end of the shift, we had to throw unsold sandwiches. I started setting some aside and donating it through a local shelter contact. It was not official, but it felt wasteful otherwise. Eventually, a few colleagues joined in. Customers even noticed and asked about it.' (Participant 3, retail supervisor, grocery chain)

These practices reveal how employees' moral values and sense of community embed human-centric concerns into everyday operations, often preceding any formal CSR initiative.

Critically, such micro-innovations were far more prevalent in contexts where employees described trust, autonomy, and psychological safety. Participants who felt "monitored like robots" or feared punishment for deviating from procedures rarely reported engaging in discretionary innovation; instead, they emphasized strict compliance as a coping strategy. Conversely, employees in teams with supportive supervisors and strong peer relations described micro-innovations as a source of pride and identity:

> 'Coming up with small fixes on my own gives me a sense of pride. It feels like I matter here – like I am not just following orders but making a difference.' (Participant 37, part-time associate, supermarket, 1 year of service)

Analytically, this theme links micro-innovations directly to well-being and perceived organizational support: psychological safety and trust enable employees to take small interpersonal and procedural risks, while the innovations themselves often function as coping strategies that re-balance demands and resources. This underscores that human-centric innovation is enacted bottom-up through everyday adjustments and improvizations, not solely through top-down projects.

Well-being, trust, and retail resilience

The final theme shows how employee well-being extends beyond individual adaptation to shape trust relationships and resilience at organizational and ecosystem levels. Employees repeatedly linked their own behavioral health to customer experiences, team functioning, and their willingness to "stand by" the organization during crises.

At the interactional level, participants described how well-being influenced the emotional tone of customer service and, in turn, customers' responses.

> 'When I feel respected and not totally drained, I can actually smile and help customers properly. They notice that. Customers are more patient and friendly when we are, too.' (Participant 5, fashion store associate, 3 years of service)

By contrast, chronic exhaustion and anxiety about hours or job security were seen as spilling over into service encounters, undermining trust and satisfaction:

> 'If I am exhausted or anxious about hours being cut, I do not have the energy to give good service. Customers sense it. They get frustrated, and the whole store atmosphere feels negative.' (Participant 9, supermarket cashier, 6 years of service)

These narratives articulate a behavioral health mechanism in which well-being shapes emotional availability, which then influences the quality of service interactions and perceived trustworthiness of the retailer.

At the team level, employees emphasized collective coping practices – sharing snacks, humor, covering shifts – as central to "holding things together" during disruptive events like lockdowns or supply chain breakdowns.

> 'During lockdowns, things changed every week. We leaned on each other. Just laughing or sharing snacks in the break room made it bearable. That is how we held it together and kept serving customers.' (Participant 12, logistics coordinator, 8 years of service)

Such accounts highlight resilience as a relational process, co-constructed through peer support and shared meaning, rather than solely as an attribute of individual toughness or organizational planning.

Trust in organizational commitment to well-being emerged as a pivotal mediator between well-being practices and resilient behavior. When organizations' actions during crises aligned with their rhetoric (for example, providing PPE, adjusting workloads, or offering flexibility), employees reported a deepened sense of loyalty and willingness to go beyond role expectations:

> 'I have been here ten years. I stay because my manager gave me all the flexibility I needed when my child was sick years ago. That kind of support makes you want to stay and figure solutions out when the company struggles.' (Participant 31, department supervisor, supermarket chain)

Conversely, symbolic praise without substantive support eroded trust and reduced willingness to adapt:

> 'They called us essential, but gave us no masks at first, no hazard pay. That broke the trust. After that, people did not want to adapt anymore – just did what was necessary.' (Participant 20, warehouse operative, 5 years of service)

From a behavioral health perspective, these findings suggest that well-being practices shape perceived organizational support and fairness, which in turn influence whether employees invest discretionary effort and remain with the organization – key components of resilience. Across sectors, permanent employees often narrated long-term loyalty grounded in remembered episodes of care, while gig and part-time workers were more likely to describe "doing the minimum" when they perceived the relationship as transactional and precarious.

Analytically, this theme positions trust as a central mechanism linking well-being to resilience: visible, consistent investments in employee well-being build trust, which fosters commitment, helping behaviors, and sustained engagement during disruption; conversely, neglect or perceived hypocrisy undermines trust, leading to disengagement and a weakening of the organization's adaptive capacity.

Taken together, the four themes show that employee well-being is deeply intertwined with how innovation is experienced, enacted, and sustained in retail. Innovation initiatives alter job demands; well-being resources buffer and enable employee responses; micro-innovations emerge where support and psychological safety are present; and trust built through well-being practices underpins resilience at both team and organizational levels.

Theoretical contributions

This study offers several theoretical contributions to retail management, service innovation, and organizational studies by placing employee well-being at the center of human-centric innovation in retail. The analysis suggests that employee well-being functions as a key enabling condition for

how frontline workers interpret, enact, and sustain innovation, rather than only as an outcome of organizational practices.

First, the findings re-balance retail transformation research, which has largely focused on consumers and technology, by foregrounding frontline employees as active sensemakers and innovators. As illustrated in Theme 1, employees interpret innovation initiatives as either strain-inducing or opportunity-creating depending on available resources and perceived fairness, while in Theme 3 they generate bottom-up micro-innovations that adjust workflows, service encounters, and uses of technology. These themes suggest that frontline workers co-create value alongside consumers and management, extending existing retail and service innovation literatures that have tended to treat employees as passive implementers.

Second, the study extends the Job Demands–Resources (JD–R) framework into a digitally transforming retail context. Across the themes, innovation emerges as a new job demand that can either deplete or activate resources; Theme 2 shows how resources such as autonomy, managerial support, and fair treatment buffer strain and enable adaptive responses, while Theme 1 highlights how the same technological change can be experienced as either a hindering demand or a challenge demand. The findings therefore nuance JD–R by showing that job resources do more than protect against exhaustion: they also unlock creative and adaptive capacities in frontline roles, particularly under conditions of continuous transformation.

Third, the study broadens the application of psychological safety to retail settings characterized by high turnover, surveillance technologies, and strong efficiency pressures. In Themes 1 and 2, employees in psychologically safe environments describe feeling able to voice concerns, admit difficulty with new systems, and try alternative approaches, whereas those in fear-driven or punitive contexts tend to conserve resources and avoid risk. This indicates that psychological safety is not only relevant but central for enabling engagement with innovation in frontline retail, linking safety directly to well-being and to the micro-level innovation behaviors documented in Theme 3.

Fourth, the findings contribute to service-dominant logic by emphasizing employees' dual role in value co-creation. Theme 3 shows that frontline staff not only shape consumer experiences (for example, through empathic support for vulnerable customers) but also co-create organizational resilience by improvising workarounds and repurposing tools for peer support. Theme 4 further indicates that employees' well-being affects how they engage with customers and communities, suggesting that value is co-created through intertwined consumer, employee, and community relationships rather than only in firm–customer dyads.

Finally, the study enriches resilience theory by incorporating frontline, subjective experiences. While much resilience research focuses on structural and strategic capabilities, Theme 4 shows that employees describe resilience in terms of reciprocity and trust – whether the organization "has their back" and whether teams can rely on each other during crises. The analysis suggests that visible investments in well-being foster trust, loyalty, and discretionary effort, whereas neglect or symbolic recognition without substantive support erodes resilience capacity. Resilience thus appears as a relational, trust-based process grounded in everyday well-being practices, not solely as a technical or strategic property of organizations.

Taken together, these contributions (i) elevate employee well-being as a strategic enabling condition for innovation, (ii) extend JD–R and psychological safety theory into frontline retail under digitalization, (iii) broaden service-dominant logic to include employees' dual value-creating role, and (iv) frame organizational resilience as rooted in trust, care, and behavioral-health dynamics observed in everyday work.

Managerial implications

The findings have several implications for retail managers and leaders who are navigating digitalization and transformation agendas. While the study is based on qualitative data from specific retail contexts and does not measure consumer or performance outcomes directly, participants' accounts suggest that investing in employee well-being can support innovation, adaptability, and perceived resilience.

First, the results indicate that managers who treat well-being as a core enabler of innovation – rather than as a peripheral HR concern – may be more likely to see employees engage constructively with change. Theme 2 shows that when frontline workers experience supportive supervision, psychological safety, and fair treatment, they describe innovation demands as more manageable and are more willing to experiment and learn. Practical steps include regular check-ins that address both operational and well-being concerns, training managers to respond non-punitively to errors during innovation rollouts, and providing sufficient time and training for staff to adapt to new systems.

Second, the themes suggest that granting local autonomy and recognizing micro-innovations can help harness employees' everyday creativity. In Theme 3, employees develop service improvizations, workflow adjustments, and novel uses of technologies when they feel trusted and have some discretion over how to organize tasks. Managers can support this by explicitly inviting ideas about how to adapt new tools, allowing teams flexibility in

merchandizing or routing decisions where feasible, and acknowledging small-scale innovations in feedback and recognition systems.

Third, the analysis points to the importance of designing well-being practices that address both strain reduction and innovation enablement. Buffering measures – such as fair rostering, predictable scheduling, adequate breaks, and access to psychosocial support – can help prevent burnout and sustain basic functioning, as seen in Theme 2. At the same time, enabling measures – such as opportunities for skill development in digital tools, transparent communication about change, and mechanisms for employee voice – appear to support curiosity and proactive engagement with innovation. Aligning these two dimensions may be more effective than isolated "wellness" initiatives that do not alter underlying job demands.

Fourth, the study suggests that visible, consistent commitments to employee well-being can build trust that supports resilience during disruption. In Theme 4, employees report that instances where organizations offered flexibility, protective measures, or recognition during difficult periods shaped their willingness to "go the extra mile" in subsequent crises. Managers can therefore view concrete acts of care – such as protective equipment, hazard pay where appropriate, or flexible arrangements during personal crises – as investments that may strengthen employees' readiness to adapt and contribute during future shocks.

Finally, managers may wish to revisit performance metrics to ensure they do not inadvertently undermine well-being and micro-innovation. Participants described how narrow efficiency indicators and strict technological scripts sometimes suppressed initiative and exacerbated stress, particularly in logistics environments. Complementing traditional KPIs with indicators related to employee well-being, participation in improvement efforts, or perceived psychological safety could help align performance systems with a human-centric innovation strategy. Any such changes should be adapted to local conditions, given differences in organizational size, sector, and workforce composition.

Overall, the qualitative evidence indicates that retail leaders who integrate well-being into transformation efforts – by fostering psychological safety, autonomy, meaningful support, and fair conditions – may create environments in which frontline employees are more capable and willing to adapt, innovate in their daily work, and sustain service during disruption. At the same time, the findings underline the need for caution in interpreting these implications: they are grounded in participants' experiences and perceptions, not in direct measures of customer outcomes or financial performance, and should therefore be applied with attention to context and in combination with other forms of evidence.

Policy and societal implications

The findings of this study also hold important implications for policymakers, regulators, unions, and community stakeholders. Retail is not only a commercial sector but also a societal infrastructure, providing essential services, employment, and social spaces for millions of people. Ensuring that employee well-being is embedded in retail transformation strategies is therefore not merely an organizational priority but a public concern, linked to labor standards, regional resilience, and societal trust (Newbold et al., 2022).

The study demonstrates that employee well-being directly enables adaptability and resilience, producing benefits that extend beyond individual firms. For instance, when frontline employees adapt more effectively to crises (Theme 2), consumers continue to access essential goods and services, and community trust in retail institutions is preserved (Theme 4) (Pantano et al., 2020). This positions human-centric innovation as a public good, with spillover effects for local economies and community well-being. Policymakers should therefore incentivize organizations to view employee well-being not as a discretionary cost but as an investment with societal returns.

The rise of automation, algorithmic scheduling, and precarious employment models in retail raises urgent questions for labor policy. Evidence from this study shows that instability in contracts, surveillance-driven work regimes, and inadequate support systems erode well-being and suppress innovation capacity (De Witte et al., 2016). Policymakers and unions could address this by establishing minimum standards for predictable scheduling, fair wages, and rest breaks; creating guidelines for algorithmic fairness in workforce management (e.g., transparency in shift allocation systems); and introducing protections for gig and delivery workers to ensure equitable treatment in rapidly transforming last-mile logistics sectors.

By embedding employee well-being standards in regulation, governments can ensure that innovation and efficiency gains do not come at the expense of human security and dignity.

Retail organizations constitute key anchors in local communities, offering employment, social spaces, and linkages to local suppliers. Findings from this study suggest that when retailers invest in well-being, they also invest in community resilience: employees remain more committed, customer trust endures, and social cohesion is preserved even during crises (Pantano et al., 2020). This highlights opportunities for local councils and regional development agencies to: (i) provide co-funding or tax incentives for retailers implementing robust well-being and resilience programs; (ii) facilitate partnerships between retailers and local service providers (e.g., mental

health services, training centers); (iii) integrate retail workforces into broader regional resilience planning.

Doing so can strengthen social safety nets while positioning retail as a proactive partner in regional sustainability strategies.

Employee well-being resonates strongly with global policy frameworks such as the UN Sustainable Development Goals (SDG 8: Decent Work and Economic Growth) and the broader ESG (Environmental, Social, Governance) agenda. While many retailers report sustainability initiatives focused on environmental targets (e.g., carbon reduction, packaging), the social dimension often receives less emphasis or is confined to CSR. The evidence here suggests that treating employee well-being as a core innovation driver should form part of ESG commitments, moving beyond superficial reporting to measurable well-being outcomes. Policymakers and regulators can support this shift by mandating more standardized labor metrics in sustainability disclosures.

Finally, findings link employee well-being with consumer trust (Theme 4), reinforcing that labor conditions and consumer welfare are interdependent. Poor well-being not only undermines employees' health but also spills over into diminished service quality, customer dissatisfaction, and reduced community loyalty toward retail institutions (Spreitzer & Cameron, 2012). Regulators and consumer protection agencies should recognize this interdependence by aligning consumer rights frameworks with labor rights, acknowledging that resilient consumer experiences depend on resilient employees.

In sum, the societal implications of this study are threefold: Human-centric innovation produces public goods by stabilizing essential services and strengthening community trust (Pantano et al., 2020); Policy interventions should reinforce labor standards to prevent innovation from eroding well-being and capacity for adaptation (De Witte et al., 2016); and, well-being must be integrated into ESG and sustainability frameworks, positioning it as essential for responsible retail transformation.

Embedding well-being in retail policy debates ensures that transformation is both technologically advanced and socially sustainable.

Limitations and future research directions

Like all qualitative explorations, this study has limitations that help situate its contributions and point to future research avenues. The analysis draws on 40 interviews, ethnographic observations, and document analysis in selected retail environments, offering rich, contextually embedded insights but not statistical generalizability to all retail settings or regions. Future studies could complement these findings with quantitative or mixed-methods designs that test the relationships suggested here – for example,

associations between well-being, autonomy, psychological safety, and innovative behavior – on larger, more diverse employee samples across multiple countries.

The research focused on supermarkets, fashion retail, and logistics hubs—subsectors currently undergoing intense technological and organizational disruption. While we expect some transferability to other retail segments such as electronics, home goods, or luxury, the balance between emotional experience, automation, and service design may differ. Comparative work across different retail formats could examine when and how employee well-being most strongly shapes innovation and adaptation, and whether the mechanisms identified here (for instance, micro-innovations as coping strategies) manifest differently in higher-margin or more relationship-oriented segments.

Data were collected during a specific period marked by post-pandemic recovery and ongoing digitalization. Employees' perceptions of innovation, strain, and support are likely to evolve as transformation initiatives mature, stabilize, or accelerate. Longitudinal research would help trace how trajectories of well-being influence sustained innovation and resilience over time, including delayed effects of managerial practices that initially appear supportive or, conversely, neutral. Such work could also track whether early investments in psychological safety and fair treatment have compounding benefits for innovation participation and retention.

This study intentionally foregrounded frontline employees as active agents of innovation and resilience. While this lens surfaces voices often marginalized in retail strategy discussions, it does not capture the full complexity of multi-level dynamics involving senior management, HR strategists, unions, or consumers. Future research could adopt multi-stakeholder designs that integrate perspectives from these groups, examining how employee well-being interacts with managerial strategy, consumer expectations, and community priorities to shape human-centric innovation across the retail ecosystem.

Finally, the findings reflect retail contexts embedded in particular institutional and cultural settings. Perceptions of well-being, fairness, and innovation may vary across national labor regimes, cultural norms of service, and community expectations. Cross-national comparative studies could explore how institutional contexts (for example, strength of labor protections, union presence, social welfare systems) and cultural dimensions (such as individualism–collectivism) mediate the relationship between well-being and innovation. Such work could also assess how well-being-focused practices translate into different regulatory and ESG environments and whether they are interpreted as rights, benefits, or discretionary organizational initiatives.

Building on these limitations, several research agendas appear promising: (i) quantitative testing of the proposed linkages between well-being resources, psychological safety, and innovative behavior; (ii) longitudinal studies of how well-being-oriented practices shape adaptation and innovation trajectories through successive waves of technological and organizational change; (iii) cross-national comparisons of institutional and cultural moderators; (iv) multi-stakeholder analyses that connect employee well-being with consumer trust, community engagement, and policy frameworks; and (v) investigations of how incorporating well-being into ESG metrics influences investor perceptions, organizational legitimacy, and resilience. Together, these lines of inquiry can deepen theory on how well-being, innovation, and resilience interconnect, and ensure that retail transformation is conceptualized and studied as a profoundly human process rather than a purely technical or strategic shift.

Conclusion

This study examined the human side of retail transformation by exploring how frontline employee well-being shapes innovation and resilience in technologically and organizationally disrupted retail environments. Drawing on qualitative data from supermarkets, fashion retailers, and logistics hubs, the analysis identified four interrelated themes: employees' ambivalent experience of innovation as both disruption and opportunity; the role of well-being resources as a foundation for adaptability; the proliferation of bottom-up micro-innovations in everyday work; and the ways in which well-being practices build trust and support resilience in retail ecosystems.

Empirically, these themes show that frontline employees are not simply recipients of change but active sensemakers and innovators who filter innovation through their own experiences of stress, fairness, and support. The same technological initiative can function as a draining demand or a challenge that fosters growth, depending on how it is implemented and resourced. Well-being emerges as a condition that shapes whether employees have the cognitive, emotional, and social resources to adapt and to engage in micro-innovations that improve service, workflows, and team functioning.

Theoretically, the study advances a workplace behavioral health perspective on retail transformation. It suggests that employee well-being functions as a key enabling condition within the Job Demands–Resources framework, not only buffering against strain but also activating innovative and adaptive behaviors. It extends psychological safety theory into frontline retail contexts, where safety to voice concerns and experiment appears critical for constructive engagement with innovation. It complements service-dominant

logic by highlighting employees' dual role in co-creating value for consumers and in co-producing organizational resilience through everyday improvizations and trust-based relationships.

For practice, the findings imply that retail leaders who integrate well-being into core transformation strategies – by cultivating psychological safety, ensuring fair and manageable workloads, granting meaningful autonomy, and recognizing micro-innovations – are likely to create more adaptive and resilient organizations. Rather than viewing well-being as a peripheral HR concern, the evidence suggests it should be treated as strategic infrastructure that underpins innovation capacity, service quality, and the ability to navigate crises.

More broadly, the study underscores that the future of retail innovation cannot be secured by technology and efficiency metrics alone. The resilience of retail ecosystems depends on the well-being and creativity of the people who enact transformation on the ground. By repositioning employees as co-creators of innovation, trust, and resilience, this research contributes to a more human-centric paradigm for understanding and guiding retail change, with relevance for other frontline service sectors facing similar pressures.

Ethics approval and consent to participate

The Internal Review Board of Portucalense University reviewed and approved the study protocol. The board determined the study's compliance with ethical standards, given the non-sensitive nature of the information collected and the carefully constructed interview guide. All participants provided informed written consent prior to their involvement in the study. The research was conducted in full accordance with the ethical research practices of REMIT and adhered to the principles of the Declaration of Helsinki, ensuring the protection of participants' rights and well-being throughout the study.

Consent for publication

Not applicable – This manuscript contains no person's data.

Authors' contributions

I.B. conceptualized the study, designed the methodology, collected and analyzed the data, and drafted the manuscript. E.R. provided supervision, contributed to data interpretation, and substantively revised the manuscript. Both authors collaboratively reviewed and approved the final version of the manuscript and are accountable for its content.

Disclosure statement

The authors declare that they have no competing interests.

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Availability of data and material

The datasets generated and analyzed during the current study are not publicly available due to privacy concerns but are available from the corresponding author upon reasonable request.

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