



European
Commission

High Level Group on

RETAIL COMPETITIVENESS

REPORT OF THE PREPARATORY WORKING
GROUP ON WORKING ENVIRONMENT ISSUES

*Internal Market,
Industry,
Entrepreneurship
and SMEs*

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PREPARATORY WORKING GROUP ON WORKING ENVIRONMENT ISSUES

Maria Rehbinder, Head of Unit Business-to-Business Services, Chair of the Preparatory working group

Laila Castaldo, policy officer, UNI Europa

Carine Moitier, co-founder and Chief Operational Officer, Bivolino

Jeanette Söderberg, Retail Manager for IKEA Region Central Europe, Ikea

EuroCommerce participated as expert

INTRODUCTION

- Reducing youth unemployment and ensuring that employees have the skills industry needs are among the key priorities in President Junckers agenda for jobs, growth, fairness and democratic change.
- The High Level Group on Retail Competitiveness (HLG) identified working environment issues as one of the key subjects to be discussed by the Group. The 2014 Eurofound retail factsheet indicates that the retail sector employed 19.314.700 people in 2010, of which 17% were under 25 (compared to the 9% in the EU28 on average).
- As indicated in the European Retail Action Plan (ERAP), ensuring the flow of the job market is therefore extremely important in enabling the retail sector to provide access to jobs for young, unqualified and/or seasonal employees. This was confirmed by Members of the European Sectoral Skills Council Commerce (Skills Council) where data for 2012 showed that, for instance, in DK, NL and PT between 33% and 58% of employees had only primary or lower secondary education.
- Four broad topics were raised in the discussions: (1) skills, (2) data collection analysing the retail market, (3) attractiveness of the retail sector/ work-life balance and (4) enforcement of legislation.

SKILLS

- The changes in the retail sector as a consequence of the internationalisation and above all digitalisation of the sector have resulted in a number of emerging new skills at all levels.
- To address the skills-needs mismatch the ERAP indicated that the Commission will strengthen cooperation with social partners to create conditions that make it possible to match skills with labour market needs in the retail sector, particularly by identifying and anticipating skills needs through the Skills Council and by improving retailers' training and reskilling policies for employees, in particular for new skills profiles that arise in the context of e-commerce¹.
- The Skills Council has started its work late 2013 and published a report in December 2014. It has successfully analysed skills issues by identifying, for current jobs, the evolution of skills needs², as well as new emerging occupations. The Skills Council brought together a group of six Member States who have been pioneers in this process.

- While not sector specific, skills programs by Member States would also contribute to youth and people with lower education levels to acquire necessary skills to find a job. The literacy programs in the UK tackle youth unemployment through the organisation of English courses, pc courses and courses in cv writing².
- The retail sector provides a high percentage of in-house training. In some Member States, these trainings can result in certifications for the employees³. As a result, employees with lower degrees of education obtain increased job possibilities, recognition of their competences and informal learning and have more possibilities for career progression. A strong aspect of in-house training is its suitability for knowledge-transfer within as well as in other companies.
- Apprenticeships were identified as a good practice for employers to train employees though due to structural differences in Member States it is not always possible to transfer this approach. Apprenticeships can be used for both lower skilled and higher skilled jobs. Apprenticeships offer the benefit to employees that they are part of a formal initial vocational and education programme leading to a nationally recognised qualification.
- DG Education and Culture presented in this regard the European Alliance for Apprenticeships. To join this Alliance, companies or associations are only required to make pledge, not bound by any formalities other than it being in writing, but including a clear commitment regarding apprenticeships. In this regard, the importance of apprenticeships is shown by the social partners in the European Social Dialogue for Commerce pledging to the European Alliance for Apprenticeships on 22 June 2015 in Riga⁴.
- Given the significant labour force employed in the retail sector, the sector should fully benefit from facilitated mobility for employees, so that skills can be employed where they are most relevant. This is essential to maximise the contribution of the sector to EU growth.

DATA COLLECTION ANALYSING THE RETAIL MARKET

- In 2014 the Eurofound factsheet on working conditions and job quality in retail as well as the first Skills Council report were issued. However, none of these studies include specific data on employment in the e-commerce sector.
- Given the growing importance of the e-commerce sector additional analyses of the impact of e-commerce on the retail sector, both on size of employment and emerging job profiles (including the SME aspect), would be welcomed.

¹ The 2014 Report of the European Sector Skills Council Commerce identified a number of new profiles, see http://www.europeancommerce.eu/pdoc/70-eng/ESSC_Commerce_Report_2014_EN.pdf

² Unionlearn Annual Report 2013 – 2014, see <https://www.unionlearn.org.uk/publications/unionlearn-annual-report-2013-14>

³ For instance in Portugal, see Annual Report 2014 by the European Sector Skills Council Commerce, page 98.

⁴ <http://ec.europa.eu/social/main.jsp?catId=1149&langId=en&idPledge=93>

ATTRACTIVENESS OF THE RETAIL SECTOR/ WORK-LIFE BALANCE

- Retail is driven by the continuously changing expectations of consumers. This involves flexibility from employees regarding their working hours. Such flexibility is not the same for every retailer but it exists as well in brick-and-mortar retailers, multichannel retailers and e-retailers.
- The retail sector knows different periods representing a peak in sales e.g. Christmas, weekends and the late evening.
- While flexibility is important for retail companies, it could be beneficial to identify best practices in Member States on how to address the consequences of this flexibility by reconciling business' needs and employees' needs. Best practices discussed include the involvement of staff in deciding their working schedules or the organisation of child care.
- To analyse how to address the effects resulting from flexibility is an issue of all stakeholders. Identifying and promoting best practices (not only in legislation but also in practice) could therefore be an item to be discussed in the framework of the EU Sectoral Social Dialogue. As best practices are often company specific, the discussion on how to mitigate the effects of flexibility could also be addressed in collective labour agreements at company level.

ENFORCEMENT OF LEGISLATION

- During the discussion, the employees' side raised concerns about certain companies trying to avoid the national labour law, in particular the implementation of freedom of association and the right to collective bargaining.
- The European Commission recognises its role of monitoring the correct transposition and application of EU law as interpreted in the light of the fundamental rights prescribed in the Charter of Fundamental Rights. In the more general context of monitoring the macro-economic developments in the Member States, as part of the European Semester the Commission intends to put more emphasis on well-functioning and effective national social dialogue



RECOMMENDATIONS

1. Social partners, who play a key role in the work on addressing skills gaps, should work in close cooperation with policy makers.
2. In follow up to the pledge by the EU sectoral social partners to the European Alliance for Apprenticeships, retail companies could support this call, where possible, by joining the European Alliance for Apprenticeships through making a concrete pledge to create more jobs through apprenticeships. As there is still a lack of appropriate structures in some Member States to allow apprenticeships to play a meaningful role in reducing youth unemployment, the Social Dialogue should set up an exchange of best practices to identify a quality framework for apprenticeships.
3. The Commission should assess the impact of e-commerce on the retail sector in particular in terms of employment (jobs created vs. jobs destroyed; quality of working conditions etc.).
4. To improve the attractiveness of the retail sector and the work-life balance of employees, the EU sectoral social partners could consider an exercise in identifying and promoting the best practices on how to balance flexibility in working hours with business' needs and employees' needs, covering as much as possible the e-commerce sector. At the same time, retailers should use the collective labour agreements at national, sectoral and company levels to introduce company-specific measures.
5. The social partners at all levels should work together according to national law and national industrial systems to promote effective functioning of the social dialogue between representatives of management and employees⁵.
6. The Commission should pay specific attention to the role of national social partners and the specific industrial relations mechanisms when formulating the Country Specific Recommendations with impact on the commerce sector.

⁵ See in particular

« Recommendations and action plan on social dialogue in the EU 13 and Candidate countries »

<http://ec.europa.eu/social/main.jsp?catId=521&langId=en&agreementId=5403>

