

## Pact for Skills – Skills Partnership for the Retail Ecosystem

### Introduction

Retail and wholesale is about people. The 16 million employees in retail and another 10 million in wholesale in the EU work hard to ensure that consumers have a reliable supply of daily essentials. During the Covid-19 crisis many wholesalers and non-food retailers have suffered badly under repeated and extended lockdowns in many countries. Amid high energy prices and inflationary pressures, the economic outlook of the sector remains uncertain.

By accelerating the trend towards digitalisation and online sales, the Covid-19 pandemic has also had a significant impact on the world of work in retail. Retailers and wholesalers now face increased competitive pressure to deliver on omnichannel operations by engaging with customers on diverse online and offline channels. EU and national government support is needed to invest in the resilience of retail and its ability to embrace fully the digital and sustainability transformation.

Together the social partners in retail and wholesale, EuroCommerce and UNI Europa have proposed a [European Pact for Commerce](#), calling upon the Commission to help fund this multiple transformation, and also help the sector's 5 million businesses, mostly SMEs, in up- and reskilling their workforce.

### Building a strong Skills Partnership in the retail ecosystem

The involvement and contribution of all relevant stakeholders in the retail ecosystem will contribute to the development of a strong and inclusive Skills Partnership at EU-level. The EU-level sectoral social partners signing the Pact – EuroCommerce and UNI Europa – commit to attracting, and collaborating with, relevant stakeholders. Under the Skills Partnership the EU-level social partners will form the core of a broad network.

The EU-level social partners commit to working together to achieve a strong Skills Partnership, based on a solid foundation of mutual trust, mutual interest in creating a learning culture and awareness of the contribution that the retail sector can bring to a fair and competitive Europe. This initiative is without prejudice to the autonomy of social partners at national and company level and the EU-level social partners acknowledge and recognise that formal competences on education and training lie at national and/or regional level.

EuroCommerce and UNI Europa are willing to develop and promote initiatives where stakeholders – at European, national, and regional level - can bring their input and thus enrich an open and constructive discussion on how to better tackle the skills-related challenges identified for the retail ecosystem. Through a bottom-up process those joint actions should contribute to create synergies among different stakeholders, facilitate collaboration and further develop common initiatives at any level. This can be complemented by initiatives autonomously promoted by either EuroCommerce or UNI Europa and could be developed over time.

The Skills Partnership will build on existing experiences, including for instance national frameworks for education and training, often the result of longstanding cooperation between national associations of retailers and wholesalers, trade unions and education and training providers, as well as examples of best practice on up- and reskilling of individual companies.

### Structural human resources challenges facing the retail ecosystem

Retailers and wholesalers are faced with the challenge of up- and reskilling their employees amid a rapidly changing world of work and the digital and green transformation in retail and wholesale.

Traditionally, retailers and wholesalers have developed a strong track record in building up the skills employees need to succeed in the workplace. Informal work-based learning ensures employees meet the ever-changing demands of their local customers. The future of physical stores, however, is about combining 'high tech and high touch'. Retail and wholesale employees will need to be able to deal with technology, while providing a top-quality service based on expert advice and customer service.

At the same time, there are persistent skills shortages in the retail and wholesale sector. As omnichannel (i.e. selling to customers through stores, online, mobile, etc.) increasingly becomes the norm, retailers and wholesalers need to find employees with new skill sets, such as advanced IT skills, to sustain e-commerce operations. As customers increasingly expect retailers and wholesalers to act sustainably, companies need to rapidly adapt and mainstream basic sustainability skills throughout their organisation and workforce.

In this context, Vocational Education and Training providers will need to adjust to meet retailers' and wholesalers' needs. Apprenticeships' curricula will need to be adapted to the reality of omnichannel as well as future perspectives including sustainability, and both employers and employees will need to embrace continuous learning. Moreover, all actors involved in education and training (retailers, wholesalers, social partners, and education and training providers), will have to permanently reinvent those curricula as critical capabilities and competencies seem to change ever more rapidly in a lifelong learning environment.

## Investing in up-to-date apprenticeship schemes and continuous learning

### Skills needed in our sector

- Customer centricity/interpersonal awareness
- Data analytics/literacy
- Basic digital skills: applications, excel, chat box, what is AI, e-commerce, etc.
- Sustainable/environmental skills (e.g. efficient/energy saving use of equipment, products and solutions)

### Meta skills needed in our sector

- The ability of dealing with change
- Learning agility (learning how to learn)
- Critical thinking
- Problem solving
- Creativity

#### 1. *Vocational Education and Training*

Providing high-quality apprenticeships for young people and promoting a culture of continuous learning for all is key for the stakeholders of the Skills Partnership: retailers and wholesalers, social partners, and education and training providers.

### Apprenticeships

The retail and wholesale sector is number 1 in almost all EU countries in terms of providing apprenticeships. These are good job opportunities for young people. Retailers and wholesalers are committed to sharing best practice on innovative apprenticeships. Apprenticeship systems need to modernise their curricula to meet the demands of the digital and green transition. As a sector, we would like to see innovative new curricula, such as the successful e-commerce merchant apprenticeship in Germany and Austria, in every EU country.

### Upskilling

It is very important to the overall success of the digital transformation that the entire workforce in retail and wholesale becomes digitally literate. Many companies have already developed training programs teaching basic digital skills (e.g. how to use smartphones, tablets or apps) to employees. These programs can also greatly benefit society, as digital literacy is increasingly required for e-government, etc. The same applies to sustainability: employees need basic green skills to meet

customer expectations on sustainability and help the sector achieve the European Green Deal goals. Upskilling should also help workers to acquire learning agility and skills to perform their tasks on multiple channels or in a hybrid workplace format. It is important that SMEs in retail and wholesale can access such existing training programs teaching basic digital skills. EU co-funding would help to ensure their uptake throughout the retail and wholesale sector.

## **Reskilling**

Reskilling of the workforce in retail and wholesale is integral to our sector due to the physical nature of many jobs as well as to alleviate skills shortages. Employees may therefore have to be encouraged to prepare for a different role inside or outside the retail and wholesale sector. Employers may help workers achieve better insight into their perspective on the labour market so that they develop the skillsets necessary for new employment opportunities. In this respect, employers can assist employees. Reskilling is an efficient way of retaining employees, keeping talent, by offering better job opportunities along their careers and the possibility to update their skillsets, including digital, green and meta skills. EU co-funding would enable retailers and wholesalers leading the way to do more.

Another challenge for the retail and wholesale sector is unfulfilled vacancies due to skills shortages. For example, in food retail it is difficult to find enough qualified butchers and bakers. Reskilling programs may help direct long-term unemployed towards such skills shortage professions in retail.

## **2. *Higher Education***

In addition to investments in Vocational Education and Training, another issue of key concern for retail and wholesale is the increased demand for high-skilled personnel in the sector which is currently not met by national higher education systems.

## **Skills gaps**

An example of skills shortages in retail and wholesale are data scientists (e.g. professionals working on AI, blockchain and advanced analytics to support decision-making). These technologies are already impacting the sector and retailers and wholesalers need European universities to train more 'home-grown' data scientists.

Next to digital skills, the retail and wholesale sector also needs the appropriate sustainability skills to support the green transformation of the sector, its supply chain and nudge their customers.

## What the retail and wholesale sector needs – summary of challenges and desired outcomes

The objective of the Skills Partnership for the retail and wholesale ecosystem is to enhance the competitiveness and resilience of the sector by investing in the skill-sets of its employees. The Skills Partnership is structured around the following five core objectives:

Objective	Challenges	Desired outcomes
<p><u>1. Promoting a culture of lifelong learning for all</u></p>	<p><b>Suggested action/commitment: Promoting initiatives where key labour market actors in retail and wholesale co-create sustainable solutions enabling lifelong learning and contributing towards facilitating the life-long employment of employees (both inside and outside the sector) by stimulating continuous learning,, sharing information and co-creating at the relevant national, regional and company levels.</b></p> <ul style="list-style-type: none"> <li>○ A need to develop a common understanding with retailers and wholesalers, training providers, social partners, EU, national, regional and local authorities on what is driving the rapidly changing world of work in retail and wholesale and what this means for retailers/wholesalers and their employees.</li> <li>○ An important aspect is the change in mindset that is required: employees must develop a sense of urgency in terms of up- or reskilling themselves.</li> <li>○ A lack of a high-level forum at EU-level to discuss and exchange best practices on how to promote a culture of life-long learning for employees across Europe</li> <li>○ The retail and wholesale sector has insufficient access to/knowledge of the available funds and schemes for EU upskilling and/or reskilling initiatives to achieve the digital and green transition and to promote resilience.</li> </ul>	<ul style="list-style-type: none"> <li>○ Life-long learning will become the norm and a prerequisite. As the retail landscape continues to transform so does the need for people to continuously learn, updating their skills and competencies to meet changing workplace trends</li> <li>○ The development of a new training culture is needed: this requires the contribution of all stakeholders as well as, to the extent possible and when consistent with national law and practice, joint and constructive work on the design of the different phases of training projects.</li> <li>○ Employees are increasingly conscious of their opportunities on the labour market – both inside and outside the retail and wholesale sector – and act upon that accordingly</li> <li>○ Increased participation of retail and wholesale employees in existing up- and reskilling initiatives in the retail and wholesale sector</li> <li>○ Continuing the high levels of informal and non-formal learning taking place in the workplace of retail and wholesale companies</li> <li>○ Increased ease for employers to demonstrate what training they provided to employees and for employees to demonstrate what training they have undertaken</li> <li>○ Better awareness and sharing of best practices in training programs on up- and reskilling in the retail and wholesale sector throughout Europe, for instance online programs teaching basic digital skills (e.g. using Massive Online Open Courses), up- and reskilling hubs, blended forms of learning (e.g. employers stimulating employees to take e-learning modules through dedicated learning platforms).</li> <li>○ Consequently, improve the competitiveness of the sector through a highly skilled work-force that anticipates changes, has more career options and creates new job opportunities for others.</li> </ul>
<p><u>2. Building a strong skills</u></p>	<p><b>Suggested action/commitment : The Skills Partnership facilitates sharing of best practice methodology for upskilling and reskilling through initiatives involving stakeholders at all levels</b></p>	

<p><u>partnership with relevant stakeholders</u></p>	<ul style="list-style-type: none"> <li>○ Long-established and successful apprenticeship schemes in many Western European countries (best practice) but there is a need to update the curricula of apprenticeships in other countries</li> <li>○ Hurdles to recognition of vocational experience or qualifications means that not all learning is properly validated. This concerns both informal and nonformal learning taking place inside the workplace as well as formal (vocational schools) and blended forms of learning</li> <li>○ There is currently no platform connecting vocational education and training providers and retailers and wholesalers. Without better knowledge of the sector’s needs training providers cannot evolve</li> <li>○ There is a need for apprenticeships preparing employees for the increasingly omnichannel nature of the retail and wholesale industry (interplay between e-commerce and physical commerce).</li> <li>○ As customers increasingly expect retailers and wholesalers to act sustainably, companies need to rapidly adapt and mainstream basic sustainability skills throughout their organisation and workforce</li> <li>○ The increased demand for high-skilled personnel in retail and wholesale is currently not met by national higher education systems.</li> <li>○ In some EU countries the public education system does not prepare young people for the labour market of the 21<sup>st</sup> century (and for working in retail and wholesale), crucially, the absence of adequate IT infrastructure in classrooms means (some) young people entering the labour market lack elemental digital skills</li> </ul>	<ul style="list-style-type: none"> <li>○ High quality apprenticeship schemes provide for a skilled workforce in retail and wholesale across Europe, while providing meaningful career opportunities for many young people. These apprenticeships contribute to up-to-date skill-sets of employees helping them access the labour market. All learning outcomes of employees are valued, based on their actual skill-sets</li> <li>○ Modernised vocational education and training systems taking into account the ‘real time’ skills needs of retailers and wholesalers and deliver on continuous learning (up- and reskilling)</li> <li>○ As a sector, we would like to see innovative curricula on digital skills, such as the e-commerce merchant apprenticeship in every EU country</li> <li>○ Employees internalise basic sustainability and green skills helping companies achieve their objectives on circular economy, recycling, reparability, etc.</li> <li>○ Partnerships with universities provide the sector with sufficient professionals with advanced digital skills (e.g. data scientists), retail/wholesale-specific skills (e.g. buyers) or green skills (e.g. repair and waste management) to support the emerging customer need for the sustainability of the sector and its supply chain and achieve the European Green Deal targets.</li> <li>○ Public authorities proactively stimulate digital learning from an early age, in particular by tackling the investment gap in IT infrastructure in the public education system (high schools and vocational schools).</li> </ul>
<p><u>3. Monitoring skills supply/demand and anticipating skills needs</u></p>	<p><b>Suggested action/commitment: In partnership with the European Commission, the Skills Partnership seeks to promote EU-level for exchange of information and best practice by private companies, social partners, public authorities and education and training providers on how different sectors are changing and how skills and jobs are transforming.</b></p> <ul style="list-style-type: none"> <li>○ There is currently no EU-level structure to help retailers and wholesalers comparatively assess skills needs across countries, feature skills forecasts into their HR strategies and learn from each other</li> <li>○ For their strategic discussions on the future of work in retail and wholesale, companies, national associations, social partners, education and training providers and/or government authorities are in need of real time data and up-to-date information on how skills and jobs are changing at local, regional, national, European and global level</li> </ul>	<ul style="list-style-type: none"> <li>○ To ensure that retailers and wholesalers are best able to leverage the digital and green transition the Skills Partnership should rely on adequate skills intelligence from companies, social partners, regional, national and EU authorities (including Cedefop), education and training providers, and private and public employment services</li> </ul>

<p>4. <u>Working against discrimination and towards equal opportunities for all</u></p>	<p><b>Suggested action/commitment: The Skills Partnership facilitates the development and exchange of best practice methodology for an inclusive labour market with positive societal impact, where diversity remains key for the future of work in retail and wholesale.</b></p>	
<p>5. <u>Raising awareness &amp; attractiveness of the Retail and Wholesale sector</u></p>	<p>Unfortunately discrimination, inequalities and different opportunities exist as a societal phenomenon and therefore effect the retail and wholesale sector, Europe’s largest private-sector employer</p>	<ul style="list-style-type: none"> <li>○ Retailers and wholesalers want to help contribute to stable and just societies throughout Europe</li> <li>○ Access to training opportunities for employees in retail and wholesale should be facilitated for all in a manner that is accessible and inclusive.</li> </ul>
	<p><b>Suggested action/commitment: The Skills Partnership promotes the retail and wholesale sector as an attractive place to work and a future proof retail and wholesale sector for people and planet (sustainability)</b></p> <ul style="list-style-type: none"> <li>○ There is a lack of understanding and awareness among young people/the general public about the various jobs available in retail and wholesale and the general career prospects in the sector</li> <li>○ New jobs created by the digital and green transition in retail and wholesale often require highly-skilled professionals from outside the sector, challenging retailers and wholesalers to recruit beyond known talent pools and compete with industrial and tech sectors for IT professionals (e.g. data scientists, etc.), sustainability professionals (waste management, circular economy, climate/energy, etc.), etc.</li> <li>○ Long-term skills shortages in retail-specific professions, e.g. butchers and bakers</li> <li>○ Shortage of skilled workers in ancillary services to retail and wholesale, e.g. lorry drivers</li> <li>○ Employers often face legal constraints that prevent them from offering the right incentives to retain or attract employees in the new world of work. This is particularly striking when it comes to employees’ requests to work remotely in another EU member state. The absence of a solution at the EU level restricts talent pools available to retailers and wholesalers. Companies are prevented from addressing their pressing skills gaps, while talented people living and working in another EU member state miss out on good employment opportunities.</li> <li>○ Labour law at national level can complicate the efforts of companies operating in multiple member states to organise short-term exchanges of employees.</li> </ul>	<ul style="list-style-type: none"> <li>○ Increase awareness of the opportunities of working in retail and wholesale</li> <li>○ Promote the importance of retail and wholesale as one of the largest (top 3) employers in rural areas and the attractiveness of its apprenticeship programs in terms of offering local jobs (both in urban and rural areas)</li> <li>○ Promote a positive image of the sector (essential sector, stable and specialised jobs, interesting career opportunities, as in new innovative domains such as e-commerce and e-fulfilment, etc.)</li> <li>○ Promote entrepreneurship in retail and wholesale (SMEs)</li> <li>○ Highlight the diversity of distribution channels (physical retail, wholesale e-commerce, direct selling, etc) and the transferability of skills</li> <li>○ Promote career paths for tech and sustainability professionals linked to the challenges of the digital and green transition in retail and wholesale</li> <li>○ Promote the growing importance of digital tools in retail and wholesale</li> <li>○ More and better employee exchange programmes</li> </ul>