

THE GRADUATE! NETWORK!

Retail Employers

Bridging The Talent Gap Employer Community Report

This project is made possible with support from Walmart.



The Graduate! Network's Bridging The Talent Gap Initiative

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<http://graduate-network.org>
www.bridgingthetalentgap.org

BRIDGING THE TALENT GAP SURVEY RESULTS

This report summarizes the results of The Bridging The Talent Gap Survey administered in multiple sites from May 2016 through January 2019. Sites participating in this survey include the following:

- Albuquerque, NM
- Austin, TX
- Cleveland, OH
- Corpus Christi, TX
- Jacksonville, FL
- Louisville, KY
- Mercer County, NJ
- Providence, RI
- Saint Louis, MO
- San Antonio, TX
- Southern Indiana
- Spokane, WA

In addition, the survey was administered throughout Kentucky and in multiple regions in Tennessee. All respondents who indicated they are connected with the retail sector as defined by NAICS codes and as modified by the Society for Human Resource Management are included in this report. Additionally, site leaders with The Graduate! Network reviewed participants' information and included appropriate additions to this group as they deemed appropriate. In no case were any other sector designations altered. There were 148 completed or partially completed surveys representing employers who were involved with the retail sector.

Executive Summary of Findings

Community Landscape

Organization size among respondents is represented in the following ways:

- Thirty-four percent (n=51) represent small businesses (self-employed – 50 employees)
- Thirty-four percent (n=50) represent medium-sized businesses (51 – 500 employees)
- Thirty-two percent (n = 47) represent businesses with more than 500 employees

Industries Represented

Although the retail sector was the common designation for all participants, many associated with other NAICS sectors. The table below details involvement with other sectors in addition to retail. Retail affiliated organizations were most likely to be involved in manufacturing (20 percent) and transportation and warehousing (14 percent). Sectors least likely to be associated with retail involvement include government agencies (1 percent) and utilities (1 percent).

Industry	Number	Percent
Accommodation and Food Services	29	20%
Administrative and Support and Waste Management and Remediation Services	10	7%
Agriculture, Forestry, Fishing and Hunting	9	6%
Arts, Entertainment, and Recreation	15	10%
Construction	14	9%
Educational Services	8	5%
Finance and Insurance	13	9%
Health Care and Social Assistance	3	2%
Government Agencies	1	1%
Information	2	1%
Manufacturing	30	20%
Mining	1	1%
Professional, Scientific, and Technical Services	11	7%
Real Estate and Rental and Leasing	8	5%
Religious, Grantmaking, Civic, Professional, and Similar Organizations	2	1%
Repair and Maintenance	13	9%
Retail Trade	148	100%
Transportation and Warehousing	21	14%
Utilities	1	1%
Wholesale Trade	13	9%
Other	7	5%

(Please note, percentages do not add up to 100% because survey respondents could choose more than one industry cluster).

- A total of sixty-seven percent of survey respondents described the economic conditions in their community as positive. Of the industries most represented in the survey, retail organizations also associated with construction held the most optimistic view (100 percent positive). Conversely, retail organizations involved with agriculture were the least optimistic, with 33 percent holding a positive view of the community's economic conditions.
- Eighty-nine percent of respondents report that their respective companies are preparing for moderate to high growth in the next 3-5 years. Among industries most represented in these categories, 100 percent of the retail organizations associated with arts and entertainment anticipate moderate to fast growth. Retail organizations associated with professional, scientific and technical services were least likely to anticipate growth (73 percent).

Skill Needs Landscape

- Across all basic, multi-lingual, and applied skills, retail respondents reported that 49 percent of high school diploma holders in their labor pool possessed the skills needed for their jobs. This figure was 62 percent for technical/community college graduates and 74 percent for four-year college graduates.

- Across all applied skills (information technology application, teamwork/collaboration, diversity, problem solving and leadership), respondents reported that 42 percent of high school diploma holders in their labor pool possessed the skills needed for their jobs. This figure was 63 percent for technical/community college graduates and 75 percent for four-year college graduates. The applied skill experiencing the greatest increase in respondents' opinions was leadership with an increase in the percent of "yes" responses of 54 percentage points from high school diploma holders to those with a four-year college degree.

Hiring Landscape

- Among all retail respondents, 86 percent are hiring for full-time positions. Eighty-five percent of employers find it difficult to recruit for certain positions, while 66 percent say it is difficult to retain certain positions.
- Among applicable retail respondents, the jobs found most difficult to fill include skilled trades (electricians, carpenters, machinists, mechanics, welders, plumbers) (91 percent difficult) and engineers (87 percent difficult).
- The least difficult jobs to fill in the retail sector community include administrative support staff (55 percent difficult) and sales representatives (62 percent difficult).
- The main reasons retail respondents experience difficulty in hiring include competition from other employers (58 percent), low numbers of applicants (52 percent) and qualified candidates not being within the employer's pay range (51 percent).

Learning Landscape

- The education credential with the greatest percentage of retail respondents expecting increased need over the next five years was a high-school diploma. Forty-six percent of respondents anticipated future need for this credential.
- Support for learning was mixed across retail respondents. Fifty percent provide financial support to pursue college level courses, 44 percent offer financial support for learning/training that is not college coursework, 90 percent provide on-the-job learning or training, and 60 percent provide support in non-financial ways. Four percent report that their organization does not provide any of these education benefits at this time.
- Respondents offer a variety of methods supporting education. Among those most often identified include allowing flexible work schedules to accommodate employees' classes (78 percent), advising employees on which degrees will benefit their career (32 percent), and public recognition for graduation or achievement of significant educational milestones (31 percent).
- On average 46 percent of financial benefits offered to employees is not utilized annually. The main reasons given for learning benefits not being utilized more fully involve workers being too busy or committed otherwise to pursue learning (65 percent), lack of incentives or benefits in

their organization for pursuing learning (35 percent), and lack of interest in learning benefits programs (35 percent).

- Sixty-two percent of retail respondents indicated that they did not currently work with a local education provider to assess skill gaps that can be addressed through educational institutions' program offerings and curricula.
- Eighty-nine percent of retail respondents who do not currently partner with education institutions either definitely or would possibly consider doing so.
- Education was considered influential in helping respondents achieve their organizational goals. On a scale of 0 – 100 with an average influence rating of 75. Recruitment of new employees received the lowest average rating (71) while the goal of increasing customer/client satisfaction received the highest average rating (78). A rating of 0 would indicate no influence and a rating of 100 would indicate that education is very influential.

NOTE: These data represent a snapshot of retail employers across time and in multiple locations. It is always advisable to take care in generalizing survey information to any specific community at large. Up to date information can be seen on your community's interactive data dashboard at <https://www.bridgingthetalentgap.org/dashboard/>.

Use of any of these data in external or internal publications should be noted as follows:

“The Graduate! Network Bridging The Talent Gap Initiative. [Year of report publication]. The Bridging The Talent Gap Employer Survey” [Note: some survey questions contained in the survey are from Society for Human Resource Management's (SHRM's) “Local Skills Shortages” survey and were used with permission from SHRM.]

For questions or additional information about The Graduate! Network's Bridging The Talent Gap initiative, please contact Bridgett Strickler, Vice President of Network Engagement and Co-Principal Investigator, Bridgett.Strickler@Graduate-Network.org.

Introduction

The Bridging The Talent Gap Employer Survey initiative is an integral outreach of The Graduate! Network, a national organization dedicated to working in communities across the U. S. to provide education opportunity for adults seeking to complete their post-secondary credentials. This report focuses specifically on those employers affiliated with the retail sector from a variety of locations around the U. S. from 2016 through 2019, as described below. Information from this survey lays the ground work for consideration of the ways communities can best concentrate efforts to connect employer needs with the education and learning resources in their community. Survey responses equip business, education and government leaders, and other stakeholders with vital information to guide thinking and response to the areas of concern reflected in the results covered in this report.

At its core, the business communities' responses on the Bridging The Talent Gap Employer Survey provide a window into the viewpoints of retail employers. This report seeks to give *context* – by summarizing how employers have responded – and *focus* – by revealing retail organizations' specific perspective on key issues concerning hiring challenges, skill gaps among their labor pool, and the roles education and learning play in helping them address these issues and achieve their business goals.

This initiative is a critical building block for an improved quality of life in the communities with whom we have partnered. Without an educated and work-ready labor pool we cannot thrive economically. The survey has amplified the voice of retail employers, and leaders in communities across the country are listening, eager to share ideas, and ready to take collective action. We invite you to consider the landscape reflections throughout the report that underscore important themes. We also encourage you to explore the interactive retail data dashboard at <https://bridgingthetalentgap.org>.

The Business Community Landscape

Respondent Profile

This report summarizes the results of The Bridging The Talent Gap Survey administered in multiple sites from May 2016 through January 2019. Sites participating in this survey include the following:

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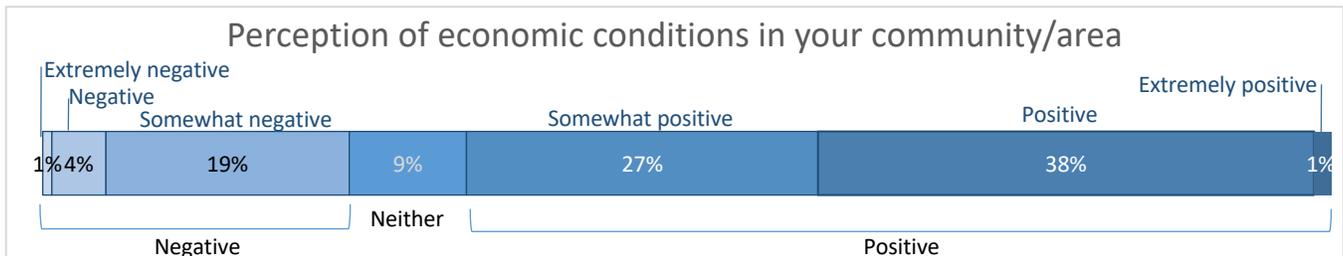
In addition, the survey was administered throughout Kentucky and in multiple regions in Tennessee. All respondents who indicated they are connected with the retail sector as defined by NAICS codes and as modified by the Society for Human Resource Management are included in this report. Additionally, site leaders with The Graduate! Network reviewed participants' information and included appropriate additions to this group as they deemed appropriate. In no case were any other sector designations altered. There were 148 completed or partially completed surveys representing employers who were involved with the retail sector.

Survey participation was distributed relatively equally across organization size. Thirty-four percent of survey participants were from small organizations (self-employed – 50 employees). Similarly, medium-sized organizations (51 – 500 employees) comprised 34 percent of respondents. Finally, 32 percent of respondents were from large organizations with more than 500 employees.

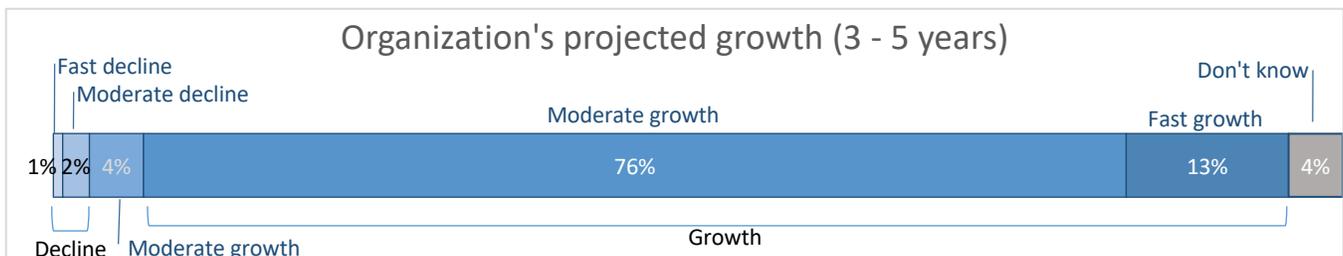
Although the retail sector was the common designation for all participants, many associated with other NAICS sectors. The table below details involvement with other sectors in addition to retail. Retail affiliated organizations were most likely to be involved in manufacturing (20 percent) and transportation and warehousing (14 percent). Sectors least likely to be associated with retail involvement include government agencies (1 percent) and utilities (1 percent).

Industry	Number	Percent
Accommodation and Food Services	29	20%
Administrative and Support and Waste Management and Remediation Services	10	7%
Agriculture, Forestry, Fishing and Hunting	9	6%
Arts, Entertainment, and Recreation	15	10%
Construction	14	9%
Educational Services	8	5%
Finance and Insurance	13	9%
Health Care and Social Assistance	3	2%
Government Agencies	1	1%
Information	2	1%
Manufacturing	30	20%
Mining	1	1%
Professional, Scientific, and Technical Services	11	7%
Real Estate and Rental and Leasing	8	5%
Religious, Grantmaking, Civic, Professional, and Similar Organizations	2	1%
Repair and Maintenance	13	9%
Retail Trade	148	100%
Transportation and Warehousing	21	14%
Utilities	1	1%
Wholesale Trade	13	9%
Other	7	5%

The chart below shows a total of 67 percent of survey respondents describing economic conditions in their community as positive. Of the industries most represented in the survey, retail establishments also associated with construction were most likely to hold an optimistic view of their community's economic outlook (100 percent positive). Conversely, the least optimistic sector associated with retail respondents was agriculture, with 33 percent holding a positive view of their community's economic conditions.



The chart below indicates optimism each retail respondent had regarding their own organization. Eighty-nine percent of respondents report that their respective companies are preparing for moderate to high growth in the next 3-5 years. Retail establishments associated with arts, entertainment and recreation, wholesale trade, repair and maintenance, real estate, and education all were most optimistic with 100 percent anticipating future growth. Retail organizations associated with professional, scientific and technical services were the least likely group to be optimistic about their future, with 73 percent anticipating future growth.



Landscape Reflection

- How do economic conditions in different areas affect retail establishments' ability to plan for and ensure a well-educated, well prepared work force?
- How might communities take advantage of local resources offered by local colleges and learning providers (e.g., subject matter experts for retail business focus, curriculum to upgrade job skills, push for employees to complete credentials).
- What economic forces are driving retail's expectations of growth?
- How will this affect the hiring of new employees and the skills upgrades needed for the existing retail workforce?

The Skill Needs Landscape

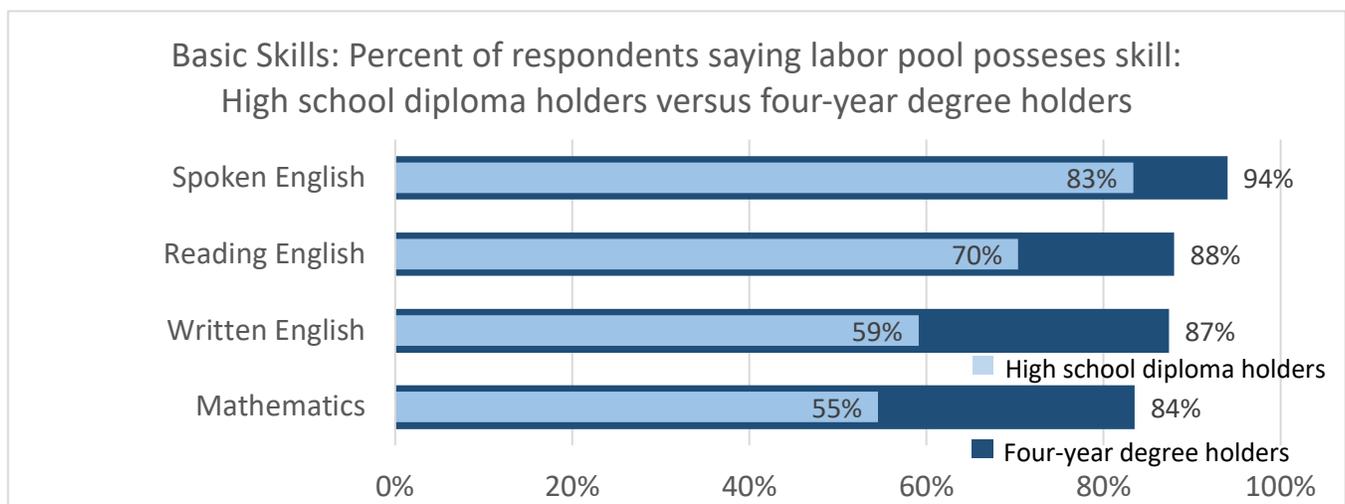
The purpose of items in this section of the survey was to tap employers' perceptions of the impact of education attainment on the skill level of their labor pool. Respondents were presented with a list of specific skills or knowledge sets (e.g., information technology use skills, problem solving). Respondents were asked to consider those in their labor pool who have completed high school, a two-year degree, or a bachelor's degree. For each education attainment level for each skill, the survey participant was asked if the person with the given education credential generally possessed the skill under consideration. The participant selected one of four responses for this question: yes, no, don't know or not applicable. Respondents indicating that the skill was not applicable were not included in the analysis, so all reported outcomes reflect employers for whom the skill or knowledge *was* applicable.

The results can be interpreted as an indication of the advantage education attainment imparts to the emergent workforce. It is worth emphasizing that these data reflect employers' perceptions free from any halo effect or outside influence. There is a notable perception on the part of employers that indicate distinct added value in terms of ever-increasing education attainment. The data reported below are consistent with findings from all Bridging The Talent Gap sites across all industry sectors since the inception of the survey.

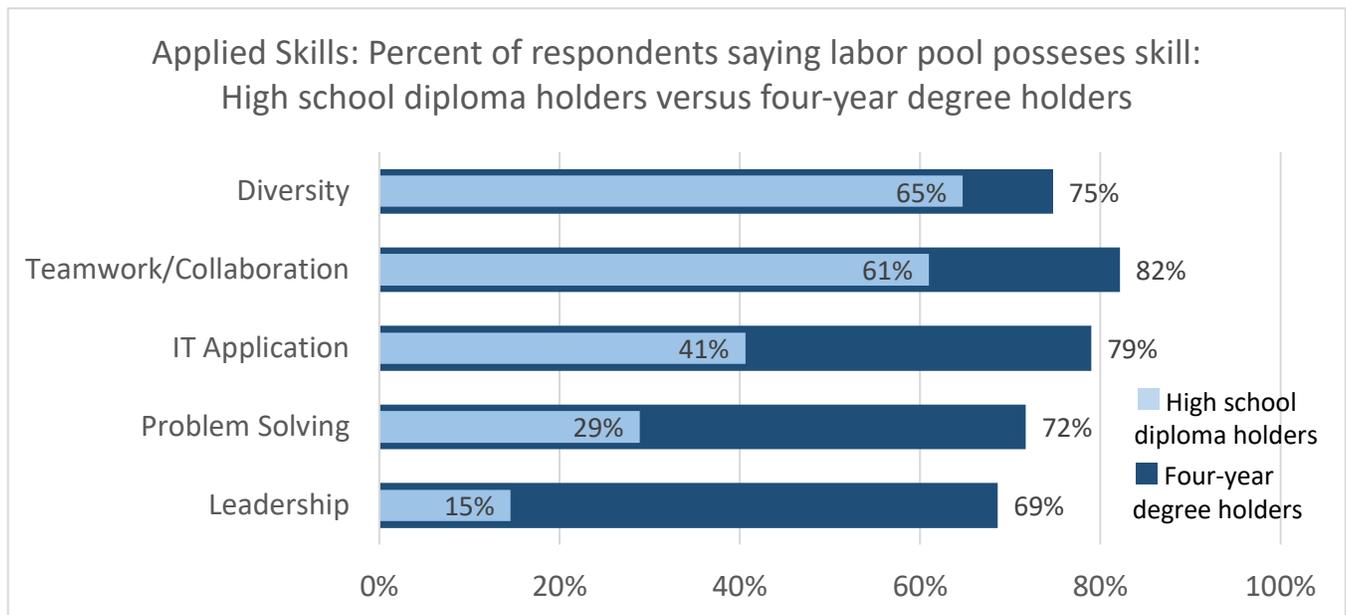
Across all skills, retail respondents reported that 49 percent of high school diploma holders in their labor pool possessed the skills needed for their jobs. This figure was 62 percent for technical/community college graduates and 74 percent for four-year college graduates.

Technical/community college graduates experienced a gain of 13 percentage points in the proportion of respondents saying this segment of the labor pool possessed the skills being considered compared to high school diploma holders. Four-year college degree holders among the labor pool experienced a gain of 25 percentage points in possessing skills employers need compared to high school diploma holders. This same trend can be seen in the more specific analyses that follow.

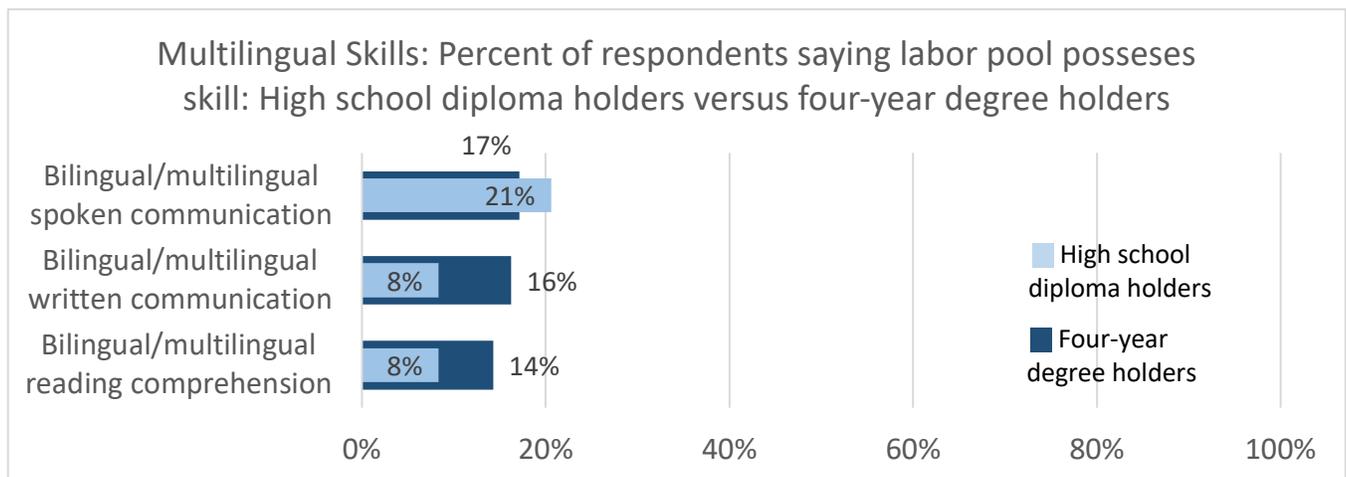
Basic Skills. Virtually all beneficial work skillsets are built on the foundation of a solid mastery of basic skills. Employers' opinions of their labor pool as a function of education achievement can be seen in the chart below.



Applied Skills. Employers’ perspectives of applied skills possessed by high school diploma recipients versus four-year college degree holders is shown below. The proportion of employer respondents who said high school diploma holders in the labor pool possess the listed skills are shown in the light-tone bars. These proportions can be compared with those in the labor pool holding a four-year degree, who are represented by the dark bars. These differences provide some insight into the value added by the completion of post-secondary credentials, especially regarding applied skills.



Multilingual Skills. In recent years, the increase in ethnic and language group diversity has placed a premium on workers with multilingual skills. The chart below shows the level of these skills employers see in their labor pools’ skill level as impacted by education attainment.

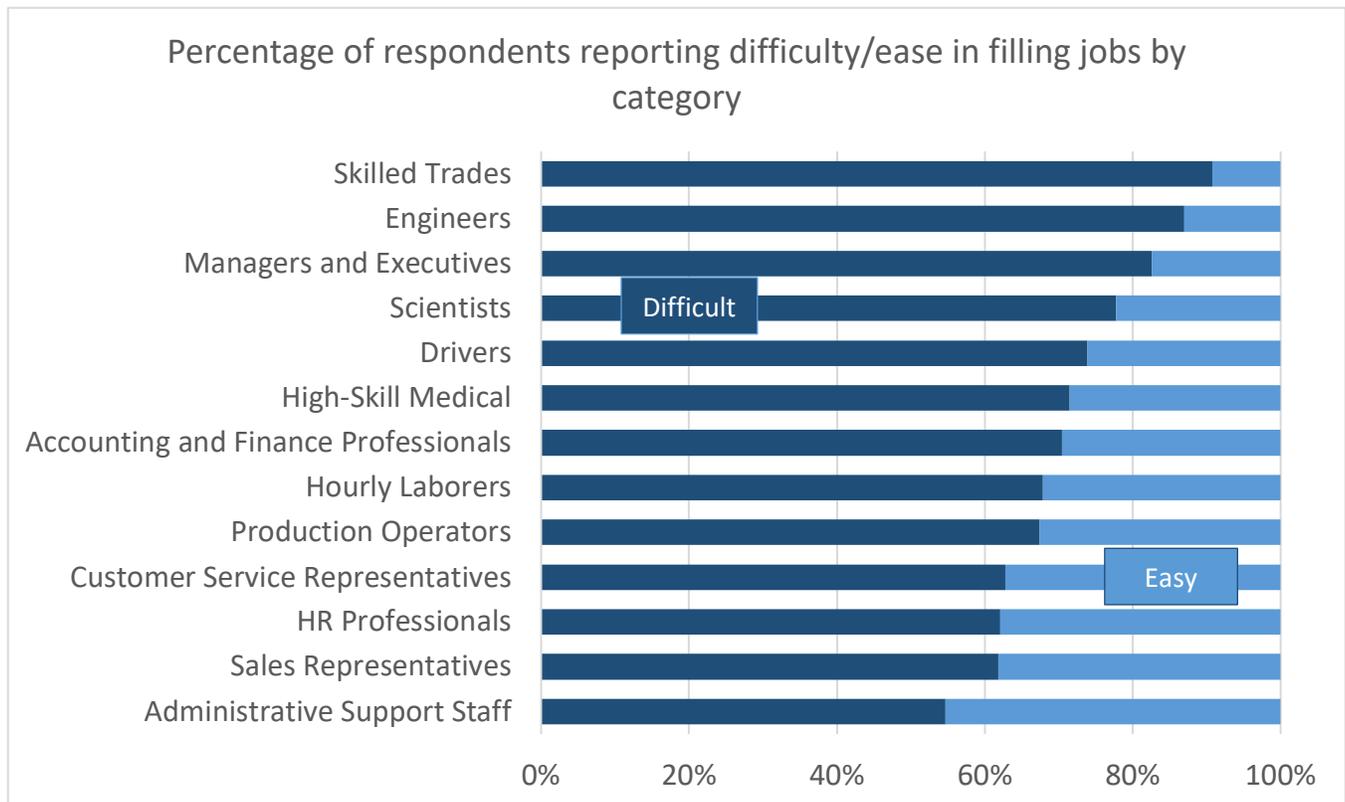


Landscape Reflection

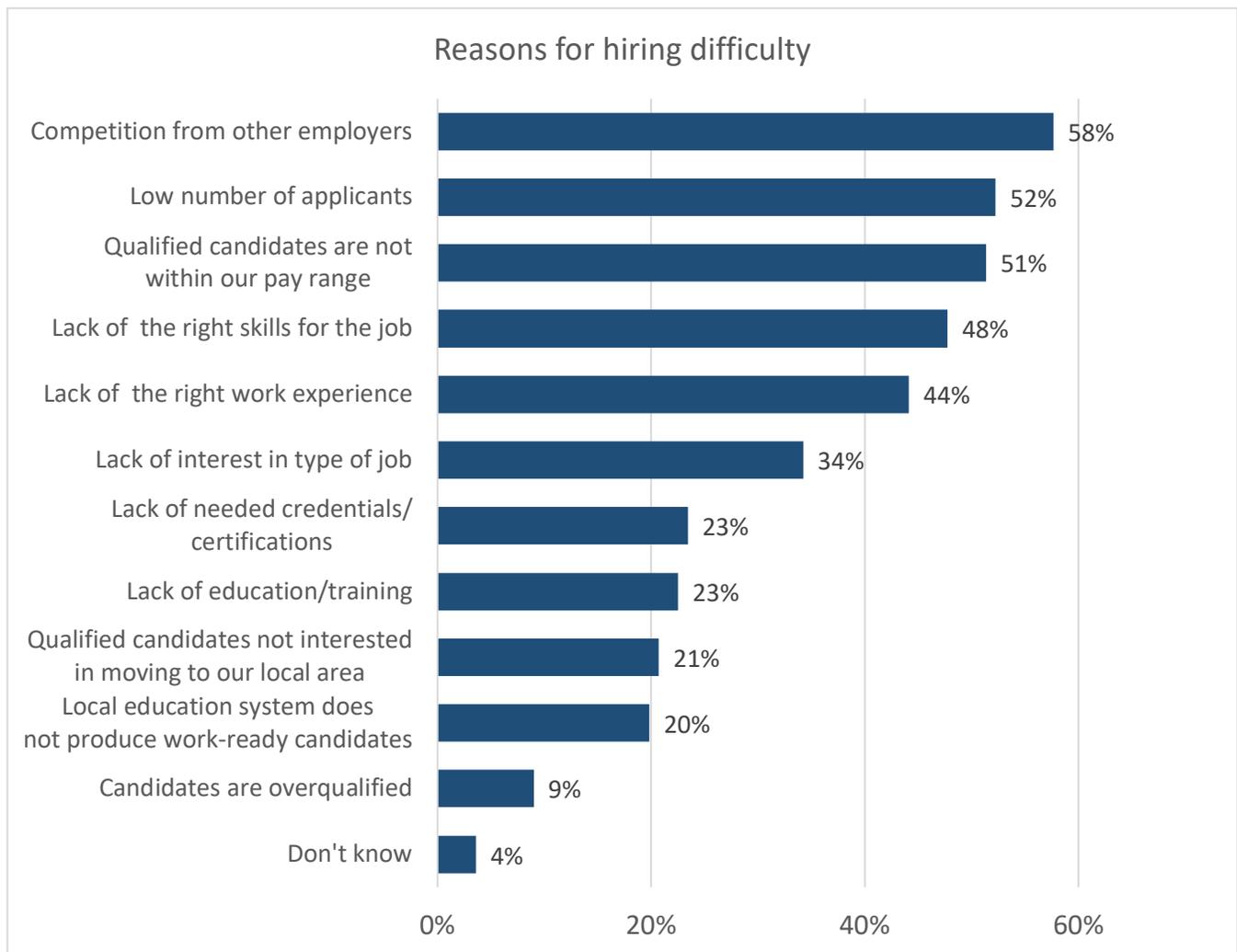
- What skills that are most resistant to education and learning are important to the retail community (i.e, those skills that don't change significantly with education attainment)? What steps might be taken to address this issue?
 - What are the issues you are facing with the applied skills (for example, diversity, leadership, problem solving, teamwork and collaboration, and technical skills) that might benefit from partnerships with local colleges and universities, and other community organizations?
 - From the perspective of retail businesses across all sites, there is a general acknowledgement that a four-year degree provides substantial advantages for the labor pool possessing these applied skills. How might retail employers take advantage of these gains?
 - Are there specific workforce groups or certain industry sectors associated with retail employers who could benefit from a targeted approach to encourage degree completion?
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The Hiring Landscape

Among retail respondents completing the survey, hiring is a critical area of concern. Multiple categories of hiring present considerable difficulty in finding good candidates, as the chart below indicates. Hiring for skilled trades (electricians, carpenters, machinists, mechanics, welders, plumbers), engineers, and managers/executives were rated as the top three positions that are somewhat or very difficult to fill by respondents for whom these positions were applicable. In comparison, those positions easiest to fill include administrative support staff, sales representatives and HR professionals.



The main reasons retail related organizations had difficulty in hiring qualified candidates for full-time regular positions is shown in the chart below. The most often mentioned reasons include competition from other employers, low numbers of applicants, and qualified candidates not being within the organization's pay range.



NOTE: Total percentages are greater than 100% because respondents could choose multiple categories

Landscape Reflection

- What are some ways these responses underscore the difficulty retail organizations are facing in finding qualified candidates for needed positions?
 - One solution many communities and organizations pursue is to identify those who are already part of your workforce who would be good candidates for advancement with additional education, training, or focused experience. Regardless of the circumstances, greater numbers of candidates increase the likelihood of finding qualified individuals, especially in those jobs for which competition is more intense. It may be beneficial to consider use of pre-hiring, apprenticeships, or other partnering opportunities with local colleges and universities. Curricula and specialized training can often be created that optimize the skills retail establishments need in job candidates.
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The Learning Landscape

There is broad-based support for education among retail employers. The table below shows the percent of employers completing the survey who identified various ways they support education for their employees. Keep in mind that any given employer respondent may select as many means of supporting education as they offer.

Type of education support provided by the employer	Percent
We provide financial support for our employees to pursue college level courses.	50%
We provide financial support for our employees to pursue education, learning or training provided by outside agencies that is not college coursework.	44%
We provide on-the-job internal education, learning or training for our employees.	90%
We provide support for our employees to pursue education, learning or training in other ways besides financial support.	60%
None at this time	4%

Learning has become an essential focus for employers who seek to optimize success. Ability to adjust to and thrive in a global marketplace requires an agile workforce who can learn new skills efficiently. Survey respondents reinforced this insight as can be seen in the graphs below. The chart below shows the relationship between the importance of each of a set of nine organization goals and the influence of education in achieving that goal for retail organizations. Respondents were asked to rate these factors on a scale of 0 (not influential/important at all) to 100 (very influential/important).

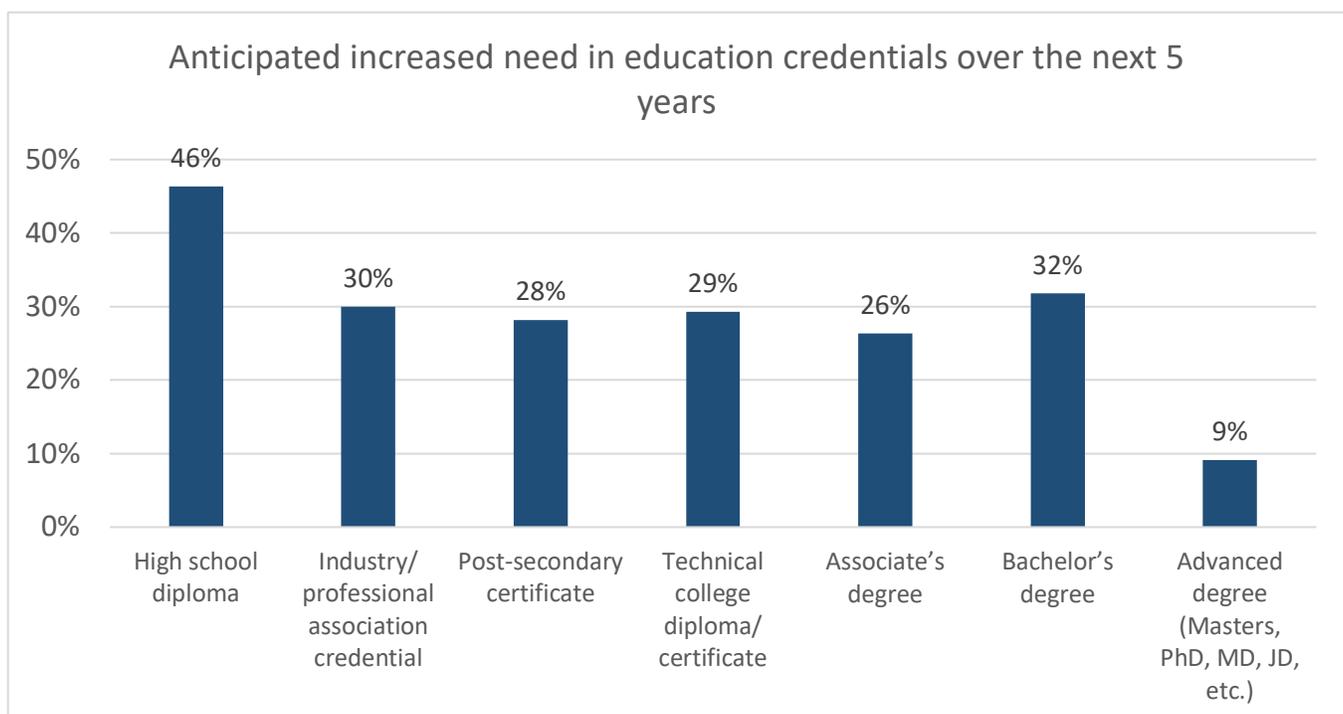
The retail business community respondents' most important goals included increasing customer/client satisfaction (average rating = 90) and increasing profits/savings (average rating = 87). Goals most influenced by education included increasing customer/client satisfaction (average rating = 78), and increasing employee engagement/organizational loyalty (average rating = 77).

Organization Goals: Average Goal Importance and Influence of Education on Achieving that Goal

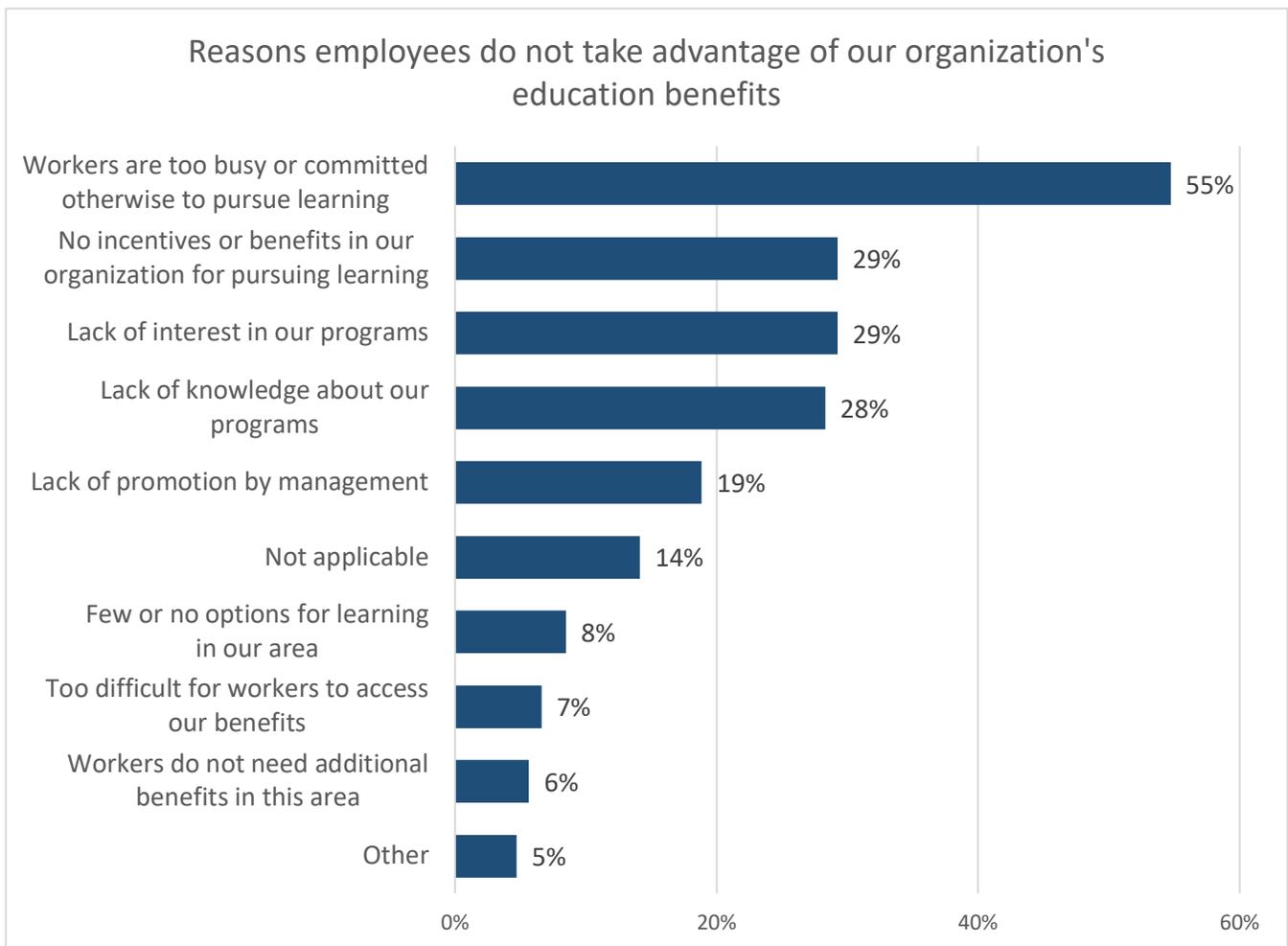
Increasing customer/client satisfaction	Average influence	Very influential/important	Average importance
Increasing profits/savings	Average influence	Very influential/important	Average importance
Increasing employee engagement/organizational loyalty	Average influence	Very influential/important	Average importance
Worker retention	Average influence	Very influential/important	Average importance
Increasing worker productivity	Average influence	Very influential/important	Average importance
Development of employee leadership skills	Average influence	Very influential/important	Average importance
Recruitment of new employees	Average influence	Very influential/important	Average importance
Development of employees' professional skills	Average influence	Very influential/important	Average importance
Employee advancement within your organization	Average influence	Very influential/important	Average importance

The influence of education on organizational success is underscored when the anticipated need for increased education credentials is considered. The figure below shows retail organizations' expected increased need for graduates at various levels over the next five years. The credential with the greatest anticipated increased need is a high school diploma or equivalent. It is worth noting that the increased need for high school diploma holders is considerably greater for retail sector employees compared to the employer community at large. This could reflect a different labor pool for retail employers compared to other employers. Alternately, the differences may indicate a characteristic profile for education needs of retail employees that should be taken into account when considering the education needs of the future workforce. Understanding the variance of retail employers needs from others in this regard is worth pursuing.

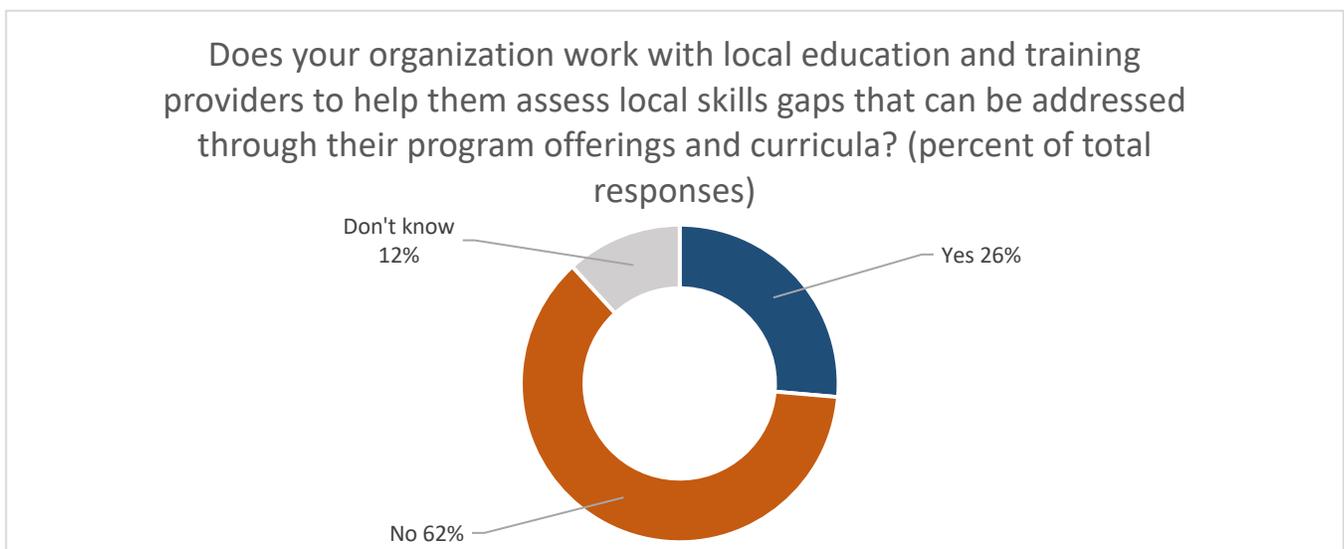
Regardless of the reason, it is significant that there is virtually no expectation of decreased need for any level or type of credential. Expectations for decreased need for education credentials ranges from one to three percent across all credentials.



The change in anticipated increased need for post-secondary education credentials points to the need to encourage and assist those in the workplace to pursue and persevere to complete their education goals. Unfortunately, there are multiple barriers and competing responsibilities for workers wanting to initiate or continue with their education. The chart below reflects retail employers' perspectives on the reasons their employees do not take advantage of employer benefits for learning.



Finally, the charts below represent partnership opportunities in the retail employer community by exploring the level of collaboration between businesses, and local education and learning providers in your area. The top chart shows the degree to which retail businesses work with education to assess skill gaps that can be addressed through programs and curriculum. A total of 74 percent of retail respondents do not currently partner with or don't know if they partner with education systems.



The bottom chart indicates retail organizations' general willingness to partner with education and learning providers to support education, learning or training for employees. Of all respondents, a mere 16 percent indicate they already do so. However, among those retail employers who do not currently partner with education institutions 89 percent expressed interest in such partnerships now or in the future.



Landscape Reflection

- Which goals explored in this survey are important to the retail employer community and how influential is education in achieving them?
 - If there are important goals that reflect less influence than anticipated from education, how might your community address these weaknesses (internal goals) or threats (external goals) by exploring education partnerships?
 - How might retail organizations build on the strengths and opportunities you already have for those goals in which education is influential?
 - For employers who already have an education support benefit for employees, how might they enhance and expand their effectiveness in getting more employees to take advantage of it?
 - For organizations who do not have an education support benefit, how might this benefit help them achieve organizational goals and address skill gaps among your employees?
 - What opportunities might exist among retail employers to explore education partnerships, and what areas within retail concerns would most benefit from such partnership?
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