HELPING OUR CUSTOMERS SUCCEED
BY GROWING THEIR TALENT

Retail and Retail Supply Chain Sector Skills Summary

Contents

Hinonga Kōkiri / Head Start Project

The Hinonga Kōkiri / Head Start Project is an initiative from ServiceIQ that brings together service sector stakeholders from industry, employers, schools, tertiary education providers, and iwi throughout Aotearoa New Zealand to reflect on the impacts of COVID-19.

The purpose of the project is to hear stakeholder perspectives on:

- how COVID-19 has reshaped vocational pathways and business, and
- what people and skills, training, and learning pathways are needed to get a head start to COVID-19 recovery.

The stakeholder consultation began in October 2020 and concluded in January 2021. In total, 321 sector representatives attended 41 focus group sessions in 10 regions throughout New Zealand. Their perspectives shaped the creation of online surveys, resulting in 488 responses that provided further views on how COVID-19 impacted the service sectors, and what support is needed for recovery.

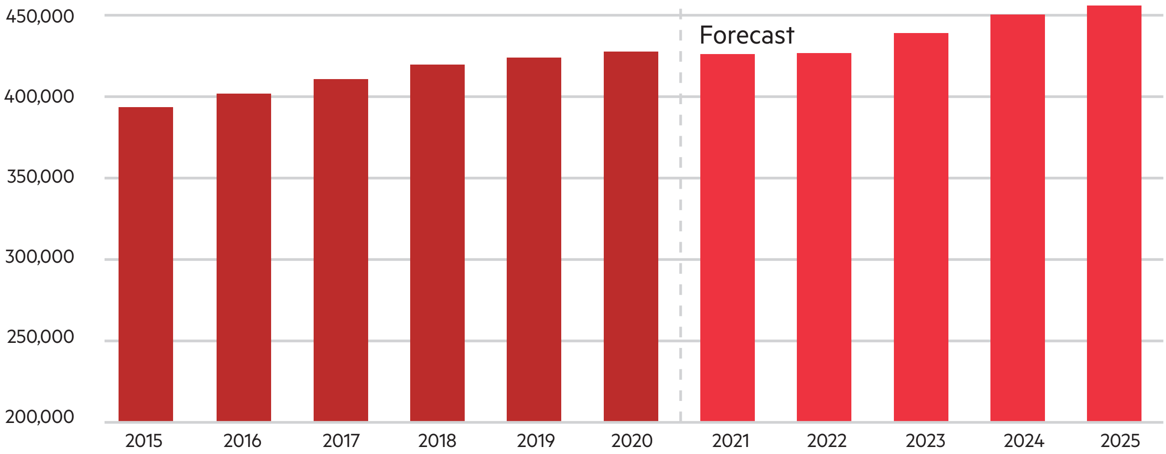
The consultation results have been combined with industry insights, data and forecasting to produce nine sector skills summaries, one for each sector represented by ServiceIQ in our capacity as a Transitional Industry Training Organisation for the Services Workforce Development Council. This skills summary is for the retail and retail supply chain sector. There are eight other summaries for the aviation; accommodation; cafés, bars and restaurants; catering; clubs; quick service restaurants; travel; and tourism sectors.

From this research ServiceIQ will produce a workforce strategy for the Services Workforce Development Council Establishment Board. The strategy will include industry, employer, schools, provider, and iwi voices. In this way the project gives service sector stakeholders an opportunity to shape vocational education in Aotearoa New Zealand.

The report is structured into five main areas to show what impacts COVID-19 has had on the sector; the sector response to COVID-19; key drivers of future success; skills needed to support sector recovery; and skills initiatives and strategies.

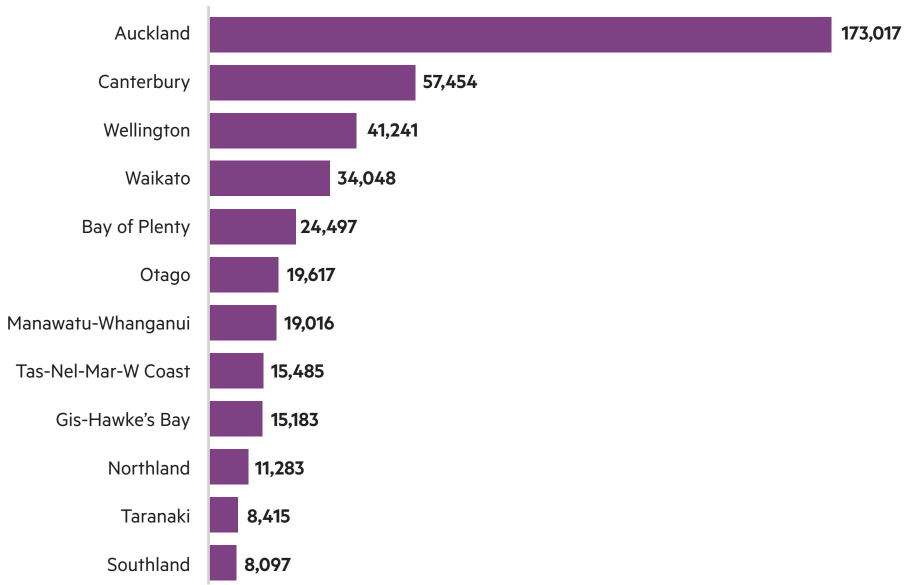
Retail and Retail Supply Chain Sector Snapshot[1]

Retail and retail supply chain sector jobs



- Prior to COVID-19 there were 427,353 jobs in the retail and retail supply chain sector and growth of 5.1% was forecast for the sector between 2020 and 2025. Infometrics now forecasts job losses of 1,540 jobs or 0.4% of sector workforce in the year to March 2021, then growth of 1,009 jobs or 0.2% in the year to March 2022. The sector is forecast to grow by 2.8% (12,112 jobs) in the year to 2023 and 2.4% (10,399 jobs) the following year. The workforce is expected to exceed its pre-COVID-19 size in 2022 and grow to 455,952 jobs by 2025.
- In addition to jobs growth, more than 100,000 replacement job openings are forecast for the retail and retail supply chain sector over the next five years.

2020 Regional employment

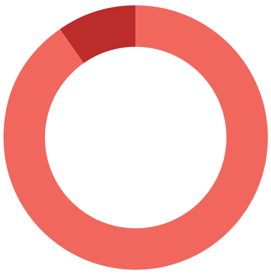


[1] Sector data and forecasts supplied by Infometrics February 2021. N.B. 2020 sector data is as at end of March 2020

2020 Sector data

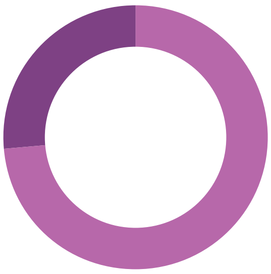
427,353	376,526	0.9%
JOBS	FTE JOBS	GROWTH FROM 2019–2020
16.5%	$44,450m	$118,052
OF ALL JOBS IN NZ	GDP	GDP PER FTE
14%	11.8%	5.6
NZs TOTAL GDP	SELF-EMPLOYMENT	JOBS PER BUSINESS UNIT

SIZE OF BUSINESS



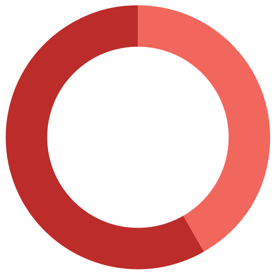
- Under 20 employees – 90.5%
- 20 employees or more – 9.5%

HOURS OF WORK



- 30 hours or more – 73.8%
- Less than 30 hours – 26.2%

SKILL LEVEL OF ROLES



- Medium to highly skilled – 41.7%
- Low skilled – 58.3%

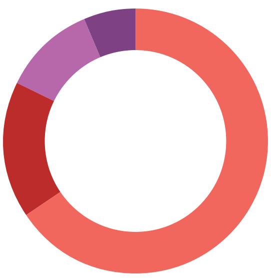
GENDER

- Female – 49%
- Male – 51%

▶ There were 35,000 businesses employing one or more people.

Sector demographic data from 2018 Census

ETHNICITY[2]



- European – 70.1%
- Asian – 17.9%
- Māori – 12.1%
- Pacific peoples – 6.8%

BIRTHPLACE

- New Zealand – 67.3%
- Overseas – 32.7%

AGE

- Over 30 – 68%
- Under 30 – 32%

QUALIFICATIONS

- Post school – 53.2%
- No post school – 46.8%

▶ Almost one third of the sector workforce was born overseas, with 14.1% born in Asia. In the Auckland region almost half (48%) were born overseas, with 24.1% born in Asia.

[2] Employees may identify with more than one ethnicity.

Sector Consultation Insights

1. The impacts of COVID-19 on the retail and retail supply chain sector

Customers

During COVID-19 Alert Level 4 supermarkets remained open with a huge increase in demand and a large uptake of online ordering. Pharmacies also remained opened at Alert Level 4 but revenue was down due to no retail sales. Some stores reduced hours to lower their costs and there were PPE shortages and supply chain issues, including some rationing of medications, which led to some agitated customers. Online medication sales increased but there are regulations around this. Fuel retailers remained opened throughout alert levels but with lower revenue during lockdown due to much lower vehicle usage.

At Alert Level 3 retail stores could operate using contactless options such as click and collect and deliveries. The overall retail sales volume was down during lockdown but there was a bounce back when all stores could reopen at Alert Level 2. Sales have continued to exceed expectations although this does vary by type of store and region. Retailers who rely on international visitor spending continue to be the hardest hit.

Pent up demand boosted retail spending post lockdown. This was a mix of people wanting to spend but also wanting human interaction. Retailers of DIY and feel-good type products traded strongly, and this has continued. There has been more spending on luxury items and alternatives to overseas travel e.g. motorhomes and retail businesses have benefitted from the increase in domestic tourism.

There has been customer driven change in shopping habits with big increases in online shopping. New online retail customers during lockdown have now embraced this type of shopping. Traditional, smaller, less agile and less digitally capable retail businesses are struggling more.

The continuing trend of people working from home has substantially reduced weekday central city foot traffic.

Staff

The wage subsidy helped to cover staff wages, however some retail businesses have downsized and restructured into leaner operations and there have been store closures. Staff have been redeployed where possible, roles merged, and more multitasking is now required. In some cases, businesses who restructured are now struggling to find staff.

During lockdown more staff were hired in grocery distribution centres to meet increased demand and more supermarket staff were needed. Hiring needed to happen at pace, including sourcing newly displaced workers from other sectors with transferable skills e.g. customer service. Some students who were working during Alert Level 3 and 4 were an important part (and in some cases all) of their household's income.

Distribution centres operated longer and different working hours due to distancing requirements and have been very busy (especially when non-essential retail stores were closed). They had to operate differently e.g. wearing PPE, physical distancing and changes had to be implemented quickly. It is challenging to redeploy store staff to distribution centres due to the safety training needed. Some retail staff were redeployed to online support roles.

There has been uncertainty around immigration with the risk of losing valuable trained staff as their retail roles are not considered skilled. New Zealand workers are not always available, willing or as experienced as migrant workers. The cost of retraining is high, takes time and puts pressure on other team members.

Support offices have had a varied and increased workload, especially where contractor work ceased.

Union staff were able to operate as an essential service during lockdown, working from home, ensuring that people were valued, not overworked and that collective agreements stood. Unions worked to ensure retailers understood compliance at different alert levels.

There have been impacts to wellbeing and mental health. Wellbeing and resilience are a concern with existing staff being very busy and under pressure. There are signs of fatigue in both staff and management.

COVID-19 has helped the profile and perception of retail with the essential worker messaging making the sector more attractive.

Training

Trainees swapped from paper-based to online learning and there was a bigger uptake of online learning while stores were closed. There was an increase in training completions while people could not work on site, with more time available for training and learning online. It was important to provide meaningful work and keep people engaged. Instore tablets have been utilised.

Learning strategies had to be developed quickly to implement new systems and processes.

Some supermarket trainees' learning was put on hold because supermarkets were so busy.

Communication / Technology

Good communication was and is vital, especially managers keeping in touch with their people. It has been key to supporting people through change, restructures, and 'pivoting'. Clear communication was needed to help staff understand changes at different alert levels. Reassurance was given around job security where possible. There has been a team focus, with lots of discussions, and continued team support through regular communication.

Remote working was used where possible and staff were supported in how to work effectively from home. Teams and Zoom were used as alternative ways of communicating, in addition to phone calls, with a need to understand the best contact mode. Many staff have embraced the use of technology.

Retailers developed ways of communicating with customers remotely e.g. Telehealth services. There has been utilisation of websites and loyalty clubs to remain connected. It has been advantageous to have an existing online sales offer, with other retail businesses needing to set up their online offer. With the big shift to online, digital skills were needed especially in smaller retailers that had not previously offered online sales. Businesses who have a good online presence and are savvy with online tools have been more resilient. Developing e-commerce platforms can be stressful and businesses with no knowledge of how to set up or collaborate with online vendors have struggled, especially in smaller towns and regions.

Operational / Process

COVID-19 meant a rapid pace of change where robust processes had to be developed very quickly. Retail businesses that were essential services continued to operate through all alert levels. Key focus areas were:

- Safety and wellbeing of staff and customers.
- Health and safety protocols.
- Meeting demand.
- Online offerings.

Crisis management teams were established. Workers varied in their ability and willingness to work. Some were very keen but vulnerable, others were scared to attend work. Hygiene and sanitising were a focus, with increased costs for sanitiser, PPE, screens etc. Contactless ways of operating were developed. Fuel retailers utilised pay at the pump services, with no forecourt attendants, to adhere to distancing requirements.

Supply issues have emerged, with import delays for products being brought in from overseas. Retail businesses have had variable support from landlords. Good clear communication with both landlords and suppliers has been essential.

Not-for-profit retailers

Not-for-profit retailers have a diverse range of staff, many of whom are vulnerable including older workers, youth, refugees and the disabled. Volunteer numbers dropped due to fear, and health and safety concerns e.g. risk of contaminated goods. Goods piled up when stores were closed. The increase in second-hand donations and sales has stretched staff, with less time for training staff and monitoring the retail floor for issues.

Management had to be more directive, with checklists created for compliance. New processes were developed for drivers going into homes collecting goods. Communication through email and closed Facebook groups has been key to reaching the diverse groups (including many volunteers). There were variations in how quickly not for profit stores could reopen after lockdown. The social needs of organisations meant stores needed to be operational where possible to generate income, with a focus on helping staff and volunteers understand why they are there and remembering donors are customers, who will hopefully return.

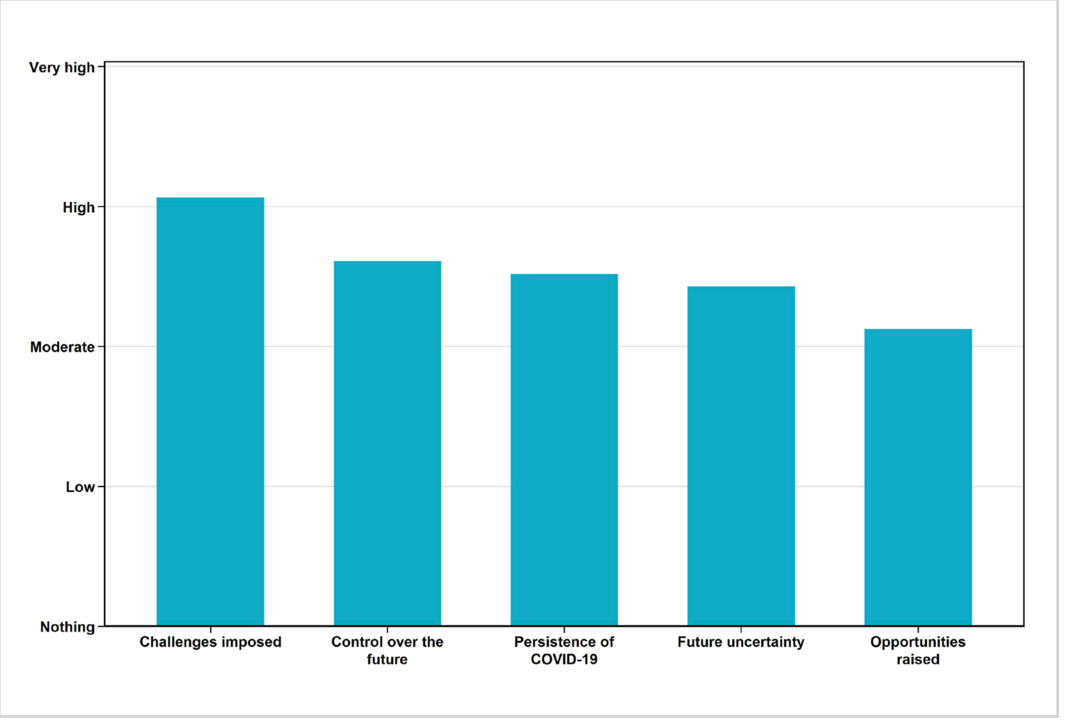


Figure 1.1. The extent to which COVID-19 impacted the retail and retail supply chain sector.*

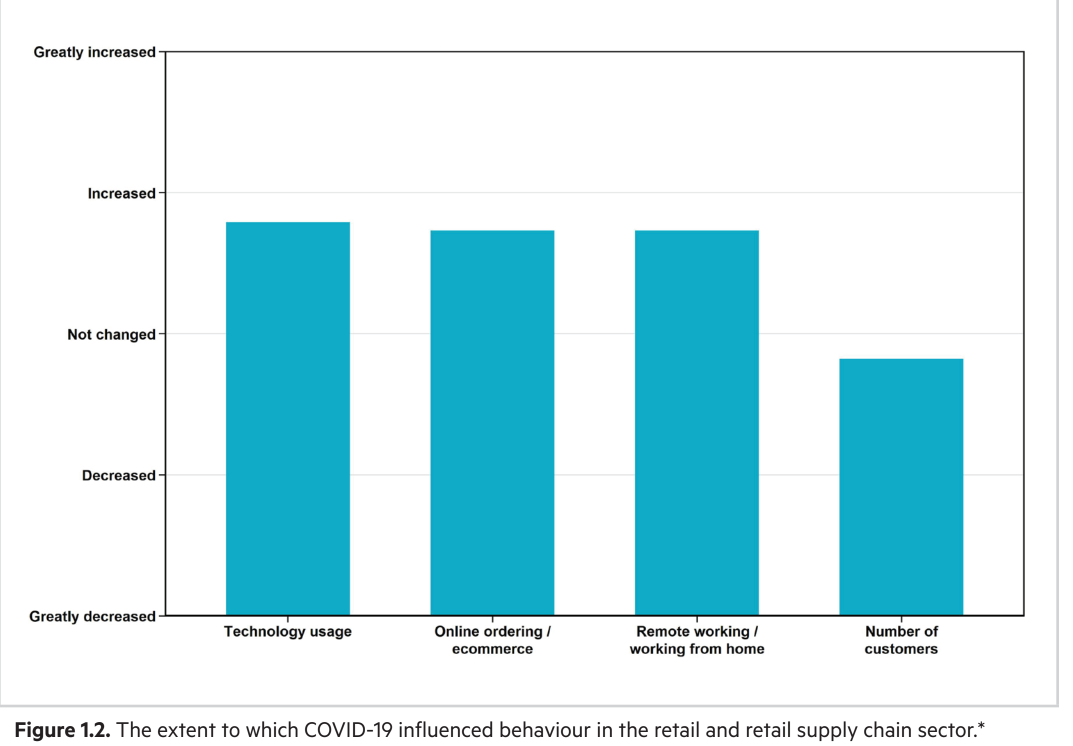


Figure 1.2. The extent to which COVID-19 influenced behaviour in the retail and retail supply chain sector.*

* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Retail and Retail Supply Chain sector respondents

2. The response to date as a result of COVID-19

Customers

Retailers increased their use of e-commerce technology for online sales, and this is the strongest sector response to COVID-19. Customers are becoming more confident with online purchasing and all businesses are creating or strengthening their online offer. It works operationally and when done well it is an effective sales tool for upselling and cross-selling. There is a greater focus on web presence and more digital promotions. Local IT initiatives in smaller regions supported local businesses to build online platforms.

RetailNZ has supported business migration to e-commerce, especially SMEs, and helped tourism retailers diversify their offer and target the domestic market. Retail operators that catered to the cruise ship market have altered their business, downsized, moved to part-time or changed opening hours to be sustainable. Previously, cruise ship visits helped to spread customer numbers throughout the week.

There have been new initiatives, with business start-ups from people following their passion. There is an increase in demand for buying local and ethical spending, with support for social enterprises with a sustainability focus. Consumers want to know the origin of their goods, including retail fashion.

Shop local campaigns, and websites, are supporting businesses to get back up and running. Regional initiatives have encouraged people to shop and support local retailers and to find products or services in their town, or to buy in the neighbouring town if they cannot find a local offer. People are beginning to take buy local initiatives more seriously and consider the local families that depend on local business to get by. Local businesses have connected with each other, with greater collaboration and more partnerships e.g. central city events and fun activities to bring people into the city.

More retailers, including regional stores, have introduced retail deliveries which has helped to increase revenue, especially once customers become aware of this service. Other innovations include garden centre and hardware store drive throughs, drive through coffee carts, text ordering and social media sales.

Some customers were expecting heavy discounting, but this has not eventuated.

Staff

Strategies to reduce costs have included reducing staff, some reduced hours of work and hours/days of opening. Many retailers are now operating with fewer staff. Retail staff members have been upskilled, especially where there are leaner teams, and retrained in new COVID-19 ways of operating. In some cases, overall productivity has increased despite lower staff levels.

Wellbeing has become a focus, particularly regarding fatigue issues, with a need for more pastoral care of staff. One example of an initiative is a weekly wellbeing support survey. With increased mental health awareness and more open discussion, there has been greater demand for mental health support. Employee support options have been offered to staff e.g. EAP services and change and resilience e-learning has been rolled out. Staff have responded well to leaders who see and hear their people, and are supportive of the whole person, recognising their fatigue and outside pressures.

First Union has been working with displaced workers, contacting them to provide information on training options, job searching, MSD support available, EAP and mental health referrals. MSD stepped up quickly to support displaced staff.

COVID-19 has provided the opportunity to review and adapt learning. Where there have been redundancies, retraining packages were offered. Accessibility to vocational training for these people is important.

A greater talent pool was expected for recruiting, due to redundancies in the sector, but this has not transpired. Mentoring is being used to support and grow existing talent.

2020 pay freezes are widespread in the retail and retail supply chain sector.

Communication / Technology

Digital communication has increased e.g. Zoom meetings, although many people have been happy to resume face to face meetings. Support offices have developed policies to offer remote work where possible, e.g. working from home for one to two days per week. This is only really an option for support staff and administration work and not for customer facing roles.

More training and upskilling took place online while stores were closed during lockdown.

Digital channels have enabled retailers to communicate and stay connected with their customers, keeping them informed around changes at each alert level and their product offer.

Operational / Process

There is a strong focus on health and safety. New day-to-day health and safety policies have been developed, including implementing compliance checklists.

Daily strategic thinking has helped speed up change and innovation since COVID-19. Businesses have reviewed their business models, stripping them right back to understand what works. They focused on business fundamentals such as staffing, rostering, and scrutinising operations to work as efficiently as possible. The use of Agile management has enabled quick responses and relevant learning and development.

Teams worked across sites to innovate as well as implement process changes due to COVID-19. Store managers have had to be involved in operational changes and develop a better understanding of cashflow.

Business continuity plans were updated and put in place. One example is when Auckland went back into Alert Level 3 split-shifts were implemented in distribution centres so they could keep up with orders placed.

A lot of scenario planning has been done as currently it is not possible to plan with certainty.

Suppliers

Supply issues have necessitated process changes. Reliability of supply is an emerging issue, so there has had to be communication with customers regarding this, resetting expectations and offering alternatives. Where possible retailers are using local suppliers.

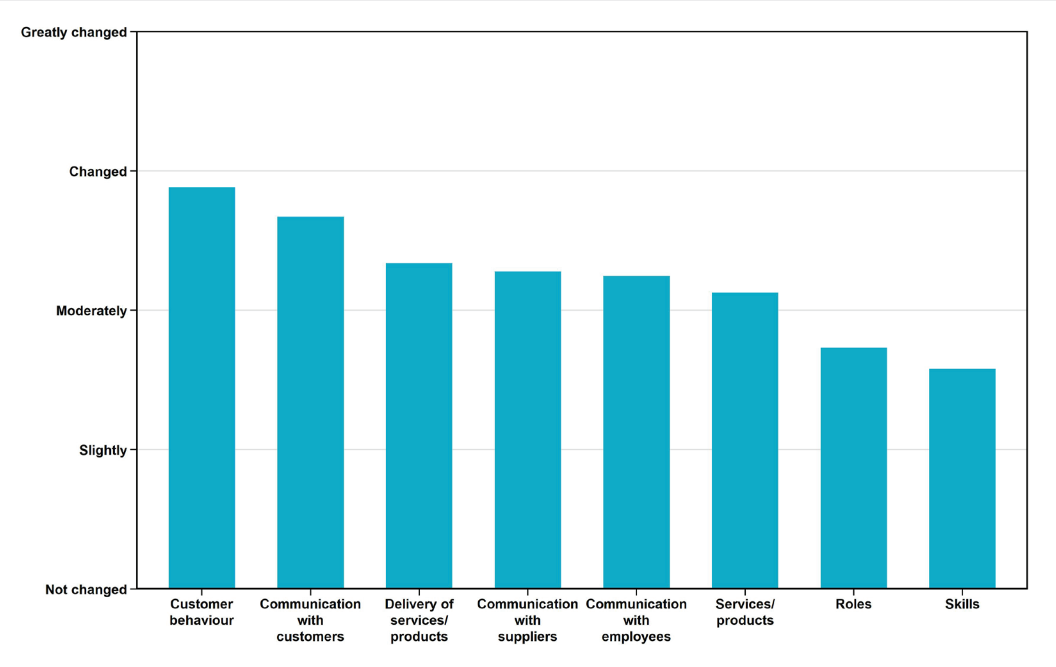


Figure 2. The extent of change the retail and retail supply chain sector has felt since the arrival of COVID-19.*

3. Key drivers of future success for the retail and retail supply chain sector

Industry

The customer needs to be at the centre of any retail and retail supply chain initiatives, delivering to or exceeding their expectations. Retail in New Zealand will continue to support retail innovation and improvements, pioneering new retail practises. There will be more personalised contactless options e.g. Apps remembering past interactions, and a breadth of options and omni channels.

Strong relationships are essential and can be built with both staff and customers by seeking ongoing feedback. Collaboration and sharing business models will grow the overall capability of the sector.

Bricks and mortar stores can continue to offer social and community value, connecting at an emotional level not just transactional. It is about the experience and young people want fulfilment. There may be a shift away from malls. Potentially brands will have a flagship store (showroom) and mostly online sales.

A reliable supply chain is needed to ensure revenue dollars, especially over Christmas and other peak periods. Adapting the movement of goods and sourcing product and people locally will support this. Support for entrepreneurs will help the sustainability and growth of more New Zealand micro/niche businesses.

* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Retail and Retail Supply Chain sector respondents

Businesses will benefit from a growth mindset and leaders with a clear vision e.g. managers and team leaders. Good communication will bring people on the journey, helping them know that they are valued and valuable. On-job training and qualifications can support this. There is some concern that training and upskilling staff will give them an incentive to find a job elsewhere, so retention strategies are important. This could include celebrating success more, and 'good' jobs and hours with pay equity so that employees can live a 'good' life. Flexibility in stores, head offices and distribution centres will help with work life balance.

More of a wellbeing and mental health focus, considering the whole person, will strengthen the sector workforce. Where there are job losses, ideally practical support is provided e.g. financial, job placements, retraining.

Government

Support from government is needed to promote retail and retail supply chain roles and increase the visibility of retail as a career. The sector would also like easier and faster moving immigration processes.

On-job training

The retail and retail supply chain has a large workforce. Retail businesses need enough skilled people, and to be continually developing them and keeping them engaged, to retain their knowledge and capability. Employers embrace the earn while you learn philosophy, as many people need an income while gaining a qualification which also benefits the business.

Improved online capability should be leveraged with more online training and resources. The retail and retail supply chain sector would like micro credentials developed to train transferable skills.

Development of retail apprenticeship programmes will build the capability and professionalism of the sector.

The sector would like industry training organisations to continue to train the trainers, helping them develop an eye for skills shortages, understand what to train and where training and development is needed.

On-job training should support:

- Adapting to new customer behaviour and needs.
- Flexibility, pivoting/agility, adapting to change with flexible frameworks.
- Building on the increased trust in online transactions gained during COVID-19.
- Ensuring online transactions are easy and reliable with high quality goods, easy returns process etc.
- Omnichannel retail.
- A good social media presence and profile.
- Develop decision making skills in managers.
- Working smarter not harder.
- Sustainable business practises to ensure viability.
- Trusting and understanding data to make decisions. Information management that helps retailers meet their goals and understand the key drivers of results e.g. margin, product mix.

More inhouse reliance is likely to increase the breadth of skills needed in the retail and retail supply chain workforce.

Schools / Training Providers

More visibility and understanding of career pathways, transferable skills, and opportunities will contribute to attracting young people into retail and retail supply chain jobs and careers. Secondary school students visiting a range of local stores and distribution centres would help them see the opportunities and the diversity of the sector's workforce. Communication between industry and education providers has been relatively low since COVID-19, greater collaboration will create better understanding of how the needs of both have changed.

Retail Gateway training programmes are well established as a way secondary schools can support their students to gain retail/customer service skills and work experience. This helps to provide a pipeline of capable, work ready retail employees.

The retail and retail supply chain sector would like training providers and schools to develop better literacy and numeracy skills in students and soft skills around communication such as making eye contact, greeting customers and engaging in genuine interactions. Currently, many young people are missing essential skills in interacting with customers and adapting their communication to suit the interaction.

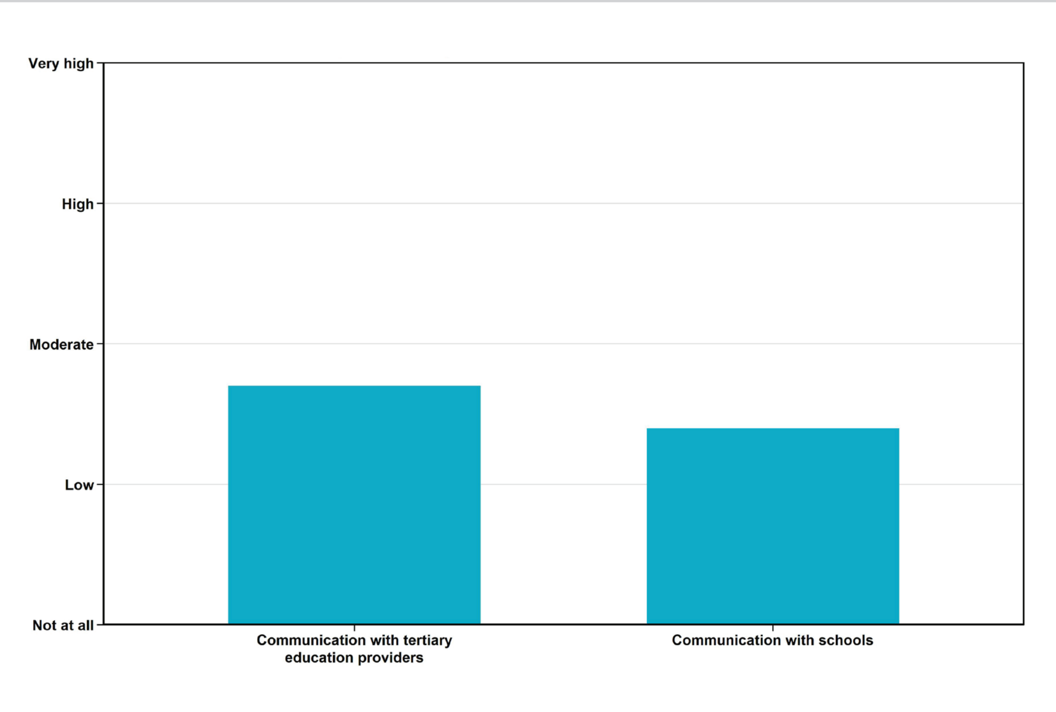


Figure 3. The communication level the retail and retail supply chain sector has with tertiary education providers and schools.*

* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Retail and Retail Supply Chain sector respondents

4. Skills needed to support the retail and retail supply chain sector recovery

Changes in skills and roles

As a result of restructures, roles have been merged, with upskilling and retraining required so that people can multitask. More cross-skilling has developed staff to be a 'jack of all trades' rather than specialists. More learning and honing of transferable skills have taken place.

Operating with fewer staff has meant employees in some stores are spending more time in sole charge. It is a challenge understanding optimal staffing levels to provide good customer service, so customers return and to ensure staff safety.

Staff have had to change the way they work and learn new skills. This includes requesting customers scan in, sanitise and maintain safe distance. As the first port of call for customers, they welcome, monitor, wear PPE, manage risks and face heightened sensitivity from customers resulting in more confrontation.

At higher alert levels there was a need to quickly help customers find what they want and leave.

As essential workers staff have developed a greater understanding of the value of their roles and there is more pride in working in the retail and retail supply chain sector.

Changes in the importance of skills

Skills that have increased in importance include:

- Resilience and adaptability during adversity, change and uncertainty e.g. operational changes, change of hours, challenging customers.
- Wellbeing and emotional intelligence, empathy, patience, mental health awareness.
- Self-awareness – self-ownership, self-leadership and self-preservation.
- Customer service skills, getting to know your customer.
- Skills in the basics – health and safety, teamwork and professional conduct.
- Stronger understanding of overall business operations.
- Reporting (this has increased in all roles), both financial and compliance.
- Communication skills – method, content, how, who, delivery. Clear messaging.
- Development of policies and procedures to manage risk, including the physical safety of staff.
- Understanding change and stakeholder impacts.
- Knowing support partners
- Supply chain logistics knowledge: inwards, picking and packing, dispatch, understanding of freight.
- Working collaboratively to understand what your network/neighbourhood of businesses offers and knowing what your city/region offers.

- Management skills including:
  - Leadership and coaching skills.
  - Critical decision making.
  - Servant leadership.
  - Understanding the skills that teams have, harnessing the strengths of the team and the organisation.
  - Training and education to build capability at all levels. This empowers staff and takes the pressure off higher levels.
  - Knowing a whole person, helping employees enjoy their workday and setting a positive vibe. Communicate the "story" of the business to employees to help them connect to and find value in the work they do.

Both soft skills and vocational skills have increased in importance since COVID-19.

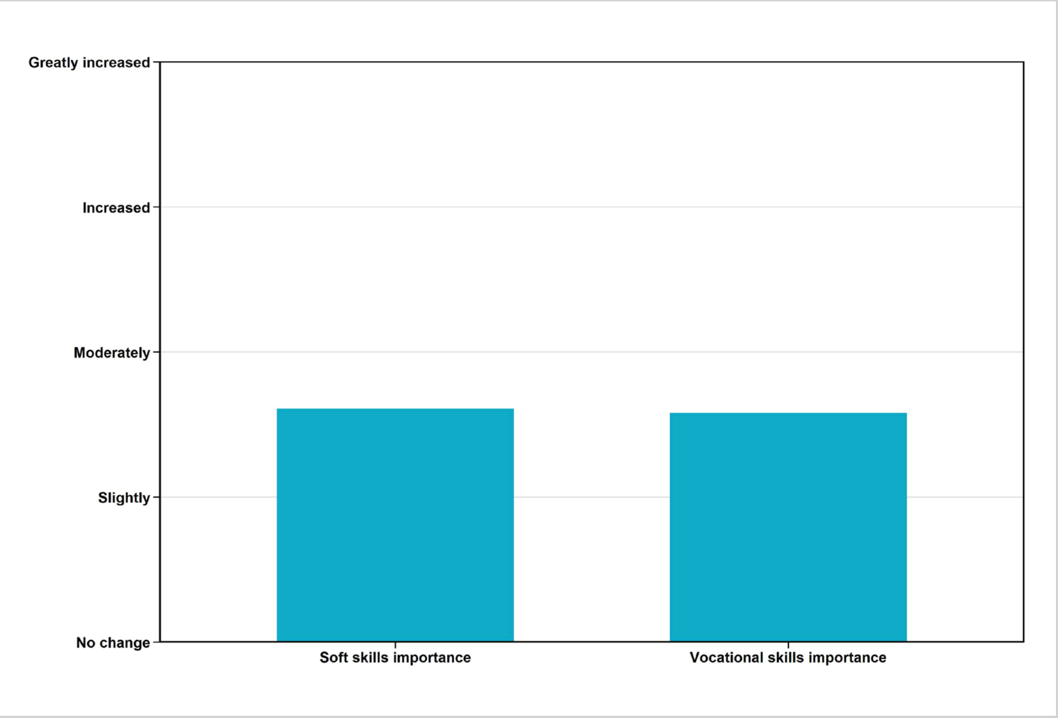


Figure 4.1. Change of soft and vocational skills importance for the retail and retail supply chain sector since COVID-19.*

New skills needed

- Communication skills to deal with challenging situations. Managing difficult interactions on the frontline and taking a stand against culturally insensitive behaviour. Training staff to de-escalate situations and ensure managers are trained to support this.
- Embracing technology, understanding and being comfortable using it. Technological proficiency, social media skills, digital skills, using Zoom, Teams, remote meetings.
- IT skills, online developers with skills in setting up online services such as delivery and developing other revenue generating solutions. Digital development being done by those who understand retail. Keeping website/online offers up to date e.g. opening hours, promotions.

* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Retail and Retail Supply Chain sector respondents

- Instore technology – these efficiencies are expected to continue.
- Online businesses opening bricks and mortar.
- Retail strategists; a mix of analytics and on the ground knowledge.
- Supply specialists; sourcing alternatives, building trust quickly, and good relationships with suppliers and drivers.
- Collaboration with people working remotely and different hours.

Skills shortages

Retail and retail supply chain sector survey respondents reported slightly lower skills shortages since COVID-19, especially in businesses with 20 to 99 employees. This may reflect lower staff numbers and fewer new staff being recruited.

- Drivers.
- Medically qualified staff e.g. pharmacists (this is being affected by no new migrant workers due to border restrictions).
- Digital/IT skills.
- Finance skills.
- Numeracy and literacy skills, retail basics such as cash handling and counting cash.
- People with transport and the ability to work flexible hours.
- Due to less time available for training, skilled staff are needed with both problem solving and people skills. There are examples of retail businesses who are now only recruiting people with the relevant Level 3 retail qualification or at least credits towards it.

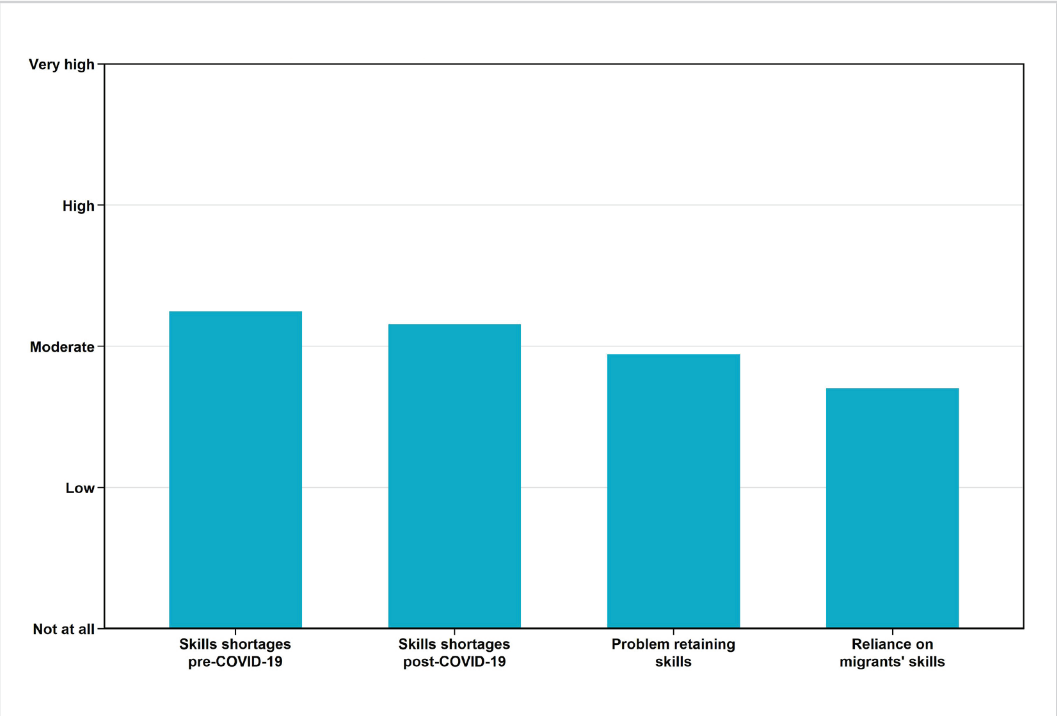


Figure 4.2. Rating of major skills shortages identified in retail and retail supply chain sector focus groups.*

* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Retail and Retail Supply Chain sector respondents

5. Skills initiatives and solutions to support the sector over the next two years

How to get the skills

- Training current employees, including cross-skilling, reskilling and upskilling. This will support multitasking in the short term and progression in the medium term.
- Recruit staff who have lost their jobs, with experience, skills and passion for the industry.
- Good induction training that includes health and safety education, standard operating procedures, responsibility and accountability.
- On-job training and training provider courses that are relevant to the actual work/real skillsets required.
- Closer relationships with schools and providers to develop a talent pipeline.
- Retail and retail supply chain training including:
  - Communication skills at all levels to ensure clear communication, understanding of the vision and expectations.
  - Resilience, agility, pivoting, sharing stories around what has worked, the challenges and long-term changes.
  - Wellbeing education, which leads to empowerment and expectation.
  - Problem solving, innovation, creativity, critical thinking.
  - Understanding and awareness of technology, strategic use of technology.
  - Digital training/upskilling is needed quickly, so team members understand the omni channels of a retail business.
  - Leadership training that develops strong authentic leadership that supports wellbeing and helps leaders bring out the best in their people.
  - Effectively leading and supporting remote teams.
  - Financial understanding at the appropriate level for the role. Financial literacy, to understand early signs and risks.
  - Working with live stock control systems, financial controls and security systems.
  - Theft and fraud minimisation training to minimise shrinkage, especially with lower staff numbers.
  - Understanding of employment law (for employers and employees) – doing it right the first time, understanding collective agreements.
  - Volunteer training on how to access volunteers and lead them (being mindful they are donating their time). There is currently research being done around this called "Reimagining volunteering".

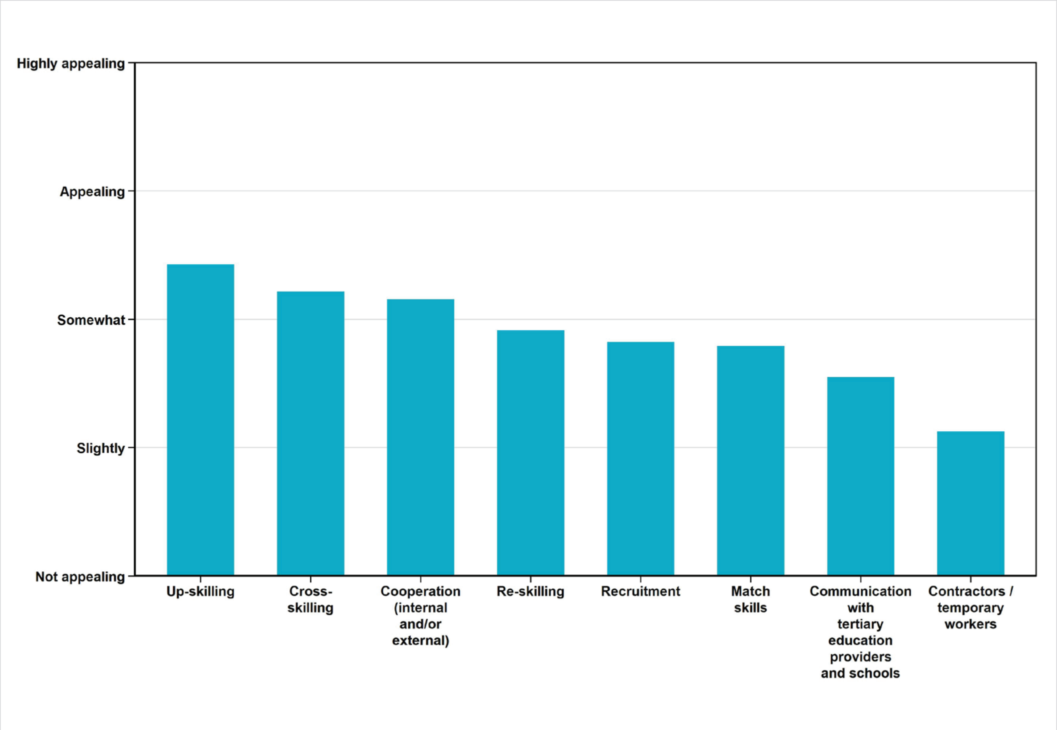


Figure 5.1. COVID-19 recovery strategies that will be considered by the retail and retail supply chain sector.*

Support needed

Support is needed for retail businesses to develop the skillsets of their workforce through an internal training focus within the organisation.

More support will help trainers and managers understand learning needs and barriers to learning, including improving their understanding of literacy and numeracy needs. Ideally delivery, content and method of training can be adapted to meet learner needs i.e. flexibility for different learning styles.

Greater equity of technology access for learning would support more employees and jobseekers to gain the skills and knowledge to capably perform retail roles. Some smaller towns are less digitally connected as many people do not have good devices or internet so addressing this will help with growing the workforce capability in these regions.

Developing platforms for inclusion and diversity will also help the retail and retail sector to attract and retain a diverse workforce.

More retail industry collaboration and networking with retail peers is desired, both for support and to harness combined strengths. RetailNZ's ongoing support and advocacy of the sector is appreciated and needed. Large retail organisations working in the same direction and more collaboratively will help overall sector capability. The sector should keep advocating around demonstrable skills shortages.

* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Retail and Retail Supply Chain sector respondents

Training needs

- A responsive education system is essential. Bite sized micro credentials need to be developed quickly; small bite sized electronic learning that is accessible and flexible. This may support the gap between Retail Savvy and Level 3 Retail.
- Training needs to be short and sharp. If it is too long staff disengage or cannot fit it into their downtime.
- Self-ownership of learning should be encouraged.
- Podcasts could be used to motivate learners engaging in retail training.
- NZQA recognised credentials should be transferable across jobs, employers, and industries.
- Pay scales should encourage and recognise learning. A pay equity lens is needed, that understands and values skills.

Learning pathways

- Attracting talent is likely to be an ongoing challenge. More promotion of retail as a career is needed, so that it is seen as a respected pathway that is fulfilling, with good opportunities and income potential. The introduction of a retail apprenticeship will support this.
- Growing knowledge about the industry and visibility of the skills required to be successful.
- Highlight the development of skillsets in retail to attract and retain people. Opportunities are more than just money; they can also be learning opportunities and career development.
- Retail cadetships could be introduced across organisations, but would have to be mindful of employment law.
- There is a soft skills education focus; retail can develop these skills and this needs to be communicated effectively.
- Connect the skills learned in retail to life skills. This includes emotional intelligence, communication skills and the ability to analyse. Retail is about creating experiences, selling your point of difference.
- It is not always about progression; understanding the value of a job, adding expertise and feeling valued are all worthwhile. Retail roles, especially in not-for-profit retail stores, make a social contribution and the flexible hours can suit many.

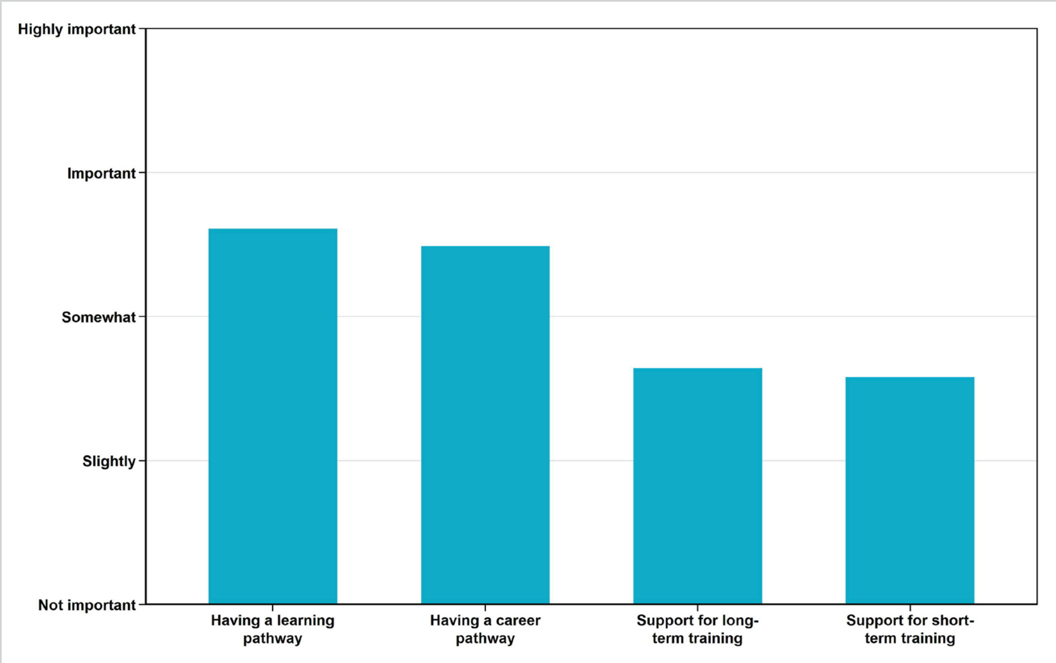


Figure 5.2. The importance of training and pathways.*

Post COVID-19

- When the international borders reopen the retail and retail supply chain sector expects to be able to offer employment opportunities to people who have lost jobs or left the sector. More recruitment and onboarding activity is expected.
- There is some concern around domestic visitor spend falling as people travel overseas.
- A pipeline will be re-established of international students who want work experience and good references for permanent work.

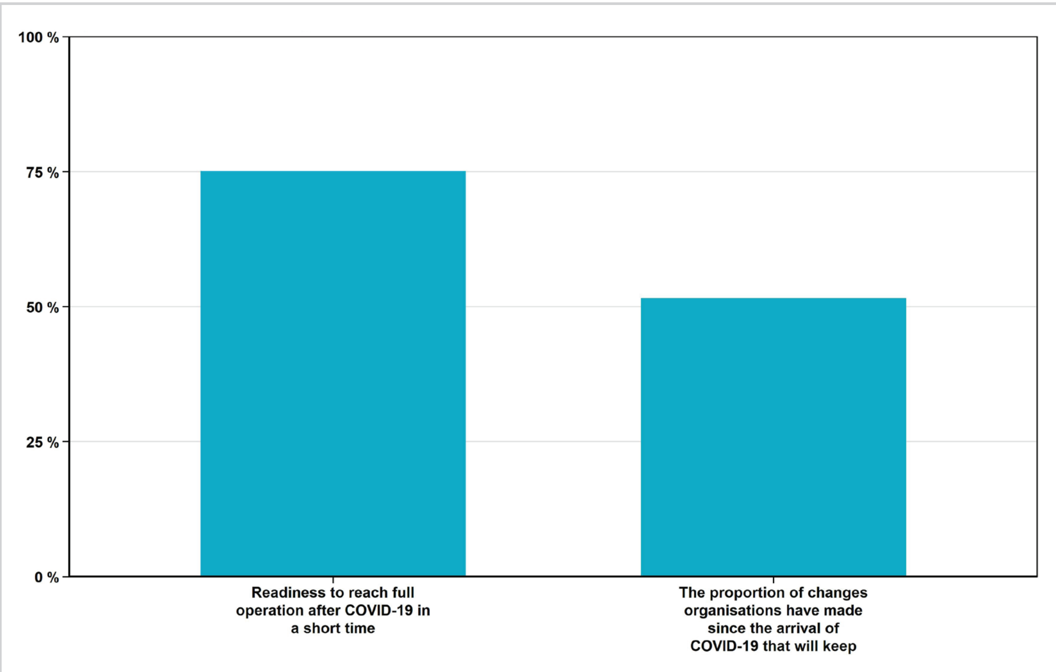


Figure 5.3. Operational stability and agility of the retail and retail supply chain sector when COVID-19 border restrictions end.*

* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Retail and Retail Supply Chain sector respondents

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