



# MAKING WORK-BASED LEARNING WORK FOR RETAIL

## A GUIDE FOR RETAIL EMPLOYERS

JUNE 2018



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Conversations with many employers, training providers, and employees were critical to our greater understanding of the retail ecosystem. In particular, staff at Best Buy, Wegmans, the Hillside Family of Agencies, and Gap Inc. gave their time and attention and were all instrumental in the creation of JFF's case studies on current work-based learning models in retail. These organizations provided access to stakeholders at multiple levels, shared outcomes and data, and assisted JFF in developing research conclusions about their models. They demonstrated leadership in the retail industry through their open participation in our research activities, contributing to this new body of published information about work-based learning in retail. Thanks to Gap Inc., JEVS Human Services, and the Chicago Cook Workforce Partnership for their assistance in convening the focus groups that were so instrumental in our understanding the retail workforce.

Special thanks to the team at JFF that researched, wrote, and produced this guide. Led by Mary V.L. Wright as project director, we had an expert project team that contributed to a literature review (Jacqueline Gonzalez, Joe Deegan), labor market analysis (Tiffany Smith, Joe Deegan), employer focus groups (Joe Deegan, Emma Fisher), case studies (authored by Lois Joy, Jacqueline Gonzalez, and Tiffany Smith, edited by Deborah Kobes), and an online resource database (curated by Jacqueline Gonzalez and Joe Deegan, produced by Sophie Besl and Tyler Nakatsu), culminating in this guide (written by Mary V.L. Wright, Carol Gerwin, and Deborah Kobes, with support from Sophie Besl and Joe Deegan). Peg Walton and Mary Moorhouse brought their collective wisdom to bear on all parts of the work. Vice President Kathryn Mannes had the inspiration for the project and brought it to fruition, along with the help of our CEO, Maria Flynn.

## ABOUT JFF

JFF is a national nonprofit that drives transformation in the American workforce and education systems. For 35 years, JFF has led the way in designing innovative and scalable solutions that create access to economic advancement for all. Join us as we build a future that works.

[www.jff.org](http://www.jff.org)

## ABOUT THIS GUIDE

This guide is designed to provide an overview of work-based learning models and advice on how to implement them to develop stronger talent for the present and the future. It delivers basic background information on work-based learning and introduces an online resource database that can help employers identify work-based learning models and features most likely to meet their business goals, available at [www.jff.org/walmartwbl](http://www.jff.org/walmartwbl).<sup>8</sup> The findings in this guide are based on an extensive literature review; focus groups of retail employers, retail employees, and training providers; and three in-depth case studies of retailers Best Buy, Gap Inc., and Wegmans, which all have successful work-based learning programs.

# TABLE OF CONTENTS

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<b>01</b>	<b>INTRODUCTION</b>	<b>16</b>	<b>APPENDIX A: RESEARCH METHODOLOGY</b>
<b>03</b>	<b>WORK-BASED LEARNING: AN OVERVIEW</b>	<b>18</b>	<b>APPENDIX B: OVERVIEW OF THE RETAIL INDUSTRY</b>
<b>07</b>	<b>BENEFITS OF WORK-BASED LEARNING</b>	<b>21</b>	<b>APPENDIX C: CAREER LADDERS AND WORK-BASED LEARNING OPPORTUNITIES</b>
<b>08</b>	<b>MATCHING A WORK-BASED LEARNING MODEL TO RETAIL BUSINESS NEED</b>	<b>24</b>	<b>ENDNOTES</b>
<b>12</b>	<b>KEYS TO SUCCESSFUL IMPLEMENTATION OF A WORK-BASED LEARNING MODEL</b>		
<b>14</b>	<b>EXPANDING AND IMPROVING WORK-BASED LEARNING IN THE RETAIL INDUSTRY</b>		
<b>15</b>	<b>FINAL THOUGHTS</b>		

# INTRODUCTION

Business leaders in the United States consistently rank finding and keeping talent as one of their top priorities. Historically, it was thought that CEOs and their talent officers were referring only to more senior staff. However, as unemployment rates drop and the magnitude of the skills gap becomes clearer, finding and keeping talent at all levels becomes more of an imperative.<sup>1</sup> This change in attitude can be seen clearly in the retail sector. Retailers are faced with a tightening labor market that shrinks the

available labor pool along with rapid changes in their business models. They are searching for proven models to help increase sophistication in preparing and developing their workforce. Retail employers can capitalize on proven work-based learning or “earn-and-learn” strategies that work in other industries, as well as test innovations of their own. This guide focuses on why work-based learning benefits employers and workers, and how work-based learning lessons and examples can work for retail.

## Snapshot of the U.S. Retail Industry

### The Majority of Retail Jobs are at:

- General Merchandise Stores
- Food and Beverage Stores
- Motor Vehicle and Parts Dealers
- Clothing and Accessories Stores
- Building and Garden Supplies Dealers

### Top 5 Skills In-Demand



CUSTOMER SERVICE



SALES



MERCHANDISING

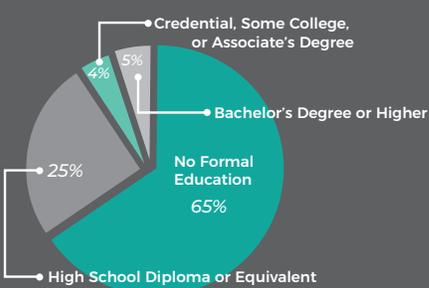


STORE MANAGEMENT

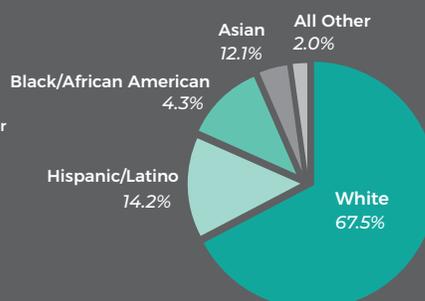


CUSTOMER CONTACT

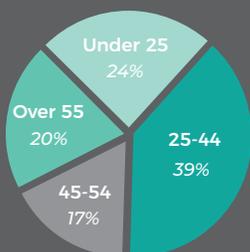
### Education Requirements for Retail Occupations



### Race/Ethnicity



### Age of Workers



### Projected Growth 2017-2027

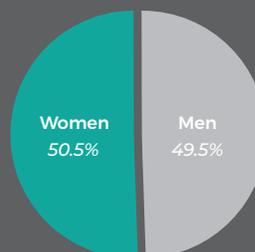
**7.9%**

### Annual Job Postings

**2.1 MILLION**

2017 JOBS 15.9 MILLION

### Gender



Source: Emsi 2017, Q4 and Burning Glass 2017

The retail industry is a vital force in the U.S. economy, and provides many people with their first jobs. Salespeople, cashiers, stock clerks, and fulfillment workers make up more than half of the industry's nearly 16 million workers.<sup>2</sup> They are also retail's public face—the first and often the only workers who interact with customers walking through a store or visiting an e-commerce website. A lot rides on these interactions, as people on both sides of the cash register (physical or virtual) know well. However, these workers are unlikely to understand their value to the company and, more importantly, their ability to build on their experience and skills to move ahead in retail careers.

***“Although I was at my company for over 20 years, I advanced because I kept asking what was next. I guess I knew the secret handshake because it really wasn't clear how I was supposed to get ahead.”***

*– employer focus group participant*

Despite their importance to the industry's success, the amount of training for entry-level and frontline retail employees varies but is widely considered to be minimal. Insiders acknowledge the problematic cycle of disinterest and disinvestment. Employers build turnover costs into their business models and therefore limit investment in the largest segment of their workforce. And the cycle continues.

But today, many retail employers are ready to break this cycle and develop a more effective training strategy. To do so, there are three driving realities of today's retail industry that must be recognized. First, a substantial number of retail workers are less than 25 years old<sup>3</sup> and consequently have little or no prior work experience. They view their jobs as temporary positions—a chance to earn some money while in school, or while they try to find that better job or one that will hire them with little or no experience. The frontline and entry-level positions these workers fill have one of the highest turnover rates in the economy,

which was most recently thought to be 65 percent.<sup>4</sup> Second, frontline retail career pathways are different from frontline positions in other industries because of the large number of positions compared to supervisors<sup>5</sup>, and the lack of sector-endorsed credentials that identify a career progression. As a result, employers and employees both report that it is harder to see the career potential in the retail industry<sup>6</sup>. Lastly, the future of retail is in flux. Impacted by both the need for brick-and-mortar retailers to place an ever-greater emphasis on customer experience—to differentiate themselves from and compete with online retailers—and the continuing automation innovations in all areas of retail, the numbers and types of employees will change.

Even as disruptive change rattles the industry, employment is expected to continue growing at about 8 percent through 2026<sup>7</sup>. As retail evolves, both the kinds of retail stores and the distribution within retail's occupational categories will shift. However, the value of improving hiring and training practices and providing advancement opportunities will remain important investments in keeping talent given the existing tight labor market. Many retailers value “homegrown” talent, so they are increasingly interested in how to upskill and advance existing workers. In addition, employers want better prepared and more career-oriented workers who are likely to stay with them and adapt to their companies' ever-evolving needs. However, there needs to be better information on the best ways to invest in their workers' training to ensure both individual and company success.

Exactly how can retail employers address these challenges effectively, while continuing to run their businesses on a day-to-day basis and plan for the future? More and more, retailers are embracing work-based learning. This method of providing workplace experiences that enable youth and adults—both students and workers—to gain and practice the knowledge and skills they need to enter and advance in specific careers is a proven workforce development strategy that has been used successfully in manufacturing and other industries for years as a way to connect learning and work.

**“Expanding access to the benefits of work-based learning is critical to improving the career prospects of low-income and low-skilled Americans, and ensuring our economy has the highly skilled workforce it needs to thrive.”**

– Eric Seleznow, senior advisor, JFF

## WORK-BASED LEARNING: AN OVERVIEW

Work-based learning consists of workplace experiences that enable youth and adults—both students and workers—to gain and practice the knowledge and skills they need to enter and advance in specific careers. Work-based learning models enable employers to train current and prospective employees to meet their individual business needs. Importantly, learners perform meaningful job tasks at the worksite under the guidance of a qualified supervisor. This increases worker productivity in both the short and long terms. It also ensures a worthwhile learning experience as well as a substantive contribution to the business.<sup>9</sup>

Work-based learning can range from exposing high school students to career information through activities like job shadowing, to providing existing employees with specialized training that will prepare them for new roles or responsibilities, to a registered apprenticeship model that combines credit-bearing courses with work. (See *the Work-Based Learning Framework*.)

Work-based learning can be designed and delivered internally, through partnership with an educational institution (high school or community college), and/or through a collaboration with a community-based organization. It is also possible to target specific population groups—low-income youth, people with disabilities, reentry population, the long-term unemployed, the mature worker. These models can serve as both an entrance to the workforce and an opportunity to upskill incumbent workers.

With a strong implementation plan, each can generate benefits to the employer and have a profound impact on the employment trajectory of a learner.

Employers that have implemented work-based learning report significant improvement in employee and business outcomes, including gains in key workforce skills, productivity, talent retention, and an overall positive return on investment.<sup>10</sup> Many employers pair their work-based learning programs with a focus on inclusion to support greater diversity in the ranks of employees moving up the career ladder. (For more information on possible career ladders in retail, see Appendix C.) In addition, employers see the value of this flexible and adaptable business-driven training model as they prepare for significant changes in their operations because of the future of work. Finally, expanding access to work-based learning is critical to improving the career prospects of low-income and low-skilled Americans, while ensuring that businesses, industries, and the economy as a whole have the highly skilled workforce they need to thrive.

Work-based learning strategies are also particularly adept at addressing some of the unique features of the retail talent puzzle. As noted earlier, retailers must address the needs of workers with limited work experience and underdeveloped employability skills—skills which are usually cultivated on the job. Work-based learning can be effectively used in pre-employment programs for youth. These programs recruit workers into the industry, equip them with the industry knowledge and skills necessary to contribute to a company right away, and continue to support their upskilling on the job. For example, excellent customer service requires workers who have both the technical skills to answer questions about store products and the communication skills to maintain positive interactions with customers. These interactions are nuanced and hard to capture in a classroom. As retail companies increasingly rely on customer service as a competitive advantage, workforce development will be most successful when it harnesses the wide-ranging customer service needs that occur every day in store. On-the-job training that formalizes lessons from working with real customers can improve workers' skills and a company's reputation for service.

# WORK-BASED LEARNING FRAMEWORK

## CAREER EXPERIENCE

SPECIFIC SKILLS | PERMANENT EMPLOYMENT

Engages individuals as paid workers to gain specific skills, in conjunction with related classroom or lab instruction, in a particular industry or occupation.

**Models include:**

- Registered Apprenticeships
- Youth Apprenticeship
- Other Forms of Apprenticeships
- Transitional Jobs
- On-the-Job Training
- Work-Based Courses

## CAREER EXPOSURE

INDUSTRY INTRO | SHORT-TERM

Brings participants to workplaces for short periods of time with the goal of gaining introductory information about an industry and associated occupations.

**Models include:**

- Job Shadows
- Company Tours
- Mentoring
- Simulations
- Information Interviews

## CAREER ENGAGEMENT

BASIC TECHNICAL & EMPLOYABILITY SKILLS

Provides extended opportunities for participants to increase their knowledge of an identified field of interest and gain employability skills and some entry-level technical knowledge or skills.

**Models include:**

- Internships
- Pre-Apprenticeships
- Apprenticeship Readiness
- Cooperative Education
- Service Learning

### WORK-BASED LEARNING

PREPARATION FOR  
WORK-BASED LEARNING

## CAREER EXPLORATION

AWARENESS | FOUNDATION | PREPARATION

Builds awareness of careers. Career exploration activities do not take place in workplaces and are not work-based learning, but provide a foundation for work-based learning and prepare participants to make the most of opportunities.

**Models include:**

- Career Fairs
- Industry Projects
- Interest Inventories
- Mock Interviews

In addition, work-based learning can be used to have a more structured discussion of advancement possibilities. In a recent survey, 56 percent of workforce providers shared that advancement opportunities are a top priority for opportunity youth assessing a job.<sup>11</sup> Providing work-based training for career-growth opportunities can help retain workers as they learn, even if they ultimately move on to another industry.

All of these solutions to address the realities of the retail industry align well with training designs that leverage the daily experiences of a job—these training designs are known as work-based learning. A common strategy across the economy, work-based learning has long been an integral formal training approach for some industries. For example, health care occupations rely on clinical rotations and other documented workplace training as part of occupational licensing requirements. Registered apprenticeship programs are standard in the construction trades and manufacturing industries. In total, between 1 and 2 million interns work in the United States each year in a wide range of sectors.<sup>12</sup> Internships do appear to be a typical training strategy in corporate headquarters and other high levels of the retail industry. However, to date, formal work-based learning programs have been less commonly used to address the fundamental career awareness and career development needs of the frontline and/or entry-level workforce at the center of the retail industry's ongoing success.<sup>13</sup>

Interestingly enough, work-based learning has been at the heart of retail as a way to advance, yet it has not been named as such. In fact, for many positions, retailers value work experience over formal education. The industry as a whole requires relatively low levels of formal education and training. Only 4 percent of the jobs that require some postsecondary education but less than a four-year degree are defined as middle-skill, with a similar proportion of high-skill jobs. In part, this reflects the prominence of entry-level jobs: there are eight times as many frontline workers as there are supervisors.<sup>14</sup> Advancement for many entry-level retail workers requires entering related industries. Training that bridges to other industries needs to address the low education and credential attainment of many workers, and integrate opportunities for credentials that those industries value. However, the association between advancement and formal education and credentialing masks the advancement opportunities of an industry that

frequently promotes from within. Entry-level workers that advance from retail salesperson to frontline supervisor see their earnings rise, on average, from \$10.90 to \$18.77 per hour.<sup>15</sup> These positions do not require postsecondary education, instead emphasizing job success. (For a greater discussion of these data, see Appendix B.)

## CORE PRINCIPLES OF EFFECTIVE WORK-BASED LEARNING

To help employers create high-quality work-based learning programs, JFF has identified seven key principles for effective work-based learning models.<sup>16</sup> These principles offer guidelines for developing features that will increase the number of individuals who access and complete work-based learning experiences, acquire skills and knowledge valued by employers, and enter and advance in careers. According to the principles, effective work-based learning models:

- **Support entry and advancement in a career track**—Effective models of work-based learning provide participants with opportunities to build knowledge, develop skills, and advance in specific career paths. Work-based learning supports the development of both industry-specific technical skills and professional skills—such as communication, teamwork, and problem solving—that nearly all employers value.
- **Provide meaningful job tasks that build career skills and knowledge**—Successful work-based learning provides participants with opportunities to engage in appropriately complex and relevant tasks aligned with individual career goals. Work-based learning should include mentoring and supervision, and should continue over a sustained period of time so participants have adequate opportunities to perform meaningful job tasks.
- **Offer compensation**—Compensating participants in work-based learning helps them stay focused and motivated by honoring their individual contributions to the business. Work-based learning programs that don't offer compensation are likely to preclude many individuals who need paid employment from career advancing opportunities.

- **Identify target skills and how gains will be validated**—An understanding of the skills to be attained increases the value of work-based learning to employers and learners alike. Skill validation can occur through reflective practices or formal assessments for demonstrating job competencies.
- **Reward skill development**—Effective models reinforce learning by rewarding skill development through a variety of mechanisms, including increased wages and benefits, high school or postsecondary, credit, opportunities to become permanent employees, and promotions for incumbent workers.
- **Support college entry, persistence, and completion**—Work-based learning should link to secondary and postsecondary programs of study and completion of postsecondary credentials whenever possible. Its role in reinforcing classroom learning and its potential to provide students with needed financial support also foster persistence and completion.
- **Provide comprehensive supports to learners, both students and incumbent workers**—Effective models incorporate career advising or coaching that help participants find the information they need to make informed choices about their careers. Child care, transportation assistance, and other supports for circumstances that challenge learner progress are critical to success for many.

## SPOTLIGHT ON SKILLS VALIDATION IN RETAIL

Industry-recognized credentials are a common way to measure and recognize the occupational skills of workers across a variety of industries. While the retail sector has not historically recognized credentials as an important measure of job readiness or career progression, options are beginning to emerge. Retailers can align their programs to credentials specific to the industry. Examples include:

- Through the RISE Up initiative in partnership with industry, [National Retail Federation Foundation](#) offers a framework of retail training and skills recognition. Credentials can be earned in Retail Industry Fundamentals, Customer Service and Sales, and Advanced Customer Service and Sales.
- The [Retail Management Certificate](#) of the Western Association of Food Chains is an accredited credential offered online and through over 150 community colleges in the United States. Recognized and supported by leading retailers, wholesalers, and over 7,500 supermarkets, the credential grew out of an industry need to provide knowledge and skills to its incumbent workforce and to grow industry leaders. The series of classes are designed to leverage students' work experience and provide a pathway for career advancement and increased wages.
- The [Institute for Supply Management](#) offers a credential, the Certified Professional and Supply Management (CPSM®), which is critical not only to the retail industry, but also to supply chain management in other industries.
- The [Loss Prevention Foundation](#) educates and certifies retail loss prevention professionals, a particular in-demand position for the industry. LPQualified and LPCertified are credentials that identify this skill set.

Many other skill certifications serve the retail industry, particularly as it evolves digitally and globally. Critical technical skills that need to be certified range from wait staff that use iPads for taking and submitting restaurant meal orders to cyber security expertise.

# BENEFITS OF WORK-BASED LEARNING

Many corporate initiatives require some sort of return on investment (ROI) calculation in order to proceed, and work-based learning initiatives are no different. There are many standard guidebooks on how to build a model which may be useful when trying to determine the ROI.<sup>17</sup> Yet, creating a standard ROI calculation for work-based learning models is particularly challenging because every company may be looking for a slightly different outcome, and inputs into the model will be slightly different. Instead, many of the companies reviewed looked at more specific metrics around retention and engagement rather than relying on a macro-level ROI study.

***“[Work-based learning programs are] also great for the company. It’s great when you invest in someone and then they stay on their job.”***

*– employer focus group participant*

JFF research demonstrates that the cost of investing in work-based learning should be weighed against the following benefits:

## Reduced turnover

Employee retention is a growing challenge in all sectors of the economy. Employees stay in a job for an average of 4.2 years, and a recent Gallup study found that 51 percent of employees across the United States are actively looking for a new job.<sup>18</sup> Retaining retail employees is particularly difficult, with a 65 percent turnover rate for hourly store workers in 2016.<sup>19</sup> Our analysis of labor market data also revealed the ease of leaving retail from an entry-level occupation, with at least six related occupations in adjacent industries with over 50,000 job postings in 2017. (See Appendix B for details.)

## RETAILER SPOTLIGHT: WEGMANS<sup>20</sup>

In the mid-1980s, Wegmans, a regional supermarket chain with over 90 stores in the eastern United States, faced a troubling number: a 100 percent turnover rate among their young part-time workers. At the same time, leaders in Wegmans’s home base of Rochester, New York, were organizing to find solutions to a high dropout rate among the diverse high school population. Wegmans launched a pilot work-based learning program in 1987 with 30 ninth graders to combat both of these problems. Ten years later, the program became an independent nonprofit, the Hillside Work-Scholarship Connection. The current turnover rate for part-time high school- and college-aged Wegmans employees is now a fraction of the previous level, at approximately 30 percent.

An independent cost-study analysis by researchers at the University of Rochester concluded that, for students who are certified in the Hillside Work-Scholarship Connection program and who remained employed, over \$8.50 in benefits are generated for every \$1 in program expenses—speaking to a broader community impact for work-based learning.<sup>21</sup>

## Increased engagement

Only 30 percent of U.S. employees are “engaged” in their work, a situation that costs more than \$450 billion each year in lost productivity.<sup>22</sup> These data points demonstrate the need for employees to feel connected to their employer. Best Buy found that participation in their corporate social responsibility program—the Geek Squad Academy—not only provided work-based learning for frontline employees but also deepened their commitment to the company. A survey reported that these employees also planned to seek out increased responsibility and apply their newly developed

leadership skills to their current roles. This higher level of engagement, in turn, is shown to increase a company's bottom line.<sup>23</sup>

## Increased productivity

Industries, like manufacturing, that have a history of apprenticeship have demonstrated that their work-based learning programs have increased worker productivity and quality of work.<sup>24</sup> Employers have seen a similar impact in retail. As one training provider recounted, many of the young people in their programs have some of the technical skills required for their job but need on-the-job training to translate their new exposure to customer interactions into quality, efficient service.<sup>25</sup>

## Creation of a diverse management pipeline

Until recently, the benefits of work-based learning have accrued primarily to the most highly educated and socially connected segments of the population. As work-based learning opportunities expand, more members of the underserved populations who need it the most will benefit—low-income students, low-skilled workers, the long-term unemployed, and disconnected youth—all of whom participate in the frontline retail workforce.<sup>26</sup> Our case study research demonstrates that these programs can help recruit and retain diverse populations. Wegmans reports that they now have over 40 full-time management-level employees who were graduates of the work-scholarship connection program.

## Improved company reputation

Many employers find that providing work-based learning opportunities does more than improve their talent pipelines—it also raises the corporate profile and can be an effective marketing strategy. Best Buy, Gap Inc., and Wegmans each pair their work-based learning with community investments. For example, employees who serve as mentors in the Geek Squad Academy are “a little bit more engaged and proud of the company once they see the work that we do in the community.”<sup>27</sup> Program participants and graduates share their positive experiences with friends and family members, which provides an incentive to become or remain customers.

## Improved hiring outcomes

Hiring new employees is a significant commitment of resources. Work-based learning models such as internships can lead to employment in cases where both the learner and the employer agree on the fit. As part of Gap Inc.'s 10-week internship for low-income youth, graduates are considered for full-time employment, and 75 percent of graduates have been hired. Often, learners are placed at an employer for a predetermined period of time to help ensure that, with training, their capabilities match job expectations.

Each of these benefits demonstrates how work-based learning strategies give employers the tools to maximize their investment in hiring and training by taking full advantage of their talent pool from the beginning. This perspective transforms training and development functions from their typical treatment as a cost of doing business to a potential profit center. Frontline retail workers are the public face of the company—its image and brand—whether working in person, by phone, or through an online experience. Engaging and retaining workers with the requisite skills in customer service, sales, technology, and teamwork is critical to organizational success.

Companies that have tried work-based learning programs recognize their impact. Gap Inc. is very clear that “when a program doesn't stand the test of time, these kinds of programs won't last. If we can demonstrate a program is good for business, it will be more scalable and more youth will benefit from the program, and it will be more likely to last.”

## MATCHING A WORK-BASED LEARNING MODEL TO RETAIL BUSINESS NEED

Companies should consider a wide variety of factors when selecting a work-based learning model. Like any other program, work-based learning has the most power to advance a company's bottom line when it aligns with the company's most critical talent needs. Start with what is needed and pick a work-based model that can deliver.

Employers often identify the need to cultivate their talent pipeline by working with a specific target population, and they select types of work-based learning activities for that group. (See following table, *Work-Based Learning Activities, by Population Served*.) Other potential considerations include:

- Upskilling the current workforce to develop career pathways into management;
- Strategies for filling difficult-to-fill positions;
- Specific skills and competencies of target occupations;
- Interest in partnerships with educational institutions or community-based organizations;
- Desired role for supervisors and other expert staff; and
- Level of potential investment.

These factors can help determine an overall approach, while a job task analysis can be used to develop the specific training curriculum, including defining what can be taught in the workplace and what is best delivered in complementary classroom training. The employer’s goal for the workers will determine whether a short-term

program is sufficient or if a longer-term option, such as an apprenticeship, will be more effective. For retail, shorter models are probably appropriate for more foundational or generic skill development, or for newer employees. Investment in a more structured, long-term program such as formal registered apprenticeship may make sense as an alternative to a traditional college degree.

In the early stages of work-based learning design, companies should identify additional priorities for specific program elements. For example, youth-focused programs should consider what job tasks—especially those that are customer facing—are appropriate for youth, and they may place a larger emphasis on employability skills for those with no work experience. Programs that target low-income youth and adults may consider how to best incorporate supportive services such as those related to transportation, child care, counseling, and financial management, etc. Many effective work-based learning programs already address a host of potential challenges and can be a starting point for design ideas.

***“The best part of the program is when you get to work with youth who really understand the value of the internship. They put in the work and they end up just soaring. It’s so wonderful to see.”***

*– employer focus group participant*

## **WORK-BASED LEARNING ACTIVITIES, BY POPULATION SERVED**

*with benefits listed and retail and other employer program examples listed*

<b>Target Population:</b>	<b>Elementary and high school students</b>
<b>Common Work-Based Learning Activities</b>	<b>Specific Benefits to Employers</b>
Classes tour local businesses such as manufacturing plants and retail stores. Students see on-the-ground operations and learn about a variety of jobs and careers.	<ul style="list-style-type: none"> <li>• Increases public awareness of the retail industry and a variety of available jobs and careers</li> <li>• Can serve as a first step toward developing valuable school-business partnerships</li> <li>• Creates goodwill toward local retail businesses and industry overall, from schools, students, parents, and the general public</li> </ul>

Johnson & Johnson Vision Care has a Youth Leadership Development Program where students from one high school in Florida are mentored by employees, and the program helps students develop a business strategy and marketing plan for an entrepreneurial endeavor.<sup>28</sup>

<b>Target Population:</b>	<b>High school students and opportunity youth (young adults ages 16 to 24 who are not in school, nor employed)</b>
<b>Common Work-Based Learning Activities</b>	<b>Specific Benefits to Employers</b>
High schools, community colleges, and community-based organizations partner with businesses to establish training standards and work-based learning activities. Businesses provide on-the-job training and experiences to link work and learning. Employers may also provide mentors, speakers, curriculum assistance.	<ul style="list-style-type: none"> <li>• Builds a talent pipeline for the industry with the skills and competencies required for the entry-level job</li> <li>• Teaches job-readiness employability skills and sets expectations for the workplace</li> <li>• Lowers the cost of recruitment and onboarding</li> </ul>
<p><b>CVS Health</b> has operated its pharmacy technician training programs since 2005, supporting 4,600 apprentices in 12 states to date. CVS Health has instituted a pre-apprenticeship program in partnership with local schools and community organizations to build diverse talent pipelines of young people who might not otherwise have the opportunity to prepare for pharmacy technician training and attain valuable middle-skill jobs and wages.<sup>29</sup></p>	

<b>Target Population:</b>	<b>Postsecondary students</b>
<b>Common Work-Based Learning Activities</b>	<b>Specific Benefits to Employers</b>
Companies provide opportunities to prepare for advancement, such as mentoring, coaching, and pairing workers with higher-level employees or people from other departments of interest.	<ul style="list-style-type: none"> <li>• Builds the company brand and talent pipeline with motivated and experienced students working toward higher-level opportunities in the industry</li> <li>• Prepares future employees with the latest in-demand skills and competencies for the retail sector</li> <li>• Opportunity to identify and hire high-potential employees</li> </ul>
<p>Postsecondary retail industry students attending <b>National Retail Federation</b> college and university partner schools for retail training—in such areas as management, marketing, merchandising, technology, and other advanced training—have opportunities for scholarships and internships with national NRF industry partners.</p>	

<b>Target Population:</b>	<b>Incumbent workers in short-term training</b>
<b>Common Work-Based Learning Activities</b>	<b>Specific Benefits to Employers</b>
Companies hire college students for internships with compensation in the form of wages or college credit. In cooperative education programs, students alternate between courses and paid employment in their chosen industry.	<ul style="list-style-type: none"> <li>• Strengthens and solidifies employee commitment to the company</li> <li>• Advances reliable, proven workers into hard-to-fill positions</li> <li>• Develops the leaders needed for company success</li> </ul>
<p>The <b>Western Association of Food Chains</b> has partnered its members with community colleges and other organizations to deliver a learning program including an on-the-job practicum for retail management certification and access to industry careers.</p>	

<b>Target Population:</b>	<b><i>New and incumbent workers in long-term training</i></b>
<b>Common Work-Based Learning Activities</b>	<b>Specific Benefits to Employers</b>
New employees or entry-level workers combine on-the-job learning with related instruction, sometimes in formal apprenticeship programs, so they can advance into skilled positions. Supervisors serve as journey-level mentors in a structured training program that pairs greater responsibilities and higher wages with new skills.	<ul style="list-style-type: none"> <li>• All benefits for the incumbent worker population—often to a greater extent, due to increased engagement in long-term training—listed above, plus:</li> <li>• Prepares future employees with the latest in-demand skills and competencies</li> <li>• Provides the opportunity to identify and hire high-potential employees</li> </ul>

A growing number of large companies (**Accenture**, **Aon**, **JPMorgan Chase**, **Amazon**, and **The Hartford**) have begun apprenticeships in office careers, combining instruction time with paid on-the-job experience. These opportunities are organized to provide opportunities for nontraditional participants who might otherwise not have been considered for jobs in these companies, as well as to better prepare workers for a very specific career.

## RETAILER SPOTLIGHT: BEST BUY<sup>30</sup>

Best Buy leadership has signaled its commitment to its Pathways to Success program by tapping human resources to partner on job description and curriculum development. Andrea Riehl, who manages Best Buy’s other work-based learning program—the Geek Squad Academy—attributes leadership’s growing buy-in to store employees who have moved up the ranks and spoken from their own program experiences. She also describes the value of the program in helping managers identify the strengths of their workers. “Because they’re participating in this different role in a different environment, it gives them the ability to see their employees in a different light, and allows them to grow and be a little bit more engaged with the company, as well.” Best Buy leadership reinforces support for the program by strongly encouraging stores to have employees from all roles and experience levels participate in the Academy.

Recognizing that employers need a better tool to identify work-based learning models that could be useful in their circumstances, JFF has developed a searchable database of resources and tools. Available at [www.jff.org/walmartwbl](http://www.jff.org/walmartwbl), this data set categorizes existing work-based learning programs and allows the user to find examples that are aligned with their business needs and capacity. It includes both models currently in use by retailers, as well as models from other sectors that share similar talent needs and trends, such as the restaurant and hotel industries. Drawn from a variety of sources, the examples provide detail on program structure and are classified by major design considerations, including type of work-based learning, target populations, industry, and partnership structure. *(More details on the data set can be found in Appendix A.)*

# KEYS TO SUCCESSFUL IMPLEMENTATION OF A WORK-BASED LEARNING MODEL

Introducing work-based learning and ensuring its sustainability and lasting positive impact requires the same kind of thought and planning as any other new program. While each work-based learning program must be customized to the particular structure and priorities of a company, several themes are critical to program success. A JFF review of successful retail models shows that, in all cases, corporate leadership mobilized internal and external commitment and resources, and are integrated into a culture that embraces advancement with clear career pathways. Successful work-based learning experiences in retail are also bolstered by formalized mentorship for participants, and more broadly leverage the strengths of external partners. These partnerships were found to be critical in that they allow the company to focus on what they do best—providing a workplace setting for learning—while the partner can provide classroom training and wraparound supports for participants. Finally, all of this can be measured so that adjustments can be made and successes can be celebrated.

## Secure support from corporate leadership

Behind each thriving work-based learning program is a committed team of corporate leaders. Wegmans Chairman Daniel Wegman serves on the board of Hillside Work-Scholarship Connection, the nonprofit that runs the work-based learning initiative launched by the company 30 years ago. The Best Buy headquarters pays for all costs of employee participation in their Geek Squad Academy. Gap Inc. has incorporated their program, This Way Ahead, as a central human resources strategy. In these and many other cases, the leadership provides a mix of financial support and demonstrated commitment to the program. Employees at all levels are encouraged to contribute to the success of their work-based learning programs.

## Include mentoring in the work-based learning model

New entrants to the workforce often need additional guidance that supervisors are reluctant or don't have time to provide. Mentoring offers numerous benefits to both mentor and mentee, including broadening staff insight into the business and providing relationships. Mentees often learn and develop faster by encouraging an exchange of information that doesn't always exist naturally, enhancing the mentees' performance. Mentoring programs let employees know that the company values them and has an interest in their personal development, leading to increased productivity and reduction in turnover.<sup>31</sup> These relationships often help the mentee see what kinds of career possibilities exist in the organization. At Wegmans, participants are assigned a mentor at work, typically their department manager or the next level of manager up, who checks in with them and makes sure that they have what they need in order to be successful at work. Gap Inc.'s

***“My mentor took a real interest in my work and explained things that just weren't that clear to me from orientation.”***

*– employer focus group participant*

program is even more extensive, with three complementary mentorship and coaching roles: a job coach provided by the nonprofit, a manager who provides on-the-job supervision, and a peer mentor to more informally navigate his/her career and to be a role model.

Beyond formal mentorship, managers need to be supportive of employees and their work-based learning activities. Studies—along with our focus group participants—confirm that people stay (or leave) their jobs because of their managers.<sup>32</sup> This suggests that frontline supervisors must promote making retail a career. These brand ambassadors need to be attuned to the immediate training needs and opportunities for their employees, and be well versed in the career pathway that is offered by an employer. The company must also recognize this staff

development as part of a supervisor’s job responsibilities, and reward them for facilitating formal and informal work-based learning.

## Prioritize partnerships

Many employer-led work-based learning programs partner with community-based organizations, community colleges, or high schools to provide initial training and the support services participants require to complete the program. The kind of partner selected depends on the type of program being supported. Many companies select nonprofits that have a proven track record in youth employment training and placement, and who are also committed to using data and evaluation for continual improvement. Gap Inc. funds its partner community-based organizations to provide funding for job coaches and the training that they provide to the interns, as well as for compensation for the interns during the 10-week program. Wegmans has a

***“Our nonprofit partners told us that the young people they serve have a hard time getting their first jobs, so we saw an opportunity to leverage those entry-level jobs as a resource to share with the community.”***

*– employer focus group participant*

close relationship with the Hillside Family of Agencies that operates its program inside high schools. Other companies may use their workforce board or state agencies such as vocational rehabilitation to provide the support required.

## Identify and promote your retail career pathway

For work-based learning programs to be effective, participants need opportunities to apply the skills they have learned at work, be able to demonstrate proficiency, and be rewarded for doing so. Companies that have an internal culture of advancement offer those possibilities. But it is not enough to have a policy on promoting from within—employees should know how to advance and

understand that there is a career pathway for them. Companies that embrace a role as a career developer by offering continued training and advancement opportunities also create a higher-value employee and proactively grow their next generation of leaders. To keep good talent and maintain diversity in the workforce, advancement opportunities must be widely advertised through multiple channels. For example, Wegmans maintains a chart that shows the lateral and vertical opportunities that are possible, and employees are encouraged to use it to map out their careers.

## IDENTIFYING AN EDUCATIONAL OR TRAINING PARTNER

When selecting partners, consider the following factors:

- What population do they serve?
- Can they customize the program, or do they have an off-the-shelf model?
- Do they have the data analysis tools to evaluate effectiveness?
- How sustainable is the funding model?
- What is their experience, and with which industries?
- How do they manage employer relationships, and how many staff members are assigned to each employer or training cohort?

And the employer must evaluate the following:

- Is there a staff member who will be dedicated to the program?
- What kind of data is needed to measure effectiveness, and how will it be collected?
- What kinds of wraparound or educational services will be offered?
- What is the timetable for developing, launching, trying, and adjusting the program?

## RETAILER SPOTLIGHT: GAP INC.<sup>33</sup>

Gap Inc. does not try to run This Way Ahead, its life skills and paid store internship program for youth and young adults, on its own. The company seeks nonprofits that have a proven track record in youth development and employment training, and who are committed to continual improvement. The aim of the program is to reach youth who face barriers to employment. The nonprofits enable Gap Inc. to find new sources of talent, and these organizations lead programs and services needed prior to the store internship. This partnership allows both the organizations and the Gap stores to contribute their expertise and strengths to the benefit of the youth, Gap's talent pipeline, and the community.

### Measure results

What gets measured, matters. Large companies often introduce new initiatives that are to be integrated into the organization's operations. These initiatives are often announced with great fanfare—posters are printed, coffee mugs are handed out, but then they fade into memory if they do not become part of the metrics by which managers are evaluated. Work-based learning is no different. Work-based learning metrics need to be embedded into the metrics for the leaders closest to where work-based learning is being implemented. Senior leadership can endorse the idea and encourage all managers to adopt work-based learning, but unless they are convinced of the efficacy and measured on the implementation, the program will not be adopted.

## EXPANDING AND IMPROVING WORK-BASED LEARNING IN THE RETAIL INDUSTRY

While the recommendations for work-based learning design and implementation throughout this guide can help individual companies, only industry-level solutions will scale these to make sure the retail industry as a whole will continue to thrive as it encounters ever-evolving technological, talent, and other structural demands. As retail companies adopt effective work-based learning models, they can lead the charge to work together for greater impact. Companies can serve as champions for this approach to training, they can work with peer retailers for regional solutions, or they can invest in national credentials and other forms of validation for skills gained through work-based learning.

### Share what you're doing

Work-based learning in retail is just gaining momentum. Companies with strong programs in place are the best champions to promote the adoption of work-based learning by other retailers. Only a handful of companies have fully developed models that they believe are sufficiently vetted to share with others. In other cases, companies feel their models contain too much proprietary information to be shared. Yet companies often start by looking to their peers for business solutions. At this moment for the field, it is clear that the industry recognizes a value in training workers, but we do not know much about the underpinnings, foundational structure, or origins surrounding most models. Consequently, the bulk of existing data relies on employer claims versus qualitative assessment or in-depth analysis. To build these models out, employers must be willing to share their models and evidence to support their results so that we can learn from each other's experiences and better the field as a whole.<sup>34</sup> The online resource database we have created is a beginning in sharing this data across the industry, but more examples need to be collected and disseminated (access at [www.jff.org/walmartwbl](http://www.jff.org/walmartwbl)).

## Collaborate to develop work-based learning models

In several regions across the country, local employers now partner with each other to lead sector strategies that have better equipped their regional workforces with their most in-demand skills. For example, in Elkhart, Indiana, manufacturing employers have established a collective to pool resources to develop an apprenticeship cohort to benefit smaller employers in the region. Retail employers can benefit from similar collaboration. By establishing a baseline set of the skills required to be effective employees in critical occupations, retailers can improve the relevant offerings of local community-based organizations, or they can combine to create sufficient demand for new programs. Beyond this core training offered to cross-employer cohorts, the portion of a work-based learning program that is housed in the workplace can include whatever proprietary information is needed for job success. In addition, retailers should consider working with trade associations to build consistency for both employers and employees. This standardization would make it easier for external training providers to provide turnkey training solutions.

## Develop and use industry-valued credentials

The retail sector does not yet enjoy a shared language around work-based learning that can provide a more uniform approach to career pathways. In retail, advancement tends to be a less structured system than is found in other more technical industries, such as health care and advanced manufacturing. Many industries have developed significant credential frameworks to identify talent pools from which multiple employers recruit and promote. These credentials ensure consistency in the quality of the most valued skills and knowledge. There have been a few attempts by the retail industry to design credentials. In fact, the NRF Foundation began the process of identifying industry standards and subsequent certifications in the generic area of customer service and sales in the early 1990s with support from the U.S. Department of Labor. This was the first time the industry was asked to quantify skills to develop a certification that would be of recognized value for hiring entry-level workers. The NRF Foundation worked with a good number of large and small retailers to ensure technically sound standards and certification. The initial customer service certification

was supported and recognized by those companies that were close to the development process. The use of standards-based training and certification was successfully tested and found valuable for hiring entry-level workers in retail and related businesses. The certification also proved of value in recognizing achievement in secondary and postsecondary marketing education programs, often enabling students to receive credit for attaining the certification. However, the certification as a tool in hiring was inconsistent across the industry and did not move to scale.

In addition, the Western Association of Food Chains (WAFC) has introduced a certificate program designed to advance retail managers. The program is available at over 100 community colleges and online. The WAFC also established and promotes the University of Southern California's Food Industry Management Program, which creates a pipeline from entry to bachelor's degree for food industry workers. Recognizing that additional enthusiasm for and industry adoption of certificates was needed, the NRF, in 2016, introduced RISE Up, a program to deliver the Retail Industry Fundamentals credential. This credential helps train and advance both entry-level retail associates and first-time job seekers and focuses on five core areas identified by retail employers as critical to success in the field. It is too early to tell if the program is getting the kind of industry adoption that will be required to integrate these skills and competencies into the retail industry. However, it is clear that to be meaningful for both employees and employers, retailers need to support these credentials by preferring to hire and promote those who have them and encouraging educational institutions and community-based organizations to train to the specifications.

## FINAL THOUGHTS

A coordinated approach to work-based learning can ultimately have an impact that reaches far beyond the retail sector. Corporations spend upwards of \$160 billion annually on employee training.<sup>35</sup> That investment, if better targeted to the populations and strategies that can best serve business imperatives, can transform the talent pipeline and skilled workforce not only in retail, but across our economy.

# APPENDIX A: RESEARCH METHODOLOGY

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To achieve an increased understanding of how work-based learning (WBL) is currently operating in and can continue to impact the retail industry, JFF approached our research from multiple angles. We conducted a comprehensive literature review to get an accurate scan of the state of the field and took a deeper dive into current outlooks for retail workers with labor market information analysis. We then field-tested what we were finding in three focus groups. With three of our employer partners, we researched and wrote in-depth case studies, excerpted in this guide. Supplemental resources and case studies were indexed and curated for the online resource database.

## LITERATURE REVIEW

For the team to be grounded in the retail sector specifically and WBL in general, we have familiarized ourselves with existing resources from the Retail Opportunity Network. RON is a collection of over 50 organizations working collaboratively to drive system change for the U.S. retail sector. Through their work, collective learnings and knowledge sharing, network members are developing more efficient and innovative ways to advance the careers of frontline retail workers. To augment our colleagues' work, we conducted additional database searches to identify promising practices and resources needed to frame our explorations. In building the literature review, we recognized that there were multiple research avenues required to make meaningful insights related to WBL in the context of retail and other service-related sectors. From an academic research perspective, we started with exploring definitions of retail, examining the existing retail climate and employer/employee attitudes about the industry, and adopting a JFF-designed WBL framework that offered a helpful definition of what effective WBL looks like.

It also became clear that employers may not recognize or define WBL in the same way as a researcher uses the term. Accordingly, we considered the common themes and outcomes of effective training, such as employee retention, promoting from within, and other "best places to work" metrics surrounding employee growth and commitment to

inform our work. These findings came in the form of news articles, reports, and employer job pages, among other sources. We have used that approach to gather most of our data to date.

We organized content based on WBL models (internships, apprenticeships, etc.), and studied what the trainings actually look like for some employers.

## LABOR MARKET ANALYSIS

We conducted an analysis of labor market information (LMI) to identify the specific subsectors and occupation groups that are most closely aligned with retail, analyze patterns of growth and change within those subsectors and occupations, and map vertical career pathways that lead from entry-level through middle-skill jobs. An important component of this analysis included a close review of the specialized and baseline skills required by key occupations.

Two types of LMI were used for this analysis: (1) traditional LMI, which is drawn from government surveys of employers and workers, and (2) online job postings or "real-time" LMI. The traditional LMI provides data on workforce employment, trends, and projections for standardized industries and occupations, as well as knowledge, skills, and abilities. The job posting data complements this information by providing insights into the current skills and credentials in demand, as well as how these have changed over time. Two tools were used for this analysis: Emsi (traditional LMI) and Burning Glass Technologies' Labor Insight.

## FOCUS GROUPS

As part of this project, we conducted three focus groups to hear firsthand people's experiences with WBL. We approached the focus group with the idea to confirm what we were learning from the literature review and our previous experiences, but also to identify any new insights from these practitioners. The focus groups were as follows:

- **Chicago, Illinois**—with the Chicago Cook Workforce Partnership, we hosted eight training providers, including Workforce Investment Boards, community-based organizations, and private companies, to share their workforce training experiences and explore some options for improving and building effective WBL retail programs.
- **King of Prussia, Pennsylvania**—we had 10 employer participants from a range of retail/hospitality industries including clothing, food service, beauty products, groceries, and hotels.
- **Philadelphia, Pennsylvania**—15 young people shared their experiences working in retail. We discussed how they became aware of their WBL program, what the selection process was like, what the program emphasized, and how WBL affected their decisions regarding retail careers.

## CASE STUDIES

Three companies were chosen as the focus of a case study—Best Buy, Gap Inc., and Wegmans. They were selected based on the results of the literature review, conversations with experts in the WBL field, and a preliminary interview with key staff at each employer. The goal of the case studies was to outline the business case for WBL and delineate implementation strategies that work. To conduct our research, we identified several key participants to interview, including: a WBL administrator, a supervisor of interns, an executive manager, an internship participant, job coaches, peer mentors, and a human resources director. The actual number of interviews and specific people interviewed varied by case study depending on the model (who was most relevant to the specific WBL program) and participant availability. We developed interview protocols with open-ended questions to guide one-hour interviews, which were recorded and then transcribed for analysis. Topics explored included: outlining the company’s motivation for using WBL; understanding the specific program(s) currently in use, how they were developed, how they’ve changed over time; how they measure success; and how the programs are used to help the workforce adapt to changing business environments.

At the end of each case study, we were able to develop a researched and vetted response to the question, “What are effective WBL strategies for the retail sector?” as well as to outline recommendations for both improving these strategies and promoting their use as a way to effectively advance upskilling, and to improve employee retention and career advancement opportunities.

## WORK-BASED LEARNING ONLINE RESOURCE DATABASE

[www.jff.org/walmartwbl](http://www.jff.org/walmartwbl)

JFF’s searchable online database categorizes existing WBL programs, allowing the user to find examples that are aligned with their business needs and capacity. It includes models currently in use by retailers and from other sectors that share similar talent needs and trends, such as the restaurant and hospitality industries. To populate the online database of current WBL offerings in retail, we considered common themes and outcomes of effective training and other “best places to work” metrics surrounding employee growth and commitment. We reviewed the employer websites to glean and codify how their WBL programs were structured. We drew from a variety of sources—peer-reviewed articles, stakeholder reports, and company websites, along with interviews and focus groups with retail employers and employers in related industries.

Each program is tagged based on type of WBL model, target populations served, industry, and partnership structure. We also identified the source of the information and identified a contact person, where possible.

## APPENDIX B: OVERVIEW OF THE RETAIL INDUSTRY

Using 2016 data<sup>36</sup>, the retail industry employs over 15.8 million workers. Excluding government, it is the second largest industry (health care is the largest at 18 million); 1-in-10 U.S. workers are in retail. The industry is projected to grow by 8.1 percent over the next 10 years, slightly less than the projected growth rate of 10 percent across all industries. About a quarter of the workers are less than 25 years old, and 20 percent are over 55.

Retail is comprised of 12 subsectors. The 2 largest—general merchandise stores and food and beverage stores—are about equal in size and compose almost 40 percent of all retail workers. Non-store retailers comprise the third-smallest—but fastest-growing—subsector. Employment in this subsector, which includes businesses that primarily sell online, is projected to grow 27 percent over the next 10 years. (See table below.)

Over half (8.6 million) of all jobs in the retail industry are categorized as sales and related occupations—in fact, 7 in 10 of all jobs in the industries in either sales or office administrative support. The majority of the retail sales positions are entry-level frontline workers, such as salespeople and cashiers. The third largest occupation group is transportation and material moving, which includes truck drivers, laborers, packers, and other occupations in the industry. With few exceptions, the majority of the occupations are projected to increase until 2026. There are a limited number of middle-skill opportunities (defined as jobs requiring more than a high school diploma but less than a bachelor's degree): only about 690,000 jobs, or 4.3 percent of the industry. Jobs requiring at least a 4-year college degree will grow the most over the next 10 years (10 percent), while middle-skill jobs will grow the least (4 percent). (See table on next page.)

Industry	Percent of all retail*	2016 Jobs	2026 Jobs	2016-2026 % Change
Motor Vehicle and Parts Dealers	12%	1,976,166	2,193,263	11%
Furniture and Home Furnishings Stores	3%	468,469	463,768	(1%)
Electronics and Appliance Stores	3%	518,685	495,776	(4%)
Building Material and Garden Equipment and Supplies Dealers	8%	1,270,868	1,367,082	8%
Food and Beverage Stores	19%	3,081,160	3,295,775	7%
Health and Personal Care Stores	7%	1,049,564	1,115,246	6%
Gasoline Stations	6%	920,894	987,419	7%
Clothing and Clothing Accessories Stores	8%	1,341,901	1,376,769	3%
Sporting Goods, Hobby, Musical Instrument, and Book Stores	4%	617,345	708,894	15%
General Merchandise Stores	20%	3,213,763	3,566,292	11%
Miscellaneous Store Retailers	5%	826,929	848,387	3%
Non-store Retailers	3%	538,539	684,167	27%
<b>TOTAL</b>		<b>15,824,285</b>	<b>17,102,839</b>	<b>8%</b>

\*Note: Total may not equal 100% due to rounding.  
Source: Emsi 2017.3

Occupation Description	Percent of all retail*	2016 Jobs	2026 Jobs	2016-2026 % Change	Median Hourly Earnings
Sales and Related	54.4%	8,614,194	9,273,730	8%	\$13.08
Office and Administrative Support	17.6%	2,780,396	3,005,204	8%	\$16.33
Transportation and Material Moving	6.6%	1,050,229	1,130,027	8%	\$14.80
Installation, Maintenance, and Repair	4.9%	771,641	827,056	7%	\$20.83
Food Preparation and Serving Related	3.6%	564,853	626,570	11%	\$10.00
Healthcare Practitioners and Technical	3.4%	533,859	583,611	9%	\$30.75
Management	2.5%	400,086	437,462	9%	\$48.24
Production	2.5%	390,554	429,970	10%	\$15.92
Business and Financial Operations	1.0%	162,946	187,122	15%	\$32.04
Arts, Design, Entertainment, Sports, and Media	0.8%	128,019	129,976	2%	\$22.83
Building and Grounds Cleaning and Maintenance	0.8%	123,853	141,878	15%	\$11.89
Personal Care and Service	0.5%	81,805	87,876	7%	\$10.85
Protective Service	0.4%	62,698	64,783	3%	\$18.59
Computer and Mathematical	0.3%	52,961	65,933	24%	\$39.52
Construction and Extraction	0.2%	37,073	38,883	5%	\$20.99
Healthcare Support	0.2%	34,273	35,698	4%	\$13.31
Farming, Fishing, and Forestry	0.1%	20,049	19,939	(1%)	\$10.97
Education, Training, and Library	0.1%	8,698	10,144	17%	\$22.89
Architecture and Engineering	0.0%	2,699	2,846	5%	\$37.51
Legal	0.0%	1,917	2,313	21%	\$38.37
Community and Social Service	0.0%	1,120	1,402	25%	\$20.48
Life, Physical, and Social Science	0.0%	363	418	15%	\$30.61
<b>All Occupations</b>		<b>15,824,285</b>	<b>17,102,839</b>	<b>8%</b>	

\*Note: Total may not equal 100% due to rounding.  
Source: Emsi 2017.3

## CURRENT DEMAND FOR OCCUPATIONS AND SKILLS

The analysis of the retail industry presented thus far has focused on data collected from government surveys, typically called traditional labor market information. This type of data is collected based on rigorous standards and is useful to gain a precise picture and demographic profile of the number of people employed in a given occupation or industry, as well as long-term trends and projections. Online job postings, often called real-time labor market

information, provide insights into current demand for skills and workers. In 2017, more than 2.1 million job openings were posted online. Similar to current employment, close to half (48 percent) were in the category of sales and related occupations. This included more than 530,000 postings for retail salespersons and close to 325,000 for supervisors in retail sales. The four skills most in demand were all closely aligned to the unique work of the industry: sales, customer service, knowledge of the retail setting, merchandising, and store management.

### Retail Occupations: Education Requirements

No Formal Education	65%
High School Diploma or Equivalent	25%
Credential, Some College, or Associate's degree	4%
Bachelor's Degree or Higher	5%

Note: Total may not add to 100% due to rounding.  
Source: Emsi 2017.3

## INDUSTRIES AND OCCUPATIONS DEMANDING SIMILAR SKILLS

Given the large proportion of entry-level occupations in the retail industry, as well as the small proportion of opportunities in middle-skill jobs, some workers may seek to leverage their experiences in other industries. The retail industry values employability skills that are critically important for all workers including communication,

organization, and team work/collaboration skills. These were among the top baseline skills included in retail jobs postings. Many of the retail occupations are heavily concentrated within the retail industry (e.g., more than 90 percent of retail salespersons and their supervisors work in the industry), so there are only limited opportunities to find the same position in a different industry. Analyzing the demand for sales and customer services experience in non-retail industries, the leading new occupations to consider are listed below.

Occupation	Online postings, 2017
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	546,117
Sales Managers	189,944
Customer Service Representatives	156,416
Marketing Managers	87,208
Securities, Commodities, and Financial Services Sales Agents	68,194
Financial Managers	56,448
General and Operations Managers	56,224

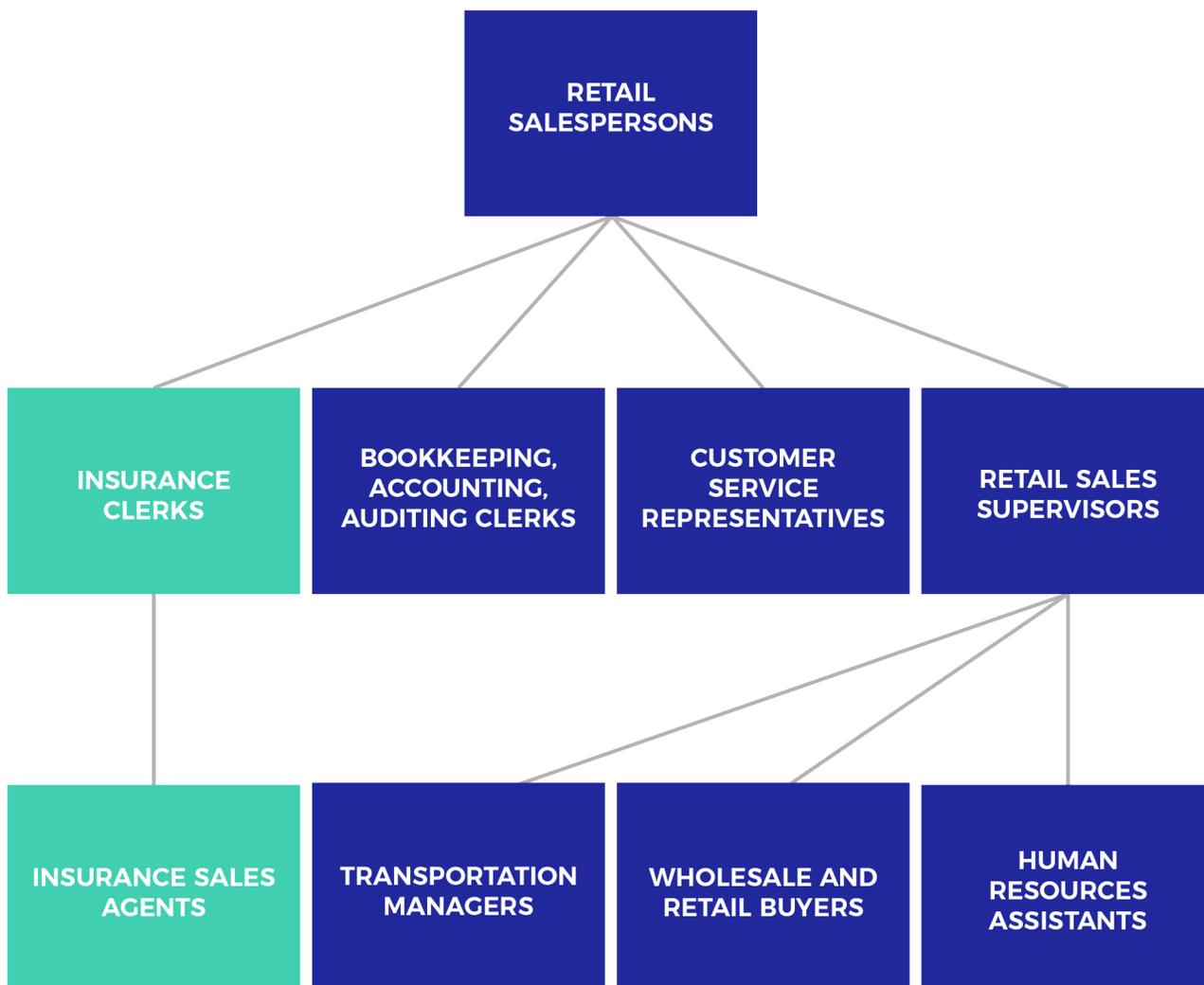
Source: Burning Glass Technologies. "Labor Insight Real-Time Labor Market Information Tool." <http://www.burning-glass.com>. 2018. Please see Appendix A for more details on labor market analysis methods using real-time labor market information.

# APPENDIX C: CAREER LADDERS AND WORK-BASED LEARNING OPPORTUNITIES

Given the landscape of occupations and skills in the retail industry discussed above, this section focuses on opportunities where WBL initiatives can bridge the gap in knowledge, skills, and abilities between retail occupations. By transitioning current employees into new roles, the pain points of high turnover rates or unmet demand can be mitigated. In addition, moving workers who began as frontline staff into administrative roles can simultaneously lessen the need for external recruitment and create new opportunities for employees who are already knowledgeable about an employer’s core business activities. Key to this analysis is the use of a compatibility index. Designed by Emsi, the number provides a score that represents the compatibility of two occupations based on

knowledge, skills, and abilities, as defined by the federally funded Occupational Information Network, or O\*NET.<sup>37</sup>

The figure below displays career paths for the entry-level position of retail salesperson. Pathway options include those internal and external to the retail industry. Each option below scores at least a 90 out of 100 on the Emsi compatibility index. The occupations were chosen based on the score, the comparability of the educational attainment levels of the incumbents, demand for the receiving occupation (measured by projections and/or online postings), and the wages. Three of the transitions are discussed in detail to illustrate the analysis that begins the process of determining the feasibility of the transition.



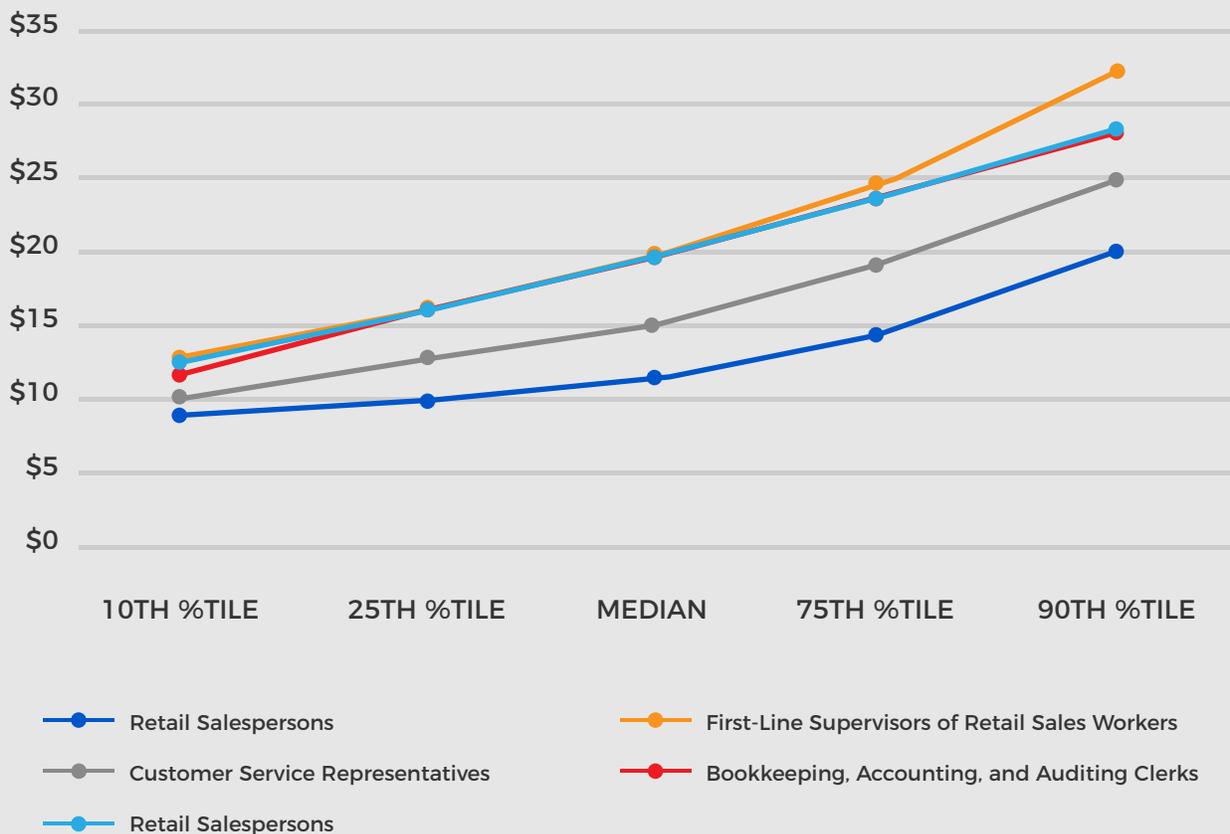
## CASE 1: RETAIL SALESPERSON TO RETAIL SALES SUPERVISOR

The movement by 1 of the 4.1 million retail salespersons to a supervisor in retail sales is likely the most common of the possible paths; the compatibility score is 91. There are more than 1 million supervisors in the retail industry, and close to 325,000 job openings were posted online in 2017. This suggests that there is a great deal of movement into and out of this position, and promoting from within could help to retain current workers. Key areas that need to be developed for the retail salespersons to become supervisors, and which can be taught through WBL, include:

- Knowledge of: education and training, administration and management, personnel and human resources, and economics and accounting
- Skills in: monitoring, social perceptiveness, instructing, management of personnel resources, time management, and learning strategies

The wage potential is the highest for those who choose this direct transition path. However, since not every retail salesperson can transition to a supervisor, it is helpful to have additional pathways inside and outside of the retail industry. Customer service representatives and bookkeeping clerks are found in many industries, including retail. The next detailed analysis focuses on an external transition to an insurance clerk.

### Retail Salespersons: Hourly Wages for Compatible Occupations



## CASE 2: RETAIL SALESPERSON TO INSURANCE CLERK

Insurance clerks and retail salespersons have a compatibility score of 92, and the number of clerks is projected to increase by 10 percent between 2016 and 2026. Furthermore, most people currently working as insurance clerks have less than a bachelor's degree. The overall education profile of the two occupations shows that it is a feasible transition for retail salespersons to make.

Education Level	Source Occupation: Retail Salespersons	Target Occupation: Insurance Clerks
Bachelor's Degree	9%	7%
Associate's Degree	0%	20%
Some College Courses	3%	17%
Postsecondary Nondegree	1%	11%
High School Diploma or Equivalent	76%	45%
Less than a High School Diploma	11%	0%

Key areas that need to be developed for retail salespersons to become insurance clerks, and which can be taught through WBL, include:

- Knowledge of: clerical tasks, English language, computers and electronics, law and government, and medicine and dentistry
- Skills in: reading comprehension, speaking, and mathematics

## CASE 3: RETAIL SALES SUPERVISOR TO TRANSPORTATION MANAGER

This final example is to demonstrate a transition within retail that occurs between more diverse occupations. There are over 3,700 transportation, storage, and distribution managers in retail, and this occupation is projected to grow at a rate of 17 percent from 2016 to 2026. This is notably higher than the industry-wide growth rate of 8 percent during the same period. In 2017, close to 5,200 positions were posted online by retail employers. This suggests that there is more demand than projected, or that there is a great deal of turnover in the position (it could also be a combination of both factors). Working with current employees through WBL programs would be a solution to recruitment. The two positions have a compatibility index of 90.

Key areas that need to be developed for the retail supervisors to become transportation, storage, and distribution managers, and which can be taught through WBL, include:

- Knowledge of: transportation, computers and electronics, public safety and security, law and government, geography, and engineering and technology
- Skills in: coordination, systems evaluation, systems analysis, and operations analysis

This is a potential good fit because about 60 percent of workers currently in this position have less than a bachelor's degree, and most of the expertise is gained on the job.

This analysis focuses on potential pathways for three sample retail occupations. For additional information on retail pathways and ladders in and out of the industry, see two Walmart Foundation-supported reports produced by the Council for Adult and Experiential Learning (CAEL), *Retail Careers: Common Skills for Employability and Pathways to Advancement* and *Retail to Careers in Adjacent Industries: Common Skills for Employability and Pathways to Advancement*.<sup>38</sup>

# Endnotes

1. “Skills gap” refers to the difference between the skills employers require and the skills that available workers have.
2. Emsi 2017.3. See Appendix B: Overview of the Retail Industry for more details.
3. Emsi 2017.3
4. “U.S. Retail Turnover Rates Highest Since the Great Recession,” World at Work, last modified November 23, 2016, <https://www.worldatwork.org/adimLink?id=80994>.
5. Emsi 2017.3
6. Comments from employer and employee focus groups.
7. Emsi 2017.3. See Appendix B: Overview of the Retail Industry for more details.
8. The searchable database is part of JFF’s new Center for Apprenticeship and Work-Based Learning ([www.jff.org/center](http://www.jff.org/center)), launched in November 2017. While the Center’s resources may be of interest to readers, the retail-specific database supplementing this paper is available directly at [www.jff.org/walmartwbl](http://www.jff.org/walmartwbl).
9. For more about JFF’s definition of work-based learning, see <https://center4apprenticeship.jff.org/work-based-learning>.
10. Charlotte Cahill, *Making Work-Based Learning Work* (Boston: Jobs for the Future, 2016).
11. Ranita Jain, Maureen Conway, and Vickie Choitz, *Connecting Young Adults to Employment* (Washington, DC: Workforce Strategies Initiative at the Aspen Institute, 2015).
12. Neil Howe, “The Unhappy Rise of the Millennial Intern,” *Forbes*, April 22, 2014, <https://www.forbes.com/sites/realspin/2014/04/22/the-unhappy-rise-of-the-millennial-intern/#5f74b0a31328>.
13. Richard Kazis and Frieda Molina, *Exploring Middle-Skill Training Programs for Employment in the Retail Industry* (New York: MDRC, 2016), [https://www.mdrc.org/sites/default/files/WalmartFoundation\\_2016\\_Report.pdf](https://www.mdrc.org/sites/default/files/WalmartFoundation_2016_Report.pdf).
14. Emsi 2017.3. See Appendix B: Overview of the Retail Industry for more detail.
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19. World at Work, “U.S. Retail Turnover Rates.”
20. Read more about Wegmans work-based learning efforts in a full case study. <https://center4apprenticeship.jff.org/resources/making-work-based-learning-work-retail-guide-retail-employers>
21. Karen DeAngelis, Chelsea BaileyShea, and Daniel Luengo Aravena, *The Hillside Work-Scholarship Connection Benefit-Cost Ratio Analysis* (Rochester: Warner School of Education, University of Rochester, 2015), <https://www.hillside.com/wp-content/uploads/2015/08/HWSC-Cost-Benefit-Analysis-Final-Report-12-11-15.pdf>.
22. “2012 Global Workforce Study: Engagement at Risk: Driving Strong Performance in a Volatile Global Environment,” July 2012, <https://www.towerswatson.com/Insights/IC-Types/Survey-Research-Results/2012/07/2012-Towers-Watson-Global-Workforce-Study>.
23. Debbie Reed et al., *An Effectiveness Assessment and Cost-Benefit Analysis of Registered Apprenticeship in 10 States* (Oakland: Mathematic Policy Research, 2012), [https://wdr.doleta.gov/research/FullText\\_Documents/ETAOP\\_2012\\_10.pdf](https://wdr.doleta.gov/research/FullText_Documents/ETAOP_2012_10.pdf).

24. Chicago area workforce practitioner, during focus group conversation with author, September 2017.
25. Cahill, Work-Based Learning.
26. Best Buy Geek Squad Academy manager during an interview with JFF, July 2017.
27. Will Weber, "Johnson & Johnson Vision: Seeing the big picture," The Florida Times Union, November 10, 2017, <http://jacksonville.com/local-jobs-news/2017-11-10/johnson-johnson-vision-seeing-big-picture>.
28. Bill Browning, Pre-Apprenticeship Partnerships at CVS Health: An Employer's Perspective (Boston: Jobs for the Future, 2009), [https://jff-prod.s3.amazonaws.com/documents/CVS\\_Case\\_Study\\_091517.pdf](https://jff-prod.s3.amazonaws.com/documents/CVS_Case_Study_091517.pdf).
29. Read more about Best Buy's work-based learning efforts in a full case study. <https://center4apprenticeship.jff.org/resources/making-work-based-learning-work-retail-guide-retail-employers>
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31. Read more about Best Buy's work-based learning efforts in a full case study. <https://center4apprenticeship.jff.org/resources/making-work-based-learning-work-retail-guide-retail-employers>
32. "Why People Quit Their Jobs," Harvard Business Review, September 2016, <https://hbr.org/2016/09/why-people-quit-their-jobs>.
33. Read more about Gap Inc.'s work-based learning efforts in a full case study. <https://center4apprenticeship.jff.org/resources/making-work-based-learning-work-retail-guide-retail-employers>
34. If you would like to share your efforts in work-based learning via the Center for Apprenticeship and Work-Based Learning, please contact [info@jff.org](mailto:info@jff.org). A quick list of sample employer profiles is available on the Center website at [www.jff.org/employer-examples](http://www.jff.org/employer-examples).
35. Roberta Holland, "Companies Waste Billions Of Dollars On Ineffective Corporate Training," Forbes, July 25, 2016, <https://www.forbes.com/sites/hbsworkingknowledge/2016/07/25/companies-waste-billions-of-dollars-on-ineffective-corporate-training/#2b5217d84d22>.
36. Emsi 2017.3. Please see Appendix A for more details on labor market analysis methods using traditional labor market information.
37. Definitions (from O\*NET Online): "Knowledge is the organized set of principles and facts required for a job"; "Skills are the developed capabilities that facilitate learning or the rapid acquisition of knowledge"; "Abilities are enduring attribute of the individual worker that influence performance."
38. <https://www.cael.org/publication/common-skills-competency-mapping>