

ADVANCING CAREERS IN RETAIL

Overview

The retail sector has a giant footprint in today's workforce – employing one in ten U.S. workers, of which about half are women and more than a third are people of color. With abundant employment opportunities, the sector offers easy access to jobs for workers without credentials or college degrees, but low wages and high turnover are the norm. With eight times as many frontline workers as supervisors, the sector is often described as a “flat pyramid,” with a narrow career ladder and limited opportunities for advancement ([Jobs for the Future report](#)).

The COVID-19 pandemic has highlighted the critical importance of retail workers to our economy and day-to-day needs, while also shining a spotlight on the challenges these workers face: disrespect, low pay, limited benefits, and erratic schedules that often lead to high turnover and uncertain futures. The disproportionate representation of people of color and women among frontline, non-managerial retail workers has made them particularly vulnerable to the health and economic crisis caused by the pandemic ([Race, Risk, and Workforce Equity in the Coronavirus Economy](#)).

These challenges in the retail sector were evident before the pandemic, and in 2017 the National Fund for Workforce Solutions launched a retail sector job quality initiative,

Advancing Careers in Retail. The goal of the initiative was to explore the potential to improve the quality of frontline retail jobs and facilitate career advancement opportunities by using an approach more commonly used in other sectors — an industry-specific partnership. Industry partnerships have served as an effective way to solve workforce development challenges in a number of industries: employers facing similar workforce issues come together to exchange best practices and support each other in developing a stronger talent pool as a whole. Through this engagement, employers often come to understand that improving frontline jobs not only benefits their workers, but also benefits their businesses through reduced turnover and greater productivity.

With support from Walmart, the National Fund co-invested in three communities – Baltimore, Des Moines, and Seattle – to learn how to scale industry partnerships in the retail sector and integrate job quality strategies. Each region formed a partnership to encourage practices that would improve job quality and employee advancement opportunities. This report outlines the key lessons learned from the initiative, including the unique challenges and opportunities for engaging the retail sector, and next steps for future work in retail and the broader service sector. Feedback from employers, workers, community-based organizations, and funders informed the lessons learned.

What is an Industry Partnership?

The National Fund for Workforce Solutions defines an industry partnership as a dynamic collaboration among a regional group of employers, stakeholders, and workers — typically from a particular industry sector — that convenes regularly with the assistance of a workforce intermediary. Successful industry partnerships embody a shared commitment to good jobs, racial equity, and inclusion, as well as a continuous learning mindset.

The Initiatives

To conduct this work, the National Fund co-invested with three of its workforce funder collaboratives, Baltimore, Des Moines, and Seattle. The three regions took an expanded definition of retail to include other service sector employers. Their industry partnerships included brick-and-mortar retail stores, retail banking, food service, hotels, grocery stores, and fulfillment centers. There were 92 engaged employers across all three communities, and many of them were small businesses (Ninety-nine percent of retailers employ fewer than 50 people, per a [Pacific Community Ventures report](#)). Collectively they employed more than 15,000 frontline workers and managers.

The funder collaboratives convened employers to address regional talent needs and to encourage them to redesign their frontline positions for job quality, create advancement opportunities, and improve business practices. Their local partners (workforce intermediaries) played a significant role as conveners and subject matter experts, guiding the partnership process and supporting employer changes in practice.

Baltimore

Initiative: Advancing Careers in Retail-Baltimore

National Fund Collaborative: Baltimore Workforce Funders Collaborative

Local Partner: Civic Works

Baltimore used a three-pronged strategy to improve job access, advancement opportunities, and retail business practices:

1. Convened an industry partnership made up of local small business leaders to promote an employer-led, peer-learning network.
2. Deployed resources and technical assistance to businesses to strengthen career pathways and elevate good jobs.
3. Created a digital platform, [Good Business Works](#), to drive consumer purchasing power toward companies that incentivize investments in exemplary employment practices.

This initiative engaged small businesses and improved their access to workforce training and resources. Good Business Works, which rates businesses on five job quality and sustainability metrics, enabled the initiative to develop a network of retail businesses that exceeded a curated set of industry standards. About half of Baltimore's 44 engaged employers are located in historically disinvested communities or owned by people of marginalized identities. Twenty-three met the criteria to be featured on Good Business Works. The partners continue to meet one-on-one with retail employers and hold regular group meetings to discuss relevant topics such as paid sick leave, minimum wage, and other benefits. The retail partnership will be sustained through the Good Business Works platform.

Des Moines

Initiative: Retail Pathways Project

National Fund Collaborative: Central Iowa Works

Des Moines convened a retail industry partnership that included hospitality, food service, retail banking, and retail employers. Leveraging longstanding experience convening industry partnerships in healthcare and financial services, the Des Moines collaborative drew on its robust network of local partners to establish employer relationships.

Retail Industry Profile

- Retail employs nearly one in ten U.S. workers ([Bureau of Labor Statistics](#)).
- Occupations include retail salespersons, cashiers, customer service representatives, frontline supervisors of retail salespersons, stock clerks, and order fillers.
- Frontline retail salespersons outnumber supervisors 8 to 1. ([Jobs for the Future report](#))
- Median wages, 2019 ([Bureau of Labor Statistics](#)):
 - Cashier: \$11.40/\$23,710
 - Customer service representative: \$13.65/\$28,280
 - Frontline supervisor of retail sales workers: \$19.29/\$40,110
 - Retail salesperson: \$12.11/\$25,200
 - Stock clerk and order filler: \$12.35/\$25,690
- Retail businesses disproportionately employ women and people of color, but this diversity does not extend up the hierarchy. Entry-level, hourly wage workers are more likely to be women, especially women of color, but supervisors are more likely to be older, white men with a four-year degree ([FSG report](#)).
- According to the National Retail Federation, the sector employs at least 55% of working teenagers and acts as a workforce training program. Overall, the median age of retail employees is 40 years old ([Bureau of Labor Statistics](#)).

The retail industry partnership focused on two goals:

1. Getting more people into sustainable-wage jobs.
2. Supporting workers in matching their customer-service skills with advancement opportunities in adjacent sectors.

The partnership offered individualized and group support for businesses that resulted in concrete changes to business practices, notably, supervisory training and removal of barriers for formerly incarcerated individuals. The industry partnership supported a grocery store chain to create a retention specialist position and provided data that led the chain to raise wages in one job role by \$2 per hour. The Des Moines collaborative continues to

support retail employers and has sustained the work by incorporating the retail partnership into the local United Way's [Thriving Workforce](#) initiative.

Seattle

Initiative: Center for Onboarding and Retail

National Fund Collaborative: SkillUp Washington

Local Partner: Port Jobs Industry Partnership

The work in Seattle was informed by existing efforts of the Port Jobs Industry Partnership. The goal was to establish a retail-focused industry partnership at Westfield Southcenter Mall, the largest mall in the Pacific Northwest, that would do the following:

1. Work with employers in and around the mall area to develop equitable and inclusive career pathways that result in the advancement of frontline workers.
2. Grow strong talent pipelines to help retail employers attract qualified workers and reduce turnover.

Mid-way through the project, the Seattle collaborative dissolved, and the project moved under the oversight of the Seattle-King County Workforce Development Council. With the disruption of the transition and as a result of shifting priorities, the initiative dissolved in January 2020.

Lessons Learned

Advancing Careers in Retail received a formal evaluation, which included interviews with local partners, employers, workers, and funders. That evaluation informs the following key lessons.

Lesson 1: Engaging retail employers requires different convening and engagement strategies from traditional sector partnerships.

Industry partnerships are typically composed of a regional group of employers who convene regularly with the assistance of a workforce intermediary. Small retail employers, with their primary focus on daily business operations, had limited time, energy, and resources to commit to industry partnership activities such as multi-employer meetings to share workforce challenges. Thus, collaboratives had to be creative about how to meet the needs of retail employers and build industry partnerships.

Sites responded by convening small groups of employers that were geographically defined or held after-hours meetings. They offered customized technical assistance to individual employers. They also recruited and attended to the specific needs of women- and minority owned-businesses. For the Baltimore collaborative, this agile approach of individualized support required additional staff.

To gain a critical mass of retailers, collaboratives also had to expand the types of employers invited to join the partnership. Des Moines and Baltimore expanded to include food service, retail banking, and hospitality, in addition to brick-and-mortar retailers. Generally the partnerships offered multiple opportunities for employer engagement, including quarterly meetings, opportunities for one-on-one check-ins, or virtual gatherings in-between. In some cases, smaller employer sub-committees on specific workforce topics were more effective channels for engagement. This multi-level engagement strategy was necessary in order to meet the diversity of employer needs and preferences

Lesson 2: Sharing regional labor market information with employers helps them understand their workforce and recognize their role in improving job quality.

Providing regional labor market information such as employment data, worker demographics, wages, and regional economic growth opportunities, allowed employers to gain a clear picture of their local economy and establish a benchmark for assessing their own competitive advantage. In Des Moines, the labor market data was used as part of a fulfillment center wage study to illustrate that entry-level salaries were lower than the region's average. This data was shared with the company's leadership who then raised wages for the positions by \$2/hour.

In addition, when collaboratives overlaid labor market data with skills data, they discovered workers were participating in various sub-sectors of the broader service industry. With an understanding of where and how retail workers transitioned from one job to another, the Baltimore and Des Moines collaboratives initiated discussions with employers about creating career pathways that connect employees to other jobs within the service sector with greater potential for growth.

Lesson 3: Employers are more willing to address job quality and racial equity after the value of the partnership is established.

Over the course of the initiative, perceptions of the purpose and function of the industry partnerships shifted. Initially incentives to participate in the partnership centered around particular hiring and turnover pain points for employers as well as talent pipeline development. Over time, employers became more interested in exploring how job quality, systemic barriers, and equity impact retention and advancement.

Funder collaboratives and their local intermediary partners cultivated employer trust by focusing initial

efforts on solving pain points. For instance, Des Moines surveyed their employer partners and uncovered a need to address high frontline manager turnover. They quickly launched a supervisory training program which benefited both managers and frontline workers. Seattle held a job fair shortly after launching their partnership to immediately address both worker and employer needs. Partnerships further exhibited value by providing resources, tools, free training, and an external perspective.

After establishing the value of the partnership to employers, job quality and equity issues were slowly introduced into the conversation. Through the Des Moines supervisory training, a cohort of all-female supervisors shared that their pay was lower than their male counterparts. The collaborative took this information and began to engage in a conversation around pay equity with the employer partners. Another Des Moines employer further explored retention issues by disaggregating a sample of their HR data by race, ethnicity, and gender from frontline to executive positions. This analysis pinpointed a 'cliff,' where female workers of color tended to level off in their advancement or leave the organization.

Constraints on time and resources, however, often determined the types of job quality initiatives employers participated in. Collaboratives shared the need to "meet employers where they are." They did this by offering a menu of job design elements—with no implied judgements about particular workplaces — giving employers an opportunity to select something concrete and attainable to guide their action.

Lesson 4: Integrating worker voice to uncover the perceptions, needs, and priorities of the retail workforce can help to guide employer practice changes.

The National Fund prioritized worker voice in the partnership development process. Each collaborative gathered perspectives from employees in frontline and supervisor roles through interviews and other employee engagement strategies to better understand their needs. Workers appreciated this opportunity to share their thoughts and concerns. For example, one frontline worker said, "Being able to share my thoughts about my job and how to make it better is important to me. We need more opportunities to do this." Workers interviewed across all sites expressed an interest in serving as a sounding board for changes to business practices and policies as well as helping to create more effective talent pipelines.

Worker voice was most powerful when it helped to illustrate some of the perspectives, priorities, and opportunities that exist to boost employee engagement and overall job satisfaction. For example, a worker said, "Only some workers hear about promotional opportunities or upcoming jobs. Seems like supervisors only share that

information with people they relate to." Others noted their challenges with daycare and transportation and suggested solutions such as gas cards and reserving slots at nearby childcare programs for workers.

Ultimately, worker insights helped employers to design, implement, and revise job quality strategies that reflect their needs. Intermediaries served an important role in facilitating these interactions to solicit worker voice and engagement and support industry partnerships to incorporate the feedback into workplace actions. For example, a Baltimore employer disseminated an employee survey to better understand worker needs, values, and motivations. They created an implementation strategy based on the survey results, which included clear communication about the employers' rationale for increasing wages and their longer term strategy to improve the quality of frontline jobs.

Worker Observations What Is a Quality Job?

Workers reported that employers who offer quality jobs would do the following:

- Pay above the minimum wage, and take into account the local cost of living.
- Offer paid family leave and affordable healthcare and give hourly or contract workers a chance to access benefits.
- Ensure that the workplace and parking area are safe, especially for people who work nighttime or early morning shifts.
- Hire supervisors who know how to be supportive leaders and have the skills to encourage and recognize workers.
- Hold supervisors accountable for training and coaching all workers.
- Give workers of all ethnic groups and ages structured opportunities to build skills, even if promotions are not available.
- Recognize that all workers are responsible for business success.
- Offer nearby or onsite childcare options.
- Be transparent about layoffs or other job losses that might be due to technology, relocation, merger, or bankruptcy.

Lesson 5: Good supervision is the hallmark of a good business and key to advancement in retail.

The vital role of supervisors and managers in training and coaching workers was central in discussions with frontline workers. Employees at all sites valued strong managers and expressed a need for managers who could advocate for their advancement and connect them to leadership opportunities. Baltimore employees often cited poor supervision and insufficient capacity of management as challenges that limited opportunity for frontline workers. Similarly, a supervisory training participant in Des Moines said, “People don’t quit jobs, they quit supervisors.” Both the Baltimore and Des Moines collaboratives created supervisory training programs, in response to employers recognizing that supervisors needed better skills to curb turnover. These programs also created pathways for advancement for frontline workers.

Retail employers recognize the value of quality supervision. Gina Schaefer, the owner of an Ace Hardware in Baltimore, understands that happy employees deliver better customer service. When asked about her motivations for engaging in job quality work, Schaefer said, “There are many retail job options for workers, and we want them to think of us first. . . . We want our team members to learn, grow, and move into bigger and better roles within the company to help nurture our core values in our many locations.”

In addition to support for advancement, workers expressed a desire to be a part of a team where supervisors and managers demonstrated appreciation for their work. Workers specified that informal and formal recognition programs, personalized onboarding processes and career coaching, and supports such as special funds for workers facing crises made them more committed to their jobs.

Looking Ahead

Retail and service sector workers have been at the forefront of the pandemic and disproportionately impacted by the subsequent economic downturn. Despite the challenges, collaboratives have seen continued, and in many cases, increased engagement by employers in their partnerships. They have looked to industry partnerships to help sustain their workers and their businesses.

Moving forward, the National Fund will incorporate and build on these key takeaways from Advancing Careers in Retail to improve the quality of frontline retail jobs and facilitate career advancement opportunities using industry partnerships. The National Fund has identified four key elements to guide future direction.

Broaden the Definition of Retail to Incorporate Service Sector Occupations.

In all communities, the employers engaged in this initiative went beyond traditional brick-and-mortar retailers. Through their respective labor market analyses, collaboratives saw that retail employees spanned various service subsectors, leading the collaboratives to engage with restaurants, food service, hospitality, fulfillment centers, and even retail banking. Within the National Fund network there is an opportunity and appetite to continue this trend and engage a broader swath of service sector employers and incorporate more frontline occupations in line with the Bureau of Labor Statistics definition of the [service-providing industry super sector](#). The need to engage these sectors around job quality has only increased, given the inequities exposed by COVID-19.

Build Collaborative Capacity for Developing Industry Partnerships in the Service Sector

While the service sector poses some unique challenges to developing an industry partnership (e.g., the lack of local industry associations), much of the work is similar to developing any industry partnership. Collaboratives need support to identify industry partnership milestones and find the right combination of activities, partners, and resources. To address these needs, the National Fund is collaborating with Corporation for a Skilled Workforce and leveraging more than a decade of expertise in industry partnerships to develop a “Toolkit for High Performing Industry Partnerships.” The online resource will guide workforce practitioners through the characteristics necessary to develop, grow, and improve industry partnerships. The toolkit also incorporates both worker and employer needs through the inclusion of worker voice, racial equity, job quality, and systems change considerations. The rollout of the toolkit will be coupled with training and technical assistance.

Establish a Job Quality “Minimum Threshold”

Baltimore developed a job quality checklist and a minimum threshold that employers needed to meet in order to participate in their employer recognition platform. Their minimum standards are reflected in the [Good Business Works](#) online platform, which elevates “good” employers as defined by a set of retail industry standards informed by the National Fund’s [Job Design Framework](#) and local retail employers. This has been an effective way for employers to benchmark where they are and identify what they need to accomplish to be considered an employer of choice. The National Fund intends to establish a job quality “minimum threshold” to help guide future job quality interventions with employers.

Embed Equity and Inclusion

Once an industry partnership has established trust with its partner employers, there are opportunities to broach conversations around issues of race and gender in the service sector. Initial conversations may lead to action, such as supporting employers in an analysis of gender and racial disparities in managerial roles or barriers posed by blanket policies that exclude all applicants with involvement in the criminal justice system. The National Fund recognizes the need for resources, tools and technical assistance to move this work forward.

Our network can support employers to disaggregate their data by race and gender, establish a baseline, and analyze hiring, retention, and advancement policies and practices, all with an equity lens. National Fund collaboratives can also work with intermediaries to make a stronger business case to employers for why racial equity and inclusion ultimately supports their bottom line ([PolicyLink report](#)). In this way, intermediaries can play a crucial role in helping to shift the mental models of both employers and workers.

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About National Fund for Workforce Solutions

The National Fund for Workforce Solutions invests in a dynamic national network of 30+ communities taking a demand-driven, evidence-based approach to workforce development. At the local level, the National Fund's partner organizations contribute resources, test ideas, collect data, and improve public policies and business practices that help all workers succeed and employers have the talent they need to compete. Learn more at www.NationalFund.org.