

Minutes of the 4th Meeting of the Retail Consultation Forum

Buswells Hotel, Dublin

11th March 2015

Chair: Minister for Small Business and Employment, Ged Nash, T.D.

Attendance: The attendance list is at Appendix 1.

The 4th meeting of the Retail Consultation Forum took place in Buswells Hotel on 11th March. The meeting placed particular focus on skills for the Retail Sector.

1. Opening Comments

The Minister welcomed the experts that had joined the Forum for the discussion on issues in the retail sector - Jasmina Behan from Solas, John Jameson and Dr. John Murray from the School of Retail and Services Management in DIT, Tracey Donnery from Skilnets and Marie Bourke from the Department of Jobs, Enterprise & Innovation (DJEI). The Minister also welcomed two new Forum members, Conor Whelan, Chairman of Retail Ireland and Gary McGuinn from the Department of Environment, Community and Local Government.

2. Report of last meeting and subsequent developments

The Report of the previous meeting had been circulated and was agreed.

Minister Nash gave a brief overview of a number of developments of relevance to the retail sector which had taken place since the last meeting:

- Action Plan for Jobs 2015 was launched earlier in the year. The Action Plan includes a number of actions which aim to support the creation of jobs in the retail sector. Minister Nash gave a brief overview of some of the actions, including those relating to skills, best practices being followed by Local Authorities, and the Trading On-Line vouchers.
- The Report of the Joint Oireachtas Committee on Jobs, Enterprise and Innovation on Town Centre Retailing was scheduled to be launched on 26th March. The Minister proposed to host a special meeting of the Forum in Drogheda on 27th April to discuss the report and identify recommendations that could be progressed by the Forum. There would also be an opportunity to hear from local traders in Drogheda on steps they had taken to improve town centre retailing.
- The Regional Action Plan for Jobs initiative was launched by the Government in February. The Minister encouraged members of the Forum to engage with DJEI in the consultation process being carried out across the regions to develop Action Plans at regional level to support job creation.
- The Low Pay Commission was also launched in February and had held its first meeting. The Minister stressed the independence of the Commission as key to its success. Vincent

Jennings, a member of the Retail Consultation Forum, was appointed as one of eight Commissioners to the Low Pay Commission. This was the first time industry had a statutory role in establishing a National Minimum Wage.

- Minister Nash also welcomed the latest employment figures for the Retail and Wholesale sector and the steady and sustained improvement in sales, while acknowledging the gap between the increase in the volume and value of sales.

3. Skills for the Retail Sector

The main topic for discussion at the meeting was Skills for the Retail Sector, which was identified as a key issue by members of the Forum when setting the Work Programme for 2015.

Presentation by members of the EGFSN

Marie Bourke from DJEI, and a member of the Expert Group on Future Skills Needs (EGFSN), gave a presentation on “Skills Requirements of the Retail Sector”. Drawing on a number of relevant EGFSN reports (in particular the “Future Skills Needs of the Wholesale & Retail Sector”, 2010), she presented the following findings on skills issues affecting the sector:

- There is a poor external perception of retail as a career - the public doesn't tend to see the multitude of opportunities for a wide range of professions in the sector;
- Career paths in retail are underdeveloped in Ireland compared to the US;
- There is inconsistent learning activity across retailers;
- There are shortcomings in the existing learning infrastructure - good training programmes have been developed but participation has been limited;
- 30% of the demand for ICT skills by 2018 will be in areas outside ICT, including retail;
- Data analytics in Retail is a fast-growing skill area.

Recommendations by the EGFSN included the following:

- That an industry-led group develop and roll out a Skills Framework for the sector
- Prioritise public spending in e-learning/blended learning; address issues in the Skills Framework
- Industry & Education should collaborate to increase graduate output where there are skills gaps, in particular in ICT and data analytics
- Industry should support the establishment of an Analytics Skillnet

Jasmina Behan from SOLAS gave a second presentation on “Retail Sector: Demand and Supply of Skills”. Jasmina presented quantitative data on the profile of employment in the retail sector over the last number of years. Some of her main observations included the following:

- Employment levels peaked in Q4 2007, but a steady increase can be observed since Q4 2013, albeit from a low base;
- Employment in the sector is predominantly female (62%), and the cohort of under 29 years of age employed in the sector dropped somewhat during the recession;
- While managers represented 5% of the sector and Sales Assistants 51%, the proportion of employees with third level or higher qualifications rose during the recession and stood at 30% in 2014;
- Sales Assistants had a high replacement (14%) and turnover (15%) rate, as there is a high level of inter-occupational movement at this level (careworkers and the hospitality sector would have higher turnover rates but the average turnover for the economy as a whole is 9%).
- Most QQI-FE major awards in retail/sales were made to learners in SOLAS/ETBs and Skillnets and there were 1,000 learners on Momentum sales and marketing-related courses in 2014.

The presentation concluded with a set of questions for the members of the Forum to consider, including:

- What are the skills issues facing the sector? Is there agreement with EGFSN assessment?
- Is staff retention an issue and how will the sector attract people to retail as the economy picks up?
- Can we justify State-sponsored training with such high turnover rate?
- What can the sector do to address issues such as career perceptions, career paths and the development of a Retail Skills Framework?

Forum Discussion

The floor was opened for discussion on these matters. There was a general welcome from members of the retail sector for the relevant information and timely questions in the presentations.

The following observations were made by members of the Forum:

- There was general agreement that there is a need to address the career perceptions challenge. For many people, retail is their first experience with the world of work but it is generally transitional and there is poor recognition of the breadth of career opportunities that retail presents (Keith Rogers, ECCO);
- A number of members contributed to a discussion about the benefits of the Skillnets approach to providing training and the challenges that Skillnets has faced and overcome during the recession due to budgetary cuts. Aidan Condon (Euronics) and Thomas Burke (Retail Ireland) spoke about the success of the Retail Ireland Skillnets which provides training up to Masters level and has seen thousands of retail employees gain

qualifications since it was set up. Euronics has launched its own Skills Academy to teach young people and present retail as a career.

- Seán Murphy (Retail Excellence Ireland) explained that they provide their own training programmes for their members and expressed some caution with regard to State-funded measures due to the costs of compliance with administrative procedures;
- Tara Buckley (RGDATA) pointed to the need from her members for apprenticeships, in particular to address the shortage of skilled chefs, butchers and bakers;
- A general difficulty for smaller retailers is the time commitment needed to undertake training, whether it be at manager/shop-owner level, or assistant level;
- D/Education spoke about the recognised need to address the imbalance in the National Training Fund to reflect the increased numbers in work and the additional in-employment training provision that is needed;
- Thomas Burke (RI) spoke of the difficulty in retaining talent. He was interested in knowing where people exit to when they have been trained up. Jasmina Behan explained that most are moving into further educational opportunities;
- There is a need to identify more deeply the scale and nature of the demand for skills in the retail sector;
- There is a need for a coordinated strategy across industry to identify the Skillsets requirements and also a need for greater collaboration between industry and the education providers;
- There is a challenge to address in terms of making the sector attractive to new entrants, in an increasingly sophisticated environment. The sector faces considerable competition with other sectors for attracting skilled employees (Conor Whelan, Easons).
- There is a particular need for management skills - career progression into management is low.
- The question of how aware the sector is of the training provision available was raised by SOLAS.
- DIT's experience is that there is a need for a coordinated strategy right through the career path. DIT have worked with Musgraves and BWG in the co-design and co-delivery of training. Retail organisations must invest time and resources in training and move into action.

In wrapping up this wide-ranging discussion, Minister Nash asked the industry representatives to reflect on the views that had been shared and to come to a common industry position on the

skills deficits for the sector. This was essential if the Department of Jobs were to be in a position to facilitate progress in having those skills deficits met.

4. Other Initiatives

Apprenticeship programme

Phil O’Flaherty from the D/Education updated the Forum on the call for proposals for new apprenticeships which was launched with a deadline of end-March for submissions.

Proposals will be considered under three categories:

- (i) those that have a proven sustainability and need, and are ready or almost ready for roll-out;
- (ii) those that have met the sustainability test but need further work to bring them to fruition; and
- (iii) those that may not be suitable for an apprenticeship. Such proposals might be considered for other means of Government support, such as traineeships.

A mix of approaches is needed to meet the skills needs of the economy – Apprenticeships will not be the whole solution.

The Apprenticeship Council will report by the end of June and it is hoped that a number of those proposals that are considered ready for roll-out will be commenced by the end of the year. There has been a lot of interest in the call for proposals from many sectors, including retail, but the Department needs concrete submissions.

Skillnets

Tracey Donnery from Skillnets outlined details of a new call for proposals with two separate deadlines of 23rd March 2015 and 31st July 2015. The programme can provide 50% of the costs from Government funding. Applicants need to submit an outline Training Plan and a budget. Relevant sectors which Skillnets are focusing on include logistics, supply chain, retail and the Green Economy. Funding of €350,000 is available in 2015 to support the development of new networks (this excludes monies that could subsequently be approved for those networks for 2016).

More details are available directly from Skillnets.

DIT School of Retail Management

John Jameson outlined the retail training provided by DIT. The Institute has tried to put in place pathways for career development and to involve practitioners in the design and delivery of programmes.

The retail sector is complex, with many different business models, but it is still about customer service. Technology is moving retail to a multi-channel approach requiring different skills. Customer preferences are also driving complexity.

Change has to be driven by employers seeing their staff as an investment, not a cost. For many workers, their experience of retail is not inspiring – the sector needs to market itself more strongly and there needs to be a Talent Acquisition and Retention Strategy for the sector. The majority of last year's graduates from DIT went abroad or to work in other areas such as retail banking.

Rebecca Birchall underlined the importance of customer service skills and the need for training for this area of retail.

5. Conclusion

In concluding the discussion on the skills agenda, Minister Nash thanked all those who had contributed. He proposed that this matter be kept on the agenda of the Forum and emphasised the importance of sectoral representatives taking a collaborative approach to the issue. The message coming out of the meeting was that it is crucial to work together on the issue. The Minister indicated that he would be asking Forum members to report back at a future meeting on how they were coming together to address the skills issue. In the meantime, the Secretariat would circulate to members the presentations which had been made to the meeting.

6. AOB

Sean Murphy (Retail Excellence Ireland) expressed concern about the impact that protests were having on retailers in city centres. Mr. Murphy also asked that the Dept. of Health send an alternate to meetings of the Forum if their regular nominee was not available. This request was noted.

Thomas Burke (Retail Ireland) asked for an updated Work Programme to be presented to the next meeting of the Forum for consideration. This was agreed to.

It was also agreed, in response to a request from some Forum members, to include an item on Budget 2016 on the agenda for the next meeting of the Forum. Minister Nash explained that the Secretariat could facilitate the preparation of a joint pre-Budget submission on the part of the retail members of the Forum, as in 2014.

The next meeting of the Retail Consultation Forum was scheduled for 27th April in Drogheda. Further details would be provided closer to the date.

Secretary to the Retail Consultation Forum

Appendix 1

Attendance list

Ged Nash, T.D., Minister of State for Business & Employment (Chair)

Jasmina Behan, SOLAS

Rebecca Birchall, Fishers of Newtownmountkennedy

Helen Blake, Dept. An Taoiseach

Marie Bourke, Dept of Jobs, Enterprise & Innovation

Stephen Brennan, Dept of Communications, Energy & Natural Resources

Tara Buckley, RGDATA

Thomas Burke, Retail Ireland

Aidan Candon, Euronics

Edel Clancy, Musgraves

Jim Curran, Irish Pharmacy Union

Tracey Donnery, Skillnets

Clare Dunne, Dept of Jobs, Enterprise & Innovation

Katrina Flynn, Dept of Jobs, Enterprise & Innovation

Tony Gallagher, Dept Finance

Annemarie Harte, Hardware Association of Ireland

Vincent Jennings, CSNA

Gary McGuinn, Dept Environment, Community & Local Government

Daniel McLoughlin, CCMA

Seán Murphy, Retail Excellence Ireland

Phil O'Flaherty, Dept. Education & Skills

William Parnell, Dept. of Jobs, Enterprise & Innovation

Noel Sheahan, Dept of Tourism, Transport & Sport

Alan Sherlock, SFA

Ian Talbot, Chambers Ireland

Conor Whelan, Retail Ireland

John Jameson, DIT

John Murray, DIT

Deirdre Grant, Special Advisor to Minister Nash

Catherine Curran, Dept of Jobs, Enterprise & Innovation (Secretary to Forum)

Apologies: John Foy, Mark Fielding, Ray Heran, Helen O'Donnell, Eoin Fitzpatrick, Fenton Howell