

FINAL REPORT – MAY 2023

Retail Council of Canada

Alberta Retail Sector Labour Market Study



Prepared by:

Eleanor Hamaluk, Executive Vice-President Research

R.A. Malatest & Associates Ltd.

300-10621 100th Avenue, Edmonton, AB T5J 0B3

Phone: 1-877-665-6252 ext. 223

Fax: 1-866-448-9047

Email: e.hamaluk@malatest.com

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Stakeholder Advisory Committee Participants:

- Chris Delledonne - BELL Canada
- Tanja Fratangeli - IKEA Canada
- Jeff Starnaman - London Drugs
- Deb Paulsen - MEC
- Nadine St. Denis - Peavey Mart
- Ciara Alvey - Sobeys
- Heather Thomson - University of Alberta
- Dana Pearson - Walmart
- Lisa Beaudry - Government of Alberta

About Retail Council of Canada

Retail is Canada's largest private-sector employer with over 2 million Canadians working in the industry. The sector annually generates over \$85 billion in wages and employee benefits. Core retail sales (excluding vehicles and gasoline) were over \$462B in 2022.

Retail Council of Canada (RCC) members represent more than two-thirds of core retail sales in the country. RCC is a not-for-profit industry-funded association that represents small, medium, and large retail businesses in every community across the country. As the Voice of Retail™ in Canada, RCC proudly represent more than 54,000 storefronts in all retail formats, including department, grocery, specialty, discount, independent retailers, online merchants and quick service restaurants.

EXECUTIVE SUMMARY.

Based on evidence collected through Retail Council of Canada membership, it is clear that the retail sector is facing significant and extensive challenges in recruiting and retaining sufficient human resources, though the root causes of these problems have not been fully identified. As the industry continues to grow, and as Alberta's economy improves, it is anticipated that these shortages will increase. To understand the full scope of challenges facing Alberta's retail sector, RCC contracted R. A. Malatest & Associates Ltd (Malatest) to conduct a labour market information (LMI) study. This study was designed to: 1) identify key labour market challenges facing the retail sector; 2) identify best practices in labour market recruitment and retention; and 3) inform future planning and policy development.

Alberta's retail trade sector employs over one quarter of a million people annually, across a range of business types and sizes. Employment within Alberta's retail sector has remained relatively stable since 2010, with the notable exception of the COVID-19 pandemic period. The net loss of employees from the sector is approximately three percent (3%) and employers reported over 10% long term vacancy rates among frontline staff. In order to meet demand, Alberta's retail sector will need to:

- Fill more than 7,300 current vacancies in positions across the sector;
- Find an additional 28,860 workers, over the next five years, to meet the expected growth in the sector; and
- Find a further 25,939 workers, over the next five years, to replace those who leave the sector altogether due to retirements and/or to work in other sectors.

Alberta's retail trade sector faces the daunting challenge of finding enough workers to both fill existing vacancies and to meet replacement demand. Findings from this study indicate that there are many factors contributing to vacancy rates within the retail sector.

Alberta's youth are not well-prepared for a career in retail.

Alberta's high school graduates are generally not well prepared to work in the retail sector. High school students appear to be lacking sector-relevant skills, such as basic financial, numeracy, computer and life skills, interpersonal skills and decision-making skills. While these gaps are addressed, to some degree, at the college level, Alberta's ongoing preoccupation with the oil and gas industry mean that students' preparation for other careers, such as those in retail, remain under-supported. In addition, there appears to be a disconnect between the retail sector and educational institutions that might promote retail careers through programming and internships. For example, very few employers reported that they participated in educational programming, as advisors or mentors, for courses related to business and management.

Retail is not perceived as a long-term career option.

Findings from this study reinforce the fact that there is a gap in understanding of retail as a career opportunity. Employers recognize that retail is perceived as low paying, menial work, with poor work/life balance and little reward. This gap in understanding is compounded by misconceptions of the sector as merely a stepping stone to a 'real career'. In addition, frontline retail employees appear to be missing key skillsets that would support those looking to pursue retail as a career, including leadership, communication and teamwork skills. Employers who participated in this study emphasized a desire for the sector to have more resources to promote retail as a career at both high school and college levels.

There are barriers to retail-specific recruitment and retention.

Employers identified a range of barriers that negatively impact frontline retail and management alike. Most notably, starting salary or wages, shift schedule requirements, career earning potential, salary increase and (a perceived lack of) career progression are all considered to negatively impact frontline employees and managers. While some of the barriers were understood to exist, many employers felt that these were, in part, long-standing misconceptions about the retail sector.

Retail does not offer comprehensive training and professional development.

Alberta's retail sector, on the whole, does not offer comprehensive or standardized training or professional development to support frontline employees progress beyond entry level positions. While employers typically provide some internal training opportunities, external training is often costly (to either the employer or employee), time consuming and may not be locally available; smaller employers, in particular, are challenged to provide paid time for employees to participate, since it means they are receiving pay for time spent 'off the floor'.

Despite challenges in offering training and professional development opportunities, employers recognized the joint benefit of supporting employees through training: in addition to understanding that training is an important contributor to staff feeling appreciated and motivated, they also recognized that when staff are well-trained, they are more efficient and effective in their work.

There is a gulf between frontline and corporate management.

While employers reported that it is common practice to promote frontline employees into frontline management positions (e.g. floor supervisors), it is far less common for frontline employees to 'work their way up' into corporate management. Indeed, many employers reported that senior-level management positions are typically filled by external candidates.

Findings from this study indicate that, while youth, new Canadians and, to a lesser degree, Indigenous persons, are highly represented in frontline retail positions, they are under-represented in management positions. This is not surprising, if retail is considered only as a stepping stone to a career in another sector.

To address these challenges, a radial shift in recruitment and retention practices is required. We recommend:

- Rebranding retail as a viable career option.
- Intentionally targeting advertising and marketing to minority populations, such as youth, new Canadians, Indigenous persons and persons with disabilities.
- Investing in employees, through enhanced salaries, comprehensive benefits packages, paid training and professional development opportunities.
- Developing formal training and mentorship programs that 'bridge the gap' between frontline work and upper level management.

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1. INTRODUCTION

1.1 Background

Retail is Canada's largest private-sector employer with over 2 million Canadians working in the industry. The sector annually generates over \$85 billion in wages and employee benefits. Core retail sales (excluding vehicles and gasoline) were over \$462 billion in 2022.

Retail Council of Canada (RCC) members represent more than two-thirds of core retail sales in the country. RCC is a not-for-profit industry-funded association that represents small, medium, and large retail businesses in every community across the country. As the Voice of Retail™ in Canada, RCC proudly represent more than 54,000 storefronts in all retail formats, including department, grocery, specialty, discount, independent retailers, online merchants and quick service restaurants.¹ In Alberta, nearly one in ten jobs is in the retail sector, making it the largest private sector employer in the province. The retail industry in Alberta employs more than 250,000 workers and has annual payroll in excess of \$10.6 billion, meaning that this industry represents approximately \$1 of every \$20 of paid in salary in Alberta.

Based on evidence collected through RCC membership, it is clear that the retail sector is facing significant and extensive challenges in recruiting and retaining sufficient human resources, though the root causes of these problems have not been fully identified. As the industry continues to grow, and as Alberta's economy improves, it is anticipated that these shortages will increase. At this point, there is a distinct gap in knowledge on the state of the retail industry's labour market, a lack of detailed information on current and forecasted human resource challenges (e.g. shortages in both qualified workers and the skills necessary to support the industry), and a limited understanding of appropriate strategies required to address these issues.

1.2 Research Objectives and Questions

This study was designed to identify key labour market challenges facing the retail sector, to identify best practices in labour market recruitment and retention, as well as to inform future planning and policy development. The questions underpinning this project are provided in Table 1.1.

Table 1.1: Key Research Questions Underpinning This Labour Market Study

Topic	Questions
Forecast Labour Demand	What are the key labour market trends in the retail sector?
	What are the current number of vacancies in the retail sector?
	How many retail workers will be required to meet employers needs in Alberta's retail sector?
Current Working Conditions	What is the distribution of employment types within the retail sector?
	What types of skills are necessary for success in retail?
	What professional development opportunities are available and which opportunities are needed to support workers?
	What challenges exist for retail workers to advance into management positions? How can these challenges be overcome?
Recruitment and Retention	What are the current perceptions of the retail sector as a potential career option?
	How can misconceptions be rectified?

¹ Statistics Canada. (2023). 'Retail trade, November 2022'. Available at: <https://www150.statcan.gc.ca/n1/daily-quotidien/230120/dq230120a-cansim-eng.htm>. [Accessed February 2, 2023]

Topic	Questions
Recruitment and Retention (con't)	What are the main barriers to recruitment and retention of retail workers?
	Why do retail workers leave the profession?
	What are the current labour supply sources?
	What are best practices in recruitment and retention are being employed by the retail sector?
	What best practices for recruitment and retention are being used in other similar sectors?
	What partnerships can be established to promote retail as a viable career option
	What relationships can be developed to support the recruitment of qualified candidates in retail sector?
	To what extent does the retail sector include foreign workers?
	What are the barriers to the recruitment of foreign workers into the sector?
Education	How prepared are new workers for careers in retail?
	To what extent do workers who complete in-house management programs remain with that employer?
	What are current and future enrollment trends in retail management programs?
	What types of training are not being provided to retail workers?
	How can relationships between educational institutions and employers be established or strengthened?
Demographics	What is the gender distribution of workers in Alberta?
	What is the age distribution of workers in Alberta?

2. METHODOLOGY

This section provides an overview of research activities completed as part of this study.

2.1 Literature Review

In order to inform topics associated with the research objectives, a literature review of existing RCC reports, Tourism HR Canada studies, as well as associated articles, reports, data sets and other documentation was undertaken. This included materials sourced from:

- Government of Canada;
- Statistics Canada;
- Government of Alberta;
- Alberta Chambers of Commerce; and
- Business Council of Alberta.

Additional documents were sourced through standard keyword searches of publicly available search engines, academic literature databases², government websites and news sources. Resulting documents were reviewed for their relevance to the research objectives and, where applicable, their references were mined for additional sources.

2.2 Employer Survey

Survey Design

The employer survey was designed to collect information on current labour market conditions, training and educational requirements, vacancies, recruitment and retention strategies, use of foreign workers and other groups like high school graduates, Indigenous persons and persons with disabilities, and to forecast the number of workers the sector will require over the next five years.

Survey Sample

The employer survey was targeted to human resource staff of registered business members of RCC and was complimented by Malatest's own list of retail businesses.

Survey Administration

The survey was administered online, with telephone follow up and biweekly reminder emails. Survey administration took place between June 27, 2022 to January 13, 2023. The employer survey questionnaire is attached as Appendix A.

The total number of obtained survey completions was 87. However, the sample included several large employers which resulted in a coverage of approximately 28,200 full-time staff and 28,100 part-time staff, representing approximately 16% of all full-time employees in the province and 28% of all part-time employees in the province. Overall, readers should have confidence that the employers who participated in the survey represent 20% of total employment in the sector.

2.3 Key Informant Interviews

To obtain additional perspectives on labour shortage and issues within the workforce, Malatest conducted a total of seven (7) key informant interviews with employers. The interview guide focused on

² For example, Malatest maintains a subscription to *Academic Search Complete*, an online repository of more than 9,000 journals.

gathering interviewees' perspectives on the current work conditions, labour shortages, challenges in recruitment and retention, as well as education and skills required to succeed in the retail sector. Interviews were semi-structured, so that interviewees could provide feedback on topics they felt most comfortable with, while maintaining focus on issues related to the labour force.

RCC provided the interview stakeholder sample to Malatest for recruitment, scheduling and interview administration. Interviews were conducted between October 13 to November 15, 2022, and lasted approximately one hour. All interviews were conducted using Microsoft Teams. During each interview, Malatest staff took detailed notes and, with permission, recorded the interview. The employer interview guide is included in Appendix B.

2.4 Online Focus Groups

To obtain more in-depth perspectives from employers, Malatest conducted three online focus group discussions. For these focus groups, Malatest developed a moderator's guide, which focused on the following areas:

- Work conditions in the retail sector, including professional development (PD) and internal promotion opportunities;
- Challenges and best practices for recruitment and retention;
- Current partnerships and future opportunities; and
- Education and skills development opportunities to better support those interested in retail.

Focus group participants were recruited through the online employer survey. To facilitate recruitment of online focus group participants, a \$50 gift card incentive was offered.

In total, 26 individuals were recruited and 14 participated in one of three online focus groups, which took place on September 7, 8 and 9, 2022. All focus groups took place via Microsoft Teams. The online focus group discussion guide is included in Appendix C.

2.5 Data Analysis

2.5.1 Data cleaning and coding

Following the completion of survey administration, all survey data was cleaned to ensure that responses were logically consistent, as well as to identify data entry errors, response errors, inconsistent or illogical information and outliers. No outliers were identified during the cleaning of survey data.

For all 'other, please specify' response options included in the survey, a review of written responses was conducted to develop a coding list. Using the coding list, written responses were upcoded (aggregated) into existing response options where appropriate. Idiosyncratic and/or uncodable responses were left in the 'other' category. Responses to open-ended questions were coded using content analysis.

2.5.2 Quantitative analysis

Once the survey data were cleaned and coded, closed-ended and coded responses were summarized using descriptive statistics (e.g. frequencies and percentages). For multiple response questions, respondents had the option of providing more than one answer; therefore, the percentages reported in the frequencies for multiple response questions may sum to more than 100% because respondents may have selected more than one response.

2.5.3 *Qualitative analysis*

Content analysis was used to analyze qualitative data collected during online focus groups and key informant interviews. Focus group and interview notes were reviewed to identify common and unique themes, which were then coded. This approach employed inductive reasoning, whereby themes and categories emerged directly from the participants' raw responses through rigorous examination and comparison. This methodology ensures that the findings were not unduly skewed to fit a pre-formed framework based on expectation of what the research would find, while also developing enough structure to allow for the clear reporting of results by major theme.

3. OVERVIEW OF ALBERTA’S RETAIL SECTOR WORKFORCE

Research Questions

What is the distribution of employment types within the retail sector?

What is the gender distribution of workers in Alberta?

What is the age distribution of workers in Alberta?

3.1 Size of the Sector

In 2022, the retail sector in Canada (NAICS 44-45) employed almost 2.3 million people across Canada (11.7%), while in Alberta the labour force employed in the sector was 279,400 employees (11.7%).³

In 2021, Alberta had 16,391 establishments with employees in the retail sector. Among these establishments, 97% were small businesses (1 to 99 employees), 2.9% were medium businesses (100-499 employers) and 0.05% were large businesses (500 and more employees).⁴ In 2022, Alberta’s retail trade industry employed 180,800 full time staff (64.7%) and 98,600 part time staff (35.3%).⁵

3.2 Employer Survey Participant Profile

As detailed in Table 3.1, employers who completed the survey represented a range of business structures, types and locations across Alberta.

Table 3.1: Profile of Employer Survey Respondents’ Businesses

Type of Business Structure	% Respondents
Corporation or subsidiary	76.7%
Sole proprietorship or private ownership	14.0%
Cooperative or not for profit	5.8%
Partnership	3.5%
Type of Business Operations	% Respondents
Clothing and clothing accessories stores	23.0%
Food and beverage stores	17.2%
Miscellaneous store retailers	13.8%
Sporting goods, hobby, book and music stores	11.5%
Health and personal care stores	8.0%
Building material and garden equipment and supplies dealers	5.7%
Furniture and home furnishings stores	4.6%
General merchandise stores	4.6%
Business services	4.6%
Electronics and appliance stores	3.4%
Non-store retailers (e.g. online retailers)	2.3%
Quick serve (e.g. fast food)	1.1%

³ Statistics Canada. (2023). ‘Labour force characteristics by industry, annual (x1,000)’. Available at: <https://doi.org/10.25318/1410002301-eng>. [Accessed February 2, 2023].

⁴ Government of Canada. (2022). ‘Businesses – Canadian Industry Statistics’. Available at: <https://www.ic.gc.ca/app/scr/app/cis/businesses-entreprises/44-45>. [Accessed February 2, 2023].

⁵ Ibid.

Geographic Location(s) in Alberta	% Respondents
Operates across Alberta	40.2%
Operates in only a few select cities or towns	32.2%
Operations in only one city or town	27.6%

Source: RCC LMI survey QA1, QA2, QA3 (n=87). 'Don't know' and 'Prefer not to answer' responses excluded.

These employers represented 28,192 full time and 28,091 part time employees. Among those who reported hiring seasonal employees (n=51), employers also hired 12,602 seasonal staff.

Table 3.2: Total NAICS 44-45 Employees Across Alberta and Employer Survey Respondents

NAICS 44-45	Full time	Part time	Total
Alberta	180,800	98,600	279,400
Survey respondents	28,137	27,891	56,028
Survey Coverage (% of Alberta total)	15.6%	28.3%	20.1%

Sources: Statistics Canada. (2023). NAICS 44-45; RCC LMI survey QB1a (n=81), QB1b (n=81), QB2a(n=87), QB2b (n=42). 'Don't' know and 'Prefer not to answer' response options excluded.

3.3 Gender and Age Distribution

In 2022, in Alberta the retail sector employed 128,200 male employees (45.9%) and 151,200 female (54.1%) employees.

Table 3.3: Employment in the Retail Sector in Alberta by group of Age and Gender

Age	Females	Males	Total
15 to 24 years	47,900	38,200	86,100
25 to 54 years	78,800	68,300	147,100
55 years and over	24,500	21,700	46,200
Total	151,200	128,200	279,400

Source: Statistics Canada. (2023). Labour force characteristics by industry, annual averages.

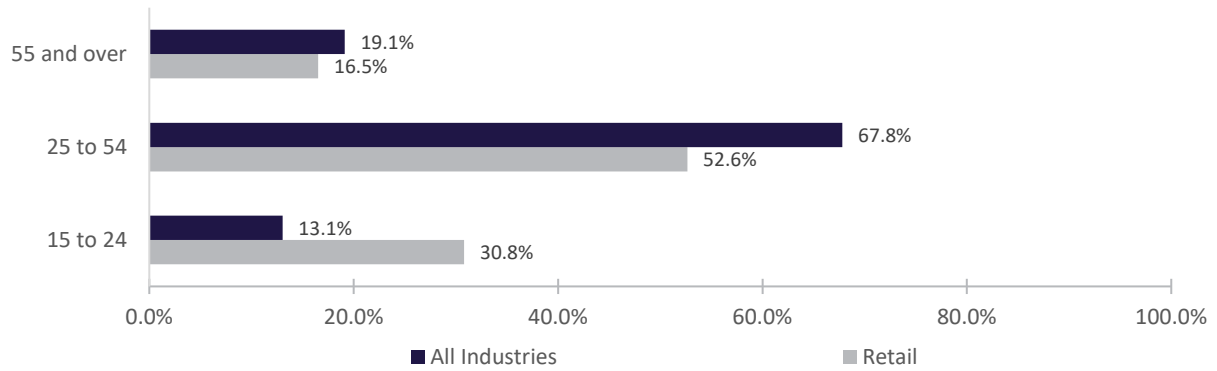
Within the sector, 73% of males were employed full time while only 58% of females were employed full time.⁶

The largest age demographic employed in the Alberta retail sector were those between the ages of 25 and 54 years, comprising just over half (52.7%) of the sector's employees. Retail employees aged 15 to 24 years comprised just under one third of the workforce (30.8%), while employees aged 55 years or older made up only 16.5% of the retail sector workforce.

As highlighted in Figure 3.4 (next page), Alberta's retail sector workforce is typically younger than that of the all-industry average. This would suggest that, while retirements are not a major issue for the retail sector, there is a likely need for training and career laddering opportunities to support younger employees. Furthermore, while the overall workforce in the sector may be quite young, it should be noted that at the management level, the proportion of workers over 55 years of age is similar to that of the provincial average.

⁶ Statistics Canada. (2023). 'Labour force characteristics by industry, annual (x1,000)'. Available at: <https://doi.org/10.25318/1410002301-eng>. [Accessed February 2, 2023].

Figure 3.4: Workforce of Retail Sector and All Alberta Industries, by Major Age Group



Source: Statistics Canada. (2023). Labour force characteristics by industry, annual average.

4. FINDINGS

This section details findings based data from triangulating the lines of evidence described in Section 2.

4.1 Workforce Preparedness and Development

Research Questions
What types of skills are necessary for success in retail?
How prepared are new workers for careers in retail?
What types of training are not being provided to retail workers?
What professional development opportunities are available and which opportunities are needed to support workers?
What challenges exist for retail workers to advance into management positions? How can these challenges be overcome?
How can relationships between educational institutions and employers be established or strengthened?

4.1.1 Skills required for success in retail

In order to begin to understand how to best support employees to achieve success in the retail industry, focus group participants and key informant interviewees were asked to identify the types of skills necessary for success in retail. In addition not general employment skills that might be necessary for work in any sector, identified necessary skills included: sales and customer service skills, leadership and interpersonal skills, effective verbal and nonverbal communication, as well as computer and financial literacy.

While focus group participants identified a range of skills needed by the retail workforce more generally, interviewed employers described how skills requirements differed somewhat between frontline staff and in-store managers (Table 4.1).

Table 4.1: Skills Needed for Success in the Retail Industry

Skills type	Examples	Specifically required by...		
		Frontline	Managers	General (not specified)
Computer literacy	<ul style="list-style-type: none"> • General (not specified) 	✓		✓
Customer service	<ul style="list-style-type: none"> • Ability to understand client motivations 	✓		
	<ul style="list-style-type: none"> • Adaptable to client needs 	✓		
	<ul style="list-style-type: none"> • General (not specified) 			✓
Effective nonverbal communication	<ul style="list-style-type: none"> • Body language 		✓	
	<ul style="list-style-type: none"> • Eye contact 		✓	
	<ul style="list-style-type: none"> • Gestures 		✓	
Effective verbal communication	<ul style="list-style-type: none"> • Ability to communicate product knowledge 			✓
	<ul style="list-style-type: none"> • Ability to convey the 'right' message 		✓	
	<ul style="list-style-type: none"> • Tone of voice 		✓	

Skills type	Examples	Specifically required by...		
		Frontline	Managers	General (not specified)
Financial literacy	• Financial management skills		✓	
	• Math skills (basic)	✓		
	• Math skills (general)			✓
	• Money skills			✓
General employment	• Ability to work under pressure			✓
	• Positive attitude			✓
	• Shift flexibility			✓
	• Teamwork			✓
Interpersonal	• Ability to interact	✓		
	• Good listening skills	✓	✓	
	• Conflict management			✓
	• Empathy	✓		
	• Diversity awareness			✓
	• Patience	✓		
	• Problem-solving		✓	
Leadership	• Decision-making		✓	
	• Motivational skills		✓	
	• Organizational skills		✓	
Sales	• Assertiveness	✓		
	• General (not specified)			✓
	• Knowledge of product and company	✓		
	• Marketing		✓	
	• Persuasiveness	✓		
	• Previous sales experience		✓	

Source: Employer focus groups; Employer interviews.

Thus, while some skills appeared to be specifically relevant to particular retail roles, others were more generally applicable.

4.1.2 Skills requirements

Employers who participated in both interviews and online focus groups agreed that high school graduates are generally not well prepared to work in the retail sector. The main identified skills gaps included:

- Basic numeracy skills (for example, they do not know how to count money);
- Basic life skills (e.g. timekeeping);
- Decision-making skills;
- Interpersonal interaction skills (e.g. conflict resolution);
- Knowledge of some basic software (e.g. Microsoft Excel);
- Awareness of safety in the workplace;
- Diversity and inclusion skills; and
- Soft skills (e.g. problem solving, teamwork).

In addition to the lack of required skills, employers noted a gap in understanding of the retail sector as a career opportunity. Specifically, employers felt that students were not introduced to the potential benefits of working in the retail sector and that, as a result, they did not perceive retail as having a career trajectory. Some focus group participants recognized that more work is required to lessen the stigma of working in retail by increasing the understanding of retail work and showing students that work in retail can be multifaceted and exciting, with advantages and benefits.

Some participants considered that skills deficiencies were being remedied at the college level, to some extent, as certain colleges were doing a good job of helping students develop the basic skills needed to join the retail sector. However, other participants identified the development of basic retail sector skills as an ongoing gap in Alberta, particularly because many of the colleges or universities in the province were seen to focus primarily on preparing students to work in the oil and gas industry. Employer interviewees pointed out that, while it was not necessary to have a degree to obtain an entry level position in the retail sector, college or university students had access to relevant content not available at the high school level (such as retail as supply chain, business management, conflict resolution and use of technology) that would give them an edge within the intensely competitive retail industry, particularly at higher levels of employment (e.g. managers).

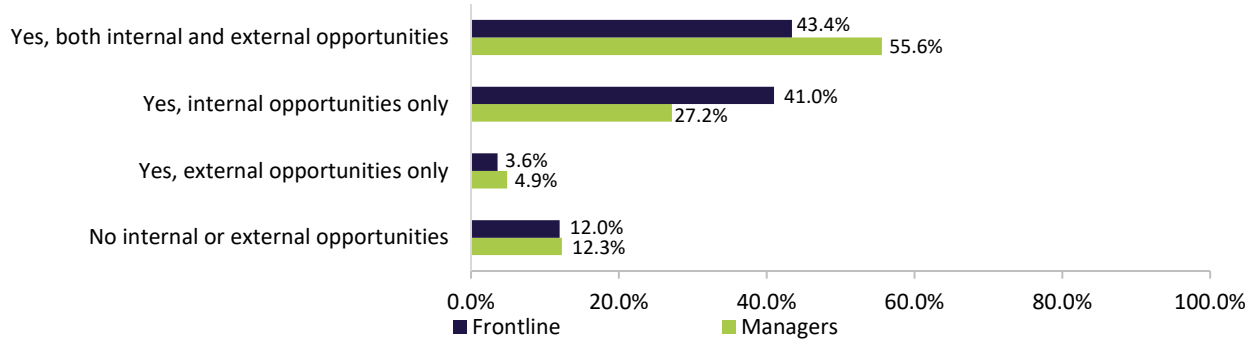
According to focus group participants and interviewed employers, the main way that companies engaged with educational institutions (e.g. high school, post-secondary), was as employers looking to fill immediate vacancies. Indeed, some of the focus group participants mentioned that their company had been working towards establishing relationships with colleges specifically with this aim in mind. This was echoed by interviewees who stated that, in most cases, their company's relationship with educational institutions was limited to recruitment – the promotion of job vacancies – either part-time during the school year, full-time during the summer or, as in a few cases, as internships for postsecondary students of business and management programs. Only a few employers stated that they participated in educational programming as advisors or mentors for courses related to business and management.

Throughout the focus groups and key informant interviews, employers emphasized a desire for the sector to have more resources to promote retail as a career at both high school and college levels.

4.1.3 Availability of training and PD opportunities

The greatest proportion of surveyed employers reported that they offered frontline staff and managers both internal and external training and PD opportunities, followed by offering internal opportunities only. The data suggest that frontline staff received more internal PD and training, while managers received more external PD and training (Figure 4.2). Very few reported offering only external opportunities, while just over 10% reported offering no training at all.

Figure 4.2: Internal and External PD Opportunities Offered to Retail Workers



Source: RCC LMI survey QD1a (n=83), QD2a (n=81). ‘Don’t know’ and ‘Prefer not to answer’ responses excluded.

Further, while two thirds (65.1%) of surveyed employers stated that their company had mentorship programs to support the retention or progression of employees, only 15.7% described these as ‘formal’ mentorship programs.

Just over one third (36.5%) of employer survey respondents stated that there were types of training that would benefit their staff but that they were unable to offer or access it. Training that these employers would like to access for the employees included:

- Leadership or management (e.g. conflict resolution);
- Workplace wellness (e.g. Mental Health First Aid, Diversity and Inclusion, Emotional Intelligence); and
- Role-specific (e.g. sales, purchasing).

In terms of the availability of training for retail workers who had already entered the industry, almost all focus group participants stated that specific training offered by employers varied and depended on the type and size of the company. For example, in addition to the more general training offered (e.g. product knowledge) by a larger number of employers, some offered specific training related to the nature of their business (e.g. training in compliance).

That said, interviewees highlighted that training and PD needs differed between smaller- and larger-sized businesses. This was due to the fact that small businesses might not have the budgets needed to provide formal training programs or to have in-house Learning and Development (L&D) departments that larger organizations were typically able to access.

While larger businesses were able to offer formal training programs through their L&D departments – including offering certification, mentorship and access to a variety of (paid) resources – smaller businesses were required to rely on informal and/or innovative training methods. Examples provided of informal or innovative training methods undertaken by smaller businesses included on-the-job training and/or accessing online training platforms (e.g. Udemy, LinkedIn Learning).

4.1.4 Uptake of training and PD opportunities

Employer survey respondents reported that just over two thirds of both managers (71.1%) and frontline retail workers (67.6%) accessed training and PD opportunities.

While some survey respondents identified the types of training or PD they would like to access – such as specific training related to retail operations, leadership and apprenticeship training– many of the

employers who completed the survey also identified a range of challenges in providing training and PD opportunities to their employees (Table 4.3).

Table 4.3: Challenges in Providing Training and PD Opportunities to Employees

Challenge	Description	Example
Cost	The cost paying for staff to attend training	<i>“Cost [of training] relative to margins” “Employees wishing to be paid for every hour worked taking personal development”</i>
Investment	Cost of investing in employees who may not stay	<i>“Being able to give the time and the willingness to stay within the organization”</i>
Capacity	Difficulty covering staff to attend training	<i>“Many stores don’t have the resources for staff to spend 1-2 days in training courses”</i>
Time	Time spent in training takes away time from in-store work, tasks, etc.	<i>“The main challenge is to find time to send employees to training due to a lot of work in store”</i>
Application	Employees being able to apply what they learned	<i>“Taking what is learned and applying it”</i>
Geography	Travel between stores can be difficult if there stores are in different provinces	<i>“Travel is expensive”</i>
Interest	Employees are not interested in learning or taking training	<i>“Lack of employee motivation”</i>

Focus group participants unanimously agreed that professional development (PD) and training are key to increasing and maintaining staff retention. The majority of participants described that their company offered basic training that is mandatory for all new staff; from there, some companies then created individual employee development plans. In so doing, employers worked with employees to identify goals, ensuring that adequate resources were in place to assist employees in reaching said goals. To this end, most focus group participants reported that their company had developed an online training platform that enabled employees to complete internal training and PD on their own time.

In addition, focus group participants recognized the joint benefit of offering employees PD: while they all agreed that PD was an important contributor to staff feeling appreciated and motivated, they also recognized that when staff are well-trained, they are more efficient and effective in their work. Consistent with the feedback from focus group participants, interviewees also indicated that providing opportunities for PD was essential for staff efficiency and retention.

4.1.5 Challenges of internal promotion from frontline to management

Most of the focus group participants stated that it was common practice within their company to promote frontline workers into entry level supervisor positions, with approximately 75% to 95% of entry level supervisor positions filled in this way. However, this was not the case for upper or senior level managers; specifically, only around 10% to 25% of senior management or executive positions were filled through internal promotion of frontline workers. For senior level positions, most were filled by external candidates.

Employers reported that frontline workers often did not fully understand what was expected from senior level management in terms of the higher levels of competency required, since they did not have an accurate picture of what it meant to be a manager at that level. Indeed, interviewees stated that one of the challenges facing frontline staff was the fact that many employers emphasized formal credentials in their management hiring – credentials that frontline employees typically did not have. While participants agreed that staff interested in promotion required, and were best served by, leadership and management skills training, they also recognized that frontline employees were often unaware of PD resources or, indeed, of potential advancement opportunities.

4.2 Recruitment and Retention in the Retail Sector

Research Questions

What are the current labour supply sources (e.g. youth, seniors, temporary foreign workers)?

To what extent does the retail sector include foreign workers?

What are the barriers to the recruitment of foreign workers into the sector?

What are best practices in recruitment and retention are being employed by the retail sector?

What are the main barriers to recruitment and retention of retail workers?

What partnerships can be established to promote retail as a viable career option?

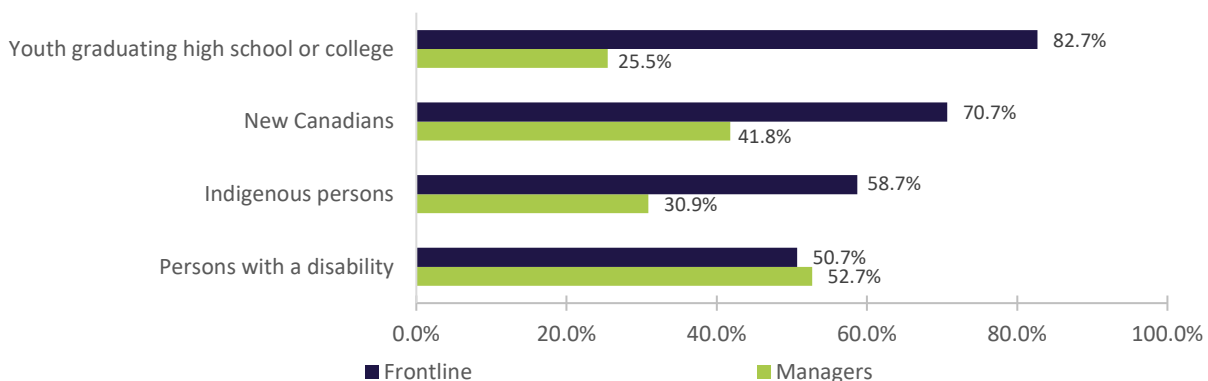
What relationships can be developed to support the recruitment of qualified candidates in retail sector?

4.2.1 Current labour supply sources

Employers reported hiring candidates from a range of population groups, to fill both frontline and manager positions. Around three quarters of employer survey respondents reported filling frontline positions with youth graduating high school or college (82.7%) or with new Canadians (70.7%), while just over half reported filling frontline vacancies with Indigenous persons (58.7%) and persons with a disability (50.7%).

Survey respondents indicated that manager vacancies were filled far less frequently by the four identified minority populations. Under half of employers stated that manager positions were filled by new Canadians (41.8%) or by Indigenous persons (30.9%), while only one quarter of respondents stated that manager vacancies were filled youth graduating high school or college (25.5%). As demonstrated in Figure 4.4, the exception to this was persons with a disability: just over one half (52.7%) of employer survey respondents stated that they did hire persons with one or more disabilities into management positions.

Figure 4.4: Pools From Which Employees Have Been Hired



Source: Employer survey E4ai-iv (n=75), E4bi-iv (n=55). Responses sum to more than 100% due to multiple responses. 'Don't know' and 'prefer not to answer' responses excluded.

Findings from the employer focus groups indicated that the most successful source of recruitment was their company's customers. Other commonly reported sources for recruitment included job boards (e.g.

Indeed, LinkedIn, Workopolis, CanadaJobs), high schools, the local community, in-store advertisements, word of mouth and, to a lesser degree, social media.

As described in Table 4.5, employers appeared to undertake very little targeted recruitment at all. Specifically, employer survey respondents reported that all four identified minority populations were generally sourced, with no specific targeting undertaken, from applications received, general advertising, job boards or simply via word of mouth. Exceptions to this included that persons with disabilities were sourced through partnerships with organizations, youth employees were sourced through partnerships with schools and new Canadians were sourced through agents or agencies.

Table 4.5: Targeted Recruitment Methods for Minority Populations

Source of recruitment	Youth	New Canadians	Indigenous	Persons with disabilities
Applications received	Yellow	Green	Yellow	Green
General advertising (not specified)	Yellow	Yellow	Green	Yellow
Career fairs or events	Green	Yellow	Yellow	Yellow
Jobs boards or websites (e.g. indeed)	Yellow	Yellow	Yellow	Yellow
Nothing special or specific	Yellow	Yellow	Green	Yellow
Word of mouth/from customers/referrals	Yellow	Yellow	Yellow	Yellow
Company website	Yellow	Yellow	Yellow	Yellow
Schools (including partnerships)	Yellow	Red	Red	Red
Partnerships with organizations	Red	Yellow	Yellow	Yellow
Job centre	Yellow	Yellow	Red	Yellow
Outreach programs	Red	Red	Yellow	Yellow
Internal candidates	Yellow	Red	Red	Red
Agents/agencies	Red	Yellow	Red	Red
Social media	Yellow	Red	Red	Red

Legend	Most frequently used for the population	Second most frequently used for the population	Infrequently used for the population	Not identified as used for the population
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4.2.2 Use of the Temporary Foreign Worker (TFW) program

Only a small proportion of employers who participated in the survey (18.7%) reported accessing temporary foreign workers (TFW) through the TFW program. When asked why companies did not access workers through the TFW program, several employer survey respondents stated that they were not aware of the program or, if aware, they had simply not tried to access it. Among those that were aware of the program, reasons for not using it to access employees included:

- The TFW program is too bureaucratic (e.g. complex, difficult, cumbersome, expensive, time-consuming, lengthy);
- Employers preferred to draw from the local labour pool;
- Employers preferred to hire permanent staff and/or did not hire temporary staff; and
- Criteria to access the program was not met (e.g. positions could be filled by Canadians).

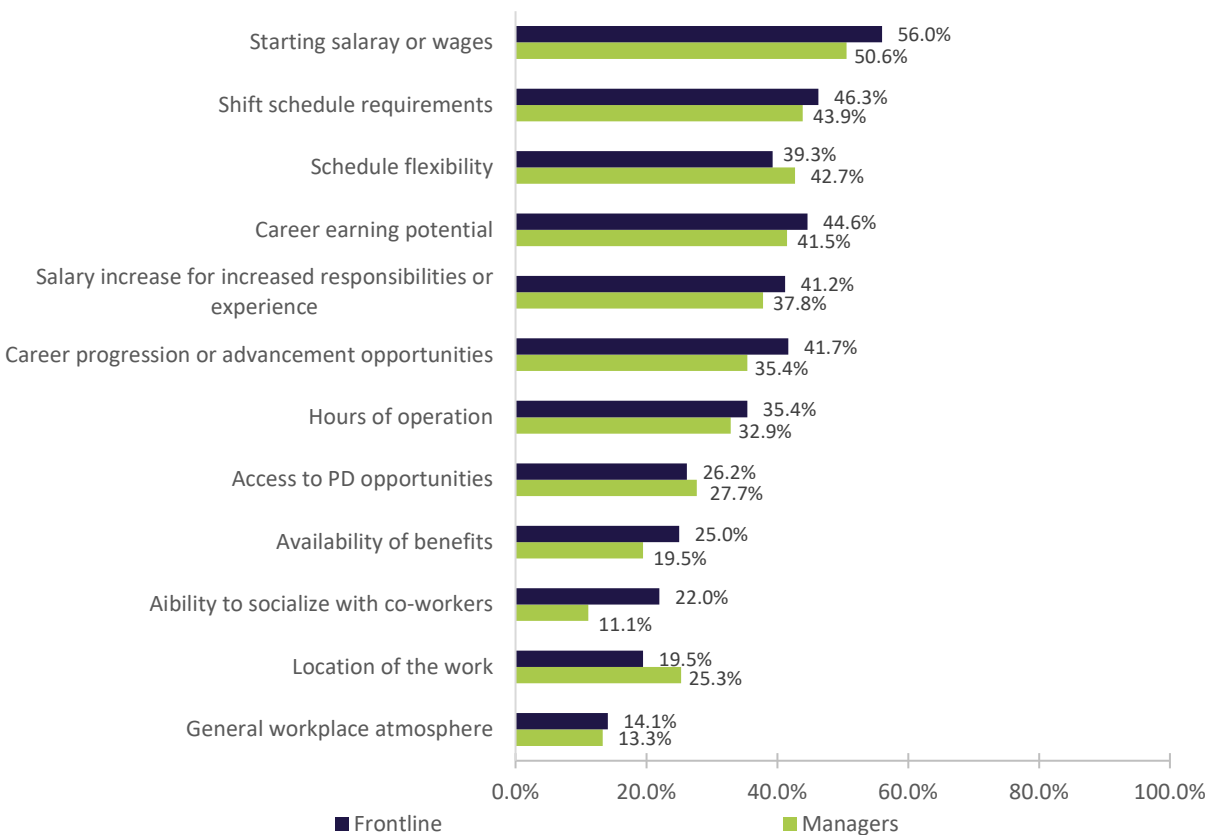
These reasons for not making use of TFW were echoed by employers who participated in the focus groups and interviews. Indeed, only a few employers reported that their company used the TFW program to fill vacancies in remote communities where the workforce was too small to meet local

labour demands. Among employers who participated in focus groups, all stated that they had not accessed workers through the TFW program.

4.2.3 Barriers to recruitment and retention

Employer survey respondents were asked to identify the extent to which 16 different factors were considered to negatively impact the recruitment and retention of frontline retail staff and managers. Figure 4.6 reports the extent to which employers agreed or strongly agreed that work or retail-specific factors were barriers to recruitment and retention of workers in the sector, while Figure 4.7 (next page) reports the extent to which employers agreed or strongly agreed that gaps in particular skillsets were barriers to recruitment and retention of workers in the retail sector.

Figure 4.6: Degree to Which Retail-Specific Factors Are Barriers to Recruitment and Retention



Source: Employer survey C6a_A1-A10, A15, A16 (n=various) C6b_A1-A10, A15, A16 (n=various). 'Agree' or 'strongly agree' response options only; 'don't know' and 'Prefer not to answer' responses excluded.

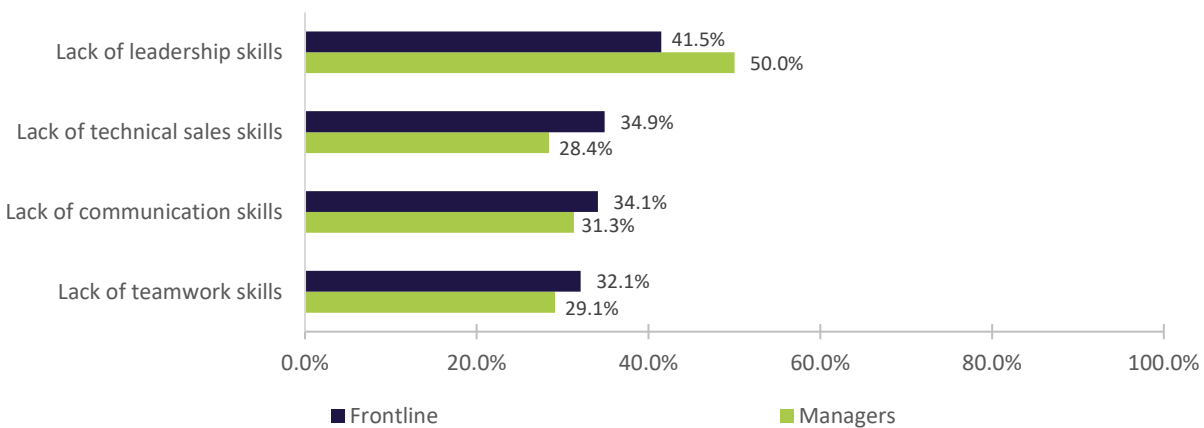
As Figure 4.6 indicates, perceived retail-specific barriers appeared to be seen to impact frontline retail staff and managers to the same extent. For example, starting salary or wages was seen to be the biggest barrier to recruitment and retention of both frontline staff and managers, with over 50% of survey respondents identifying it as such among both groups. Following salary or wages, the greatest barriers both frontline staff and managers were identified as: shift schedule requirements, career earning potential, salary increase and (a perceived lack of) career progression.

There were minor exceptions to this pattern. For example, for frontline staff career earning potential was seen to be a bigger barrier than schedule flexibility, while the opposite was true for managers.

Location of work was perceived to be a bigger barrier for managers than the availability of benefits, while the opposite was considered true for frontline staff. Additionally, the ability to socialize with co-workers was seen to be less of a barrier to recruiting and retaining managers than workplace location and atmosphere, while for frontline retail staff the opposite was seen to be the case. Finally, Figure 4.6 (previous page) demonstrates that all of the identified workplace factors were considered to be more of a barrier to frontline retail staff than to managers, with the exceptions of schedule flexibility, accessing PD opportunities and location of the work.

In terms of barriers stemming from gaps in applicants’ skillsets, Figure 4.7 demonstrates that the biggest barrier seen to be impacting retail sector employees (frontline staff and managers) was a lack of leadership skills, although it was identified as being more of a barrier for managers than for frontline retail staff. Gaps in technical sales skills, communications skills and teamwork skills were all identified as barriers to a lesser degree, with a lack of technical sales skills being identified as the smallest barrier for managers but the second-largest barrier for frontline retail staff. This is, perhaps, unsurprising if a proportion of manager applicants are coming from within the retail sector and could reasonably be expected to have already honed their technical sales skills (see Section 4.1.5).

Table 4.7: Identified Gaps in Applicants’ Skillsets as Barriers to Recruitment and Retention in Retail



Source: Employer survey C6a_A11-A14, (n=various) C6b_A11-A14 (n=various). ‘Agree’ or ‘strongly agree’ response options only; ‘Don’t know’ and ‘Prefer not to answer’ responses excluded.

When asked what other challenges employers faced when hiring frontline retail staff, survey respondents mentioned that there was simply a general lack of applicants. This challenge was compounded by the fact that there was a lack of good quality of applicants, including insufficient qualified applicants, or qualified applicants who were only willing/able to work limited hours. Finding dependable employees, particularly in light of the high rates of ‘no shows’ of newly hired staff, was a further compounding issue. Other identified challenges included:

- Inability to offer training/lack of willingness to take training, lack of previous experience;
- Negative perceptions of retail (e.g. short term, low pay, not a career);
- Competitive nature of the sector (e.g. wages, turnover, ‘poaching’ of staff by other retail); and
- Attrition of workforce out of the sector (i.e. into more lucrative industries like oil and gas).

In terms of recruiting and retaining people into manager positions, survey respondents mentioned that there was typically a lack of qualified applicants due to a lack of experience. In addition, employers stated that the expectation of managers to be ‘hands on’ or ‘on the floor’ had a negative impact on

recruitment and retention, since many who went into management did so because they wanted to be ‘behind a desk’. Burnout was also identified as a challenge to recruiting and retaining managers. That said, a few employer survey respondents stated that they have no challenges in hiring or retaining managers.

Finally, employer survey respondents who faced unique challenges due to their location or business type identified specific factors that impacted the recruitment and retention of both frontline employees and managers alike. These included:

- The cost and availability of housing in remote communities;
- Unwillingness of staff to relocate (including associated costs); and
- Unwillingness of employees to work unsociable or irregular shifts (e.g. overnight).

4.3 Retail as a Career

Research Questions

What are the current perceptions of the retail sector as a potential career option?

How can misconceptions about the retail sector be rectified?

Why do retail workers leave the sector?

4.3.1 Perceptions of retail as a career option

Further to the challenges identified above, employers who participated in focus groups and interviews described the deleterious effects that COVID-19 had on employee perceptions of work in the retail sector. For example, employers described how:

- Many employees no longer wanted to work in client-facing settings;
- Some employees felt that retail did not offer them the work-life balance they had experienced during the pandemic;
- Some employees took advantage of labour shortages in other sectors to seek employment with higher salaries;
- Some employees preferred employment that allowed them to work remotely; and
- Some employees were required to leave retail employment because they elected not to be vaccinated.

In addition, the COVID-19 pandemic was seen to have accelerated the retirement of older workers who had been working in the sector. Finally, and more generally, employers stated that some employees only saw retail as a ‘temporary stepping stone’ on the way to a ‘real career’ that would pay more, offer better benefits and provide career progression.

Overall, employer focus group participants agreed that the most common misconceptions about retail as a career option included:

- The pay is unfavorable (it was thus necessary to supplement income with more than one job);
- Employees are ‘stuck in the store’ all day (“The floor is all that you do”);
- Employee work/life balance is poor;
- There are limited opportunities for advancement (i.e. not a long-term career option);
- Entry-level management positions cannot make decent salaries;

- Retail is ‘only for students’ or if you need a second job; and
- Underestimation of what retail employees will learn and the responsibilities they will be given.

That said, employers noted they had seen a modest shift away from these negative misconceptions. Those who identified a shift in mindset about retail as a career option felt that some people were starting to view retail as a career and were therefore choosing it as such. These employers recognized the importance of supporting and reinforcing this shifting perception, by emphasizing that a career in retail could take many shapes and could lead employees in many different directions.

4.3.2 Best practices in recruitment and retention of retail employees

Among the best practices for recruitment, participants emphasized the importance of having no biases and opening up entry-level positions to a wide range of people. Other suggestions included hiring people who know the brand and highlighting the values of the company to promote buy-in, along with advertising benefits packages and career options.

When asked if they were aware of strategies in other industries that might be effective in retail-specific recruitment and retention, employers suggested:

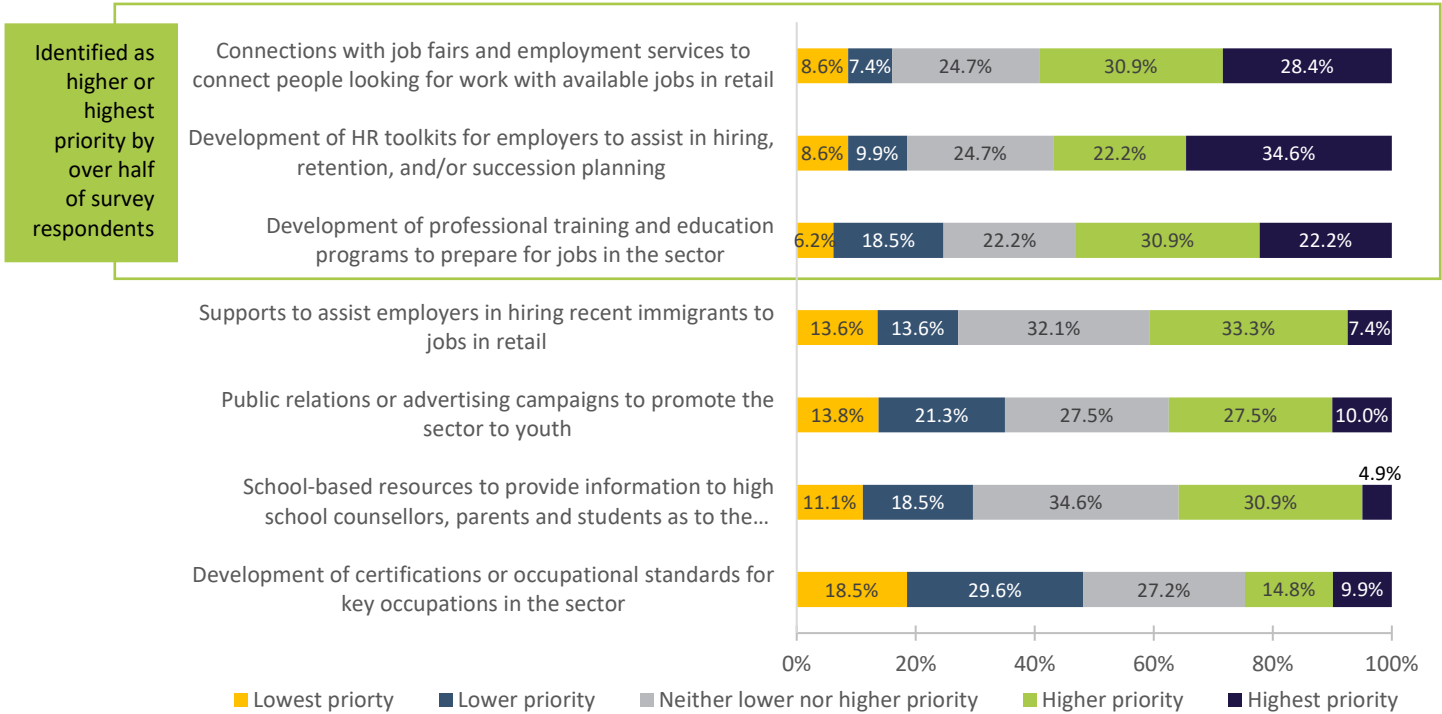
- Hiring interns every season;
- Offering to cover the cost of training for interested individuals;
- Advertising full benefits packages; and
- Offering more opportunities for advancement.

These suggestions indicate a need for the retail sector to review hiring practice and to emphasize retail as a holistic job that leads directly to career opportunities.

4.3.3 Solutions for moving forward

Within the survey, respondents were provided with a range of recruitment strategies and asked to rate them in terms of how they should be prioritized to move the needle on sector recruitment and retention. As detailed in Figure 4.8 (next page), over half of respondents (59.3%) identified improving connections with job fairs and employment services, in order to connect people looking for work with available jobs, to be amongst the highest priority. Further high priorities included developing HR toolkits to assist employers with recruitment and retention (56.8%), as well as developing PD and education programming to help prepare individuals for jobs in the sector (53.1%).

Figure 4.8: Prioritization of Recruitment Strategies by Employer Survey Respondents



Source: Employer survey QE6a-g (n=81). 'Don't know' and 'prefer not to answer' responses excluded.

Focus group participants also provided suggestions for improving retail sector recruitment and retention strategies. These focused on increasing educational and certification opportunities, enhancing mentorship programs, offering incentives beyond salary and improving the sector's reputation.

Employers should provide employees with more face time and personal mentorship. Although training can be based on online courses, it is important that managers provide personal guidance and have time to serve as mentors to their employees.

It's important for retail employers to offer more education and certification opportunities for frontline workers in areas such as digital marketing, automatization of inventory management and use of new technologies related to retail sector.

Employers should consider offering incentive programs to reward employees, not based only on monetary rewards. Employees need other type of rewards too, such as public recognition.

Retail needs to make special efforts to show prospective employees that it has a of potential as a career. Employers need to change the misconceptions about the sector, by clearly explaining the career path and how retail can fit with employees' professional skills and personal needs.

5. Forecast Labour Demand

A key element of this study was to provide an estimate of current and future workforce requirements for Alberta’s retail trade sector. This section provides a discussion of employment growth in the sector and estimates of the number of workers that will be needed fill vacancies, meet employment growth and replace workers who leave the sector due to retirement or to work in other non-retail industries.

Research Questions

What are the key labour market trends in the retail sector?

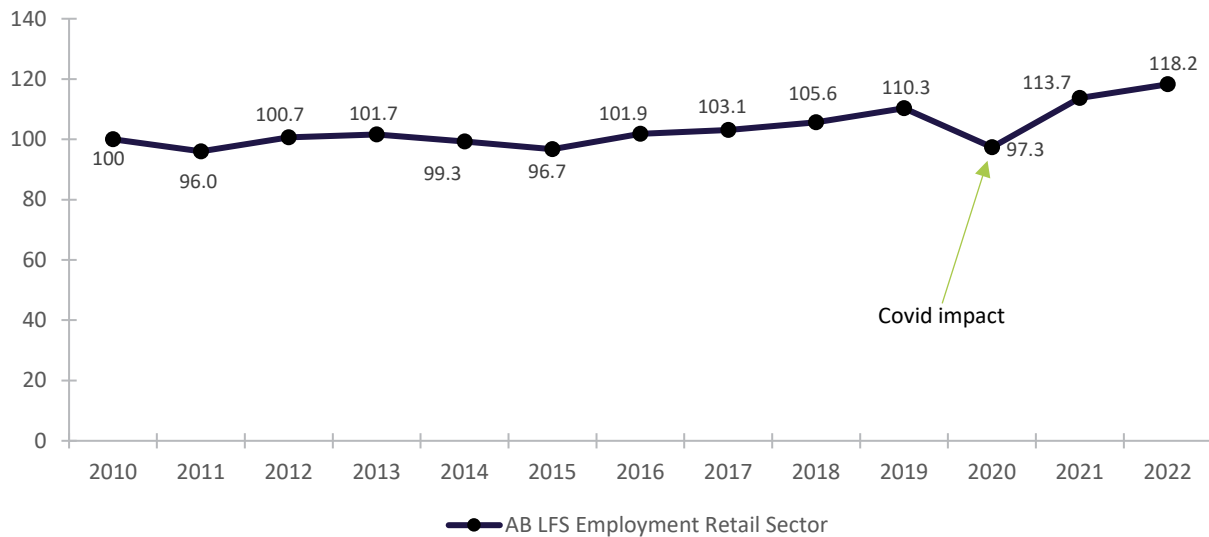
What are the current number of vacancies in the retail sector?

How many retail workers will be required to meet employers needs in Alberta’s retail sector?

5.1 Workforce size

According to the Canadian *Labour Force Survey* (LFS), employment in the retail sector has remained stable since 2010, with the exception of the impacts of the COVID-19 pandemic in 2020 – which resulted in a significant decline in employment in 2020 and early 2021. As highlighted in Figure 5.1, total employment in the sector (expressed as an index where 2010=100) experienced minimal changes until the significant decline in 2020. Subsequently, employment in 2021 and 2022 rebounded and exceeded pre-pandemic levels, largely explained by the reopening of businesses that survived the pandemic, as well as by increased consumption of goods and services brought about by the end of the confinement.

Figure 5.1: Employment in the Retail Sector in Alberta (Index 2010=100)



Source: AB Employment by Industry. Index estimated with data from Statistics Canada Labour Force Survey.

As it was not possible to collect data from employers for all occupations in the sector, data was collected for the following two key occupational groups:

- Retail and wholesale trade managers (National Occupational Classification (NOC) code 6002)
- Frontline retail workers (including NOC 6201 – retail supervisors; NOC 6410 – retail salespersons and visual merchandisers; NOC 6510 - cashiers and other sale support occupations; other retail related occupations)

Using data available from the 2021 Canadian census, the workforce and employment by role was summarized to obtain the proportion of each role as a total of sector employment. Table 5.2 demonstrates that roughly 21% of retail positions were occupied by managers, while the remaining 79% were categorized as frontline retail employees.

Table 5.2: Key Occupation Workforce and Employment in Alberta Retail Sector

NOC	Role description	Workforce	Employment census 2021	Proportion employment
6002	Retail and wholesale trade managers	50,100	47,885	21%
6201 6410 6510	Frontline retail workers (including retail supervisors, retail salespersons, visual merchandisers, cashiers and other sale support occupations, other retail related occupations)	202,930	182,995	79%
Total		253,030	230,880	100%

Sources: Statistics Canada. Table 98-10-0448-01. Industry groups by class of worker including job permanency, labour force status, age and gender: Canada, provinces and territories, census metropolitan areas and census agglomerations with parts.

Based on these proportions, we can extrapolate the study’s survey findings in order to be able to compare the two data sources (Table 5.3).

Table 5.3: Estimating Method by Key Occupation

NOC	Role description	Employment census 2021	Survey employment*
6002	Retail and wholesale trade managers (NOC 6002)	47,885	11,766
6201 6410 6510	Frontline retail workers (including retail supervisors, retail salespersons, visual merchandisers, cashiers and other sale support occupations, other retail related occupations)	182,995	44,262
Total		230,880	56,028

*Estimated using the calculated proportions of 21% and 79% for key occupations.

5.2 Current Vacancies

In order to better understand the dynamics of the retail labour force and to estimate the sector’s future workforce needs, the employer survey collected information about trends in vacancies, turnovers and retirements. Findings indicate that, among the roles reported, frontline retail positions had the highest proportion of reported vacancies (Table 5.4). Indeed, almost 12.5% of employer survey respondents reported having long-term frontline position vacancies (defined as positions vacant for four months or longer).

Table 5.4: Reported Vacancies Among Employer Survey Respondents

NOC	Role Description	# employers with role vacancies	% employers with role vacancies	Mean FTE vacancies*
6002	Retail and wholesale trade managers	33	59%	18.8
6201 6410 6510	Frontline retail workers (including retail supervisors, retail salespersons, visual merchandisers, cashiers and other sale support occupations, other retail related occupations)	45	80%	25.4

Source: Employer survey QB3a and QB3b (n=56).

* Calculated using only employers reporting vacancy/ies in this role; number (n) varies by role.

5.2.1 Annual turnover

Among survey respondents who provided estimates of attrition over the upcoming five years, managers positions were expected to have a higher rate of annual turnover when compared to frontline retail positions. In terms of attrition destination, employers stated that almost 43% of the employees who left their company remained in the sector (i.e. left to other retail), while 57% left the retail sector altogether, to pursue work in other industries (Table 5.5).

Table 5.5: Average Annual Turnover and Attrition

NOC	Role description	#	Average turnover	% who left sector altogether	% net loss due to turnover
6002	Retail and wholesale trade managers	48	16%	12%	2%
6201 6410 6510	Frontline retail workers (including retail supervisors, retail salespersons, visual merchandisers, cashiers and other sale support occupations, other retail related occupations)	67	6%	45%	3%
Total				57%	3%

Source: Employer survey QC3a and QC3b.

5.2.2 Anticipated retirements

Survey respondents were also asked to estimate the number of full time equivalent (FTE) retirements within the upcoming five years. Based on survey feedback, the average anticipated rate of retirement among the retail sector was 12%. This is lower than the rate of employment in the retail sector of Albertans over the age of 55 years, which is 16.5%. The lower retirement rate in the sector is not unexpected given that employees in the sector tend to be younger than is the case for workers in most other sectors.

Table 5.6: Number of Retirements and Rates Among Employer Survey Respondents

NOC	Role description	Total # employees	Anticipated retirements within...			Total across all years	Average anticipated rate over 5 years
			1 year	2-3 years	5 years		
6002	Retail and wholesale trade managers	5,909*	185	329	405	919	11%
6201 6410 6510	Frontline retail workers (including retail supervisors, retail salespersons, visual merchandisers, cashiers and other sale support occupations, other retail related occupations)	22,228*	2,183	3,702	3,717	9602	17%
Total		28,137	2368	4031	4122	10,521	12%

Source: Employer survey QC2a and QC2b.

*Calculated using the percentage distribution for these roles in the Census data of 2021 (21% managers; 79% other positions).

5.3 Estimated Demand Expansion

Approximately 52% of the employers who responded the survey reported that they expected to see an increase in the overall size of their workforce (measured in FTEs) over the next five years, while 47% expected their staffing needs to remain constant, and only one percent (1%) anticipated a decrease in their workforce.

Among the employers who expected an overall increase of FTE in five years, there was a mean expectation of 22% to increase and a modal response of 10%.

For the purposes of estimating the future growth of the workforce, we have adopted the modal employer estimate of a 10% increase in the total number of workers needed in the next five years, which equates to an approximate average annual growth in total employment of 2.5%. While employment in Alberta's retail trade sector has fluctuated dramatically in the last five years (due primarily to COVID-19, as described above), the 2.5% average annual growth rate is consistent with the historical growth in the sector. Using a 2.5% growth rate implies that the sector will need to find an additional 5,772 workers per year to meet the demand of an expanding sector.

Table 5.7: Retail Sector Forecast Demand Expansion

NOC	Role description	Employment census 2021	Average annual growth rate	Total annual positions
6002	Retail and wholesale trade managers	47,885	2.5%	1,1197
6201 6410 6510	Frontline retail workers (including retail supervisors, retail salespersons, visual merchandisers, cashiers and other sale support occupations, other retail related occupations)	182,995	2.5%	4,575
Total		230,880	2.5%	5,772

Source: Statistics Canada. (2023). Table 98-10-0449-01. Occupation unit group by labour force status, highest level of education, age and gender: Canada, provinces and territories, census metropolitan areas and census agglomerations with parts.

Note: Calculated using proportional factoring.

5.4 Total Hiring Requirements

Based on the survey data and extrapolated to the entire Alberta retail sector, the replacement hiring requirements for the retail sector has been estimated using the average rates of turnover and retirement. Data for the hiring requirements for the major occupational groups and sector overall is presented in Table 5.8 below.

Table 5.8: Retail Sector Forecast Total Hiring Requirements

NOC	Role description	Employment census 2021	Current vacancies	In 5 Years				Total hiring requirements
				Total net turnover	Total retirements	Total replacement hiring need	Total demand expansion	
6002	Retail and wholesale trade managers	47,885	2,588	588	3,234	3,822	5,985	12,395
6201 6410 6510	Frontline retail workers (including retail supervisors, retail salespersons, visual merchandisers, cashiers and other sale support occupations, other retail related occupations)	182,995	4,763	3,318	18,800	22,117	22,875	49,755
Total		230,880	7,350	3,906	22,034	25,939	28,860	62,149

Source: Employer survey. Calculated using proportional factor.

5.5 Summary

Alberta's retail trade sector will experience significant labour demand over the next five years.

In addition to filling the more than 7,300 current vacancies in positions across the sector, the industry will also need to: a) find an additional 28,860 workers over the next five years to meet the expected growth in the sector; and b) find an additional 25,939 workers to replace those who leave the sector altogether, due to retirements and/or to work in other sectors.

Findings from this study suggest that the total workforce need over the next five years (vacancies, replacement hiring and demand expansion) will exceed 62,100 positions, which is equivalent to more than one-quarter (26.9%) of the sector's current (2022) workforce.

6. CONCLUSIONS AND RECOMMENDATIONS

Alberta's retail trade sector employs over one quarter of a million people annually, across a range of business types and sizes. While employees within the sector span gender and age demographics, the age demographic skews towards younger populations when compared to the all-industry average.

Employment within Alberta's retail sector has remained relatively stable since 2010, with the notable exception of the COVID-19 pandemic period. The net loss of employees from the sector is approximately three percent (3%) and employers reported over 10% long term vacancy rates among frontline staff, despite the rate of retirement being lower among retail when compared to the all-industry average.

The sector continues to grow at a rate of around 2.5%. This means that the sector will need to find an additional 5,772 workers, per year over the next five years, to meet the demands of an expanding sector. In addition, the sector will need to fill the more than 7,300 current vacancies in positions across the sector, as well as find an additional 25,939 workers to replace those who leave the sector altogether, due to retirements and/or to work in other sectors.

To meet this demand, Alberta's retail trade sector faces the daunting challenge of finding enough workers to both fill existing vacancies and to meet replacement demand.

Retail needs to rebrand.

Alberta's retail sector is challenged by the lack of qualified employees who have the skills necessary to successfully work as frontline retail staff and the buy-in to do what is necessary to become management. First and foremost, this requires an understanding of retail as a career and not just as a stopgap to 'something better'.

The findings of this study clearly indicate the need for Alberta's sector to rebrand, in order to capture the interest of qualified, committed individuals who are looking for a long-term career. This is no easy task, as the misconceptions of retail as a place where employees are poorly paid, under-appreciated, not expected to stay in any one position over the longer term and have only limited opportunities for advancement, are believed to be entrenched.

Prospective retail employees require a range of retail-specific skills that are currently considered to be under-developed among those that might begin retail careers from the ground up: namely, high school and college students. Employers identified a broad skills base required to work successfully in retail, including computer and financial literacy, effective verbal and non-verbal skills, sales and customer service skills, leadership and interpersonal skills, as well as general employments skills such as teamwork and the ability to work under pressure. If employees do not have, or are not supported to develop, these important skills, there is a likelihood that they will be frustrated in their role and leave to seek employment in another industry.

Retail needs to intentionally target minority populations for long-term employment.

Another significant challenge negatively impacting the growth of Alberta's retail workforce is the lack of applicants. Although employers described ongoing challenges with regard to identifying and hiring

qualified frontline employees, they also did not appear to undertake specific or targeted recruitment activities aimed at under-accessed populations. Specifically, employers did not describe participating in targeted recruitment efforts aimed at youth graduating high school or college, new Canadians, Indigenous persons or persons with a disability. Efforts should be made to develop sector-level marketing and promotion targeted to attracting under-represented populations. It is important to note that use of the Temporary Foreign Worker (TFW) did not appear to be a useful solution to meeting hiring needs, as the process was too cumbersome, time consuming and, by its very definition, temporary.

Retail needs to invest in its employees.

It is integral that Alberta's retail sector begins to offer competitive employment packages to its spectrum of employees – including entry-level positions. Retail compensation must become more attractive in order to compete with other lower-skilled employment opportunities in Alberta. While retail may not have the capacity to offer wages and benefits packages commensurate with those of the province's oil and gas industry, the retail sector must identify what benefits it can offer that make it equally appealing.

During the study, employers described a range of challenges in providing training and PD to employees, including the cost of investing in employees who may leave, a lack of capacity to cover employees to attend and the interest or willingness of staff to learn, and then apply their learnings, to their retail environment. Retail companies must work together to identify and develop meaningful training and PD packages that will contribute to employees' well-rounded skills.

Employers should consider developing formal training and mentorship programs.

While employers recognized that it was not necessary to have a college degree to work in entry-level retail positions, they also conceded that retail was a cut-throat industry and that employees with college-level understanding (for example, of retail as part of a supply chain) would be more likely to advance into entry-level management positions. Although this was seen to be the case, there appeared to be a disconnect between those that moved from frontline retail to frontline management (e.g. floor supervisor or manager) into higher corporate management positions within a company; indeed, employers stated that the majority of upper level management were hired externally rather than being promoted from within their organization.

Some employers believed that frontline employees (including frontline managers) did not understand the role and expectations of upper-level management; at the same time, employers described a lack of formal mentorship processes within companies. It thus appears to be the case that, if the retail industry is interested in promoting itself as a sector with a career trajectory, employers must figure out how to bridge the gap between frontline-level management (e.g. floor supervisors) and upper-level, corporate management. Although a few employers identified internal or external training and PD to this end, it does not appear to be commonly available to, or desired by, frontline staff – although the former may contribute to the latter. The retail sector might consider developing HR toolkits for employers to assist in hiring, retention and succession, as well as developing PD training and education programs that prepare prospective employees for jobs in the sector.

APPENDIX A: EMPLOYER SURVEY QUESTIONNAIRE



Provided separately.

APPENDIX B: EMPLOYER INTERVIEW GUIDE



Provided separately.

APPENDIX C: EMPLOYER FOCUS GROUP DISCUSSION GUIDE



Provided separately.