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# Modern Learning for Retail

## TRANSFORMING TALENT FOR THE DIGITAL ERA

Rapid digitization has huge talent implications for the retail industry. Technological advances are altering consumer preferences and behavior, changing everything from supply chains to customer journeys. The scale of transformation requires a new type of workforce, one that is equipped to translate the reams of digital data into actionable food operations and that can function seamlessly with machines to deliver a better customer experience. How, then, can retailers develop the critical skills required for the digital era?

The challenges of equipping the workforce with appropriate skills at the right time are not new. But given the speed and scale of disruption faced by the retail industry, firms must be increasingly agile and proactive in recognizing and developing the skills necessary for competing and remaining relevant.

Faced with an era of unprecedented change, workforce issues are moving beyond traditional worries about succession and retention. Instead, effective reskilling and retraining will become more and more critical to the successful delivery of strategy. But retailers' learning and development practices have not kept up, changing little over the past decade. The transformation demands a rethinking of learning practices, requiring a much more flexible system that reinforces a culture of continuous learning.

### HOMEGROWN TALENT FOR THE DIGITAL ERA

Technology has been changing job functions ever since the start of the Industrial Revolution, but the future pace of change will outstrip that earlier transition. Automation and artificial intelligence (AI) will dramatically alter the tempo of workforce transformation. The workforce of the future will need to possess strong technical knowhow for positions such as data engineers, robotics experts, software developers, cybersecurity experts, and user-experience designers. Additionally, companies will have to address shortcomings in roles that call for advanced cognitive and emotional intelligence, for jobs needing problem solving, persuasion, leadership, and management of complex relationships. The retail sector will continue to experience the onslaught of rapid automation, placing new demands on employees. In the future, the

focus will shift away from traditional roles, such as stock and inventory systems, to areas such as facilitating wider interactive store experience and multichannel sales growth.

There is no set formula to tackle these challenges, but establishing a continuous source of homegrown talent is a good start, continuing a long tradition in the industry of promoting talent from the stockroom to the boardroom. Redeploying and upskilling existing talent makes practical sense on many levels. Aside from the bottom line, employee retention offers improved business continuity; preserves existing knowledge of company activities, customers, and the industry; and, importantly, contributes to a strong company culture. It also ensures the sector can continue to attract the brightest entry-level talent, which will be critical to understanding the needs of tomorrow's digitally engaged shopper.

Existing learning and development programs, however, were not designed with agility in mind. How then should firms go about modernizing their learning practices to prepare for the new era?

### THE SWEET SPOT BETWEEN EMPLOYER-DRIVEN AND EMPLOYEE-DRIVEN LEARNING

Changes to learning need to be attuned with the changing times, and firms need to move away from traditional learning and development models to take a more agile, proactive, and creative approach. Many businesses have begun taking steps to improve their ability to equip their existing workforces with new skills. According to a recent Mercer Global Talent Trends survey, 42 percent of firms have upskilling programs focused on digital skills, 40 percent are

increasing access to online learning, and 38 percent are deploying rapid internal skills courses. It is a step in the right direction but, in many cases, learning practices are still prescriptive and do not foster a culture of innovation. Only 50 percent of organizations were deemed as having a culture that encourages employees to stretch themselves, try new things, and operate outside of their comfort zone.

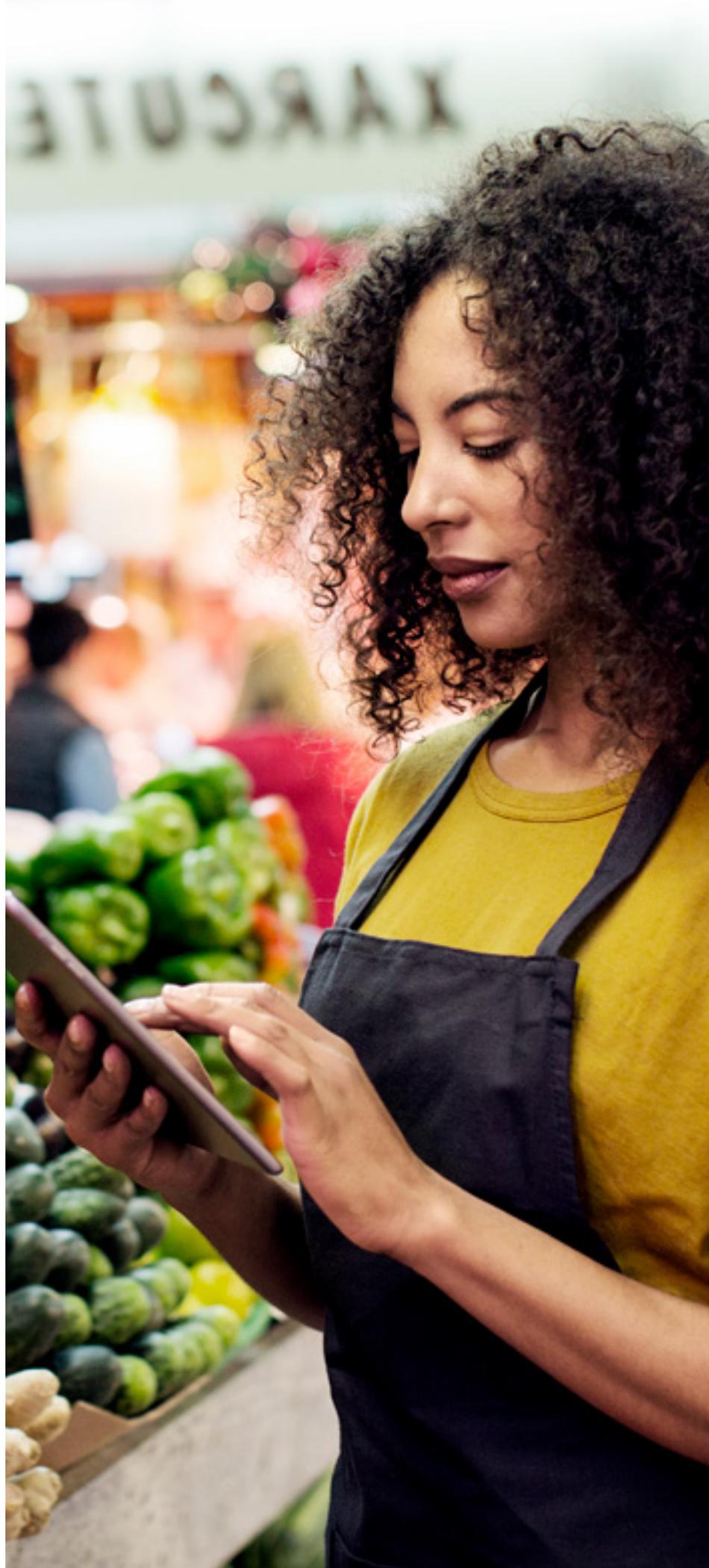
The challenge is straightforward: Many firms still follow traditional models, where learning is too often planned and implemented from the top down, with not much room for employees to learn new skills outside the immediate curriculum. There is little point asking employees to be “creative,” “flexible,” and “innovative” if their options for testing and acquiring new skills are rigid.

In contrast to traditional training, employee-driven learning capitalizes on workers' own motivations to develop, progress, and acquire new skills. So, curiosity and the drive for self-development need to become a core part of the organizational DNA. Workers should be given the flexibility and encouragement to engage in learning that might be outside of their core job requirements, for example providing sales staff with the option to learn basic coding skills. Encouraging employees to develop a broader skillset can help them drive novel problem-solving approaches that they might not otherwise achieve in day-to-day work.

To get where they want to go, firms need to adopt a “modern learning” approach that combines both employer- and employee-driven training. Modern learning allows firms to recommend courses they think workers will need and provides employees with the freedom to pursue training that interests them. Employees can prioritize their training requirements based on a combination of the organization's demands and the individual's personal interests, career goals, and ambitions. Importantly, this approach ensures that the skills taught and acquired are in line with current and evolving business demands.

## DESIGNING THE FUTURE OF LEARNING

Modern learning must fit the individual organization, and there is no single off-the-shelf solution. What works for retail may not be appropriate for other industry sectors. It should incorporate a continuous feedback mechanism to accommodate constant adjustments and adaptation to changing



circumstances. Below are four practical ways in which firms can take a modern approach to learning.

## 1. Identify key requirements for the future

The first step is to conduct a thorough analysis of the skills and capabilities the organization will require to fulfill its future strategic goals, being mindful of the potential for rapid, far-reaching disruption in the future. Exact skill gaps will be difficult to predict. Companies must be ready to look at tomorrow's challenges and opportunities, and be prepared to map their target learning goals against changing business needs. Firms will also have to make tough decisions about which skills and capabilities to develop in-house and which to contract, redeploy, or hire in – and, in some cases, retrench.

## 2. Establish the key principles for the future of learning

These are the underlying principles of the new modern learning offering. While the goal is greater flexibility and balance between employer-driven and employee-driven learning, there are several key questions concerning structure, content, and delivery. With many employees already being stretched, managers should seek input from colleagues around the practicalities of teaching new skills and workers' existing responsibilities. Organizations will need to consider several factors.

**How do we balance employer-driven and employee-driven learning?** Broadly, a modern learning approach should implement employer-led learning to the extent required to accommodate for business needs. This should be complemented by a range of discretionary learning content to provide flexibility to employees to broaden their skillsets in other areas of their choosing. This combination will vary and will need to be monitored regularly.

**Which delivery mechanisms should be prioritized?** Organizations typically employ a range of delivery methods (such as online, face-to-face, and on the job) for different purposes, yet the options available for discretionary, employee-selected learning are often limited. It may be necessary to revisit existing preferences to provide more variety for employee-driven learning. Partnering with external content providers (see below) is an excellent way to broaden the content base and delivery channels.

**Should we build our own content or source content from external providers?** Learning alliances can be an effective way to source L&D content while reducing internal resource expenditure. Partnering with providers enables an organization to make good use of existing content, program design, and external accreditation. The choice will depend on the size and maturity of the existing L&D offering and the organization's operating model.

## 3. Modernize content

When designing the content of the new platform, it is vital not only to ensure that the programs are relevant to the needs of those using them, but also to actively demonstrate that they are relevant to the organization's goals and the day-to-day job. This means including plenty of experiential opportunities, which workers can apply to their everyday work situations, such as simulating real-life scenarios. Providers should intersperse practical demonstrations, exercises, and tasks throughout the curriculum, using techniques such as nudges and teach-back to encourage sustainable learning across the program.

Not all the content needs to be new or developed in-house. Partnering with professional learning and development providers, such as edX (which offers open online courses) or General Assembly (a for-profit education organization), can be an effective way to source content and

structure the platform. This offers a more agile approach, ensuring that content remains up to date and contemporary, and that firms can access the latest analytical tools and technology.

## 4. Win the hearts and minds of employees

For many, moving to a modern learning approach represents a major shift, but one that feels better tailored to the needs of both the organization and the workforce. As with any major cultural change, however, there is no guarantee of employee buy-in. Past experiences often shape current attitudes; transforming behavior patterns and long-established mindsets will not happen overnight.

An important step is giving employees adequate support to fully understand the new learning approach, how it fits with the organizational objectives, and how it will benefit them personally. It is vital to communicate clearly and generate excitement about the new opportunities, for example by regularly publicizing success stories from an early stage. This marketing approach ensures employees witness tangible positive examples, as they learn to take more control over what and how they learn.

## THE FINAL WORD

Digital transformation is not just about changing technology, but more importantly about changing people. For retailers, it will be key to attract not only the right skills, but also engage a workforce that is agile, responsive, and flexible as the industry adapts and transforms. The way a company shapes, reskills, and reorganizes its employees will play a fundamental role in its ability to respond to the future of work. Modern learning ensures that responsiveness becomes ingrained and, when done right, a source of competitive advantage.

## CASE STUDIES

### EARLY MOVER IN THE DIGITAL AGE

L'Oréal recognized that its future marketing teams will require better data, analytical, and technical skills if they are to be effective in managing customer interactions. The company implemented a digital upskilling plan comprising two main modules: the first focused on digital marketing, including personalized customer messaging; the second was broader to provide general digital upskilling. Over 14,000 employees benefitted from the initial phase of the program, with a completion rate of 90 percent.

### MULTISKILLING FOR THE DIGITAL AGE

Wipro's L&D initiative shows the balance between employer-driven and employee-driven learning in practice. In response to a changing environment, Wipro launched a training program designed to instill multiple skills in its technical workforce.

Through a library of over 1,850 online courses, the program encouraged employees not only to deepen their understanding in core technical fields, but also to try out those new skills linked to their own career aspirations. As a further incentive, Wipro introduced a system of credit points tied into participation.

### NEW SKILLS IN RETAIL

Retail has been hit particularly hard by automation, and many brick-and-mortar stores are fighting back against the online trend by offering interactive shopping experiences. Sephora, for example, introduced a program through which entry-level cashiers are eligible for free training to become beauty advisers, through courses such as Science of Sephora and the Skincare PhD.

These are designed to enhance the level of personalized advice employees give to customers. REI Adventures, a travel agent and outdoor equipment retailer, has programs where its store employees can embark on trips around the world sponsored by the company; in turn, employees gain experiences they can use to interact and engage with customers in-store.

In the future, core retail training may include answering in-depth customer product questions, techniques for managing the whole customer relationship, training on consumer psychology, and understanding purchasing behavior across different store channels, such as online versus offline.

### STUDENTS BECOMING TEACHERS

Google launched a novel approach to its learning environment by implementing employee-to-employee learning principles. The program, called "g2g" (for Googler-to-Googler), places employees across departments in teaching roles. It includes a core curriculum, as well as modules that the employees themselves initiate and design.

Giving employees teaching roles makes learning part of the way Google employees work together, rather than something they are told to do. It facilitates greater engagement by employees in the learning opportunities on offer.

### EFFECTIVE CONTENT PARTNERSHIPS

DBS took the partnership development path when creating its digital skills training program. It partnered with Workforce Singapore to create a program designed to help its workforce adapt to the ongoing digital transformation occurring in the financial sector and to support the vision to make Singapore a Smart Financial Centre.

The new platform delivers content through a wide variety of channels and learning partners, offline and online, including bite-sized e-learning, paid sabbaticals, and scholarships. The platform also uses AI to make personalized course recommendations to participants in the program.