

CHALLENGES AND OPPORTUNITIES FOR THE

# Retail Sector

RESEARCH METHODOLOGY REPORT



San Diego  
**Workforce**  
Partnership

# **Using Labor Market Research to Promote the Resilience of Retail Companies and Improve the Quality of Retail Jobs**

## **Research Methodology Report**

Through the Aspen Institute Economic Opportunity Program's Reimagine Retail Initiative, the San Diego Workforce Partnership, in partnership with EOP and the Corporation for a Skilled Workforce, undertook a year-long research project to understand possible social, economic and regulatory forces acting on the retail sector in San Diego County. We focused specifically on the impact of changes in technology, cross-border purchasing and employment patterns, rising minimum wage, and racial disparities. This research has helped the Workforce Partnership develop new approaches to its work with retail employers and workers to support their resiliency in the face of a changing sector.

Our approach to research included four parts: (1) getting to know the population (retail workers and employers), (2) evaluating and synthesizing existing literature, (3) analyzing available data, and (4) cataloguing what others are doing.

### **1. Getting to know the population**

Listening is essential to any social science research. We began with 12 structured interviews with retail employers. (See Appendix A for the interview protocols.) Retailers are busy, and the nature of their work demands their presence in their stores. We found it was best to visit them in person and provide flexibility to pause the interview and attend to customers when necessary. We also led four focus groups—with retail workers, retail and hospitality employers, and workforce practitioners. (An in-depth report on these focus groups is available at [workforce.org/research/retail](https://workforce.org/research/retail).) When we interviewed workers, we compensated them for their time and explained that all interviews were confidential. We also talked with a wide variety of retail workers around San Diego in less structured interviews. This process of listening was essential for getting an understanding of the unique perspectives of San Diego workers and employers.

As one example of the value of qualitative research, a member of our team discussed advanced scheduling with a group of service-sector employees, and a bartender named Veronica said, "If I want to see a doctor I have to go to urgent care because I can't keep an appointment." Hearing about the personal struggles of San Diego's service workers provides not only the insight but the motivation to work for the improvement of job quality in the retail and service sectors.

### **2. Reviewing existing literature**

Many of the questions we asked in our research were complex. For example, how will rising minimum wages impact retail workers and employers? This is not a question we can answer with a simple analysis of existing data about San Diego's economy; the answer must be informed by economic theory and by evidence from other regions. There is an entire research literature in economics focused on the effects of minimum wages, so understanding how leading scholarship answers this question requires reading journal articles, evaluating the quality of evidence in each article, and synthesizing the conclusions from those articles and the wider literature on which they draw. We have made a concerted effort never to make an empirical claim without

support from existing scientific research or our own data analysis. As a result, our research relies on over 100 references to academic journal articles and books. While members of our research team had both the bandwidth and the appropriate research and educational background to make this heavy lift possible, more resource-constrained organizations can engage in this type of work by partnering with research institutions.

### 3. Analyzing available data

When possible, we have attempted to answer empirical questions with our own data analysis. Our three major data sources for the San Diego retail sector are (1) the economic modeling firm Emsi; (2) public-use microdata samples of Census surveys such as the American Community Survey and Current Population Survey; and (3) the San Diego Association of Governments (SANDAG), San Diego County's metropolitan planning organization. Emsi data helped us identify retail industries, occupations, employment, and wages. Census data provided more fine-grained data on employment, wages, and demographics. SANDAG data (especially their 2016 survey of border crossers) helped us understand the forces driving cross-border retail employment and consumption.

Subscription-based data services make certain empirical questions easy to answer but may not be in the budget for some. On the other end of the spectrum, Census data is free but very challenging to work with. (Often the most difficult challenge is to apply the [proper weights](#).) Workforce practitioners seeking to understand their own local retail landscape may want to partner with other regional or statewide organizations that offer labor-market data and information resources. The San Diego Workforce Partnership, for example, uses its research capacity to offer customized labor market analysis to workforce boards and educational institutions that need support. If a practitioner is fortunate enough to live in an area with a well-staffed and funded metropolitan planning organization (like SANDAG), consulting with that organization's research team can be a very effective approach to answering questions about the local economy. Finally, the Corporation for a Skilled Workforce has produced a helpful [guide to data resources](#) for workforce development professionals.

### 4. Cataloguing what others are doing to improve retail employment

Perhaps the least structured part of the research process was to try and get a sense of what others are attempting to do to improve retail employment. Often the search for existing projects boiled down to a lot of internet searching, attending webinars, and talking to peers.

Below are some examples of others' efforts that influenced our thinking.

- The Bay Area restaurant chain Aqui posts their career-advancement opportunities on all their restaurants' doors, showing current and potential workers how soon they can expect to receive raises and promotions.
- Gap Inc developed a policy of providing schedules two weeks in advance and eliminating on-call shifts.
- CVS encourages managers to provide schedules three weeks in advance.
- San Francisco, Emeryville, and San Jose (plus several cities outside California, and the state of Oregon) have adopted laws requiring advanced scheduling for various categories of service-sector workers.

### Conclusion

San Diego Workforce Partnership's retail research has had a dramatic impact on our program and policy priorities. As a result of this research, we have (1) developed a program for training incumbent retail workers in digital marketing; (2) begun fundraising in support of a career-development program to address racial inequity in retail employment; (3) taken our first step toward advising on local government policy, by convening

representatives of retail workers and employers to develop a consensus approach to reliable advanced scheduling; and (4) identified a commitment to job quality as one of the central pillars of our organization's work. We have also shared our research with a wide variety of local partners, many of whom have taken direct action as a result. For example, after a recent roundtable with service-sector employers, a hotel executive committed to developing more stable schedules for her employees.

This research would not have been as compelling to our leadership team if it had not been so solidly grounded in conversations with retail workers and employers, careful study of the scientific literature, analysis of existing data, and a review of others' efforts. And of course, none of this would have been possible without the support—both financial and research support—of the Aspen Institute Economic Opportunities Program, the Corporation for a Skilled Workforce, and ultimately, the Walmart Foundation.

## Appendix A.

### Retail Employer Interview Script

We are doing research to help us design programs to help small retail businesses with their workforce needs. San Diego Workforce Partnership serves San Diego businesses with resources such as a free HR Hotline, Customized Training and connecting employers with applicants. In order to provide these resources, SDWP is conducting a study of local businesses in retail to learn about their specific needs. You lead/run one of those businesses, and we want to learn more about your business so that we can better address your workforce needs.

[Note that we have preset questions, but this is an informal conversation to better understand the challenges faced by local retailers. Information collected from the interviewee will be aggregated across a number of surveys so the information they provide can't be linked to a specific business, including information about wages and everything else they mention.]

[Ask if the interviewee is comfortable with us recording the interview for note-taking purposes.]

### General Questions

We are going to start with some general questions about your business and employees.

1. We've seen that retailers nationwide are implementing changes in-store to add new customer experiences, increase their online presence, and incorporate more in-store technology. For your business, how would you describe the changes your company has made in the past few years or is considering making?
  - a. Follow-up: Are you making changes that have implications for the work people are currently doing or will need to do?
  - b. How many workers do you employ for your physical store at your specific location?
  - c. How do you expect your employee mix to change within the next 2-3 years?
  - d. Do you have trouble finding the right people to work in your store(s)?
    - e. For what positions or skill sets?
    - f. What can you tell me about why it's so hard to find the right people?
  - g. Do you have trouble retaining the skilled workforce you need (once you've found them)?
    - h. For what types of positions?
    - i. What do you know about why workers leave?
    - j. How much of an effect does employee turnover have on your business?
  - k. How would you describe your typical clientele (geographic, age, gender, ethnicity)?
    - l. Have you seen a change in your typical clientele in the past 2-3 years?
    - m. If yes, what has changed and what do you think the reasons are?
    - n. If no, what has stayed consistent, and what do you think the reasons are?
  - o. Do you have professional connections with other retailers through organizations, boards, networks, chambers, coffee groups (formally or informally)? Which?
    - p. If yes: What do you find helpful about connecting with other retailers?
    - q. If no: Why are you not connecting with other retailers?

For this research we are focusing specifically on three local changes and how they are/are not impacting the sector. We'll now go into some questions focused on these shifts.

## **Shift to Online Purchasing**

- a. Does your store have its own website for online sales? Do you sell through another online platform?
  - b. If yes:
    - i. How are your sales distributed between in-person and online platforms?
      - 1. If shifting to online, is it resulting in store closures or shrinking staff size?
      - 2. If shifting to online, is this leading to new types of employment needs? (e.g., different skills for workers)
    - ii. Do you fulfill online sales in the store or in another location?
      - 1. Using existing store staff? With different/additional staff?
    - iii. Have you made any capital equipment or technology investments to support this part of your business?
    - iv. Are you looking to expand your online presence or physical store space in the next few years?
  - b. If no:
    - i. Does your business use a website or social media for promoting your business?
      - 1. If yes: What online platform(s) do you use? Who maintains it?
      - 2. If no: Is this something you're considering? What is keeping you from doing that?
    - ii. Are you looking to expand your online presence or physical store space in the next few years?

## **Minimum Wage Hike**

- i. How did you find out about the 2016 minimum wage increase (either the 2016 California or July 2016 San Diego wage increase)? When did you find out? (Google, news, email, word of mouth, official notification, etc.)
- ii. Has your business adopted any new strategies to stay competitive in response to the minimum wage increase?
  - b. If the employer mentions having implemented these strategies, why or why not has it been effective?
- c. Have increases in the minimum wage changed your hiring practices? (e.g., the amount of people you hire or your expectations for the positions you hire for)
  - d. Are you thinking differently about qualities you look for in new workers? (e.g., hiring for more skillsets, hiring for and expertise in a particular specialty)

## **Cross-border shopping**

- a. We are interested in learning whether proximity to the border with Mexico affects your retail business.
  - b. Do you serve customers who cross the border from Mexico?
  - c. Do you have employees who cross the border from Mexico?
  - d. Do you compete with Mexico-based retailers?
- e. Have you noticed any changes in the number of cross-border shoppers in the past 12 months?
  - f. Has a change in these shoppers affected your business? How? [If no, skip to next section.]
- g. How do cross-border shoppers change your retail landscape? (Products, customer service, etc.)



h. What are the skills you need from your workforce to administer customer service to cross-border shoppers?  
Are you having any difficulties finding workers with these skills?

Finally, we have a few questions about how you administer training to employees, and what external support you have to do so.

## Employee Training

- a. Based on changes and new skills we have discussed, how have you considered or implemented training to develop new skills in employees?
- b. What skills have you provided training for your workers to gain/improve?
- c. What methods have you considered or implemented? (e.g., on-the-job training, classroom training, online courses)
- d. Are you partnering with external organizations to provide training? Who, and what is their role in the partnership?
- e. Are you using a training curriculum or platform? If so, which?
  - i. What skills are you using the platform to train for?
- f. How does this training differ for various types of employees? (customer-facing, back-office support, front-line supervisors, general and operations managers)

The San Diego Workforce Partnership supports businesses in many ways, including:

- Funds to reimburse wages or the cost of training new hires
- Funds to train current workers to be promoted within your company
- Non-traditional recruitment events (e.g. hiring at happy hour)
- Sourcing and pre-screening for interns or employees
- Develop an apprenticeship-type program for your future employees

- a. Have you utilized these, other public-sector funding, or tax credits to support your workforce efforts either for current workers or for new employees?
  - b. Do you know how to qualify for these resources? (Esp. minority/women owned businesses)
  - c. If yes, how do you find information on these resources? (word of mouth, industry associations, google, etc.)
  - d. What other types of support/resources would be valuable to you?
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- a. Are you interested in receiving information from the San Diego Workforce Partnership, including the findings of this research and how to stay engaged in the Partnership's planning to prepare qualified, productive workers for our regional retail economy?
  - b. Finally, is there anything else you would like to share about challenges facing your business or successful strategies you've put in place to make your business successful?

[Thank interviewee for their participation. If necessary, verify that you have the interviewee's correct contact information for follow-up.]

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With support from the Walmart Foundation, in 2016 the Aspen Institute's Economic Opportunities Program launched Reimagine Retail, a project to explore ways to enhance stability and improve mobility for the retail workforce.

To learn more about the Workforce Partnership's research on San Diego's retail sector, please visit [workforce.org/research/retail](https://workforce.org/research/retail).

We provide equal opportunity for our programs, services and employment.  
Auxiliary aids and services for individuals with disabilities are available upon request.