

2020 Report

# The State of Skills

in the Apparel Industry



MOTIF

# Foreword

After the success of our global 2018 State of Skills Survey, we set out again this year to take the pulse of the fashion industry. Before we could finish, our research was interrupted by life-changing world events with the onset of COVID and its ongoing effects.

At MOTIF, we thought long and hard about how to translate our research results within the context of what is happening in our daily lives and industry challenges. Our conclusion is that the fundamentals don't change, and if anything, the findings of the survey we conducted are only amplified by the new reality.

The extreme pressure to deliver better, faster, more sustainable fashion to a diverse consumer demographic, demands that companies embrace the innovations and skill sets that will help them succeed.

The shockwaves sent through the industry by COVID-19 shine a spotlight on what we have been saying for years. The industry has to change. We can talk about digitisation, we can talk about shorter and sustainable supply chains but what we really need is to be future-oriented in our view of people and skills. Underpinning all of this change is a very human element, no matter what level of automation descends on the value chain. As companies, we need to rethink the pipelines of talent and build cultures of continual learning within organisations.

Companies will have to emerge from this leaner and smarter in order to survive. There needs to be a rethink around how skills are distributed across the organisation and in many cases, there will be increased pressure on employees to be more multifaceted in their skill sets. We will always need the foundational technical skills but then will need to layer on creative thinking and analytical skills in order for our supply chains to be more collaborative and transparent.

Over the last 10 years, it has slowly become apparent that as an industry we need a new blend of skills (that involve data, software, collaboration) and that we have a shortage of people with production floor experience. That's why MOTIF was born, to provide a digital platform for the industry to create, share and nurture best practices and knowledge for professionals.

I would like to take this opportunity to thank Alvanon, our leading sponsor and partner as well as the global list of industry associations that stood behind MOTIF and supported our research initiative. This list of local, regional and international associations who helped spread the word with their members is testament to the fact that skills are an industry-wide focus and concern.



**Catherine Cole**  
CEO, MOTIF

## Lead Sponsor / Partner



## Supporting Organisations





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## Executive Summary

This year the fashion industry will have to reinvent itself as it works to survive in a post COVID-19 landscape. The industry was already in the midst of rapid changes, as it was grappling with rising expectations around sustainability and sourcing. All of these will become even more important as accelerated innovation becomes a survival mechanism through the present crisis. As the world moves into an increasingly difficult recessionary period, having a workforce that's fit for the future and is capable of responding to evolving business demands will be key to strategic success. Those that survive and thrive will be the ones that have not just invested in cost cutting but those who have focused on innovating for the future.

As we concluded our 2020 State of Skills Survey, the world began to upend itself as economies shut down in order to keep their populations safe, sending the fashion industry into crisis mode.

What we found is that businesses' priorities are changing, yet investment into those new emergent issues is not matching those needs. For workers in technical roles, there is not enough mid-career development, which is driving increased dissatisfaction. Meanwhile, the future talent pipeline for the industry is dwindling due to retiring skills, a lack of quality professional training resources and a shortage of new industry entrants with the relevant skills.

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# CONTENTS

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- 04** Executive Summary
- 06** Respondent Demographics
- 08** Navigating Uncharted Waters
- 11** Aligning with the New Priorities
- 12** Sustainability
- 15** Managing the Skill Gap
- 16** Evolving Learning Strategies
- 18** Barriers to Continual Learning
- 20** Empowering the Shift From  
Training to Continuous Learning
- 23** Five Key Takeaways

# Respondent Demographics

The second State of Skills survey was conducted to understand the current sentiment around industry skills, and to assess how companies have taken action to future-proof the industry and address gaps previously identified in our 2018 survey.

Total

**923**

Respondents

**26%**

Founder / Owner and  
Top Management

**45%**

Department Head  
/ Middle Management

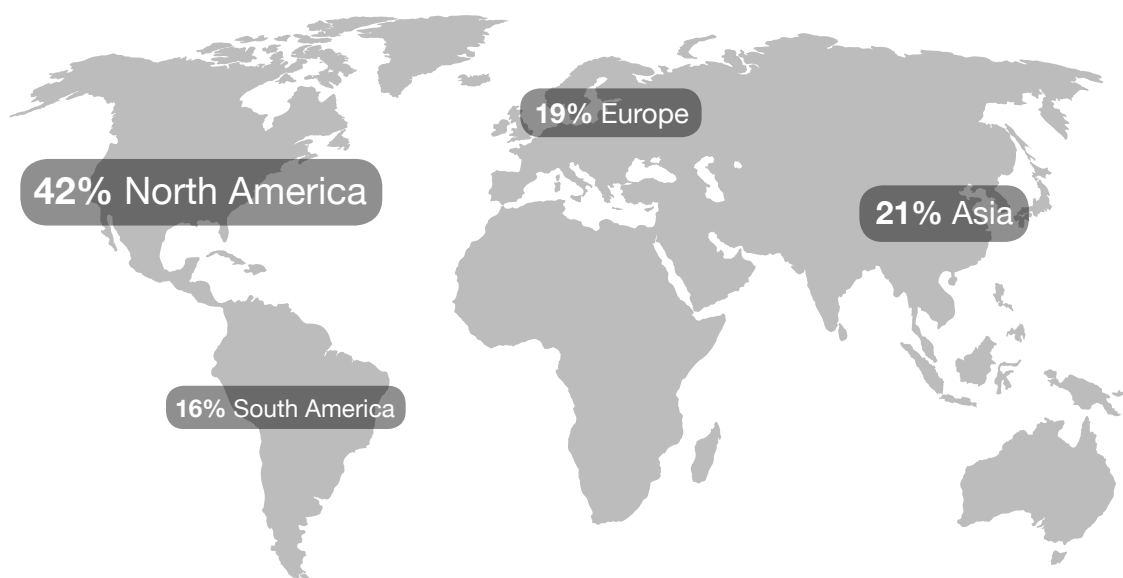
**21%**

Junior  
and Associate Levels

**8%**

Others  
(Academia / Consultants)

## Coverage Across Regions



## By Company Revenue

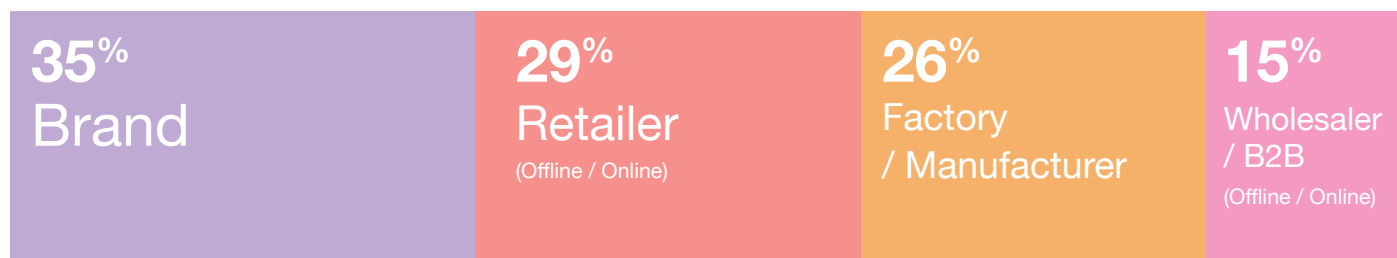
Less than 50 Million USD

**34%**

Over 50 Million USD

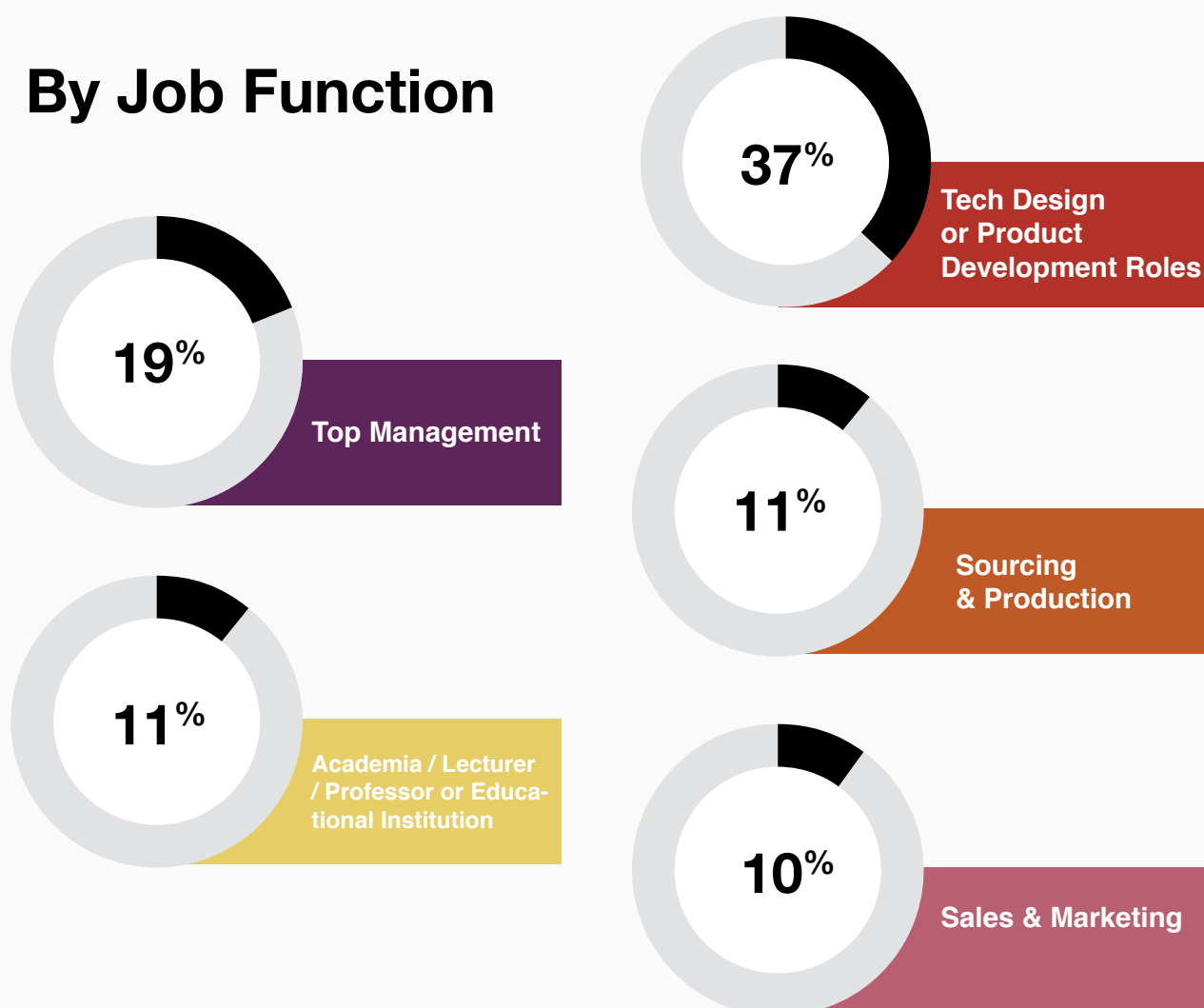
**24%**

## By Company Type\*



\*Respondents could select more than one category.

## By Job Function



# Navigating Uncharted Waters

Business is in the midst of an unprecedented moment of change, as operators in the fashion sector work to grapple with what the new normal will look like as we move through the current COVID-19 pandemic and beyond.

We are facing a perfect storm on a number of other fronts with sustainability on the rise, while trade wars mean that strategic sourcing has never been more important, and technological advances disrupt the business landscape.

As companies move through the current crisis, those that succeed will be those that continue to invest and future-proof their businesses and workforces.

In 2020's MOTIF State of Skills Survey, employee training and skill development remains the top priority for businesses, with 90% of respondents describing it as very important or important, followed by sustainability practices (89%) and strategic sourcing (87%). Digitisation is also emerging as a key theme for 2020, as businesses look to use it as a means of streamlining and enhancing rapidly evolving supply chains.

The world has changed immensely in a matter of weeks after we concluded this survey, right before the world's economies were shut down by COVID-19. What has happened since then will only exacerbate the priorities business leaders were focusing on in the survey. Strategic sourcing and ensuring the workforce is fit for purpose has become even more important as businesses fight for survival in an even more competitive market.

“Technological advances, globalization, climate change and changing demographics are broad and interconnected megatrends that have driven profound changes in the industries in past decades.”

**‘The International Labour Organization - Future of work in textiles, leather and footwear’ working paper**



## Recruiting Trends Defining the Fashion Industry

57% of respondents feel their companies have difficulties filling positions due to the lack of skilled workforce.

57%

33% of companies started to look outside the traditional recruiting sources to find new talent.

33%

46% of companies did reskill current workers to tackle the skill gap issue.

46%

36% of companies have started to outsource to freelance workers or external partners.

36%



“  
**Where is that place or  
connection point that  
allows people to start  
speeding up the  
learnings across the  
value chain so we can all  
just move faster? ”**

**Mariya Zorotovich,**

Director of Strategy and Incubation,

IOTG/Retail, Hospitality, Banking and Education at Intel Corporation



## Aligning with the New Priorities

For businesses working to come out of the COVID-19 pandemic, investment in new skills will be crucial given rising economic pressures, new customer expectations and behaviors, and a challenging and uncertain retail environment.

Some 87% of those surveyed said that strategic sourcing was either important or very important. As we emerge from the pandemic, this will amplify because companies will have to manage evolving trade regulations and profit margins will become even harder to maximise.

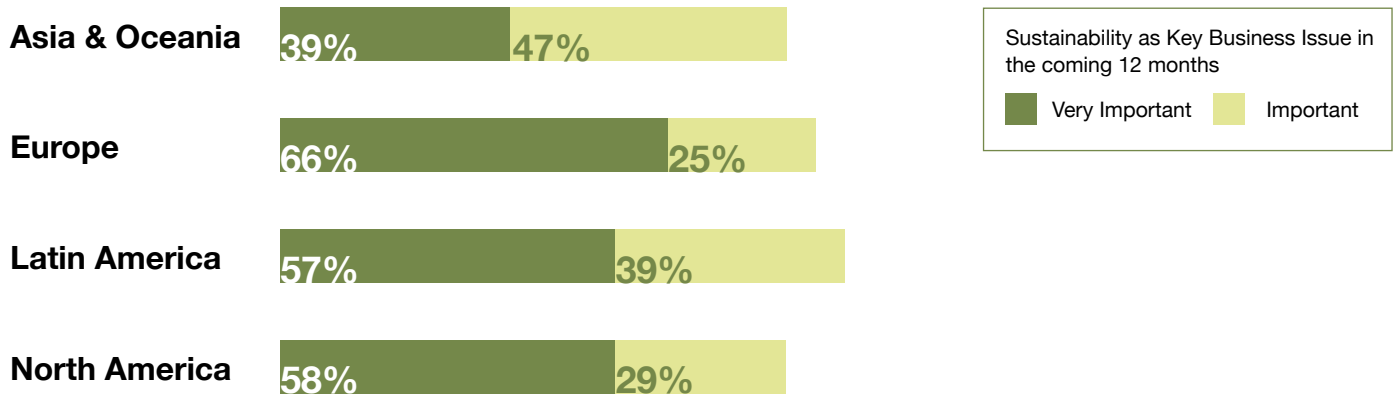
Tapping into that desire to enhance supply chain efficiencies, speed-to-market was also highlighted as a key priority among respondents, with 79% rating it as either important or very important.

There are significant opportunities for businesses to drive competitive advantage through increased digitisation across the

supply chain, particularly through 3D design and development. Digitisation has the capacity to shorten lead times and help get products to market faster, even when people are forced to work remotely. These shorter routes to market will allow for less stock risk, and will mean that businesses will work in a more responsive way to market fluctuations.

As businesses emerge from the pandemic, they will need to re-evaluate their relationship with the supply chain and consider digitisation as a means of gaining more control. This is likely to mean shorter supply chains through nearshoring and onshoring, which will mean moving manufacturing to countries with higher labour costs. These higher costs will need to be offset by increased automation and data-led decision making to maximise profit.

# Sustainability



Sustainability emerged as a key focus for executives this year, with 89% executives citing it as either important or very important as a key business issue. This figure went as high as 95% and 91% for South America and Europe respectively.

With the Global Fashion Agenda report finding that 75% of consumers surveyed view sustainability as extremely or very important, businesses need to invest in upskilling their teams so they can meet these expectations.

However, there is a significant gap in how executives understand the complexity of the topic and the depth of knowledge required to get businesses towards true circularity and other key sustainability strategies. For instance, while 89% highlighted sustainability as a key issue, only 38% see the topic as an important area for training.

For businesses working to be truly sustainable, continual learning and culture evolution will need to be a focus across all aspects of the supply chain, with changes necessary from sourcing through to retail and product end of life, in order to find ways of responding to evolving climate and ethical issues and avoiding being accused of greenwash.

“Employers will increasingly require workers to be equipped with the appropriate skills to operate new technologies for efficient and **sustainable production** in order to attract investment and boost profitability.”

‘The future of work in textiles, clothing, leather and footwear Working Paper No. 326’, International Labour Organization, 2019





**89%**

Highlighted sustainability as a key issue

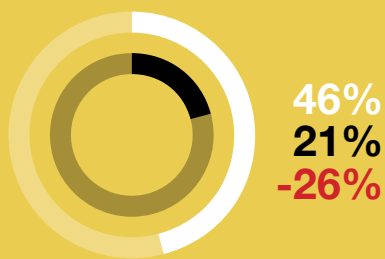
**38%**

See the topic as important area for training

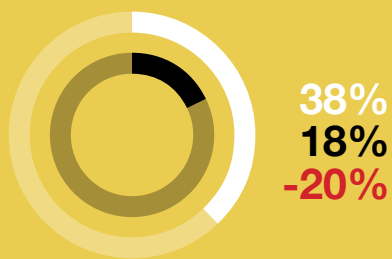
**While 89% highlighted sustainability as a key issue, only 38% see the topic as an important area for training.**



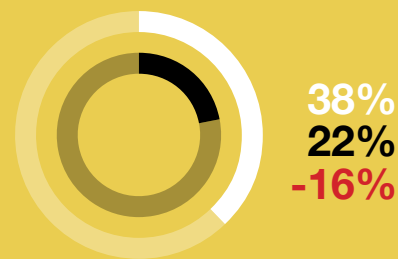
# Important subjects in the coming 12 months vs. training received in past 12 months.



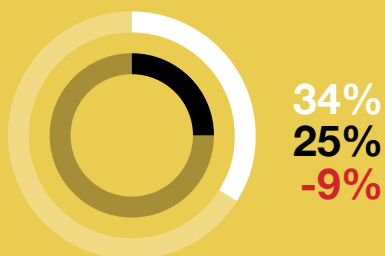
Product Development



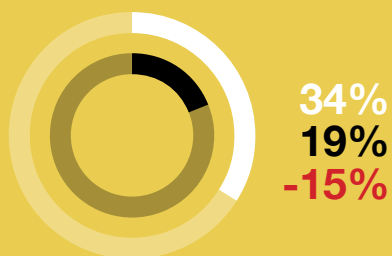
Sustainability  
& Environmental Management



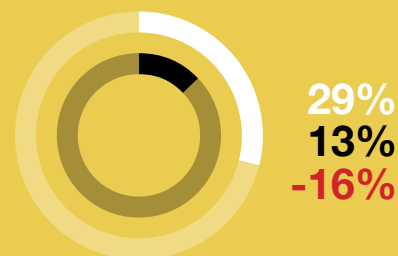
Product Design & Development  
Software Operations



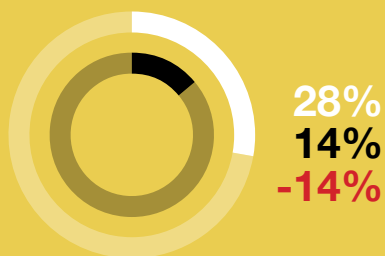
Management / Leadership  
/ HR Training



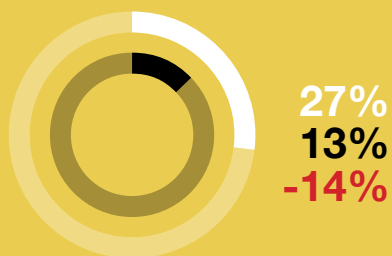
Patternmaking



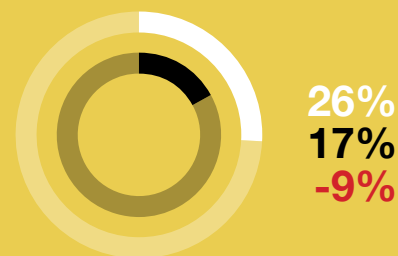
Data Analytics



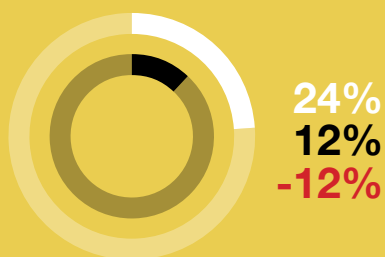
Research & Development



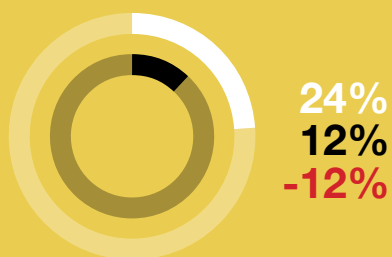
Production Management



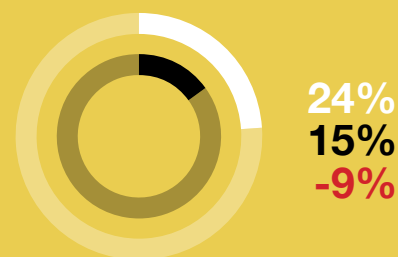
Soft Skills  
eg. selling, communication or negotiation skills



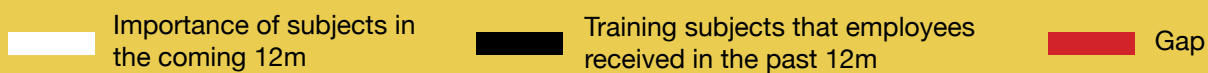
Customer Relationship  
Management



Fashion Design



IT  
e.g. software engineering, system analysis, etc.





# Managing the Skill Gap

Finding people with the right skills remains an issue, with 57% reporting that they have difficulty filling certain positions due to a lack of skilled workforce, a slight improvement on the 62% that reported this in 2018.

Jackie Lewis, course development director at MOTIF says: “We have a lack of skilled people to drive forward the necessary level of change within the industry. And until recently, there wasn’t the right education and trainers available for their people within the market.”

More companies in this year’s survey are looking to upskill current workers, with 46% saying that this was a priority, one that is even more significant for smaller companies, with 53% focusing on upskilling.

Beyond providing training to support short term business execution needs, companies are investing in continual learning to keep up to date with the latest technology and trends (56%), to manage employee satisfaction (44%) and because it’s hard to find the right skills (44%).

The survey found 52% of employees surveyed had received training on fashion design, product development, product development / design software or patternmaking in the last 12 months while future-oriented skills like data analytics, digital marketing or technology skills ranked much lower.

# Evolving Learning Strategies

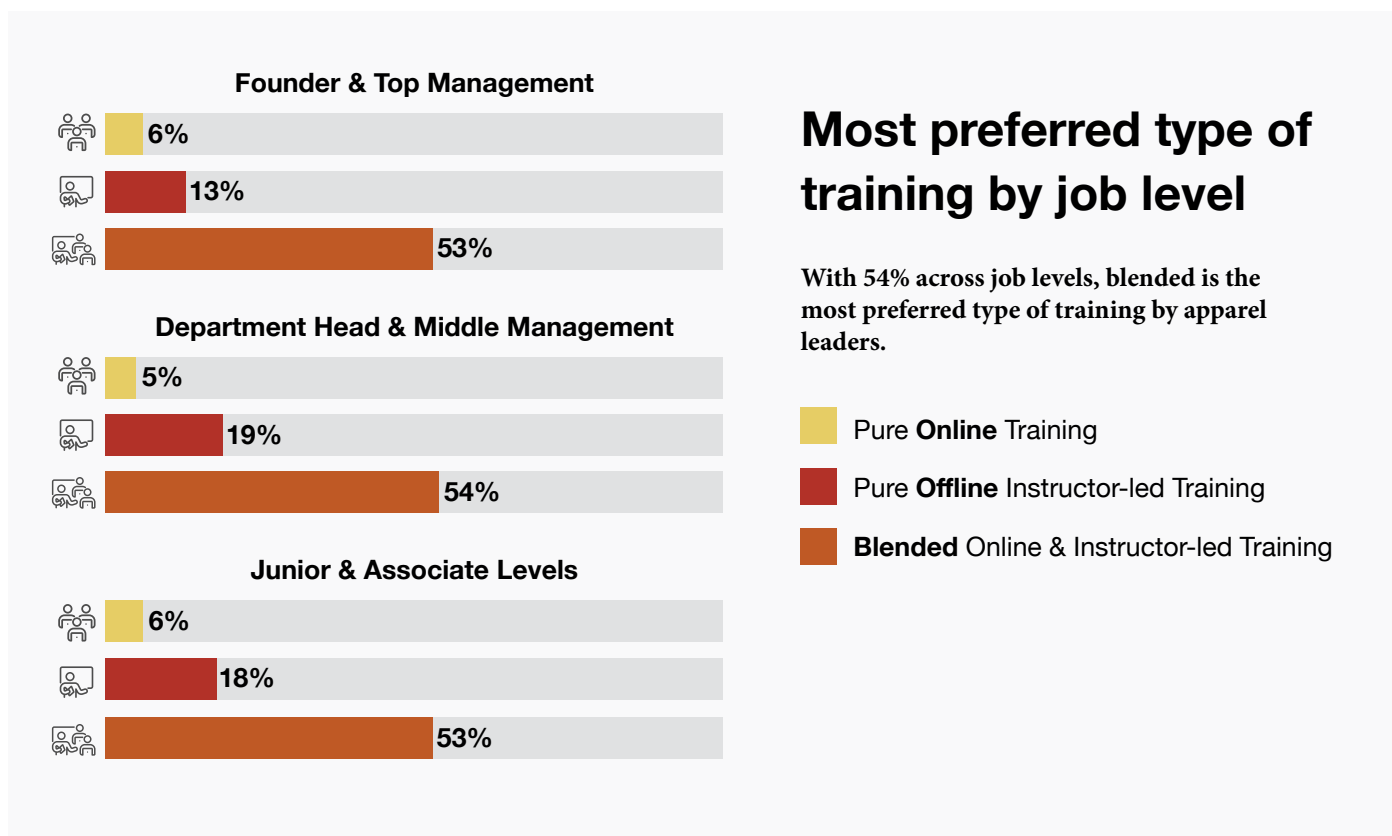
The scramble to remote working has accelerated shifts across the industry towards more digital modes of operation, and this is also taking place in training.

As travel budgets are squeezed and people are unwilling or unable to travel, online learning will become an evermore important pathway to upskilling staff. As the pandemic response has shown, there is a new receptivity to what can be accomplished in a virtual setting.

Continual learning strategies that give people control of their learning experience will be key. Online learning formats allow

for highly focused education tailored to the employees needs, while in-person training gives opportunities to embed the practical aspects of what they've learned in a more social setting.

MOTIF CEO Catherine Cole says: "As companies scramble to move online, training can be even more impactful when it is a combination of both offline and online interactivity. Whether it's product development processes or 3D workflows, blended training offers the best of both online and in-person training, combining modules of online courses together with on-site training led by expert instructors."











# Barriers to Continual Learning

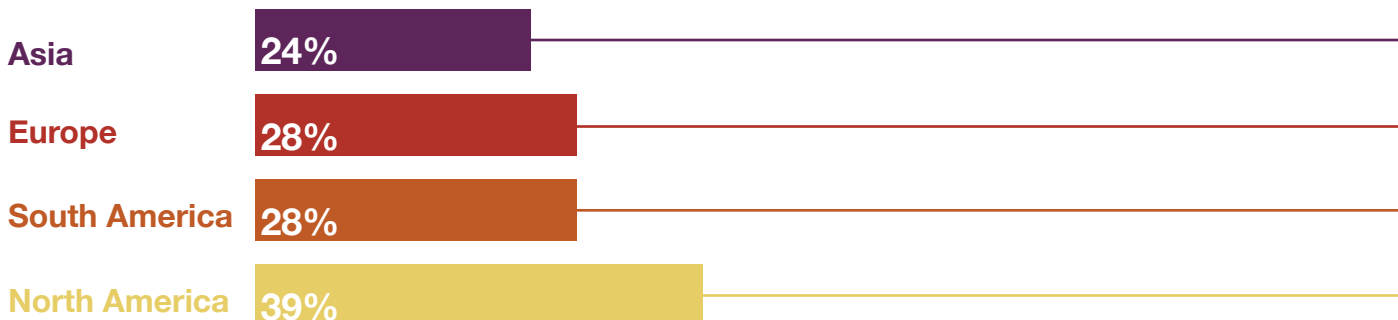
The main constant between 2018 and 2020 is overall dissatisfaction with training provided in companies. Only 34% of respondents in this survey across all levels and functions say they are satisfied. This is comparable to 38% in 2018.

For businesses, there remains a gap between the scale of the challenges they are facing and the investment they are placing in creating positive outcomes. Budgets are not allowing for increased investment. Similar to 2018, only 25% have seen an increased investment in the past years and only 33% pre-COVID expected an increase in the next / coming years.

Some 43% of the department heads and middle management executives surveyed said they are facing two main training constraints – budget and time. Continual learning is not being adequately funded and staff are busy with their work, with no time to spend on learning.

However, junior and associate levels say their main dissatisfaction is the lack of or insufficient training (40%).

**Across all regions and job levels, the main dissatisfaction is also the lack of or insufficient training.**



## Top 4 Dissatisfactions

Lack of or insufficient training

32%

Content not practical enough

19%

Too much time required

14%

Content not comprehensive

13%

Highlighting the challenges faced by businesses, particularly when in accelerated growth, Katherine Kasper, VP of product commercialisation at Fanatics said at a MOTIF event in September 2019: “Time is a treasure for everybody [when you are growing fast]. So training becomes a burden on some people, because they are too worried about their meetings and their obligations and their deadlines.”

This is being further challenged by a lack of trust from employees that the companies that they are working for are invested in their future. There’s a sense of anxiety around the future of their roles within businesses due to the current economic and technological environment. “81% of employees believe that upskilling is their own personal problem. They don’t trust us as employers to help them,” said Josh Bersin in *The Year Ahead: Reinventing, Work, Reinventing HR, Reinventing Ourselves*, 2020 Prediction Report.

For workers, trust is built through creating a sense of being valued through their whole careers, and the results from this year’s survey find that there’s a lack of attention being paid by employers to those in the middle of their careers, with attention being focused on onboarding new hires and delivering training on soft skills for those at the more senior executive levels.

This will become evermore important through the current period of uncertainty and beyond. Workers who believe their employers are invested in their careers are less likely to look for better alternatives.

# Empowering the Shift from Training to Continuous Learning

Businesses will need to create strategies that empower staff to take more control over their educational experience. This will require executives to take on more of a collaborative mindset when it comes to solving training issues.

When asked, 59% of those surveyed said that they agreed that employees in their company could suggest training to a superior or select their own training.

Carol Schuster, head of technology at womenswear brand Lafayette 148 said: “On my team we’ve made training a priority. We’ve created this thing called tech champions because we really feel that we need to build kind of a grassroots movement from the bottom up.”

Brands are really seeing the benefits of shifting to a more agile structure when it comes to learning. Alexander Pettitt, senior director of product operations at Under Armour said: “We know we’ve worked within structures where it was very hierarchical and decisions had to funnel to the top and it slows the organization down and it disengages your employee base. It’s key for teams to be empowered and to feel as though they are trusted if you want an organization that’s effective, efficient, speedy and has an engaged workforce.”

This collaborative mindset is not something that should be shied away from, even when it comes to technology transformations where layoffs could potentially occur.

For instance, Alvanon CEO Janice Wang described how the company approached technological transformation as it shifts away from physical fibreglass production and towards 3D design. “Some of the best factory masters have been with the business for 15 years. We spoke candidly with them to understand what they wanted for their careers, explained what we are seeing as the future. One of them said that they could transfer their skills and do 3D training, taking their physical moulding skills and moving them over into 3D. Their expertise combined with the new skills has brought new ideas, and a timetabled transition to bring their teams into these new methodologies.”







# 2020 Training Barriers

## Budget Constraints

43%

## Time Constraints

41%

## Lack of Relevant Content

25%

## Low Priority

24%

## Lack of Interest

15%





## Five Key Takeaways

- 1** Future proofing the business will need to remain a priority to ensure that strategies align with new consumer and operational requirements.
- 2** Businesses need to ensure that investment matches priority. Sustainability and strategic sourcing are now key issues, but investment in training is not yet matching this.
- 3** Work towards digitisation strategies across the supply chain to increase speed-to-market. Invest in strategies around 3D that shorten the path from concept to product.
- 4** Businesses looking at redundancies, need to speak to staff honestly about the future, and look to provide pathways to new roles. Their institutional knowledge and acquisition of new skills will add value in the long term.
- 5** Continual learning is a tool that drives trust and a retention that will help workers accelerate growth across the business.



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MOTIF

alvanon 

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