

## **Partnership Agreement between VR/LÍV and SVP on increasing employee skills and knowledge in retail and services**

VR, ID No. 690269-2019, Commercial Federation of Iceland (LÍV) ID No. 420269-0489, and Federation of Trade and Services (SVP) ID No. 570599-2249 enter into the following agreement to systematically work towards increased competency in retail and services until 2030.

The goals of the agreement are as follows:

1. By the year 2030, we aim for 80% of employees in retail and services to attend studies<sup>1</sup> that have the goal to increase skills and knowledge. The studies shall contain regular continuing education according to a more detailed needs analysis that VR/LÍV and SVP will collaborate on as needed.

The goal is to ensure that companies in retail and services have access to competent employees, at any given time, and that staff in retail and services always have the opportunity to further their education, which will allow them to better adopt projects that the swiftly transforming labour market requires.

This way, VR/LÍV, and SVP want to show that it is a shared task of federations of employers and federations of employees in retail and services to ensure that education and skills of employees meet the market needs at any given time. This accomplishes two things:

- a. Possibilities and opportunities of people in the labour market increase, they can better evolve in their jobs and meet new challenges, which ultimately should result in higher pay.
- b. The competitive position of companies in retail and services strengthens, since experience has taught us that the competition between different sectors for the most qualified staff will increase rapidly in the coming years.

Regular continuing education refers to employees in retail and services focusing on studies in accordance with the competency and needs analyses of the sector at each time. The goal is for employees to take courses that amount to 40 hours a year, on average.

In order to measure the performance of this partnership agreement VR/LÍV and SVP perform a yearly survey that includes employees in retail and services, and also their companies, for the purpose of measuring their involvement in continuing education.

The needs analysis of the retail and services sector is based on competency analyses in the field at any given time and also takes account of competency requirements as viewed by managers.

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<sup>1</sup> The education can both be formal and informal. Formal education refers to studies that take place in a classroom, are designed as education, are intentionally studied by the employee, and concludes with an issued confirmation of studies. Informal education can refer to an internal part of projects within the job that is intentionally studied by the employee in order to gain more knowledge.

2. Special emphasis shall be on increasing knowledge and competency of the large number of staff in retail and services that has Icelandic as a second language. The goal is that, in 2030, 80% of that group will have reached the language proficiency level B1<sup>2</sup> in Icelandic according to the European Language Portfolio.

When working on these goals, comprehensive cooperation will be had with companies in the Icelandic market that are already offering a variety of both online and onsite Icelandic courses.

Both individuals and companies shall be informed of goals and methods to improve language proficiency and this information shall be kept visible and accessible.

3. The retail and services sector shall evolve and define the method that leads to acknowledgement/certification of the written goals of the contract.
  - Recognised certification or trade certificates shall be issued for professions and skills training/training of staff in retail and services.
  - Companies shall receive an acknowledgement when 80% of employees are actively involved in continuing education.

Reykjavík, 16 March 2023

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Chairman of VR and LÍV

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Chairman of SVP

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<sup>2</sup> The Icelandic Language Framework;  
<https://rm.coe.int/CoERMPublicCommonSearchServices/DisplayDCTMContent?documentId=090000168045bb5c>