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**ARE YOU BEING SERVED?  
SKILLS GAPS AND TRAINING NEEDS WITHIN THE RETAIL  
SECTOR**

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## **Abstract**

Employment in the Retail and Wholesale Distribution sector was estimated as 4.7 million in 2002, representing 17 per cent of UK employment. The sector is seen as a major source of new employment opportunities over the next decade.

At the same time the sector is reporting serious skills shortages, particularly customer handling and communication skills. These general concerns fail to reveal the diversity and complexity of the sector, which comprises both major high street retailers and small corner shops.

Whilst bemoaning the lack of suitably skilled recruits, the retail sector is also one of the largest employers of part-time student labour. Skillsmart, the newly established Retail Sector Skills Council, has set out an ambitious programme of reform for the sector's training and development needs. The challenge should not be underestimated since the scale and diversity of the skill requirements is substantial, forming a continuum from basic skills to high-level management skills.

This paper will attempt to identify the nature of the skills shortages across the sector; explore the ways in which retailers are attempting to redress these shortages, particularly through the use of part-time student labour; and assess the extent to which current training provision is likely to meet the needs of the sector over the next decade.

## Background

Employment in the Retail and Wholesale Distribution sector was estimated as 4.7 million in 2002, representing 17 per cent of UK employment. Estimates for the wider Retail and Related Industries put the employment total at 5.3 million in 2003, rising to around 5.4 million in 2005 (Harris and Church, 2002). The sector is seen as a major source of new employment opportunities over the next decade.

At the same time the sector is reporting serious skills shortages, particularly customer handling and communication skills, there are also reported deficits in the personal attributes, however conceived, of job applicants (Warhurst *et al*, 2003). Many firms report recruitment difficulties and the retention of some types of staff is also an issue. However, these general concerns fail to reveal the diversity and complexity of the sector, which comprises both major high street retailers and small corner shops, with many variants in between. A recent report produced as part of the Foresight programme (Retail E-Commerce Task Force, 2002) indicates that whilst there is a high concentration of employment in large retailers (250 employees plus), such retailers account for only 1% of the total number of retail businesses in the UK. Yet they employ 46% of all those employed in the sector. There are some 150,000 small retail businesses who employ an estimated 800,000 people. These figures are also expected to rise in the future.

For the retail sector, during the last half-century there have been major economic and structural changes, with the key drivers including; technology, globalisation, international competition, productivity growth, dramatic shifts in patterns of expenditure and changing life styles (Wilson, *et al* 2004).

Market competition has forced retailers to focus on reducing costs rather than raising prices. In addition, the wage bill has been cut through downsizing. The structure of organisations has also been transformed to create horizontal businesses and a delayering of traditional hierarchical command and control structures (Harris and Church, 2002). Patterns of employment have increasingly shifted to part-time work, including significant use of student labour. For example, the High Street shoe retailer, Schuh, reports that its total number of employees is 1603 of whom 1090 are part-time (375 male and 715 female). This profile is mirrored in other retailers. This will be discussed further below.

Today retailing is a fast moving and highly competitive industry. Customer demands are constantly changing and intensifying, they are aware of price and competition; increased

advertising, technological innovations such as the internet and better supply chain management has contributed to this trend. As businesses adapt to these changes, the competitive advantage is shifting from the product to customer service. Since many products are virtually the same across different retailers, the retailer has increasingly to differentiate on price and level of service. According to Dench, *et al* (1997) increasing emphasis is being placed on the quality of customer service offered and this has impacted upon the skills and qualities demanded of sales assistants. They argue that whilst sales assistants' jobs were traditionally regarded as low skilled occupations, these roles are now becoming increasingly complex and there are a wider range of tasks to perform. These changing skills are reflected in Table 1.

### **Customer Service and Skills Shortages**

In today's retail market, it has been identified that customer service is becoming the most essential employee skill. *'It is required at all levels of an organisation from senior managers to customer interfacing employees. For those delivering customer service at the front end – i.e. sales assistants and customer service representatives – it is a core skill.'* (Harris and Church, 2002: 46)

*'As retailers strive to delight their customers and to reduce their cost bases, a knowledgeable, skilled change oriented and highly productive workforce will be key to future success.'*

(Skillsmart, 2002: 2) The main skills and abilities required of sales assistants are reported as:

1. *Customer service skills;*
2. *Basic literacy and numeracy;*
3. *Selling skills and product knowledge;*
4. *Computer literacy and IT skills;*
5. *A knowledge of consumer law and other regulations such as those relating to health and safety;*
6. *Taking reasonability and initiative;*
7. *Personal characteristics: the right attitude, a desire to work with and serve the public.*

(London West, 2001: 2)

The outcome is a growing demand for better and multi-skilled employees with an aptitude for customer service and sales. However, according to statistics published by the Learning and Skills Council, three per cent of retail firms have reported job vacancies due to skills shortages and 26 per cent report skills gaps (Skillsmart, 2004).

**Table 1: Occupational Skills Map for Retail Sales Assistants**

<b>Traditional Role</b>	<b>Drivers of Change</b>	<b>New Skills Required</b>	<b>Implications for Training and Development</b>
<b>Only acknowledging the customer's presence if they ask for help</b>	<b>Increasing competition</b> <b>Sophisticated customer requirements</b> <b>Focus on excellence in customer service</b>	<b>Actively trying to offer help and achieve a sale</b> <b>Increased product knowledge 'going the extra mile'</b>	<b>Focus on selling skills</b> <b>Communication and interpersonal skills</b> <b>Specialist product training</b> <b>Culture is important</b>
<b>Carrying out managers instructions</b>	<b>Organisational restructuring / delayering</b> <b>Increased accountability and regulation in the Industry</b>	<b>Increased responsibility for line managers</b> <b>Flexibility, multi-skilling</b> <b>Staff should be proactive and use initiative</b> <b>Awareness of health and safety regulations</b> <b>Knowledge of legal requirements (e.g. Sale of Goods Act)</b>	<b>Training and development to support widened roles (i.e. management skills, decision making, team building)</b> <b>Employers are trying to create 'ownership' of work amongst their staff</b> <b>This requires an understanding of organisational goals</b> <b>Communication of up to date policy and any changes in policy</b>
<b>Cash handling</b> <b>Shelf stacking</b>	<b>Increasing use of IT</b> <b>Changing methods of stock control</b>	<b>General IT literacy (point of sale entry systems)</b> <b>Ability to read spreadsheets and computerised stock reports</b>	<b>Induction training on computerised systems</b> <b>Workbooks to take people through the systems</b> <b>On-line help packages</b> <b>Many stores are now using computer based training packages for a range of training and development areas (i.e. product knowledge)</b>

Source: London West (2001: 4)

*Employers Skills Survey* (2001) indicates that the sought-after skills for hard to fill vacancies (a proxy for shortages) are personal attributes (38% of establishments), customer handling (24%) and communication skills (14%). Recruiting and retaining sales assistants is a major problem for many large and small to medium – sized enterprises (SMEs) in the retail sector. The *Trading Skills for Sales Assistants* report (1997) suggests that these problems arise from skills gaps, concerning attitude, behaviour and personal characteristics. A recent study undertaken by Warhurst and Nickson (2001) has indicated that employers are increasingly choosing staff who both look and speak the part and that self-presentation skills are assuming greater importance in some businesses than experience or technical skills.

### **Skills Gaps**

Seventy per cent of retailers have identified skill gaps within their current workforce. A further 75% anticipate that skill requirements will increase even further, particularly in the areas of customer service and the use of IT (London West, 2001). It should be noted that the shortage of such skills is not retail sector specific but is a general concern within many sectors (Skills Dialogue, 2002). However, within the retail sector it is particularly acute because the industry is highly dependent upon communication and customer service skills.

While few organisations have difficulty recruiting sales assistants, attracting the right candidate is often difficult. A lack of people with the right “attitude” has been seen as a major barrier to success. It is difficult to specify with any exactitude however, what this ‘attitude’ is. Some retailers may be looking specifically for young people who “look a certain way”, this is especially important in some designer fashion retail outlets. In music retail, sales assistants are not only required to be knowledgeable about the products but they must appear “*cool to customers*” (music store manager).

Warhurst and Nickson (2001) cite evidence drawn from job advertisements for both the hospitality and retail sectors that frequently ask for people who are ‘stylish’, ‘outgoing’, ‘attractive or trendy’ and ‘well-spoken’. In the United States the notion of an aesthetic labour market is already well accepted. The same appears to be happening here. This does of course raise wider issues concerning equal opportunities and social justice when it comes to recruitment and selection.

One of the primary reasons reported for the skills gaps in the retail sector is the failure of companies to train and develop their staff and yet large retailers invest significant amounts of money in training. Many of the leading brand names have enviable training records, but the smaller retailers can certainly do more to train and develop their workforces and to plan skills



in the long term rather than responding in a reactive way through recruitment. Recruitment problems are the second reason given by 20% of retail establishments. A high staff turnover (17% of establishments) and a lack of motivation, interest and commitment (17%) were other explanations offered for skills gaps.

A positive sign is that the response to skills gaps is to provide further training, but there are deeper questions about the nature and duration of the training that need to be addressed (Skillsmart, 2004).

Another frequently cited response is to expand existing trainee programmes to cover new and developing areas of work, for example store security, under age sales, working in a convenience store (all examples taken from a private retail training provider's current brochure). Given that these tend to target young entrants and the pool of young people is declining, this may have a limited impact (Harris and Church, 2002). Nevertheless, the retail industry is said to 'invest an estimated annual expenditure of between one quarter and one third of a billion pounds in training.' (Skillsmart, 2004) A significant proportion of this money is spent on health and safety and food hygiene training for which there is a legislative requirement.

*Yet employees in the retail industry remain under qualified, compared with other industries. In the retail industry, 20% have no nationally recognised qualifications, 12% have such qualifications only to the equivalent of level 1 in the NQF<sup>1</sup> and only 12% have qualifications equivalent to level 4 or above in the NFQ. In the UK as a whole, 27% of the workforce have nationally recognised qualifications equivalent to level 4 or above in the NQF. (Skillsmart, 2004: 3)*

The attitude to qualifications remains ambivalent, if not negative, amongst many retail employers. A senior recruitment executive put it thus:

*There might be NVQs and other qualifications for retail operating staff, but the problem is that they are not widely distributed. As a result, few companies look for these qualifications when recruiting non-management positions. This means that many sales assistants or consultants don't think it is worth obtaining a qualification because it won't make much difference. In the UK retail trade, minimal value is placed on training customer-facing staff. (Aron, 2001)*

## **Training**

The retail industry requires better skilled and more flexible workers and yet the logistics of delivering training and providing for continual learning in the retail environment present

enormous challenges (Harris and Church, 2002). A large proportion of the retail workforce is employed on part-time or temporary contracts often with very flexible hours, usually based around the peaks and troughs of the trading day. It is difficult to release employees from the shop floor to attend training at such times; if employees are required to return to the store for training outside their normal contract hours they have to be paid. Many large retailers have introduced distance learning packages, for example videos and workbooks, which staff are expected to take home and use in their own time. Clearly the success of such a programme can be a rather hit and miss affair if learning is not confirmed by a supervisor or training professional.

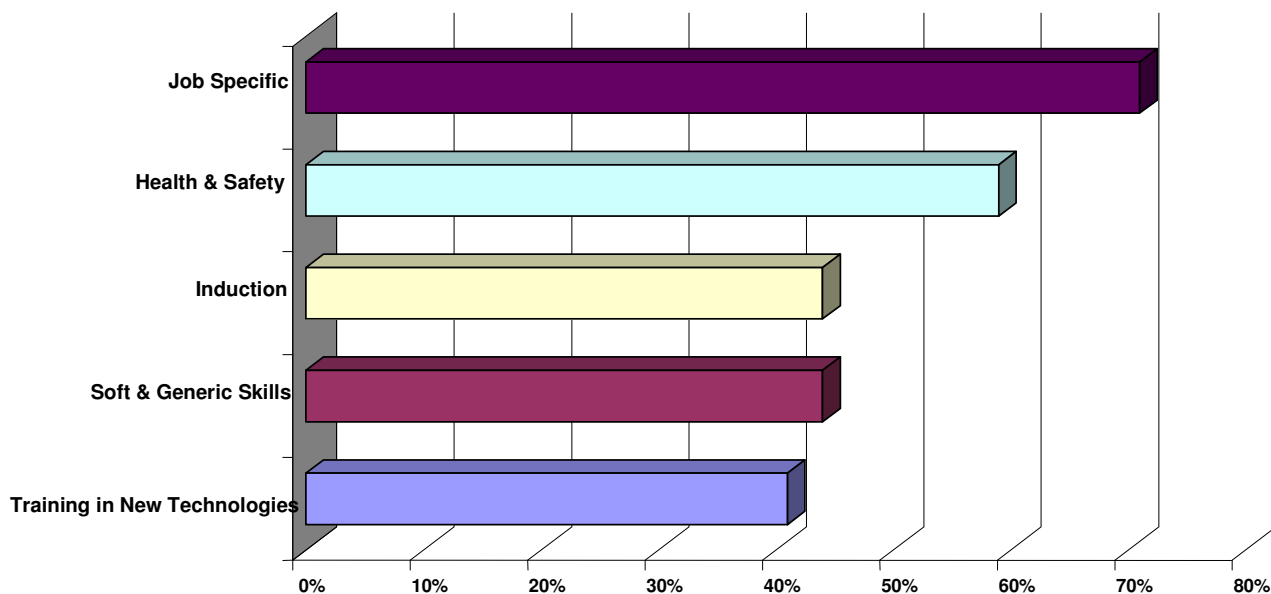
Firstly, it is difficult to ensure that the workbook will be studied, or the video viewed, if it is left for employees to do in their own time. Secondly, there is no confirmation that the process has been understood and internalised and thirdly, the question of learning transfer from workbook to workplace cannot be automatically assumed.

Delivery has to be customised and supremely flexible if it is to succeed. It also must be attractive to the significant number of workers in the retail sector that are not particularly interested in training, some of whom have basic skills needs. Training is ineffective unless it is high quality, focused and provides employees with the skills they need to boost their performance and return on investment.

Training can take the form of on-the-job or off-the job training. A recent survey conducted by the National Retail Training Council Survey (Aron, 2001) indicated that in 2000, 59% of retail staff received off-the-job training; 31% received on-the-job training and 10% received both off- and on-the-job training. Off-the-job training includes courses, evening and weekend study, e-learning and block study. On-the-job training includes mentoring, job shadowing and learning through doing.

The dominant types of off-the job training provided by retail businesses are shown in the following chart.

**Chart 1: The Dominant Types of Off-The Job Training Provided by Retail Businesses**



Source: Harris and Church (2002)

It is worth noting that *‘while employers stress the need for soft skills in discussions on skills, training in this area does not come top of the list. It may be implicit in the induction training for example, but employers need to ask the question why more training is not provided in this area if it is a significant need?’* (Harris and Church, 2002: 82).

*One reason could be that although much is spoken of generic skills: ‘The effectiveness with which generic skills needs are addressed in the future will be dependent on reaching a consensus between employers, academics and Government as to the scope and conceptualisation of these skills. (Skills Dialogue, 2002: 15).*

Evidence suggests that the retail sector believes that *‘training is the key to maintaining a fully proficient workforce and that factors hindering training, lack of time for training, lack of cover for training and lack of suitable occupational and locally available courses, are the main barriers to achieving full competency in their workforce.’* (Harris and Church, 2002:83)

On the whole, *‘the quality of training provided in house by the retail industry is reported as being high, whilst there are serious questions about the quality of structured training provision*

*from public and private training providers.*' (Harris and Church, 2002: 83). A consequence of this is that employers in the retail industry tend to avoid formal qualifications (the main offering of public and private training providers, because such provision may be tied to funding dependent upon qualification outcomes) in favour of their own in-house programmes (Harris and Church, 2002).

A review of current training offered by private training providers, consultants and colleges reveals that there is no shortage of training materials, courses, programmes and seminars available to the sector, many of them promising '*to transform your workforce and increase your sales*'. They are not cheap and would be a considerable investment for the smaller retailer even if staff could be released to attend such courses. One solution to this has been offered by training providers delivering the training in the shop.

Training quality is therefore dependent on brand reputation with those in the business having an implicit recognition of the value of training carried out in different companies. Employees that have worked and been trained in these companies are sought after in the market place. Entry to graduate training programmes in such companies is also highly competitive.

As the retail industry attempts to re-define skills and provide suitable training how will this affect the current workforce? Will current strategies be enough to change the situation, to improve customer service and move the industry forward? It appears amidst all this identification of skills shortages and skills gaps and the focus on training there is one important component that is being ignored. This is the shift in the retail workforce to part-time student employment.

### **Part-time and student employment**

Retail businesses are catering for a seven day a week customer, shopping 364 days of the year, sometimes over a 24-hour period. The industry requires flexibility from its workforce, it has a high proportion of part-time workers (See Table 2), as do many of the related industries, all working a variety of shifts and schedules.

**Table 2: Employee Job Estimates by Industry – Unadjusted**

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Analysis : Standard

Area Type: Countries

Area Name: *United Kingdom*

Date: Dec - 2003

Industry	Total %	Full Time %	Part Time %
Agriculture, forestry & fishing	0.8	0.9	0.7
Mining & quarrying	0.2	0.3	0
Manufacturing	13	17.4	3.5
Electricity, gas & water supply	0.5	0.6	0.2
Construction	4.8	6.5	1.1
Wholesale & retail trade, etc	17.9	15.1	23.9
Hotels & restaurants	6.7	4.3	11.9
Transport, storage & communication	5.9	7.5	2.7
Financial intermediation	4.2	5.2	2
Real estate, renting & business activit.	15.1	15.7	13.9
Public administration & defence; etc	5.7	6.8	3.2
Education	8.8	6.8	13
Health & social work	11.1	8.2	17.3
Other community, social, etc service	5.2	4.6	6.5
Manuf. of food drink & tobacco	1.8	2.3	0.6
Manuf. of electrical & optical equipment	1.5	2	0.3
Sale, maintenance/repair of motor vehicles	2.2	2.7	1.1
Wholesale trade/commission trade, etc	4.3	5.5	1.8
Retail trade except of motor vehicles	11.5	6.9	21.1
Land transport; transport via pipelines	1.9	2.4	0.9
Air transport	0.4	0.4	0.1
Post & telecommunications	2.1	2.6	1.1
Financial intermediation, ex ins and pens	2.4	2.9	1.3
Other business activities	10.9	10.8	11.1
Human health & veterinary activities	-	-	-
Social work activities	-	-	-
Sewage/refuse disposal, sanitation etc	0.3	0.4	0.2
<b>Total</b>	<b>139.1</b>	<b>138.9</b>	<b>139.6</b>

Source: Nomis – Official Labour Market Statistics - <http://www.nomisweb.co.uk/>

The retail sector has traditionally relied heavily upon youth labour to meet a wide range of employment demands. However, over the past two decades the retail sector has had to face a dramatic decline in young workers. Maguire and Maguire (1997) suggest that one of the many reasons for this has been employers' increased demand for non-standard forms of employment. This brought about a shift in the nature and composition of retail sector employees.

Part-time service sector employment began to provide opportunities for students to combine work and study. The young workers were no longer just full-time sales assistants; they were now full-time students, youth trainees and the young unemployed. Moreover, the prospects of young people entering the labour market became very different from those of previous generations (Hickman, 1997).

Over the last ten years, across all industries there has become a clear delineation between young people in 'full-time education with part-time employment' and those in 'full-time employment' (See Table 3). At one time, employment of students in shops, restaurants and pubs was considered 'casual'. This is no longer the case, roles have become more structured and they require specific skills.

**Table 3: Percentage of 16-17 year old employees by sector and educational status** (*Labour Force Survey, Autumn 2002 to Summer 2003 Average*)

	<b>Manufacturing</b>	<b>Construction</b>	<b>Wholesale / Retail</b>	<b>Hotels and Restaurants</b>	<b>Other Sectors</b>
<b>Student</b>	2.8	0.7	51.9	25.7	18.9
<b>Non- Student</b>	13.4	14.7	28.5	13.0	30.5

**Source: HM Treasury (2004: 48)**

Retailers are capitalising on students' need for flexible, part-time work. Data provided in the report: *'Post-16 Students and Part-Time Jobs: Patterns and Effects'*, indicates that over two fifths of full-time Year 12 students with jobs were in sales occupations (mostly sales assistants and check-out operators). Around a quarter were in unskilled manual occupations (mostly in sales and service, especially in catering and as shelf-fillers), and about a fifth were in personal and protective service occupations (mostly in catering occupations). Together, these three occupational groups made up more than 90% of all student jobs in the 16-17 year age group (Payne, 2001).

Students are capturing a substantial proportion of employment, which unqualified young people traditionally entered, particularly in retailing, catering and tourism. This suggests that employers are using qualifications and/or the prospect of qualifications as a screening mechanism for recruitment into low-skilled jobs. While this points to over-qualification in the labour market, it must be questioned the extent to which students are using these jobs as stepping-stones into higher-skilled jobs (Canny, 2002).

The role and importance of students in the labour market has changed radically since the 1970s. A combination of rising participation in higher and further education and, from the late 1980s onwards, a demographic decline in the numbers of under 25s in the population, has seen the shift from a labour market in which student labour was marginal to one where it is a major feature (Trade Union Congress, 2004).

Estimates and projections by the Office for National Statistics (ONS) show that these trends are set to intensify over the next decade. The ONS estimates show that the teenage labour market in particular has shifted towards the student in the workplace:

1. *In the mid 1970s less than 30 per cent of 16-19 year olds studied and those who combined work and study accounted for less than 5 per cent of all under 20s active in the labour force;*
2. *By the mid 1990s over 60 per cent of all under 20s studied and over 40 per cent of the under 20s labour force (in work or seeking work) combined work and study;*
3. *By 2006 the ONS is projecting that nearly 70 per cent of under 20s will be students, and 53 per cent of under 20s in the labour force will be students (Trade Union Congress, 2004).*

This illustrates that engaging in employment while still in education is now an important experience for a substantial proportion of young people making the transition from school to work and emphasises the blurring of the boundary between school and work. It could be argued that student employment now represents one of the most important paths in the transition from school to work in the UK (Trade Union Congress, 2004).

Lucas (1997) argues that the growth in student employment within retailing means that relatively well-educated young people are working in flexible, unskilled jobs, which by implication means they are overqualified. However, what is possibly more important is that young people are not a homogeneous group and the growth of student employment within retail is likely to adversely affect the employment opportunities available to unqualified people (Canny, 2002).

This development is recognised by a retail employees' representative, who argues that unqualified young people are limited in their ability to compete with students because, firstly, there are fewer full-time positions and, secondly, retail grocery employers appear to be using qualifications to differentiate between desirable workers. Indeed, some retail grocery personnel directors admitted that employing flexible work practices has allowed them to attract a high 'calibre' student labour.

Students were favoured over unqualified young people; the latter were seen as 'opting out' and showing 'lack of commitment' because they had terminated their education (Canny, 2002).

The least well-qualified young people have also suffered from more intense competition from their better qualified contemporaries who have 'traded down' to the bottom end of the labour market, filling jobs for which they would previously have been considered over-qualified. The effect has been to displace those young people traditionally found on the bottom rung of the jobs market ladder, leaving them nowhere else to go. Over, recent years, students have suffered an erosion in the value of their grants and the loss of welfare benefits, and even temporary and part-time jobs have been denied to low qualified young people as the retailer has been able to take their pick of hard-up graduates (Hickman, 1997).

The extent to which these changes affect labour market outcomes is still under investigation. However, evidence points to widening divergence of salary and career prospects among early-career graduates. Accordingly, Pitcher and Purcell (1998) argue that it no longer makes sense to talk about a uniform graduate labour market. In terms of the retail sector, it is important to



recognise that the sector is now working with a very diverse range of employees with different skill sets and needs (See Table 4).

The retail industries are fighting to attract the brightest and the best workers they can in an attempt to increase the number of graduates employed in managerial positions. But at another level, they also provide jobs for some of the more marginal workers that are excluded from other industries because of their lack of qualifications. To an increasing extent even these jobs are being filled by bright sixth formers and undergraduates on a part-time basis.

*‘Retailers often view labour in a contradictory fashion.’* (Institute for Retail Studies, 2003: 32). Whilst bemoaning the lack of suitably skilled recruits, the retail sector is also one of the largest employers of part-time student labour. *‘Students are capturing a substantial proportion of employment which unqualified young people traditionally entered, particularly in retailing, catering and tourism.’* (Canny, 2002: 278). At the ‘top end’ of the retail sector management has become increasingly professionalised, recruiting at graduate level, often from specialist retail management degree programmes. At the ‘other end’ of the employment spectrum there are basic skills needs.

**Table 4: Examples of Student Employment**

Company	Total Number	Student Numbers	% of Workforce
Asda	78,757	3,9191	5.0
Bhs	13,500	1,800	13.3
Blackwell Retail	961	34	3.5
Kwick Save	20,600	8,330	40.0
Marks & Spencer	57,500	3,000	5.2
Pizza Hut	11,000	6,600	60.0
Safeway	68,811	14,268	20.7
Sainsbury	123,000	30,000	24.4
Schuh	650	230	35.4
Tesco	155,000	16,000	10.3
Waitrose	20,000	7,000	35.0
Wm Morrison	30,6000	5,198	16.0

Source: IDS Report 776 (1999: 11)

Workforce recruitment and development within the retail sector appears to be fraught with contradictions. It has been suggested that employers focus on contracts characterised by offers of ‘employability’ rather than long term career development (Doherty, *et al.* 1997; Harvey, *et al.* 1997; Rajan, 1997). There are question marks within the industry about the value of national vocational qualifications.

*Quite frankly, NVQs are a complete waste of time. Why? Because they are pitched at such a low level and are highly inconsistent.....recommend anyone keen on retail to study the more traditional route of GCSEs, A levels and a degree in something classic - languages, sciences etc.- which employers feel safe with.* (Director, Retail Human Resources) (Aron, 2001)

In considering the youth labour market, it would be useful for employers to know more about career expectations of the young people and experiences of graduates further on from graduation in order to develop policies and practice that are effective in attracting, motivating and training them (King, 2003). For the moment it appears that student labour is being used as an expedient to reduce costs and to redress the shortfall of young people previously employed in the sector.

The image of the sector also needs to change, young people are attracted to the industries that will provide them with learning opportunities – retail is not seen as such (Harris and Church, 2002).

### **Changing the Image of the Retail Sector**

In a recent report by the Retail E-Commerce Task Force (2002) the retail sector has been described as a ‘Cinderella’ industry in terms of its status and its inability to attract the best talents. This epithet is used by the media and academics alike, and the Foresight research suggests that the industry suffers from an image problem. Parents and teachers in both colleges and schools share this view and perceive the industry as a low skills sector, which trails far behind others in the level of its professional expertise and the calibre of its people. Redressing this perception remains a challenge for the sector. Whilst employment in retail appears satisfactory as a student job, in fact many retailers go out of their way to make it so, it is not seen as an ultimate career destination.

Research into the perceptions of the retail Industry held by young people (Retail E-Commerce Task Force, 2002) found that young people's knowledge of retailing goes as far as the store, there is little understanding of the supply chain function and the variety of careers beyond the shop floor. Retailing is not perceived as a technology led sector, or a sector that will enable them to develop their skills in IT, although it has been at the forefront of developments in technology. Little informed advice is available from careers advisers and teachers about the sector for example, little awareness exists of opportunities in areas such as HR, marketing, systems management or logistics.

Retail brand is an important element in young people's choice of workplace with fashion, sports, music, software/games and computers as the most popular areas, the ambience of the store/work environment is a key factor. Young people seek retail employers who hire attitudes, not just skill sets (Green, 2004). Young people have a favourable image of retailing as a friendly, open, accessible place of work, but as a part-time, or stop gap job, not as a career. Retailers do not capitalise on young people's early enthusiasm about retail; given that over 50% of young people have their first work experience in stores it is strange that the sector does not actively encourage them to seek careers in the industry. On the other hand this early experience could have been off-putting:

*As a temporary job I would say that it is a good way to earn money and help payoff those student debts, but as a permanent job I think this position would become far too boring. However, I suppose as a permanent member of staff you would have the opportunity of promotion and then move up in the company where the positions may be more varied and interesting.* (Undergraduate, part-time retail employee) (Unknown, 2003)

It is estimated that there will be 1.2m less 20 - 39 year olds available for full-time employment by 2009 (Retail E-Commerce Task Force, 2002) and that, as a result, the retail sector will face difficulties in attracting and recruiting young people, other than as part-time student labour. Competition from other sectors is likely to be fierce. The industry will need to re-brand itself as an attractive employment option and one that offers opportunities for training and development leading to recognised qualifications and career progression.

To this end Skillsmart, the new sector skills council for the retail industry, has recently published its skills and qualifications strategy for the sector, (Skillsmart, 2004). It recognises the apparent contradictions and tensions inherent in the industry's attitude to training. These include employers' unwillingness to pay for external quality assurance of their own training or

to add to its cost by preparing staff for nationally recognised qualifications, many employers abandoned NVQs for these reasons. It is also suggested that some retail employees may be deterred from seeking qualifications because they are seen as too difficult and burdensome to achieve.

*Future qualifications will not be successful if they include requirements, such as the current requirement for external assessment of key skills in Modern Apprenticeships, that staff and employers view as unnecessarily onerous. (Skillsmart, 2004:4)*

Given that communication skills, customer service skills and basic literacy and numeracy are cited by employers as crucial requirements for those employed in the sector, it is perhaps surprising that they appear to have set their faces so firmly against key skills. Although issues of delivery and contextualisation need to be considered in any discussion of key skills and it may be that the model, rather than the content, of the qualification was the stumbling block.

The strategy outlines a possible database of retail competencies, which includes units of retail specific skills, professional skills and employability skills, offered at a range of different levels. The rationale for the design is that professional and employability units would be generic and transferable, thus enabling retail trained personnel to take up employment outside the sector if they so wished, so enhancing their chances of career progression. Job profiles have been drawn up illustrating the mix of units that would be required of different levels and types of staff, for example store manager (chain), store manager (independent).

It is far too early to judge if this strategy will prove to be a workable solution to meet the industry's training and qualifications requirements. Where the huge numbers of part-time employees, the majority of them students, will fit into this picture is unclear. Whether or not they would be interested in such qualifications is as yet untested.

## **Conclusions**

We have argued that the retail sector has often been regarded as a 'Cinderella' industry characterised by hard work, low wages, with little training and qualifications on offer, and few career opportunities. That it is all right for a vacation or part-time student job but not as a career. This image fails to capture the diversity of the sector and the pace of change within it. It does not recognise that the large retailers are amongst some of the most successful companies in the UK, are at the leading edge of technology, and have well-developed training functions. Nevertheless, there is a 'long tail of underachievement' amongst many of the

smaller employers in terms of their willingness to train and their ability to attract staff with the requisite customer service skills.

Lack of communication and customer service skills are cited as major obstacles to competitiveness and yet the sector draws on large numbers of part-time, student employees. It is difficult to see how such a workforce profile would result in the kind of skills deficit described, particularly lack of basic literacy and numeracy skills. The sector needs to identify more precisely just where the deficit lies and to target its training activity, and associated qualifications, in a more focused way.

On the other hand the sector may be relying on this student workforce because it makes good business sense, but it may also mean that the underlying problem of skills shortage is simply not addressed. Whilst it is a stop-gap expedient it does not deal with the more fundamental issue of developing training and qualifications for those who might wish to make a career in retail and who are not just 'passing through' on the way to another qualification. The existence of such a structure, as evidenced in some of the large retailers, might also encourage those who were 'just passing through' to stay.

It is questionable if the so-called advances in training techniques, such as distance learning, both electronic and paper format, are the right tools for the job, particularly in the areas of communications and customer service. Watching a video on customer service in the comfort of one's own sitting room is a poor substitute for 'hands on' experience under supervision in a busy store. Learning by rote from a training manual the familiar mantra: '*enjoy your meals*', does little to encourage the initiative and spontaneity much lauded by retail employers in sector skills surveys.

We suggest that in some parts of the retail sector it is not only the customers who are not being served very well, this lack of service may extend to the employees themselves in terms of the quality of training and qualifications available to them and the ambivalent attitude of retail employers towards them.

1 The current National Qualifications Framework: levels in the current NQF have been used for reference purposes although the figures quoted include staff working throughout the United Kingdom, the levels of qualifications are defined differently in Scotland.

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