

# Retail: The industry that VET forgot



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# Careers in everyday industries: Potential benefits of increased visibility

Funded by the National Careers Institute (part of DEWR)



## Project partners

- Federation University
- University of Queensland
- RMIT University
- SkillsIQ (Skills Service Organisation)

Research began in April 2021 and concluded early in 2023

# What is the problem?

- Industries often perceived as low skill
- Perceptions reinforced by low levels of qualifications uptake
- Not seen as university graduate destinations
- Seen as “female” industries and therefore less significant
- Impacts on pay and conditions, and perceptions of pay and conditions in the industries
- “The thing you do before the thing you want to do”

*We had discovered all of the above in previous research projects, and now we wanted to do something about it!*

# Our rationale for the project

- Retail and hospitality industries employ around 20 per cent of the Australian workforce, operating throughout Australia, yet the industries suffer from low prestige.
- This historically low perception discourages people from imagining worthwhile careers in those sectors, and can contribute to poor self-image for those working in the industries.
- Yet the COVID-19 crisis has shown just how vital both of these sectors are for the Australian public and the national economy.
- They are recognised internationally, for example by the OECD, as low-status occupations which have become more valued during the crisis.



# Research questions

- What careers are available in the retail and hospitality industries?
- What are the perceptions of the following groups of people about available careers in these industries, and how are these perceptions gained?
  - workers in the industries;
  - young people at school, and university students;
  - school staff, and staff in agencies advising adults on careers;
  - the general public in Australia.
- How could careers in these industries be made more visible, more attractive, and easier to navigate?
- What would be the associated benefits, and for whom?

# Method (Red items are covered in this presentation)

- Analysis of data from three previous research projects;
- **Analysis of publicly available data:** Australian Bureau of Statistics, National Centre of Vocational Education Research, 'On Track' (school-leaver data from the State of Victoria);
- Interviews with key **stakeholders and experts in the industries** and the careers sector;
- Academic focus groups in **retail** and hospitality
- Seven **case studies of retail** and hospitality companies;
- Career practitioners' survey and matched 'general public' survey;
- Tertiary student and recent school-leaver focus groups;
- **International comparisons.**

# Quick summary of findings from public data

**We wanted to evaluate the importance of retail and hospitality in the workforce, in post-school pathways, and in vocational education and training.**

**We used:**

- **Australian Bureau of Census (ABS) data** for employment in each occupational classification in the industries, including management roles, thus gaining industry overviews.
- **LSAY (Longitudinal Surveys of Australian Youth) data** (collected by National Centre for Vocational Education Research (NCVER) for employment in retail and hospitality.
- **NCVER vocational education and training (VET) data** on students in retail and hospitality qualifications.

We reported the findings of this phase in a *Research Today* article (October 2021) (Smith, Robinson & Snell)

# Jobs: Employment in the core occupations in retail and hospitality

## What data did we use?

We included 13 retail occupations and 19 hospitality (accommodation and food service) occupations at what is known as the ANZSCO '4-digit level'. We only included occupations that were 'clearly in' the industries.

2016 ABS Census data were analysed for numbers working in these occupations as their main job. ( In the census, people are asked to write their occupation, and their responses are then coded.)

We compared numbers of workers with numbers of managers.

Retail top jobs	Hospitality & accommodation top jobs
<ul style="list-style-type: none"><li>• 526,013 Sales Assistants (General)</li><li>• 184,571 Retail Managers</li><li>• 102,183 Checkout Operators and Office Cashiers</li></ul>	<ul style="list-style-type: none"><li>• 109,631 Kitchenhands</li><li>• 106,357 Waiters</li><li>• 83,915 Bar Attendants and Baristas</li><li>• 80,719 Chefs</li></ul>

Total in Retail occupations: 970,080;  
Retail managers: 238,598 **(25.29%)**

Total in Hospitality occupations:  
686,237; Hospitality managers:  
122,967 **(17.92%)**

**15% of Australian workers were in these jobs.**





# Jobs: Data from the Longitudinal Surveys of Australian Youth

## What data did we use?

- LSAY tracks a sample of Australian young people annually from ages 15 to 25. (We used '09' data).
- They are asked, each year, if they are working and what their jobs are.
- They are asked what jobs they expect to have when they are about 30

## What did we find?

Only 3-5% expected to be working in retail and hospitality jobs when they were 30.

But, many actually worked in these jobs. Of those employed, the following percentages were in these industries:

- 75% aged 15
- 50% aged 19
- 11% aged 25



- **By age 19, 15% were managers**

# Training: Enrolments in VET qualifications (2017 data)

## What data did we use?

- Enrolments in the SIR (retail) and SIT (Tourism, Travel and Hospitality) Training Packages for our occupation codes: **8 retail** and 24 hospitality qualifications.
- We looked at total enrolments, and government-funded versus non-government funded.



## What did we find?

- Hospitality had 210,378 enrolments. **Retail had 53,383 – only one-quarter the hospitality total.**
- Largest numbers in retail: Cert II and III in Retail Services
- Hospitality had more high-enrolment qualifications. Commercial cookery was fourth in the list.
- Retail was slightly more likely than hospitality to be government-funded.

# Summary of data

- Even taking 'main job' only, 15% of workers are in retail and hospitality-specific occupations.
- **40% more work in retail than hospitality. Almost 1 in 20 workers are sales assistants alone. But four times as many are trained in hospitality.**
- VET enrolments in hospitality and retail (20%) qualifications were 263,761 in 2017; there were 3.4 million in VET qualifications in total.



Only 7.75% of VET is provided for 15.50% of the workforce

- **Five people per 100 employed in retail were being trained**
- **31 people per 100 employed in hospitality were being trained**

# Academic focus groups

- Hospitality and tourism higher education courses have high student numbers and a substantial body of academics. There are national and international conferences
- We quickly found there were no longer any higher education programs in retail, merely elective subjects at a small number of universities.
- Deakin University had closed its retail program and its main lecturer had moved to a private consulting firm, which did not answer an email enquiry. Melbourne Uni's retail research centre did not appear to employ current experts. One expert had moved to Swinburne but did not agree to be interviewed.
- The three participants that we finally tracked down and interviewed (at three universities) reported that there were no academic conferences in retail, either in Australia or overseas, and no Australian textbooks (*Note: there is a Pearson retail management textbook 'International edn', produced in US*).

# Stakeholder and company case studies in retail

## Companies and Stakeholders

### Companies

- National supermarket chain
- National hardware chain
- National clothing chain

### Stakeholders

Representatives of:

- The Australian Retail Association (ARA)
- The ARA's RTO
- The National Retail Association
- SDA (Shop Distributive and Allied) union

## Method

For each **company**, we interviewed

- head office operational and human resource managers; and,
- at two sites for each, line managers, full-time workers at early career, mid-career and established career stages, and part-time student-workers.

Total interviews: 33

Each **stakeholder** was interviewed for approximately one hour.

# Careers in retail: What we found

- Fast track development with relatively young people promoted quickly into very responsible positions.
- Well established career development systems that identify potential early.
- There is a great diversity in career paths in retail – in the stores and in the head office, and also between the two.
- Relatively higher levels of remuneration than is commonly supposed.
- People often work in retail, albeit in different companies, for most of their careers.
- Recruitment difficulties – esp. post-Covid.

# Careers in retail: What the stakeholders said

- Often CEOs and other senior managers worked their way up the retail career pathway from the most junior levels.
- The overriding factor for success in retail was a passion for working with people – customers and staff.
- Qualifications are not generally considered important in recruitment or in career development.
- Entry level remuneration may be low, but it increases quickly with promotion.
- Retail careers can be pursued anywhere.

# Training in the companies: What we found

- Very little importance was attached to qualifications in recruitment or to acquiring qualifications later in the career.
- Well developed on-line training systems are ubiquitous in larger companies.
- Training is done in one's own time.
- Store managers are often selected on the basis of their ability to identify, develop and train talent.
- Frequent use of movement between stores and HQ – zig-zagging
- New jobs developing in on-line retailing.



# Training: What the stakeholders said

- The industry has generally abandoned qualifications-based training.
- However, the employer associations still run RTOs to deliver certificates and diplomas.
- Qualifications based training could help to raise the prestige of retail.
- Companies have moved into on-line training – regarded as more efficient and up to date.
- The industry needs to work much more closely with Universities – example of the USA. (Involvement of the National Retail Federation)

# A question for you

- ***Question: What is the salary of the manager of an average-sized supermarket? (Most people in our surveys of career practitioners and of the general public got this quite wrong)***
- ***Answer at end of presentation***

# And now, news from countries that are not Australia...\*

- Switzerland
- Germany

(Interviews with government bodies and apprenticeship academics)

*\* Apologies to Shaun Micallef's 'Mad as Hell' TV program.*

- In Switzerland, two of the top ten apprenticeships, by numbers enrolled, are in retail.
- Retail is also common in Germany.
- ... BUT... in these countries apprenticeships are primarily undertaken as part of secondary schooling.

**How do high apprentice numbers affect the retail industry?**

# Guy Parmelin

Minister for Education,  
Economic Affairs and  
Research



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra



High school

Apprenticeship in agriculture

Federal Diploma in HE  
in agriculture/vinemaking

>20 years work in agriculture

# Philipp Wyss

CEO Coop



Apprenticeship as commercial  
employee

Apprenticeship as butcher

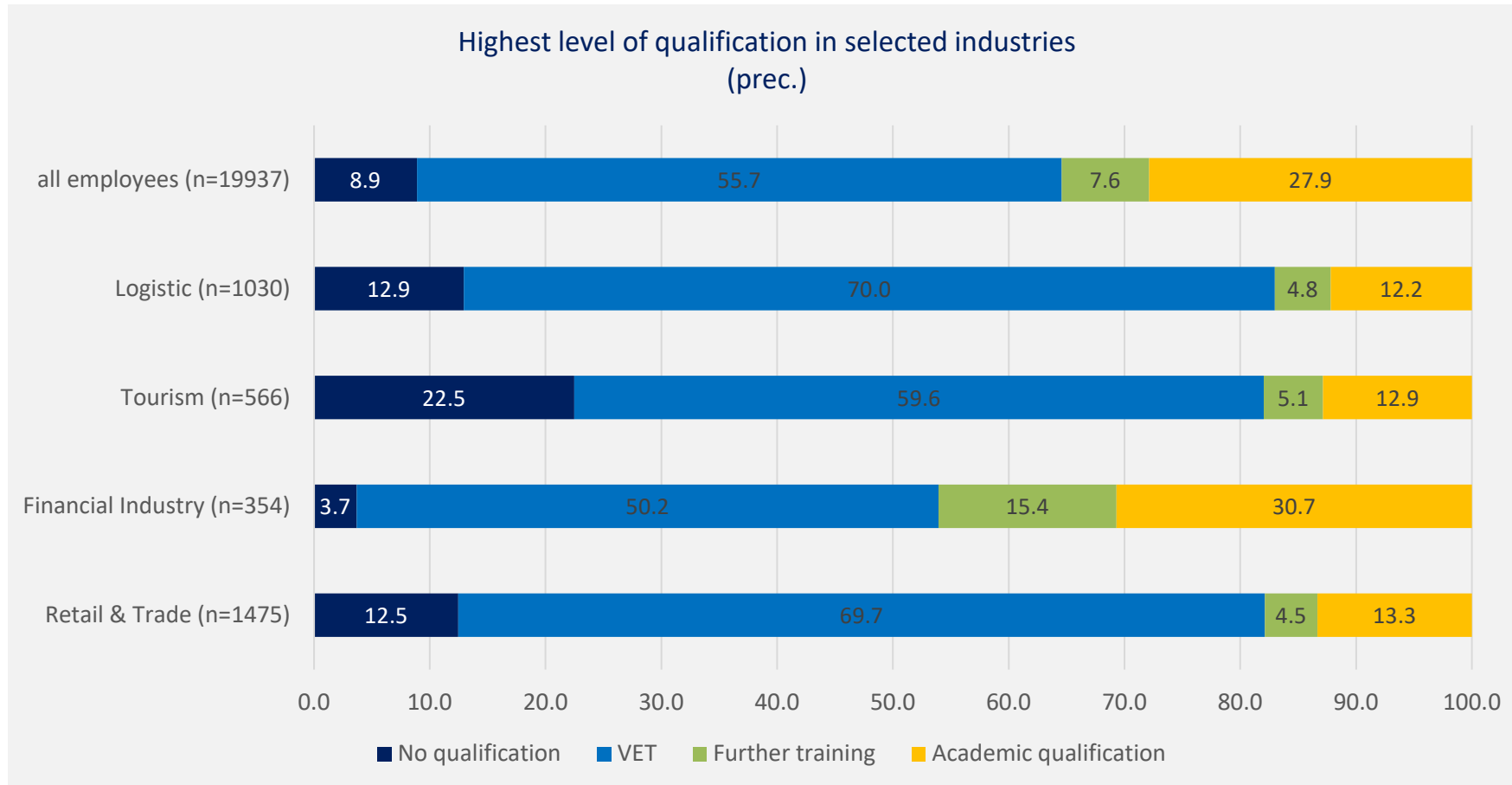
>20 years work in retail

# Germany: Qualifications Retail and Trade (Mottweiler & Milolaza, 2022)(BiBB)

GQF / EQF level 3	GQF / EQF level 4	GQF / EQF level 5	GQF / EQF level 6	GQF / EQF level 7
<b>Initial vocational education and training</b>		<b>Further vocational education and training – higher education</b>		
Dual degree programmes: integrating regarding training, experience and occupations, part time				
<div style="border: 1px solid gray; padding: 5px; margin-bottom: 5px;">Sales assistant for retail services</div>	<div style="border: 1px solid gray; padding: 5px; margin-bottom: 5px;">Management assistant for retail services</div> <div style="border: 1px solid gray; padding: 5px; margin-bottom: 5px;">Wholesale and foreign trade clerk - specializing in wholesale or foreign trade</div> <div style="border: 1px solid gray; padding: 5px; margin-bottom: 5px;">Management assistant for e-commerce</div> <div style="border: 1px solid gray; padding: 5px; margin-bottom: 5px;">Further professions in the trade sector: :  Salesperson specialising in foodstuffs, Chemist, Automobile business administrator, Bookseller, Specialist retail assistant for the music branch</div>	<div style="border: 1px solid gray; padding: 5px;">Consultants for example for wine, constructional, do-it-yourself demand and other sections of goods*</div>	<div style="border: 1px solid gray; padding: 5px; margin-bottom: 5px; background-color: #4682B4; color: white;">Bachelor of (international) Retail Management</div> <div style="border: 1px solid gray; padding: 5px; margin-bottom: 5px; background-color: #4682B4; color: white;">Bachelor of Arts Retail and Distribution</div> <div style="border: 1px solid gray; padding: 5px; margin-bottom: 5px; background-color: #808080; color: white;">Certified commercial specialist</div> <div style="border: 1px solid gray; padding: 5px; margin-bottom: 5px; background-color: #808080; color: white;">Certified specialist for Retail Sales</div> <div style="border: 1px solid gray; padding: 5px; margin-bottom: 5px; background-color: #808080; color: white;">Certified international business manager / Bachelor Professional in foreign trade</div> <div style="border: 1px solid gray; padding: 5px; background-color: #808080; color: white;">Certified business administrator for e-commerce</div>	<div style="border: 1px solid gray; padding: 5px; margin-bottom: 5px; background-color: #000080; color: white;">Master of (international) Retail Management</div> <div style="border: 1px solid gray; padding: 5px; margin-bottom: 5px; background-color: #000080; color: white;">Master of Marketing and Sales</div> <div style="border: 1px solid gray; padding: 5px; background-color: #404040; color: white;">Master Professional in Business Management according to the Vocational Training Act</div>

\*= these qualifications have not yet been officially allocated to the GQF level 5

# Selected Results: Level of, Academization' by Industry



Source: BIBB/BAuA Employment Survey 2018, weighted, own calculation

Industry definitions: Retail and trade (WZ 46,47), Logistic (WZ 49,50,51,52,53), Financial Industry (WZ 64), Tourism (WZ 79, 55, 56)

# Looking for staff: Edeka and Rewe supermarkets (Germany)



# How to reconcile the lack of training with the multiple career paths available? First answer

## **1. The funding cuts in 2013**

- Training funding for retail and front-of-house hospitality (along with fitness and business services) virtually disappeared in 2013 in Victoria. (Smith & Guthrie, 2014). A similar pattern was followed in other States and Territories.
- Major effects on qualification and provider viability – retail qualifications could no longer be offered.
- There were, and continue to be, significant regional effects –disproportionately affecting youth, unemployed people and females (Smith & Foley, 2019).
- Traineeship funding (Federal) - i.e. for ‘jobs-with training’ - was also cut (Smith, 2021).
- There has been little recovery of retail training in TAFE and among many private providers.
- This seems to have had a knock-on effect to higher education programs.



# How to reconcile the lack of training with the multiple career paths available? Second answer

## 2. Underlying reasons

Social construction theory explains why some jobs are seen as more skilled than others:

- Jobs that men usually do, and those that involve working with tools rather than people, are seen as worthier.
- Specific and well-recognised occupations (not industries) are more valued. Retail lacks clear occupations.
- Jobs that very young people can get are looked down on (Smith & Teicher, 2017).

.... These matters are true in other countries as well.

**But in Australia, simply put, the retail industry has taken over, from the State, the responsibility of training ... the question is, how is this tolerated?**

# Acknowledgements

Thank you to:

- the other three researchers on the project: Victor Callan and Richard Robinson (UQ) and Darryl Snell (SMIT).
- the three retail companies who agreed to participate.
- our project reference group and critical friends.
- the overseas interviewees.

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Project web page: <https://federation.edu.au/research-everyday-careers>

*..... Answer to the set question is on the next slide.*

# What's the answer to the question we set you?

- The salary of a manager of an average size supermarket is around \$120,000.

