

Enhancing and promoting careers in retail and hospitality:

'At a glance' information for retail and hospitality businesses

Background to the research project

The research project 'Careers in Everyday Industries', funded by the National Careers Institute, set out to examine retail and hospitality careers and to see how perceptions of low status might be changed. This leaflet provides information of relevance to retail and hospitality businesses.

Retail and hospitality industries employ up to 20 per cent of the Australian workforce, and operate throughout Australia, yet the industries have long suffered from low prestige. This discourages people from imagining worthwhile careers in those sectors, contributes to poor self-image for those working in the industries, and to people leaving the industries. Yet the COVID-19 crisis showed just how vital both of these sectors are for the Australian public and for the national economy.

Five researchers, from Federation University, the University of Queensland and RMIT University, were involved, supported by the national organisation SkillsIQ. The research, carried out in 2021 and 2022, was comprehensive and methodologically rigorous. As well as analysing national statistical data, we undertook extensive research with industry stakeholders, career professionals and the general public. We undertook in-depth case studies, in seven retail and hospitality companies, interviewing workers and managers, and also compared the Australian situation to two European countries which qualify many more young people in the industries. Our findings were validated by a high-level reference group and a group of expert 'critical friends'. In total, 264 people were involved in our research.

Research project web site and contact details: <https://federation.edu.au/research-everyday-careers>

Key messages: what we found

A. About the industries: occupational opportunities

- Retail and hospitality are large industry sectors. Around 1.3 million people work in retail (nearly 10% of the Australian workforce) and 700,000 in hospitality (5% of the workforce). In many geographic locations, retail is the main employer. Over 550,000 people work as sales assistants – the most popular job in Australia.
- Retail and hospitality employment is growing steadily. Between 2011 and 2016, the number of jobs in retail grew by 6% and in hospitality by 9%. COVID has created new job roles in both industries.
- There are multiple and diverse job roles in both retail and hospitality. The industries offer front-line, 'back of house' and specialised roles in stores and restaurants, and professional and executive roles at the corporate level. There are also 'generic' roles in regional and head offices, at both entry level and higher level, for example in finance, human resources and marketing.
- Large companies in the industries offer structured, fast-track career development programs that enable young workers (in their 20s) to achieve well-paid senior management positions very quickly, but often employees in retail and hospitality are not aware of the variety of job roles and the pathways to achieve them.
- Retail and hospitality are industries where the vast majority of young people in Australia get their first experience of work, and learn significant transferable skills such as communication, customer service skills, personal organisation, teamworking, and leadership.

B. About the industries: career paths

- Many senior executives in retail and hospitality, and also in other industries and sectors, started out in entry-level roles and worked their way up well-defined career paths into highly desirable and well-remunerated positions.
- Large companies in retail and hospitality offer significant geographical mobility and variety within Australia, and many offer international experience and career paths.
- They offer extensive staff development programs at all levels. It is not necessary to have a qualification to enter the industry.
- There are specialist and supervisory paths in operational sites, and roles in regional and head offices. Some companies offer assistance to employees to purchase franchises. The range of career paths in retail and hospitality is not well-understood by most people outside the industries.
- Many people enter the retail and hospitality workforces as young people, but do not stay to create a career. This high labour turnover can be a significant career advantage for those that do stay, opening up promotion roles.
- There are a large number of management and senior roles in both industries. For example, ABS census data show that 20% of all retail workers are retail managers.
- The ease with which young people gain jobs in retail and hospitality can create a negative impression, as the jobs in these industries are seen as something a person does until they find a “proper job”.

C. About qualifications

- Qualifications are regarded more highly in the hospitality industry than the retail industry; 31 per 100 workers in hospitality are enrolled in qualifications and skill sets, compared with just 5 per 100 workers in retail.
- In hospitality, chef and kitchenhand are the main qualified jobs whereas the Cert III in retail is the dominant qualification in retail.
- Qualifications in both industries tend to be concentrated in specific trade occupations (e.g. chef) and some professional occupations (e.g. accountant, HR manager, etc.).
- Changes to training subsidies for retail and hospitality traineeships contributed to a significant decline in qualifications in the industries, but recently ‘free TAFE’-type initiatives in different states have been made available for some occupations (e.g. cookery).
- Companies in both industries have moved towards the use of in-house, on-line, customised staff development programs that do not result in employees obtaining nationally recognised qualifications.
- The low uptake of nationally recognised qualifications in the industries contributes to the following issues:
 - The general view that these are ‘unskilled’ industries lacking meaningful career opportunities.
 - People working in these industries are unable to formally demonstrate acquired skills to other prospective employers.
 - When recruiting new employees, companies must rely on their understanding of in-house training of other companies to make judgements about skills acquisition of applicants.

D. What companies are doing

- Companies seek people-focused, geographically mobile, and flexibly-minded career seekers, offering fast track career development and competitive remuneration packages for those interested in long term careers.

- Companies acknowledge the diversity of their workforces as a point of difference, attracting talented individuals from many different cultures, different ages, personal histories and genders. This may be particularly appealing to youth seeking inclusiveness, sustainability, and involvement with projects in the broader community.
- Companies can work more effectively to better promote their career paths that exist beyond frontline roles, through improved internal marketing, cadetships, in-house bespoke training, succession planning and school outreach programs.
- Companies fully understand that their audience of future employees is typically very youthful, being individuals who want to work for companies that promote a modern, contemporary outlook through their branding, marketing and social media.
- Companies can do better to promote its diverse career pathways to those working at entry level within, and outside, the industry.
- Both industries operate outside the normal 9 to 5 hours, with many contingent jobs, at times promoting young people into demanding roles without the required levels of support and experience and at other times contributing to a poor reputation for the industries by engaging in poor employment practices.

E. What career practitioners and other careers influencers think.

- Based on the results of our survey, which covered those who worked in schools and in services for adults,
 - Three quarters of career practitioners have worked in retail and a little over half in hospitality, usually as young people;
 - But over three-fifths underestimate the salary of a supermarket manager and a restaurant manager;
 - Some career practitioners have a good understanding of retail and hospitality and can provide examples of 'good news' stories.
- Career discussions between career practitioners and their students or clients rarely include discussion of careers in retail and hospitality. The practitioners are generally not aware of the diversity of available roles.
- Career practitioners (80% in our survey) tend to view retail and hospitality as "low prestige" industries, perhaps as a result of their own experiences as young people in the industries at junior level.
- Many parents view retail and hospitality as a poor choice for careers for their children. Young people often report significant family resistance to them choosing a career in these industries.
- The government web sites and resources which career practitioners use give inadequate representations of careers in retail and hospitality.
- However, career practitioners generally have a high level of contact with local employers – placing them in a strong position to communicate the positive aspects of working in retail and hospitality.

F. What the general public thinks

- The retail and hospitality industries are essential to the well-being of the general public by supplying essential goods and services without which society would falter.
- Jobs in these industries promote transferable employability skills for young people while in school and tertiary education that open opportunities for jobs in many industries, besides retail and hospitality.

- Working in these industries is primarily seen as a suitable option for those without university qualifications, due to a limited understanding of the diversity of career opportunities in the industries.
- The general public believes that these industries offer entry-level low status, unskilled and short-term work and this discourages young people from imagining meaningful long-term career opportunities.
- The general public does not understand the plethora of professional job opportunities provided by retail and hospitality companies, both at the customer interface and behind the scenes.
- COVID has adversely affected the general public's perceptions of the ability of these industries to provide secure, sustainable and suitable careers.

What next for retail and hospitality businesses?

Businesses should consider the following:

1. **Businesses need to find new ways of marketing for recruitment.** A marketing campaign emphasising the “essential” nature of retail and hospitality, similar to similar campaigns for industries in the health, defence and police sectors could be effective.
2. **Businesses need to promote and market the diversity of careers available.** Many staff working in the industries as well as those outside the industries are not aware of the multiplicity of career paths in stores/restaurants and also of more specialised roles in corporate centres.
3. **Businesses should explain the significant opportunities for development and promotion** for young people into senior positions with good pay and extensive responsibility more quickly and at a younger age than in other industry sectors.
4. **Businesses need to acknowledge and address industry practices which may be contributing to ‘image problems’.** There is a common perception that working in retail and hospitality is badly paid and subject to poor working conditions.
5. **Businesses need to increase their use of nationally recognised training** leading to formal qualifications, and to lobby governments for more training funding to be allocated for these industries. The lack of qualifications leads to a perception of low prestige.
6. **Businesses must promote a modern and contemporary outlook** aimed at young people through their branding, marketing and social media.
7. **Businesses need to work much more closely with schools and career practitioners** on developing promotional materials to promote awareness of the industries and the career possibilities that are on offer.
8. **Businesses need to work with universities** to develop suitable degree qualifications for those seeking a long term career in the industries. Many people do not see retail and hospitality as sectors employing people with university qualifications.
9. **Businesses should highlight the opportunities for working more closely with people** in the industries. Many people are attracted to working in retail and hospitality because they enjoy the close interaction with people and helping people.