



ReSeCo

RETAIL SECTOR COMPETENCIES



Working Paper 3

Retail Sector Context – United Kingdom

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1. Introduction

The apprenticeship system in England

Apprenticeships in England have been high on the political agenda, particularly in the current climate of high unemployment and a contracting university sector. Successive governments since the early 1990s have sought to increase the number of training places and to promote apprenticeship as a 'genuine alternative' to higher education in an effort to increase participation and to reduce youth unemployment.

The weakly regulated vocational education and training (VET) system in Britain, compared with other industrialised nations in Europe, such as France and Germany, has been well documented (for example, Steedman, 2010) and reflects the historical preference for voluntarism and on-the-job training (Ryan, 1999). Faced with a variety of socio-economic challenges, recent governments have been keen to enhance the role of apprenticeships. These were re-introduced in 1994 in an attempt to address the UK's low intermediate skills base, compared with other OECD countries. In an effort to improve availability and access, apprenticeships were to be offered in non-traditional sectors, such as hospitality and retail, alongside those more traditionally associated with apprenticeship, such as construction and engineering.

The quality of apprenticeships in England has been described as, at best, variable (for example, Brockmann et al., 2010). In general, grounded in the competence-based approach, notably the National Vocational Education (NVQ) system introduced in the 1980s, qualifications consist of small units representing narrow, fragmented skills associated with the particular job at hand (ibid). The programmes lack the notion of personal development - through a wider scope of activities, a broad body of theoretical knowledge and general education – that is found in comparable schemes in most continental European countries.

A major problem with apprenticeships has been the continual lowering of standards. Originally introduced at Level 3, the Labour government extended the scheme to include Level 2 in an effort to increase participation in education, a goal which has sat uneasily with

that of creating a skilled workforce (Fuller and Unwin, 2003; Fuller, 2004). It has been predominantly at this lower level that the rise in apprenticeship has taken place.

Another crucial factor in driving down standards has been the well documented lack of so-called employer engagement, i.e., the reluctance of employers to provide apprenticeship places (House of Lords, 2007; Steedmann, 2010; Brockmann et al., 2010). In the absence of a social partnership system, whereby qualifications are developed through the collective representation of interests, successive UK governments have sought to enhance the role of apprenticeship through imposing targets and, notably, creating incentives for employers to provide places. The latter has commonly involved the ‘flexibilisation’ of qualifications so as to make them more amenable to employers. This has been no-where more apparent than in the retail sector, where the provision of apprenticeships was initially sluggish. The considerable increase in apprenticeship places in this sector from 10,940 in 2008/9 to 41,400 in 2010/11 (see Table 1) was in large part due to a major government initiative to entice some of the major food retail chains to join the scheme. This has been facilitated by a review of the retail apprenticeship framework which involved reducing the number of mandatory units. In addition, units may be ‘mapped’ onto the existing staff training programme of retailers so that the apprenticeship can be delivered almost entirely on the job and with minimal effort on the part of the employer.

Year	All starts	Of which women	Level 2	Level 3
2008/09	10,940	7,240	9,000	1,940
2009/10	16,920	9,300	15,020	1,900
2010/11	41,400	28,040	37,930	3,470

Table 1: Retail apprenticeship starts, 2008/9 to 2010/11

2. The retail labour market

Retail work has been described as ‘the new generic form of mass employment’ as the service industry has been replacing manufacturing (Bozkurt and Grugulis, 2011: 2). The authors point out that the retail sector is more representative of the rise of the service industry than the high skill end associated with the knowledge economy, employing 2.9 million people or 11% of the British workforce. Yet, notwithstanding the existence of high-quality employers, the retail sector is renowned for generally low-skill, low-paid work, a lack of career opportunities, and poor employment conditions.

Labour Force Survey data show that about one-quarter of the retail workforce have no level 2 qualifications or equivalent (Skillsmart Retail, 2007). Retail employers for their part have historically attached low importance to training and qualifications. A number of studies have pointed to the lack of employer commitment to training which has led some authors to question the viability of apprenticeship in this sector. For example, Lewis et al. (2008) found that large retailers in particular dismissed the value of apprenticeship, arguing that it would not reflect their skill needs. A study conducted in 2005 revealed that only just over half of retailers viewed qualifications as relevant and important (Skillsmart Retail, 2007).

A comparative case study of English and German retailers (Mason et al., 2008) found that the latter placed far greater value on formal qualifications, with 70% of the workforce having completed apprenticeships, while English employers relied on short-term on-the-job training. The different approaches to training and qualifications reflected differing forms of work organisation. In England, work was allocated based on simple, bounded tasks. Retail assistants enjoyed little autonomy, as teams were closely supervised, receiving detailed instructions. By contrast, German retail assistants were responsible for entire processes, from ordering goods to advising customers, and worked with a high level of autonomy. Mason et al. distinguish between functional differentiation and functional integration (ibid).

Nevertheless, it has been suggested that the importance of training and qualifications is being recognised by a growing number of retailers as the sector is becoming increasingly competitive (Skillsmart Retail, 2007). Many are keen to create more attractive employment and career opportunities to reduce the high levels of turnover (33% in 2006) which have characterised the sector (CIPD, 2006). At the same time, employers have reported considerable skills gaps (Skillsmart Retail, 2007). These particularly concern so-called generic skills. The skills employers reported needed most improving were customer service and customer handling, oral communication, team working, and problem solving. Offering a high quality service and being able to respond to customer needs could mean a competitive advantage. Thus, employers in parts of the sector have developed career pathways in an effort to improve staff retention and skills and 'grow their own' workforce.

It is notable that the sector skills council, Skillsmart Retail, in its Sector Skills Agreement (2007) concluded that what was needed was training that meets the needs of employers. This included qualifications which are 'not so bureaucratic and technical as NVQs', and training 'which could be delivered within the company...to overcome the issues of having to travel to training and taking the necessary time off' (Skillsmart Retail, 2007: 17)

3. Governance

The Sector Skills Council (Skillsmart Retail)

Retail qualifications are developed by Skillsmart Retail, in collaboration with the awarding bodies. The Skillsmart representative described his organisation as 'the custodian of retail qualifications and the apprenticeship framework'. It sees its role as 'driving up skills' by closely aligning with employer interests and consulting with a range of employers, reflecting different subsectors and sizes of businesses.

Apprenticeships are funded by the Skills Funding Agency (SFA), with 16-18 year olds fully funded through the National Apprenticeship Service (NAS). The training provider (the organisation responsible for the administration of the apprenticeship) has a contract with NAS. The training provider is usually an employer, a college of further education (although, according to the Skillsmart representative 'there isn't much delivered at college') or an independent training provider.

National Skills Academy for Retail (NSA)

The NSA is a wholly owned subsidiary of Skillsmart concerned with the delivery of training and set up in 2009 to ensure that all retailers can access quality provision. It now delivers mainly apprenticeships (for new recruits and existing employees). According to the Skillsmart representative, there is now little or no funding for stand-alone retail qualifications as 'all SFA money is pumped into apprenticeships', no doubt reflecting the government's concern with increasing the number of apprenticeships.

The NSA co-ordinates a network of 57 local Skills Shops, set up to ensure that every retailer can access quality training. Many retailers in England are small businesses which reportedly do not have the in-house infrastructure. Skills Shops are members of the NSA. They need to be able to deliver the 'core offer' of qualifications as laid down by Skillsmart Retail (a range of qualifications, from pre-employment programmes to apprenticeships to foundation degree). The Skills Shops are funded by the training provider, through the SFA.

In an effort to encourage small- and medium sized enterprises (SMEs) to provide apprenticeships, an Apprenticeship Training Association (ATA) is currently being developed. According to this scheme, apprentices are employed by ATA so that employers do not have any responsibility for the apprentices other than to pay their wages. The knowledge element of the apprenticeship is front-loaded through a pre-employment programme ('Retail Works').

Union of Shop, Distribution and Allied Workers (USDAW)

USDAW have little or no role in developing qualifications. Whilst it has a seat on the board of Skillsmart, it is very marginalised. As the USDAW representative, the National Learning Co-ordinator put it: 'you are a lonely voice, you're the only one who speaks out for the employees or [regarding] what else should go in the qualification'.

Overall, it appears that USDAW has largely a campaigning role rather than being part of a formal process. The role of the National Learning Co-ordinator is to promote learning, making sure learning opportunities are accessible and affordable to employees, working with employers, learning providers and the SSC. There is a Union Learning Fund, which is based around the interests of employees. There is a Union Learning Representative in most unionised places and there may also be workplace learning centres.

Whilst USDAW promotes a broader, more 'rounded' type of qualification, its main concern is with basic skills. Eighty per cent of its members do not have Level 2 qualifications. It promotes what it terms 'Skills for Life', which currently cover literacy and numeracy, though it would like to include IT, sign language and a European language. The National Learning Co-ordinator is critical of the employer-driven agenda, and explains that Skills for Life is 'not something that employers would look into'. However, there has been some success, marketing Skills for Life as a preparation for one of the big supermarket chains' staff development scheme.

4. Qualifications

Skillsmart's marketing strategy seeks to address the perceived reluctance of UK retail employers' to provide training. Skillsmart stresses that its qualifications are highly flexible, reflecting employer interests, and that the apprenticeship can be delivered almost wholly on the job. The Retail Knowledge may be provided through a comprehensive induction programme. All but one of the 40 units available for Retail Skills are optional, enabling employers to reflect their particular sub-sector. Similarly, Skillsmart Retail has been supportive of retailers delivering the apprenticeship programme themselves (by integrating it into their in-house training) including fulfilling the assessment role:

'There has been recognition that employers are highly capable of assessing the competences of people within their business. They don't need to be trained to do it if the company already has those processes and capabilities in place'.

(Skillsmart representative)

With the introduction of the Qualifications and Credit Framework (QCF), all qualifications were mapped onto the framework. The QCF distinguishes between Awards, Certificates and Diplomas, depending on the size of the qualification. The aim was to provide greater flexibility to employers and learners by providing small, transferable units, each with their own credit value. Units can be combined to reflect particular learner interests or, more likely, employer needs.

Retail apprenticeships usually comprise the Certificate in Retail Skills (the former NVQ) and the Certificate in Retail Knowledge (the former Technical Certificate), both at Level 2. In order to be awarded the qualification, learners have to achieve sufficient credits, i.e. they have to have done a certain number of units, selected in line with the 'Rules of Combination' as laid down by Skillsmart Retail. The Rules stipulate the mandatory and optional units and the number of credits from different groups of units to be taken. In an effort to 'engage' employers, the number of mandatory units has been considerably reduced to provide maximum flexibility.

For the Certificate in Retail Knowledge (Level 2), apprentices need a minimum of 14 credits. There are four core units (a total of 10 credits):

- Understanding customer service in the retail sector.
- Understanding the retail selling process.
- Understanding how individuals and teams contribute to the effectiveness of a retail business
- Understanding how a retail business maintains health and safety on its premises

For the Certificate in Retail Skills (Level 2), apprentices must achieve a minimum of 24 credits. There is only one core unit, which is 'work effectively in a retail team' (8 credits). The other units can be chosen to meet the demands of the particular role. For example, they could involve: process greengrocery products for sale (7 credits); keep stock on sale at required levels (3 credits); assemble products for sale (2 credits); carry out promotional campaigns (4 credits).

In recognition of the importance of personal and social competences, so-called personal, learning and thinking skills (PLTS) were introduced to form part of 14-19 programmes (Foundation Learning), including apprenticeships. PLTS consist of: independent enquiry skills; creative thinking skills; reflective learning skills; team working skills; self-managing

skills; and effective participating skills. PLTS are not however, qualifications in themselves but are integrated into the learning programme as a whole.

Apprentices without grades A*-C in English and maths in their General Certificate of Secondary Education (GCSEs) also have to do Key Skills, consisting of 'application of number' and 'communication'. These cover basic numeracy and literacy skills at level 1 and are remedial, i.e., they are aimed at raising skills levels of students below grade C. From September 2012, Key Skills will be replaced by Functional Skills. Apprentices will not be exempt from Functional Skills on account of their GCSE grades. According to the Skillsmart Representative, functional skills will be more decontextualised than Key Skills.

5. Delivery of apprenticeship

The Bluewater Learning Shop

An example of a Skills Shop is the Learning Shop in the Bluewater shopping centre. The Bluewater Learning Shop became a member of the NSA in 2009. The training provider is Northwest Kent College (although there is no provision at the college).

The Learning Shop has two main functions. It is a drop-in centre for anybody looking for work or training, and it provides training for existing staff of employers in the area. Young people presenting themselves at the Shop are either matched up with an employer for an apprenticeship or put on an employability programme to prepare them for further training or work. The training covers anything from employability programmes up to L3 schemes, including apprenticeships and full-time classroom-based courses (e.g. Fashion Diploma). The Shop currently runs ten retail apprenticeships and has completed seven. Apprentices are usually employed by local retailers, who may not have adequate training facilities. The Learning Shop comprises a workshop which constitutes an authentic work environment ('a mock shop') and a training room. It also provides access to computers and the internet.

The Retail Knowledge element is delivered as front-loading within the first 12 weeks of the apprenticeship (including the assessment). Some of the learning material is provided by the awarding body. The Knowledge comprises a mixture of direct teaching and blended learning as well as individual tutorials. Assessment is through assignments and tests. It appears that the 'direct' (i.e. face-to-face) teaching element is kept to a minimum and, even during the initial 12 weeks, apprentices spend most of the time in the workplace.

For the Retail Skills, the Learning Shop staff carry out a skills scan by looking at the apprentice's role and select the units accordingly. The staff meet regularly with the apprentices and support them through the apprenticeship (in terms of their skills assessment). Skills are assessed through observation and the workbooks apprentices have to fill in. The Learning Shop also provides 'skills experience' if there are no relevant opportunities in the workplace (e.g., for visual merchandising, changing displays, etc).

The two Learning Shop representatives, both FE college teachers, bemoaned the fact that English employers are, as they saw it, very reluctant to release their apprentices once a week. They were also critical of Skillsmart's employer-centred perspective, indicating that 'it was a struggle' to persuade the organisation to make retail more professional.

Apprenticeships at two large retail chains

What stands out is that, in a sector where skills levels have been traditionally low, both employers interviewed (both large retail food chains, one English, the other German) portrayed the schemes in an extremely positive light. For them it was about developing career pathways in an effort to improve retention and develop their own workforces, thereby presumably improving their competitiveness as food retailers. Both unashamedly announced that the apprenticeship was integrated into their existing staff development programmes, offering long-term career prospects for new recruits and/or existing employees. Both viewed the training as adequate – they did not see the need for more comprehensive qualifications, again reflecting the organisation of work and clear demarcation of job roles. There was also a sense, particularly with Retailer One, that they were providing opportunities for young people that they would not otherwise have, reflecting the in-take of young people from less privileged backgrounds.

There has been considerable criticism of apprenticeships offered by the British food retail chains, who are seen as having benefited from government funding while offering no more than their in-house training. The representative of the German-British Chamber of Industry and Commerce cited the example of one major retail chain (without prompting), which claimed to have trained 50,000 staff, but which had 'taken the money and funded their whole HR operation with it and made a profit'. Referring to the restrictive scope of activity and autonomy of retail assistants in Britain, he also remarked that employers were not interested in social competences beyond sales staff 'doing it with a smile'. He criticised the lack of social responsibility of employers in Britain who did not see the need for more comprehensive education and training.

Retailer One

This retailer has made the apprenticeship scheme available to all its staff across the UK. The Apprenticeship and Trainee Scheme Manager explained that the firm has currently 40,000 staff signed up for the apprenticeship and that 19,000 have already completed. The training involves mostly existing staff but also includes new recruits. This is reflected in the age range – most are over 18 and the oldest one is apparently 93!

The apprenticeship is mapped on to the company training, the 13-week Induction programme, which, according to the Apprenticeship Scheme Manager, includes the relevant QCF Knowledge and Skills units (e.g. Customer Service, Health & Safety, Hygiene, Security). The Induction consists of a series of training sessions, including one-to-one, group, on-the-job and in the training room (with 1 or 2 full days, then a few hours every day). It covers the company history, a store walk, the staff handbook, Customer Service (a video), and Departmental Induction. Trainees have regular meetings with an assessor. The assessment consists of observations on the shopfloor and managers' observation reports (for Retail Skills), and a questionnaire containing different scenarios (for Retail Knowledge).

All staff are required to do the induction training. Those staff who wish to do the apprenticeship need to do the Key Skills element, unless they are exempt. Key Skills are delivered by a training provider. It involves direct teaching in one 8-hour day, with a test at the end to identify any particular support needs (e.g. for dyslexia). Assessment is based on workbooks and multiple choice questions.

Retailer Two (a German discounter)

This retail chain has been introducing the apprenticeship as a key element of its staff development. When asked about the rationale for doing the apprenticeship, the (check his title) said 'we're recruiting potential store managers'. It is about 'workforce planning'. It provides a career pathway over 3 years, from Level 2 to Level 3. The apprenticeship is built into the standard store training ('we don't want them to feel completely different').

The firm has created over 250 new positions this year (nationally), all new recruits, aged 16-22. It has been running a pilot for the past 6 months. Most apprentices will start in July 2012. Level 2 takes 12 months, Level 3 24 months. There is very little off-the-job training. 'They don't actually enjoy the classroom learning'. Matthew felt that the apprenticeships were 'fantastic' as it would raise the profile of retail work. It gives them a career path structure; 'that's where we are helping the government agenda'.

6. Social competencies in retail

All interviewees regarded social competencies as being vital in the retail sector. Among the most important, they frequently cited communication and teamwork. At the same time, all respondents considered that the level of social and personal competencies among young people entering retail was extremely low. Many stated that they lacked basic forms of communication and time management skills. Some attributed the lack of competences to the young people's upbringing and general education, perhaps again reflecting the particular social background of young people entering the sector. Representatives of the Sector Skills Council, National Skills Academy, and the two employers all explained that the social competencies were developed adequately through the existing framework. In contrast, the trade union representatives argued that social competencies were important, but were not covered in the current apprenticeship framework.

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