

Employ ULV Framework



Labour Market Profile of the Retail Sector of the Upper Lee Valley

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TL Chambers
Labour Market Intelligence
Urban Futures

T: 0208 352 5922

E. tim.chambers@urbanfutures.org.uk

1.0 Introduction

1.1 The retail sector of the ULV is the third largest employment sector after Public administration, education & health, and banking, finance and insurance sectors¹. The retail sector provides entry-level jobs and career progression routes, and has a range of choice in occupation types.

1.2 The sector is ideal for the purposes of the Employ ULV Framework as investment into employment and skills development in this sector will have benefits for the industry in particular in the ongoing generation of appropriately skilled labour, and for the community in terms of sustainable career opportunities.

1.3 The sustainability of the retail sector is high in London, and in the ULV there are currently several major retail growth areas that present good employment opportunities, including centres in Enfield Town and Blackhorse Lane.

2.0 Opportunities in the Upper Lee Valley

2.1 There are a total of 727,000 people in the Upper Lee Valley². Of these, 480,000 (66%) are of working age. There are large pools of untapped labour in the ULV with huge economic potential, whilst at the same time the unemployment rates are over 8%, and higher for Black and Minority Ethnic (BME) communities.

2.2 Members of the BME community form 39% of the total working age population, and measure to engage the diversity found within this community are crucial to the Employ ULV Framework.

2.2 Furthermore, the female population, which makes up 48% of the total working age population, form another pool of underused labour.

2.3 Economic activity rates overall in the ULV are poor, with only 82% of the working age population actually active. It is also the role of Employ ULV to encourage some of those groups of people who may have previously been unable to become economically active, such as disabled people, to engage with the labour market.

3.0 Workplaces in the ULV Retail Industry

3.1 There are currently over 3,300 businesses³ in the retail industry in the ULV. Over 90% of these businesses employ less than 10 employees, which reflects the all-sector trend throughout London. There are approximately 74 large retail businesses in the ULV with over 50 employees.

3.2 The number of retail businesses in the ULV has increased by over 4% since 1998. The retail industry in the ULV shows strong rates of growth both in employment and in the number of businesses located in the area.

3.3 Together with several large-scale retail developments (to be discussed later), this growth should be taken advantage of by the Employ ULV Framework to secure employment opportunities.

¹ Annual Business Enquiry (ABI), 2004. Accessed from www.nomisweb.co.uk in November 2005

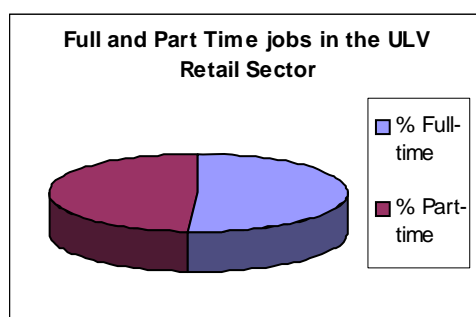
² Office of National Statistics, Census 2001

³ ABI, 2004, as above

4.0 The Workforce in the ULV Retail Sector

4.1 There are in the region of 26,000 employees in the retail sector in the ULV⁴. This number had increased by over 2,300 (8%) since 1998.

4.2 51% are full-time employees, and 49% are part-time.



Source: ONS, 2001 (www.nomisweb.co.uk)

4.3 The retail sector is therefore a major source of employment in the ULV, and particularly important is the rapidly increasing number of employees within the industry. The high proportion of part-time jobs suggests that opportunities exist for individuals with commitments such as lone-parents.

4.4 The location quotient for the retail sector in the ULV is 1.2, relative to London as a whole. This indicates that there is a strong regional specialisation within the ULV for retail, and that a proportion of employment in the area is basic to the ULV⁵.

5.0 Ethnic Origin in the Retail Sector

5.1 In the region of 40% of all employees in the retail sector are of Black and Minority Ethnic origin⁶. This figure is consistent with the overall employment ratio for the ULV.

5.2 The major ethnic groups in employment in retail are the 'white other' (including Eastern Europeans, Turkish), Asian Indian and Black British and African.

5.3 43% of employees in the retail sector are male, 57% are female, which suggests the industry is more accessible for females, and one in which the number of female employees has continued to increase.

6.0 Occupations and Vacancies in the Retail Sector of the ULV

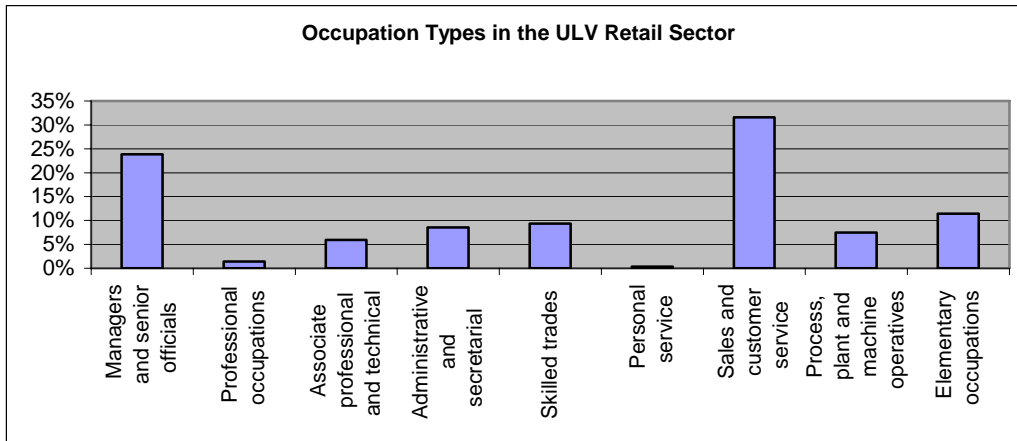
6.1 32% of all jobs in the retail sector are in Sales and Customer Service⁷. This is followed by Managers and Senior Officials, which make up 23% of all jobs.

⁴ Annual Business Enquiry (ABI), 2004. Accessed from www.nomisweb.co.uk in November 2005

⁵ A calculated ratio between the local economy and the economy of some reference unit that. This ratio is calculated for all industries to determine whether or not the local economy has a greater share of that industry than expected. If an industry has a greater share than expected of a given industry, then that "extra" industry employment is assumed to be Basic because those jobs are above what a local economy should have to serve local needs (garnet.acns.fsu.edu).

⁶ Office of National Statistics, Census 2001. Accessed from www.nomisweb.co.uk

⁷ ONS, 2001. Accessed from www.nomisweb.co.uk



Source: ONS, 2001 (www.nomisweb.co.uk)

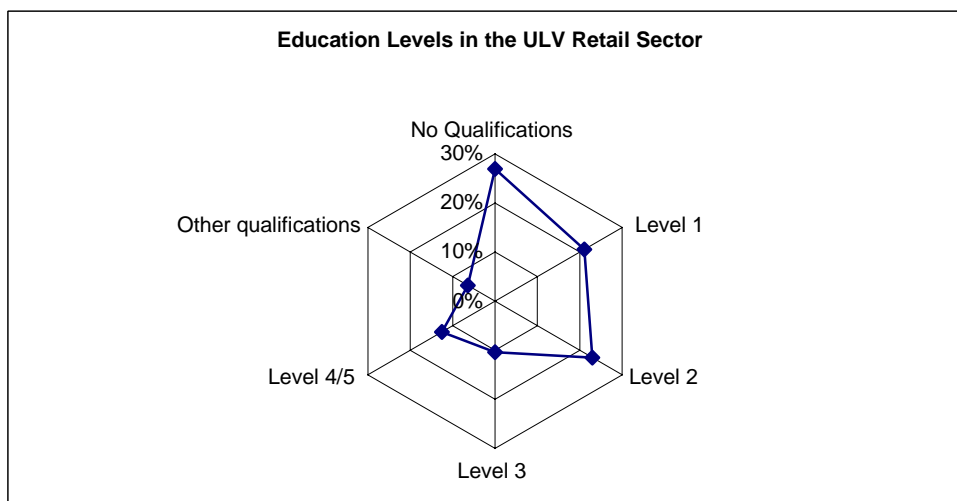
6.2 There are currently over 18,000 people employed in Sales and Customer Service in the ULV⁸. This forms 18% of total employment in the ULV, and shows that almost 50% of sales and customer service jobs in the ULV are found in retail. This number has decreased slightly over the past few years, however remains relatively high in relation to other areas of employment in the ULV.

6.4 There has been an average of 212 vacancies in the retail sector of the ULV each month⁹. This number has been fairly stable throughout 2005. The majority of jobs are available in the sales and customer service occupation, but is also high in elementary occupations as well as administrative and secretarial occupations.

6.5 It is therefore apparent that the Sales and Customer Service jobs in the retail sector will form the basis for the strategic employment focus of the Employ ULV Framework due to the high levels of opportunity in that area. .

7.0 Education and Skills in the ULV Retail Sector

7.1 25% of all employees in the retail sector have no qualifications. 20% of employees hold la level 1 qualification with a further 20% holding level 2 qualifications.



Source: ONS, 2001 (www.nomisweb.co.uk)

⁸ ONS, 2001. Accessed from www.nomisweb.co.uk

⁹ Job Centre Plus (accessed from www.nomisweb.co.uk)

7.3 This shows that entry into the retail industry is not strongly related to levels of formal qualifications, and indicates possible emphasis in the industry of soft skills and other non-academic skills such as attitude and approach to work.

8.0 Skills Needs and Gaps in the Logistics Sector of the ULV¹⁰

8.1 Labour Supply

- Overcoming a poor image is essential to attract young people and more mature recruits.
 - The interesting and diverse environment offered by work in the Retail & Related Industries must be capitalised upon.
 - Career paths need to be drawn up and widely publicised so people begin to think of a long-term career in the industry – it would be beneficial for career stages to be linked to certification.
 - Careers advisers need to be educated and wooed by the industries through work placements and information days so they understand the realities and opportunities on offer.
- Large companies in the Retail & Related Industries do train their employees but more often than not, in their own way rather than through nationally recognised qualifications and standards.
 - Personal attributes and practical skills are more valued than formal qualifications.
 - Best practice in the form of in-house training must be celebrated and publicised.
 - Bureaucratic assessment procedures mean employers are reluctant to support S/NVQs and therefore a significant amount of training is dependent on brand rather than occupational standards.
- SME's in the industries, as in other sectors, have a poor record of training.
 - Barriers include lack of time, lack of cover during training, and lack of relevant level and local availability of courses.
- Many employees in the Retail & Related Industries have no qualifications and lack basic skills. Some face the challenge of working with English as a second language.
 - We require the funding support and knowledge of partner organisations to help us address these training needs.
- A Level school leavers have been the traditional pool that the industries have drawn on, trained and developed, to be their future managers. However, as more young people are encouraged into further education, the pool has dried up and work must be done to attract and retain graduates.
 - There is poor awareness of the degrees available in retailing and logistics, which if promoted aggressively, will attract able young people.
 - Foundation degrees will also help to improve the quality of management potential from within the industries.

¹⁰ All referenced from www.dfes.gov.uk

- Recruitment and retention is vital for the health of Retail & Related Industries. Employers must overcome the culture of high turnover and the widespread acceptance of it as a 'fact of life' within the industry in order to address this issue effectively.

8.2 Skills shortages and recruitment difficulties

Employer Skills Survey data (ESS) shows that the sought-after skills for 'hard-to-fill' vacancies (a proxy for shortages) are:

- Personal attributes (38 per cent of establishments).
- Customer handling skills (24 per cent).
- Communications skills (14 per cent).

Employers reported that the main causes of skills shortages are:

- Low number of applicants with the required skills (61 per cent).
- Lack of qualifications (40 per cent).
- Not enough people interested (11 per cent).
- Lack of work experience (11 per cent).

8.3 Skills gaps

Within the retail sector, the main skills gaps are:

- Communication (reported by 43 per cent of establishments).
- Customer handling (40 per cent).
- Team working (33 per cent).

Causes of skills gaps are:

- Failure to train and develop staff (34 per cent of establishments reporting skills gaps).
- Recruitment problems (20 per cent).
- High staff turnover (17 per cent)
- Lack of motivation/interest/commitment (17 per cent).
- Inability of workers to keep up with change (14 per cent).
- Lack of experience (14 per cent).