



Shopfloor to Boardroom Project Summary

The retail industry is one of the largest economic sectors in Australia. It contributes over \$170 billion in revenue each year to the economy, and employs 1 in 5 people in Australia (ABS Retail Trade, 2005). It is the largest employer of young people, with the Australian Bureau of Statistics (Social Trends, 2005) stating that one in every two people under 25 years of age are employed by a retail organisation. Despite the large contribution the retail industry makes to the Australian work force, there is scarce research and insight into retail employment and career paths. The Australian Centre for Retail Studies is narrowing this gap in knowledge with the research project *Shopfloor to Boardroom*. This ground breaking research addresses some of the most important issues relating to retail organisations and their employees.

This summary report details the findings from the first two phases of the study; *Onto the Shopfloor* and *Into Management*. The third and final phase of the qualitative data collection, *Into the Boardroom*, is due for completion in October, 2006. The final report will include all the findings from the entire study in addition to their implications for retailers.

Study One: Onto the Shopfloor

The first objective of the study was to identify how retail is perceived by students, their expectations when entering the retail industry and their objectives for entering into employment, as well as to examine how the appeal of a retail career compares against other industries and to identify the deterrents of retail as a career in Australia. The second objective was to develop an understanding of career paths in retail based on HR Managers' experiences and to examine recruitment strategies and problems, succession planning policies and turnover issues that exist in the Australian retail industry.

Highlights from Student Focus Groups

"People don't want a career in retail... they don't want to go and work in a supermarket. And I think a lot of people think that it is a menial job at a menial company and there's no strive, there's no challenge and it's beneath them."

Results from the study indicate that among university students entry into retail employment was relatively haphazard. While respondents saw the retail industry as a good opportunity to make money while studying, their motivations for working in retail industry extended beyond the financial incentive. In discussing career objectives only 13 percent of university respondents chose "retail" as their number one career choice; however 67 percent did choose career paths that exist within the retail sphere, for example marketing and advertising.

University students expressed a difficulty with seeing retail as anything other than the shopfront. Furthermore, retail was narrowly defined, with the need to split "in the shop" from "behind the scenes". Despite positive comments being made about the industry the study revealed that for numerous reasons these positives were far outweighed by the negatives.

On the other hand, high school student focus groups revealed slightly different perceptions and aspirations. For example, the primary reason they were motivated to work while still at school was to gain experience and to increase their friendship circle. Like university students high school students were found to also define retail very narrowly. When discussing negative aspects high school students focused on issues including the difficult work conditions, unlike university students who lamented its lack of ability to satisfy their future needs. However, the key difference between the two groups in perception of a retail career was that high school students could see retail as having a good career path. While the general perception among university students was that it was simply a way to pay the bills "until something better comes along".

Highlights from HR Managers Interviews

"I don't think retail is ever a career of choice, it is something you definitely fall into... I mean I don't know anyone that says "I want to work in retail when I grow up"."

In discussing their own careers, all HR Managers had an overwhelmingly positive response to employment in the retail industry. Though they were happy in their role no interviewee had anticipated working in retail as a long-term career and had followed different paths in arriving to their current roles; the most typical path was exposure to retail while working part-time during their tertiary education.

Regardless of their introduction to retail no participant understood the scope of the retail organisation or the available retail career paths before entering into a senior management position themselves.

As for the perceptions they felt existed among the public regarding the retail industry, participants presented a number of views. However, all perceptions were negative and supported the notion that retail was not a career of choice.

With regard to the problems faced when recruiting staff several different themes emerged. It was found that the number one reason why HR Managers struggled with recruitment was related to the actual recruitment channels open to them.

The other significant problems with regard to retail recruitment was the inability to rely on recruitment companies and the problems associated with specific geographic areas. Of the organisations who discussed their recruitment strategies it was found that the most successful recruiters were those with a positive brand in the eye of the public.

Retention and turnover of shopfloor personnel was said to be an area in need of improvement for two thirds of the retailers in this study. In reviewing the many reasons that were provided as to why employees left the organisation, unsatisfactory treatment of the employee by the organisation was rated as being number one.

Conversely, employees choosing to stay did so because they liked the company. For example, higher retention was achieved when employees liked the culture, received reward and recognition and had a sense of achievement.

Study Two: Into Management

The aim of study two, Into Management, was to establish an understanding of the processes involved when making the transition from a shopfloor role, such as a sales assistant or cashier, to a management role. The objectives were to establish insight into the different retail career paths, develop an understanding of the difficulties and challenges faced when progressing up the retail career ladder and to highlight the requirements for a successful retail career.

To this end, in-depth interviews were conducted with staff from a range of retail organisations working in different streams of store operations, marketing, HR, buying/merchandising/planning, and supply chain/logistics.

Key Highlights

“I think the younger ones at Uni and things like that probably are aware of what they’re really wanting to do as a career whereas a store manager that maybe started off as... a casual may not really have a good understanding of what they want to do, they just want to progress and get more money and higher in the company and things like that... but they never really have a clear idea of what that next opportunity will be or where they will end up...”

Findings from the study indicate that the shopfloor employees most likely to be selected to progress to the store management level and beyond need to have certain qualities evident, and these qualities are personality-related more so than skill-related. The most important qualities included an ability to deal with a range of people, a strong work ethic and showing initiative/motivation.

In terms of progressing from beyond the shopfloor findings from this phase indicate that progression is a cyclical process that is repeated every time an employee changes roles. The first stage of this process is for employees to show attributes such as drive, passion and ambition. If these qualities are present then the next stage is to gain the support and assistance of an immediate line manager; this line manager then acts as the gatekeeper potentially assisting or hindering career advancement.

If the line manager is supportive of the employee’s goals then the next stage is to wait for a suitable opportunity to present itself. Only when (and if) the right opportunity presents itself can the employee progress to a new role. This cycle repeats itself until the employee no longer wishes to advance within a particular organisation.

“you need to have the support of line managers but you also need to have very clear direction and a desire to get ahead... you can always train people in the necessary skills and you can always develop their skill-set but its very hard to train people to have desire and the need to progress...”

There were four distinct career paths evident. While they all had similar beginnings, paths diverged when employees arrived at a store management level. HR and store operations had the most similar career paths, with the other retail streams being quite distinct. As can be expected the career path to supply chain/logistics management did not readily facilitate entry from a shopfloor background because of the separate skills and interests required.

Regardless of the path to their current role, experiences between respondents were quite similar. For example, when looking at their initial management promotion there was a sense of “being thrown in” however this was an internal feeling rather than a reflection of reality (despite the fact that many lacked the self-confidence their skill-set and development were in fact well matched with this advancement).

There was also a general consensus amongst all interviewed that the benefits of progressing up the management ladder far outweighed any negatives – with many actually seeing no clear drawbacks of advancing. As such, all interviewed see themselves continuing with a career in retail, though in what form some are not clear other than that the position will be more senior.

In discussing the particular challenges and obstacles that they may have faced as they progressed, the vast majority presented themselves as they made the transition from a store-based role to a support office role. The major problem faced was the actual “office environment” which was seen to lead to particular problems such as office politics, loneliness, monotony and a sense of boredom resulting from sitting down all day.

Despite these setbacks in hindsight the majority did not believe these obstacles to be significant and were merely problems that could be expected as part of any new role. The finding that no interviewee regretted their decision to continue up the retail ladder, also has a number of significant implications for retailers.

Shopfloor to Boardroom Complete Report

This is a concise summary of findings intended to provide an overview of the key results to date. The complete report will be available from the ACRS for purchase by December 2006.

The complete report will cover key findings from phases one, two and three in an in-depth format. It will highlight key insights and experiences as explained by those entering the retail industry, new and experienced retail managers, and general managers working in Australian retail organisation. Descriptions and explanations for results will be provided as well as relevant quotations from respondents.

The results will be analysed thoroughly to ensure that reliable and valid conclusions can be drawn, and that practical recommendations can be provided for business use.

The report will provide invaluable insight into retail recruitment, turnover, and progression providing many benefits for Australian retailers. For example, understanding the perception of retail as a career in Australia may help inform recruitment strategies and assist in targeting the shrinking labour market more effectively, and gaining insight the skills and experience managers require to move up the corporate ladder may be used to help improve internal HR practices.

Accessing the report

The report will be made available for general sale by the end of 2006. For further details on purchasing the complete Shopfloor to Boardroom report please contact the Project Leader, Catherine Nicolas on 03 9903 2753, or consult our website www.buseco.monash.edu.au/centres/acrs/research closer to the release date.

The report may also be obtained by becoming a **Research Sponsor** of the ACRS; in addition to many other benefits sponsors will gain first access to the full report. As the ACRS is a self-funding, commercial business within Monash University, by becoming a Research Sponsor your organisation has an opportunity to assist the ACRS in continuing its valuable research activities.

You will also be able to demonstrate to Australia your organisation's dedication to enhancing the profile of the Australian retail industry, to improving the image of retail as a career, and to boosting the quality and skill of your employees.

Furthermore, an investment in the Shopfloor to Boardroom research project will ensure your company receives first-access to cutting-edge research from all studies that encompass the Shopfloor to Boardroom project. Please contact the ACRS on 03 9903 2455 if you would like to enquire about becoming a sponsor of the Centre.

