

Skillsmart Retail

SECTOR QUALIFICATIONS STRATEGY

Introduction

The Sector Qualification Strategy for Retail is intended to be a high-level policy document reflecting the needs of employers and employees and is designed to influence the formulation and implementation of plans for Sector Qualifications Reform for the sector. As a consequence, whilst the policies outlined reflect the priorities identified in the Sector Skills Agreement for the retailing, the audience is primarily partners in the qualifications process; awarding bodies and regulators in the four home Nations.

Background

Skillsmart Retail participated with a small group of colleague Sector Skills Councils (SSCs) and QCA in developing a qualification strategy with the pilot programme initiated in April 2004, completing a draft policy late 2005. This process provided opportunities for participating groups to explore the application and focus for a strategy influencing the development of qualifications as well as allowing regulators to provide input and guidance to the development of policy surrounding the process.

Whilst this was a relatively new concept in systems terms Skillsmart Retail had, over some years, been developing and implementing policy in conjunction with partner awarding bodies and regulators, designed to respond to employer and employee needs around qualifications structure and delivery. The sector has already, in conjunction with these partner organisations, initiated carefully selected changes to the qualifications environment with initiatives focused on

- 1) the recognition of quality in-house training, and
- 2) the adoption of alternate approaches to the quality infrastructure through alignment with high quality development of assessment skills within selected major retailers.

As a consequence Skillsmart Retail was able to bring a body of knowledge and experience to the development of a strategic policy document drawing upon these initiatives and based upon a well developed consultative process. The resulting policy document "*A Skills and Qualifications Strategy for the Retail Industry*" has subsequently served as the basis of ongoing implementation planning for the sector. This document was re-presented as "*Retail Qualifications Strategy - Tier 1: The Core Strategy*" in December 2005 providing a different format for presentation but essentially unchanged in broad content and direction.

These documents articulated a qualifications environment that:

- adapts to meet the different needs of different employers, through the use of different units
- enables adoption by different types of employer, by accommodating different models of training and development and integration with different models of quality assurance
- enables progression within retail and to professional and other employment areas, by incorporating three categories of expertise (retail-specific, professional, and generic)
- enables candidates to match learning to career aspirations, by demonstrating clear links to the career paths within retail.

More recently, Skillsmart Retail has engaged with regulators for England, Wales and Northern Ireland in Test and Trials for the Qualifications and Credit Framework (QCF). This process is providing an opportunity to explore a number of the initiatives outlined in the early strategy documents, particularly as they relate to credit rating of units and flexible qualifications structures based around credit values and credit accumulation.

Aim

Whilst it is clear that the underlying purpose behind a qualification strategy is the development of fit-for-purpose qualifications for the sector, Skillsmart Retail holds a more strategic view on the intended outcomes from the work initiated by the policies outlined in this document. Very simply, skilling the workforce through the mechanisms of qualifications requires that the overwhelming majority of the workforce access qualifications. It also implies that employers and the sector at large identify qualifications as an important contribution to business success.

To this end, the stated aim for this document is to influence policy, programmes, practice and behaviour such that the sector, both employers and employees, moves towards full engagement with a skills culture based around a framework of progress where qualifications become one of the key instruments to aid in the establishment and upskilling of the workforce.

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Section 1- Executive Summary

The retail sector is one of the most dynamic in the UK economy in terms of change, innovation and competition. It has a workforce that represents approximately 11% of the UK workforce and one that has larger than normal representation of young people, part-time and un/semi-skilled workers. In addition, the workforce at a store operations level is a highly transient one.

Enterprises in the sector are not homogenous neither in size nor structure. In particular, employment characteristics for enterprises identify large populations amongst the very large and very small businesses representing unique issues in workforce development. Whilst training has been a core characteristic of the sector, particularly in large organisations, qualifications have been of limited success. Put very simply, the sector identifies value in a skilled workforce; it does not identify this as the need for a qualified workforce. This is exacerbated by the fact that a number of organisations, having experienced the bureaucracy and complexity of engaging with the qualifications environment, have elected to withdraw from formal qualifications.

The environment in which retail enterprises operate is characterised by fluctuations in economic conditions, growing globalisation, changes in purchasing practices influenced by the growth of the internet, constantly changing consumer activity and changes in demography as the baby-boomer generation ages. The workforce is predicted to grow steadily and at the same time experience the replacement requirements of a highly mobile sector requiring relatively large numbers to be brought into the sector. Research has established that key requirements for these new and existing employees will be the development of a wider skill base amongst both shop-floor staff and management including owner-managers in micro/SMEs.

The qualifications environment proposed seeks to respond more aggressively to an employer demand model to deliver on the vision that *qualifications become the key instrument to aid in the establishment and upskilling of the retail workforce*. The vision describes qualifications that:

- are adaptable to enable adoption by different types of employer, by accommodating different models of training and development and of quality assurance
- assist candidates' career progression within retail but should also allow movement to other professional areas and other employment areas, by incorporating three categories of expertise (retail-specific, professional, and generic)

- enable the candidates to match their learning to their career aspirations by demonstrating clear progression links to the career paths within retail
- are adaptable to meet the different needs of different employers, through the use of different units and by allowing some ability to go up or down a level which will allow for 'spiky' profiling, and
- fit within a simplified framework that is clear, progressive and purposeful.

Ultimately it is hoped that this vision will lead to a coherent framework of qualifications that provide a basis for learners to enter the sector, effectively develop careers and prepare themselves for the future, either within retail or in other areas of the economy.

With the vision of qualifications as the basis, Skillsmart Retail will work in strategic partnership with all stakeholders to ensure a qualifications environment which addresses the needs of the sector.

Section 2 – Scope of the Sector Qualifications Strategy

2.1 Overall scope

2.1.1 Footprint of the sector

The retail sector is large but it is not homogenous, with different sub-sectors having differing characteristics and, therefore, facing different issues. Whilst issues of overlap are common to most if not all SSCs, retailing finds a presence in many areas of the economy as well as drawing upon skills generic to much of the workforce. As a consequence, any examination of the footprint necessarily strays into a wider contextualised environment.

2.1.2 Definition by SIC code¹

The Skillsmart Retail 'footprint' can be defined in terms of Standard Industrial Classification (SIC) Codes and covers 52.1 to 52.6. Given this definition, according to the Annual Business Inquiry (ABI), around 2.9 million people are employed in businesses in the sector in Great Britain, with a further 90,000 employed in Northern Ireland, giving a United Kingdom workforce of around three million². This suggests that the Skillsmart Retail footprint represents approximately 11% of UK employment. This analysis identifies the following sub-categories of employment:

¹ Extract from Skillsmart Retail Stage One SSA, p13

² Labour Force Survey, Skillsmart Retail, SSDA Skills Matrix

Table 2.1 - The Skillsmart Retail footprint

3 digit SIC descriptors	4 digit SIC descriptors
52.1 Retail sale in non-specialised stores	52.11 Retail non-specialised food stores
	52.12 Other retail non-specialised stores
52.2 Retail food, etc in specialised stores	52.21 Retail sale of fruit and vegetables
	52.22 Retail sale of meat and meat products
	52.23 Retail sale of fish/crustaceans/molluscs
	52.24 Retail sale of bread, cakes etc
	52.25 Retail sale of alcoholic/other beverages
	52.26 Retail sale of tobacco products
	52.27 Other retail sale of food/beverages etc
52.3 Retail pharmaceutical goods etc	52.31 Dispensing chemists
	52.32 Retail sale of medical/orthopaedic goods
	52.33 Retail sale of cosmetic/toilet articles
52.4 Other new goods in specialised stores	52.41 Retail sale of textiles
	52.42 Retail sale of clothing
	52.43 Retail sale of footwear/leather goods
	52.44 Retail sale of furniture etc
	52.45 Retail sale electrical household goods
	52.46 Retail sale of hardware/paints/glass
	52.47 Retail sale of books/newspapers
	52.48 Other retail sale specialised stores
52.5 Retail second-hand goods in stores	52.50 Retail sale second-hand goods in stores
52.6 Retail sale not in stores	52.61 Retail sale via mail order houses
	52.62 Retail sale via stalls and markets
	52.63 Other non-store retail sale

Source: Standard Industrial Classification; Office for National Statistics

2.1.3 A practical perspective

Taken from a more practical perspective, an established definition from Stirling University describes retail as “the junction between production and consumption”. The sector’s activities can, therefore, be expressed as the sale of goods for personal or household use or consumption, traditionally via shops or markets. However, the boundaries have changed somewhat in recent years due to the significant growth in online retailing and the development of alternative formats such as farmers’ markets and retailing in transport hubs e.g. rail stations, airports.

2.1.4 Scope of the Sector Qualifications Strategy

The development of a qualification strategy for the sector holds complexities as a consequence of the overlapping roles addressed within the sector. The broad occupational analysis detailed in section 2.1.5 below suggests that nearly 50% of the occupations within the sector are a support to essential sales function central to “the junction between production and consumption” mentioned above. Detailed analysis of the functions identifies roles that are both pan-sector (e.g. admin, management, HR, finance and IT) and cross-sector (e.g. warehousing and buying). In addition, there are also areas where the footprint overlaps significantly into allied sectors (e.g. petrol retailing, floristry and optical/medical retailing).

This strategy document will focus primarily upon the core functions of *retailing*. This will include qualifications proposals for the core constituency as well as an approach to qualifications structures that provide useful tools for users in the allied sectors mentioned above. In addition, proposals will seek to recognise the potential for pathways in and out of the essential support functions mentioned, of a pan and cross-sector nature.

It is also important to recognise that work such as this does not develop in isolation. In particular, learning and other non-accredited provision will continue to develop and evolve. Aspects of the sector view on this will emerge throughout the strategy, however the core focus of the strategy will remain on qualifications. Clear steps will be outlined that seek to provide mechanisms for such provision to be drawn into a qualifications environment.

2.1.5 Occupational coverage

Overall, the occupational structure of the retail sector nationally and regionally is largely consistent with the UK picture. The majority of people working in store operations are sales and other elementary occupations (around 1.83 million employees), the remainder is made up primarily of management roles (around 570,000 employees)

Table A2.1 in Appendix A³ indicates the distribution of occupations within the sector. There are variations between the Nations and Regions and this is may be attributed to retail Head Offices and substantial operations being based in London and thus the highest proportion of managers and senior officials work there (20%), closely followed by the East of England at 19%.

By way of contrast the retail sector in Scotland records the lowest proportion of managers and senior officials as there are fewer Head Offices based there. However, it has the highest proportion of employees in sales occupations in the United Kingdom.

2.1.6 Population and demographics

The Stage 1 report for the Sector Skills Agreement identified an overall estimate for the sector of approximately 290,000 retail establishments in the UK, as at end of 2006. The sector is a major employer throughout the whole of the United Kingdom, in all its Nations and Regions.

³ Extracted from Skillsmart Retail Stage One SSA, p21

2.1.6.1 Geographical distribution

Table A2.2 in Appendix A⁴ shows that the scale of retail employment broadly reflects the size of the regional populations. For instance, the South East of England (the most heavily populated region) has the largest number of people employed in retail. Conversely Northern Ireland, the least populated area, employs just 3% of all retail staff.

Table A2.3⁵ shows how employment has grown in the sector overall between 1998 and 2006 to around three million people. Whilst employment in England and Wales has continued to grow across the period, Northern Ireland has seen the most significant growth with a 23% increase in retail employment. Conversely, Scotland has seen a slight reduction in employment between 2002 and 2006. This same pattern is to be seen in the English regions of London, the South East and the South West.

2.1.6.2 Enterprise size⁶

Table A2.4⁷ shows that the vast majority of enterprises throughout the UK (84%), employ between 1 and 10 people. This pattern is consistent within the English Regions and the Nations. Only 3% of retail employment enterprises in the UK (around 8,880 in total) have 50 or more employees.

As a consequence of this the retail sector is often characterised as having an “hourglass” shape due to the large volume of activity amongst both the largest and smallest enterprises as shown in Table A2.5⁸. It can be divided into four main groups:

- **Group A - a small proportion (0.1%)** of all retail enterprises employ more than 500 people each. In total these organisations employ just under two million people; this accounts for 64% of the retail workforce and over 66% of turnover in the sector.
- **Group B - a slightly larger proportion (0.4%)** of retail enterprises each employ 50 to 499 people. These account for a total of just 6% of the retail workforce and 6% of turnover.
- **Group C - a large proportion (42%)** of retail enterprises employ between 1 and 49 people, accounting for 23% of the retail workforce and 22% of turnover.
- **Group D - the largest proportion (57.7%)** of retail enterprises are traders employing no staff, and whose share of employment and turnover is in single figures.

⁴ Ibid, p17

⁵ Ibid

⁶ Ibid

⁷ Ibid, p18

⁸ Ibid, p19

The largest retail chains in the UK count amongst some of the most successful businesses either nationally or internationally. At the other end of the spectrum are the vast numbers of small and sole trader retail outlets, for some of whom trading conditions can be very difficult.

Whilst the individual trading features for each will be recognisably similar – control of costs, sourcing high quality merchandise, and being attractive to customers in some way – the differences by size are also stark. Large organisations are able to ride out short-term difficulties in trading conditions. Small retailers are working with much smaller margins and financial buffers and poor trading conditions even in the short term often mean closure.

A recent report⁹ acknowledged the importance of the small retail sector as a key driver of entrepreneurship, employment and local economies with sole traders accounting for around 50% of the total number of retail businesses since 1998¹⁰. Over this period larger retailers have continued to grow and those employing over 500 people increased their share of employment from an estimated 58% in 1996 to around 64% by 2005. They also recorded an increase of six percentage points in their share of turnover over the same period.

This characteristic of the sector represents the greatest challenge for qualifications development into the future. The larger organisations (groups A and B) are more likely to train staff with some of these engaging with the requirements to qualify their workforce. Smaller organisations (group C) on the other hand, because of work pressures, margins and operating characteristics are less likely to engage with any formal training. From a sector standpoint, it is critical for reasons that are outlined in later sections of this strategy that qualifications content, design and infrastructure are developed that engage with all these groups. Organisations in group D can be discounted as the strategy, as was the SSA, is geared to those employers with staff. The majority of this training is un-accredited and Skillsmart Retail undertakes to liaise with employers to explore and explain what choices and opportunities they have to gain recognition for their in-house training.

The vision and proposal outlined in section 6.1 is a direct response to these sector characteristics, and employer behaviour and preferences. In particular, a unitised credit-based environment will allow individuals to accumulate units towards a qualification whether they work in a large or small retailer environment. Adaptable delivery and assessment models are proposed to respond to employer resistance to engaging with the perceived bureaucracy of the qualifications systems. And a simplified framework of qualifications for the

⁹ All-Party Parliamentary Small Shops Group report, *High Street Britain: 2015*, February 2006

¹⁰ Small Business Service, 2003

sector, featuring more versatile rules of combination that reflect the diversity in size and characteristics of enterprises, are intended to provide a responsive framework to encourage these enterprises to use and value qualifications.

2.1.6.3 Part-time employment

The retail sector is renowned for its part-time employment opportunities regarded by many as a key component of its competitiveness. Whilst a quarter of people employed in the UK as a whole are in part-time jobs, over half of those employed in the retail sector are part-time¹¹. This is the highest proportion of part-time workers amongst all sectors of the UK economy, has been more or less constant for the past seven years, and is forecast to increase as a percentage over the next decade.

Analysis of Labour Force Survey data supports anecdotal evidence that part-time workers are less likely to receive training at work. This is for the very obvious reason that employers taking on staff to meet critical load requirements are unlikely to provide paid time-off to engage in training programmes, or become qualified.

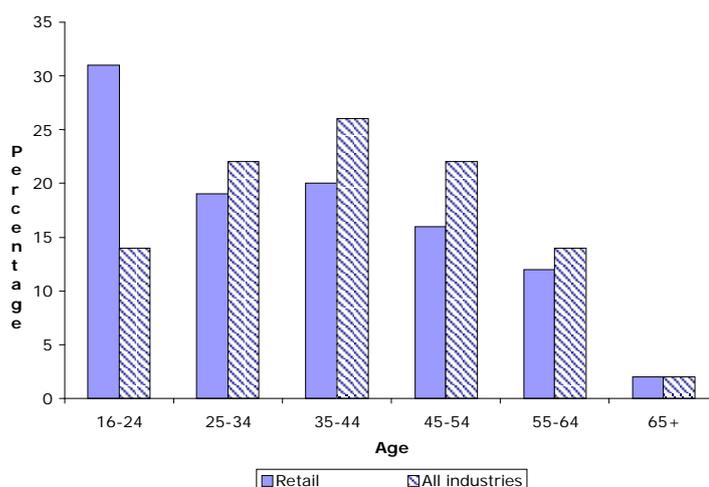
This is a particularly difficult issue to address and yet the implied lack of skills amongst this group, as a consequence of low training levels, is a significant issue for the sector. Whilst there is no simple solution to this problem, Skillsmart Retail believes that greater engagement with qualifications on a sector-wide basis, in conjunction with innovative funding models (e.g. unit funding) has the potential to open up opportunities for this group to access training and accumulate units towards qualifications in the longer term.

2.1.6.4 Age profile

The chart below shows that the retail sector relies heavily on young people, employing far more under-25s than the economy as a whole. In addition, the age distribution of the retail workforce is heavily skewed towards younger age groups. Almost a third of the sector's workforce is aged under 25 compared with only 14% in the economy overall.

¹¹ Labour Force Survey, Annualised 2006

Chart 2.1 - Age profile of retail sector employment in the UK 2005¹²



Source: Labour Force Survey, (Q1 2005 to Q4 2005) SSDA Skills Matrix

The prevalence of younger workers provides retailers with both opportunities and challenges. A significant proportion of these younger workers are employed in sales occupations: 40% are below the age of 25. However, many do not see the sector as offering long-term career opportunities and the skills they do acquire are lost. More particularly from a personal standpoint, they place little value on gaining recognition for 'retail' skills. Unitised credit-based provision, coupled with the clear articulation of the categories of expertise, is seen as a practical mechanism to move this group towards valuing and seeking recognition for the skills developed at this early stage in their working careers.

Despite historic and current under-representation, the sector is starting to employ a greater proportion of over 60s in line with the whole economy. A number of the UK's major retailers, such as B&Q and Sainsbury's, are renowned for employing older workers and more are seeking to provide opportunities for this age group. This is likely to be a key strategy for the future as this age group increases at the same time as younger age groups are in decline. Table A2.6¹³ shows that there is a fairly consistent pattern of employment by age across the UK. The availability of unitised qualifications with effective credit-based structures and a clear articulation of distinct categories of expertise coupled with clear progression routes is seen as a key element in recognising the skills these employees bring to the sector. In addition it will provide a useful tool for complementing their skills with sector relevant competencies.

¹² Extracted from Skillsmart Retail Stage One SSA, p25

¹³ Ibid, p26

2.1.6.5 Qualifications issues in population and demographics

One concept that has emerged as having the potential to attract and stimulate learners in the sector is *categories of expertise*. Employers and candidates often do not appreciate the full value of a specialist unit because they do not realise the relevance of the specific unit to work outside of the specialism in which it was gained (e.g. a management or buying unit may open career opportunities outside retail).

During research conducted with retail employers, there were three categories of expertise identified as being of value. The first category is particularly relevant to retail, the second category is relevant far more widely, and the third category is relevant in all working environments.

- *Retail-specific expertise* is particular to retail and even to particular specialisms within retail: for example, this would include the provision of expert advice to customers on goods and services.
- *Professional expertise* is also relevant to other industry sectors: for example, this would include expertise from areas such as finance or HR.
- *Generic expertise* is relevant almost regardless of job role or industry sector: for example, this would include the abilities to work in a team, to serve customers, to remain enthusiastic and to motivate others.

These categories are seen as having potential to encourage the large number of young learners who pass through the sector as well as those seeking to enter it as mature workers to look to have skills recognised as a component of a wider qualifications portfolio. There also exists through this approach, the opportunity to link skills developed in a retail environment to a wider portfolio of qualifications (e.g. accounting, HR, marketing) to overcome any perception of a career trap amongst young learners entering the sector.

2.1.7 Provision

The qualifications environment for the retail sector is characterised by provision that is both formal and informal. Large retailers in particular have committed to training staff for decades, recognising the business benefits to be gained. For some of these retailers, this training and development is of such a standard that it has achieved the status of an informal 'qualification' within the sector. By way of example, many employers place great value on the skills gained by young people working for the McDonalds fast food chain while students, regardless of the sector they eventually seek to develop a career in.

Within the formal qualifications environment, the retail sector is, or has been in the past, served by a range of provision within the NQF/SCQF¹⁴:

	NQF	SCQF	Application
14-19 qualifications and learning programmes	1-2	5	The retail GNVQ was a very popular option in this area when available. Currently a range of entry level provision is available.
Vocationally Related Qualifications (VRQs)	1-4	4-7	Used in conjunction with competence-based development, specialist skills and some 14-16 focused learners. VRQs also form the Technical Certificate components of the Apprenticeship programmes.
National and Scottish Vocational Qualifications (S/NVQs)	1-3	4-6	Primarily used by larger employers
Foundation Degrees (England and Wales) / HNC/HNDs (Scotland) / HNDs in Northern Ireland potentially moving towards FDs	4-5	7-8	For development of management, design and visual merchandising
HE programmes	4-6	7-10	Principally focused on retail management

There are also qualifications undertaken that are not within the accredited framework:

- Level 1 Food Safety Awareness in Retail
- First Aid (e.g. St.John's Ambulance; Red Cross)

and a number of retailers have had their training endorsed by awarding bodies/professional institutes/HEIs.

2.2 - Key issues and priorities

The Sector Skills Agreement Stages One and Two reports highlighted a series of priorities for the sector. In addition, specific research has been undertaken to underpin the development of this document as well as more general research for the development of the 14-19 Diploma in Retail in England which has identified further issues to be addressed in this strategy.

In terms of these issues and priorities, Stage Two of the Sector Skills Agreement noted “there is a remarkable degree of consistency between the four home nations” as it relates to learning, training and qualifications needs and directions for the sector.

2.2.1 Sector priorities

The principal themes identified within the SSA that have qualifications implications are:

- Mechanisms for developing and recognising store management skills in multiple retailers

¹⁴ These programmes will also appear within the QCFW once it is populated.

- Development and recognition of the skills of those who are managers and proprietors of independent stores
- Development and recognition of the skills of those in sales occupations in both multiple and independent stores
- Implementing mechanisms that ensure a good supply of people wishing to enter the sector

2.2.2 Strategic issues in qualifications development

The SSA identified issues¹⁵ that require attention to ensure wider sector engagement with qualifications:

- The complexity and confusion of publicly sponsored business and learning support
- Employers (of all sizes) are generally disengaged from government-sponsored activities because of the perceived and actual bureaucracy involved
- The sector tends to train its own, in-store and on-the-job which does not readily integrate with existing recognition systems
- There are differences in needs by location (e.g. High Street vs. out-of-town retail park)
- 150+ retail qualifications on the LSC database and on QCA's National Database of Accredited Qualifications and the evolution of naming conventions that lack coherence is confusing
- Public Service Agreement targets for NVQs lead to inflexibility and as a consequence discourage participation

Subsequent research undertaken to inform the development of the 14-19 Diploma for Retail¹⁶ identified the need:

- to develop qualifications structures and rules of combination that reflect the needs of both employers and employees and that enable effective use of the emerging credit frameworks while recognising learner development both horizontally and vertically.
- to develop a coherent Vocationally Related Qualification (VRQ) framework for Retail that stretches from 14-19 learners through those undertaking learning programmes at the highest levels of higher education.
- for developing clarity and transparency in the market for all qualifications servicing the retail sector. In particular this requires that progression pathways from Diploma/Baccalaureate, pre-employment VRQs, S/NVQs, employment based VRQs, Foundation Degrees/Scottish HNC/HND, and undergraduate/post-graduate programmes to be clearly defined and articulated in the context of careers.
- for sector driven specification of VRQs, the Technical Certificate in particular, similar to that process undertaken for the Diploma that ensures consistency of programme content across providers.

¹⁵ SSA one, Op.Cit, p172

¹⁶ Pye Tait, *Market View for The Diploma in Retail*, November 2007

Research and consultation amongst stakeholders undertaken to inform this version of the Sector Qualifications Strategy¹⁷ on the barriers to engagement with qualifications as well as approaches to attract those who are disenfranchised¹⁸ across the sector has determined a need to:

- fund, recognise and give credit for units of learning achieved towards full qualifications where the environment does not support the attainment of full qualifications.
- develop qualifications that allow for a much wider and diverse range of skills reflecting the diversity and demographics of retail enterprises.
- develop quality systems both for qualifications and funding programmes that integrate with and give recognition to existing business related quality infrastructure, such that the requirements of any such quality systems is seamless and draws heavily on naturally occurring evidence within the enterprise.
- allow flexibility in delivery, assessment and quality systems associated with qualifications achievement that encourages rigour of attainment based upon desired outcomes rather than enforcing the 'letter of the law'.
- recognise that enterprises will only fully engage with a qualifications culture when the requirements associated with vocational achievement more closely match the business culture and the needs of the sector and enterprises within it.

2.2.3 Considerations for the Sector Qualifications Strategy

Any strategic vision for development in industry would anticipate looking forward over a decade or even longer and in considering qualifications this would generally be the minimum period under consideration. However, given the fast-moving nature of the retail sector, it is very difficult to predict what kind of qualifications will be required by the sector in ten years time. The challenge is to create a strategy that has the capacity to adapt while responding to this fast moving landscape.

Advances in information technology, globalisation and intense competition all serve to increase the pace of change. The requirements of government agencies, for qualifications which meet the needs of a variety of funding models and policy initiatives add further complexity. The potential for such funding strategies to change in response to changing economic and policy objectives also require attention to ensure that the vision can be realised.

Skillsmart Retail proposes the development of a range of qualifications with characteristics that will accommodate whatever changes might occur and meet the diverse needs of all stakeholders. Furthermore, these qualifications need to be kept fresh to enable them to

¹⁷ BMG Research, *The learning provision market outside of accredited qualifications actions - Qualitative Study of Large Retailers*, September 2007

¹⁸ This term is used advisedly and is intended to describe groups such as part-timers and full-timers in small businesses who because of personal and workplace circumstances do not currently have access to formal training or qualifications.

continue to meet the pace of change and Skillsmart Retail would recommend the adoption of incremental review processes¹⁹. In addition, the curriculum specification process undertaken to inform the development of the 14-19 Diploma in England is seen to have ideal application in the development of fit-for-purpose VRQs for the sector.

2.2.4 Synergy with government priorities

Government policy represents both a challenge and an opportunity when viewed from the perspective of the Retail sector. In the first instance broad policy initiatives addressing the national skills agenda support the majority of development initiatives considered appropriate by the sector.

Funding in the skills formation environment tends towards two broad objectives, workforce development and the correction of market failure (e.g. youth under employment). There are many instances where the latter is not necessarily aligned with a coherent skills formation agenda for sectors and the retail sector in particular. Where there is overlap in the objectives, this does not necessarily demonstrate any convergence between government policy and sector needs. On the surface this may represent an unpalatable proposition; however, the retail sector provides an ideal environment to seek out harmony and convergence, providing the first employment opportunity for many new entrants to the workforce. This has implications for both national level 2 attainment goals and the establishment of lifelong learning objectives for young learners. Skillsmart Retail believes that appropriately structured funding models both for skills formation and wider market intervention strategies coupled with the proposals outlined in this strategy have the potential to deliver more effectively on government targets while encouraging both learners and the sector towards a qualifications-oriented future.

In addition to the known and well-defined policy development areas, the environment in which policy will evolve will be influenced substantially in the near future by a range of developments current or proposed. The formation of the UK Commission for Employment and Skills in particular represents a major initiative in policy terms that will impact upon the work of Sector Skills Councils. Any strategic proposals outlined in this document will require testing in light of the work of this body and the emerging initiatives in other home nations.

¹⁹ Refer to Appendix E for the Skillsmart Retail "The National Occupational Standards Continuous Improvement and Review Annual Cycle"

2.2.4.1 England

Whilst there are a number of policy initiatives currently underway in England, the report *'World Class Skills: Implementing the Leitch Review of Skills'* and the government response *'Delivering World Class Skills in a demand-led system'* is seen as the overarching policy framework within which this strategy operates, bringing together elements of the existing policy framework as well as outlining a blueprint for radical change for the future.

Initiatives linked to unitisation, adaptive models, categories of expertise, and funding are directly proposed to provide support for these policies. The inclusion of apprenticeships within the qualifications framework for the sector is intended as a direct support for one of the main thrusts in these policy documents.

Policies outlined in *'14-19 Education and Skills (implementation plan)'* and *'Further Education: Raising Skills, Improving Life Chances'* link directly to the sector proposals that cross the whole of the qualifications vision for the sector.

2.2.4.2 Northern Ireland

The policy framework *'Success through Skills'* identifies key achievement targets for the region:

- Understand the demand for skills
- Improve skills levels in the workforce
- Improve quality and relevance of educations and training
- Tackling skills barriers to employment

For the 14-19 cohort Northern Ireland has made a commitment to the 14-19 Vocational Enhancement Programme due to commence in 2009. In conjunction with this the Occupational Studies programme currently operating within Northern Ireland for Level 1 and 2 learners will continue to operate. In addition, a pre-apprenticeship programme for the 14-16 cohort announced in the 2006 budget²⁰ will address the needs of young learners seeking direct entry into Apprenticeships.

SkillsSmart Retail believes that the targets articulated in the Northern Ireland policy framework are closely linked to the proposals outlined in this strategy. In particular, it is intended that improvements to the skills of the workforce at large and the removal of barriers to employment will be directly influenced by the strategies outlined, while the broader targets

²⁰ Skills and Science Funding Package, *Northern Ireland Priorities and Budget 2006-08*, Department of Education and Learning Northern Ireland

will also be influenced as a consequence. At the 14-19 level, the focus and contribution anticipated from this strategy is intended to influence across the full range of current and anticipated provision, with Nation specific implementation plans addressing the detailed steps to attainment for each home Nation.

2.2.4.3 Scotland

Scotland has framed a series of policy statements and frameworks intended to underpin initiatives both in terms of preparation for entry to the workforce and progress through working life. These are identified as:

- Skills for Scotland – A Lifelong Skills Strategy
- Smart, Successful Scotland – Ambitions for the Enterprise Networks
- Life through Learning, Learning through Life
- Scottish Qualification Credit Framework

The Sector Qualifications Strategy for Retail is intended to support these initiatives and to provide building blocks that will encourage employer engagement. In particular, the vision outlined is intended to support these initiatives while providing tools for developing specific responses where necessary and for the removal of identified barriers for both learners and employers, real or perceived. Skillsmart Retail believe that the innovative funding approaches taken in Scotland might be linked to proposals in this strategy to provide targeted approaches for elements outlined in the '*Skills for Scotland*' and '*Life through Learning, Learning through Life*' focused on new entrants to the workforce in particular.

2.2.4.4 Wales

In Wales, the principal policy platform directing attention in that jurisdiction is described in '*Skills and Employment Action Plan*' (SEAP). This policy supports four specific strands of work:

- Improving Mechanisms of Workforce Development;
- Supplying New Entrants to the labour market with the Skills Needed for Employment;
- Working with Employers and Employees to improve skills;
- Helping More People into Sustained Employment.

The release of the Leitch Report has initiated a review of SEAP, with a response in the form of an update to this document anticipated to be released on December 2007. In addition, the

Webb Review²¹ is anticipated to provide the impetus for a range of policy initiatives impacting upon post 14 education and training in Wales.

The vision for qualifications for the sector is intended to support each of these policy strands. In particular, mechanisms for workforce development, the improvement of skills through a qualifications culture and the development of mechanisms to improve access to part-time workers and those full-timers in small enterprises. We also believe that a more adaptive approach to qualifications coupled with the 'categories of expertise' model has the potential to provide pathways into sustained employment for large numbers, given the number of opportunities provided by the sector for entry level employment.

Additionally, the Welsh Assembly Government has endorsed the '*Credit Qualifications Framework for Wales*' as an infrastructure environment for qualifications for the future. This strategy document is intended to provide strong commitment to this framework, reflecting employer endorsement of the process as a practical and strategic pathway for the future.

The Welsh Baccalaureate has been in operation for some time and is seen as providing a more appropriate response for young Welsh learners. The proposal being explored for adoption of main programme learning from the English Diploma as a route within the Baccalaureate provides an ideal opportunity for pathways for young learners into Retail careers. In conjunction with this, Skillsmart Retail is collaborating in developing a sector specific pathway within the 14-19 Work-based Learning Pathways, an initiative offering opportunities for young learners to stream into specific career paths and apprenticeship programmes.

The convergence of Basic and Key Skills in Wales in conjunction with the policy decision not to implement Functional Skills will impact upon aspects of the SQS implementation which may require specific responses for certain qualifications in Wales in the future. Also the ideals outlined in the Welsh Language Act will continue to be supported by Skillsmart Retail with appropriate materials translated into the Welsh language.

2.2.5 Additional considerations - The Leitch Review of Skills

The Leitch Review is arguably one of the most influential policy documents of recent times. This report undertakes a comprehensive and wide ranging examination of the need to improve the United Kingdom's record on skills development.

²¹ The Independent Review of the Mission and Purpose of Further Education in Wales in the Context of The Learning Country: Vision into Action, Department for Education, Lifelong Learning and Skills

Currently, England has published a response whilst Scotland has published their Skills Strategy with Northern Ireland and Wales considering their own response to this document. It seems likely that many of the findings will be agreed in principle in terms of its broad thrust and objectives, although the delivery mechanisms used to achieve the objectives in the home Nations will be different.

One particular initiative canvassed within the Leitch Review, spoke of the possibility that individuals might be able to exercise a right for time off to undertake a qualification. However, at this stage Ministers have only gone so far as inviting employers to 'pledge' to help their workforces attain relevant skills. With very considerable numbers of people in retail not holding a formal Level 2 qualification (around a third of the UK retail workforce), the retail sector is very much in the 'front line' so far as this area of policy is concerned. Proposals outlined in the vision are seen by the sector as being crucial if wider participation amongst retailing organisations is to be expanded to meet these goals.

Section 3 - Sector working environment

3.1 *Features of the work environment*

The retail sector is changing and evolving at a rapid pace. The main factors influencing that change are as follows:

- **UK economic conditions** – retail output and ultimately employment levels are intimately tied to the general performance of the economy and, more specifically, to household incomes and consumer spending.
- **Globalisation and price competition** – the ease with which firms can now operate internationally has had a major impact on the retail sector. The overall result has been increasingly intense price competition between retailers, leading to cost cutting in all areas of business.
- **Consolidation** – heightened by market competition, consolidation has been a key feature of the retail sector over recent years. The strengthening role of the large multiples has seen a reduction of small independent retailers and there has been a decline in self-employment and specialist retailers.
- **Falling employment or below average growth in less customer-facing roles** - consolidation and general cost cutting have largely hit head office and middle management roles. This trend is expected to heighten over the coming decade, as the performance of the overall retail market weakens.

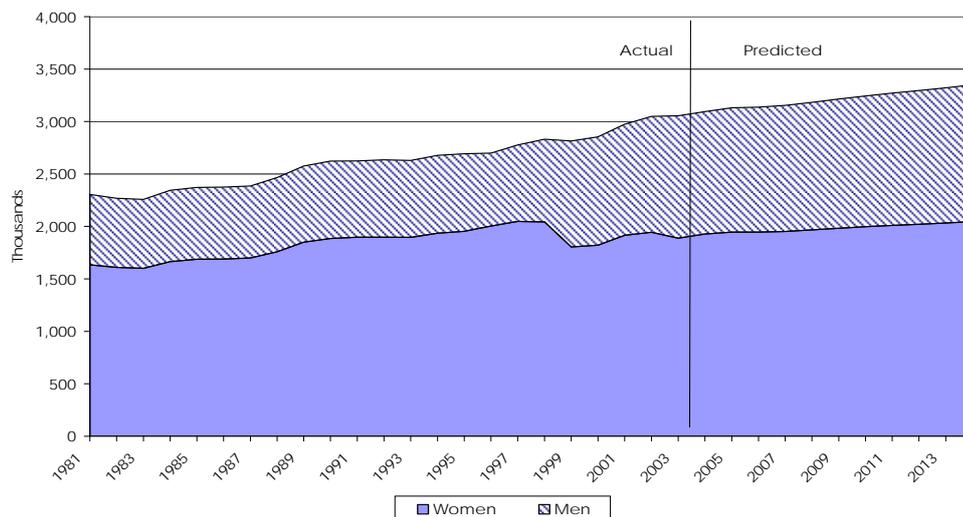
- **Internet technology** – the growing use of IT in retail is changing the face of employment in the sector. The growth in e-retailing has had employment implications far beyond simply IT personnel and growth has been seen in occupations such as customer contact centres, elementary sales occupations (which include ‘pickers’) and van drivers.
- **Consumers** – changes in consumer tastes and behaviour can have important implications for the structure of retail employment. For example, consumers are now more demanding and less loyal to retailers, leading to a shift towards improving customer service. Other changes include the growing demand for convenience (24/7) stores to adapt to consumers changing shopping habits and expectations.
- **Demographics** – there are fewer young people and the ageing population will have both demand-side and supply-side implications for retailers. In terms of the supply of labour, some retailers are already actively encouraging older workers.

3.2 Future trends

3.2.1 Workforce²²

The retail sector is predicted to grow by 8% between 2004 and 2014, a greater rate of growth than that expected across the UK as a whole. This expansion demand translates into a growth in total employment of 256,000. Replacement demand taken into consideration, there is a need for an additional 1.4 million people to be brought into the workforce by 2014.

Chart 3.1 - Employment growth in retail 1981-2014



Source: Working Futures, SSDA

Most new recruits will be needed in managerial, professional and sales occupations – those areas that are currently displaying the greatest skills needs. This need for a large numbers of

²² Extracted from Skillsmart Retail Stage One SSA, p71

new recruits into retail is set against the evolving demographics experienced by the UK, resulting in an ageing population and workforce.

Table 3.1 - Change in UK retail occupations 2004-2014

Occupation	2004 Level (000s)	Changes 2004-2014 (000s)		
		Expansion demand	Replacement demand	Total requirement
Managers and senior officials	510	104	190	295
Professional occupations	80	23	28	51
Associate professional & technical	256	49	90	139
Administrative and secretarial	320	-40	133	92
Skilled trades occupations	246	0	83	83
Personal service occupations	82	35	34	69
Sales occupations	1,125	128	425	552
Process plant and machine operatives	173	8	62	69
Elementary occupations	303	-51	115	64
Total	3,095	255	1,159	1,414

Source: Working Futures 2004-2014; Sectoral Report, SSDA

There are contrasting views about these predictions however, a point that is agreed is that the demand for *skilled and competent* employees will increase as the retail sector evolves. This is a key challenge for the sector as qualifications are not highly valued or promoted within retail. However, it is clear from the demographics and emerging environment outlined earlier that the need for a qualified workforce, not just a trained one, will become more important as employers seek to attract, develop and retain staff. The vision outlined in Section 6.1 is designed to respond to this need by providing easier and more flexible access to qualifications for those who are trained, and encourage more employees to seek qualifications whilst removing the real and perceived barriers experienced by employers.

3.2.2 Technology and emerging buyer behaviour

Technological change is having a significant impact on retail and the sector is divided into those organisations that are able to take advantage of the latest technology and those for which this is more difficult. Developments are presenting huge opportunities for new and existing retailers to increase sales and reduce costs, while at the same time making the sector vulnerable to increased international competition, potential fraud and a fragmented relationship with the customer.

3.2.3 Online Retail

Internet retail sales growth is outpacing total spending in shops by a factor of 10. This has been stimulated more recently by investment on the supply side²³ resulting in improved online services in conjunction with a sharply increased broadband penetration into UK households. Alongside the advances made by the major retailers in this market, it is

²³ Interactive Media in Retail Group, Financial Times, August 30 2006.

suggested that more affluent 'time-poor, cash-rich' consumers are making use of the Internet to save weekly visits to the shops. It is anticipated that e-retail, which currently accounts for 10% of all retail sales, could make up a fifth of all spending by 2010²⁴.

3.2.4 UK nations

The working environment in the four home Nations for retail is very similar, reflecting the similar characteristics of enterprises across the UK. Differences do exist, as mentioned in Section 1.3 above in the number of senior management and support staff between England and the other home Nations. This is not seen to represent any critical impact on qualifications development, save that it is important that a database of units for the sector recognises the difference in credit frameworks and that learners gaining recognition in one Nation readily gain recognition in others, which will aid mobility.

Section 4 – Current qualifications and learning provision

It has been noted already that retailers and large corporate groups in particular, have engaged in training their workforce for a long time, well before work-based vocational qualifications were available in the UK. These continue to be the training route of preference for a variety of reasons, not least the opportunity this provides to inculcate corporate culture and to introduce skills and behaviours that differentiate the businesses from competitors.

This training is often not only about knowledge and skills but also contains a competence assessment element. As mentioned earlier, the quality of this training is such that it has gained acceptance as a 'de facto' qualification in the sector. The examination of qualifications and the formulation of a strategy to qualify the workforce must be taken forward in the context of this environment and culture.

4.1 Types of qualifications

Stage Two of the Sector Skills Agreement identified that there are in excess of 150 retail qualifications available on the NQF and the SCQF, a summary of which is given in Appendix D. These are accredited by 16 awarding or professional bodies offering options ranging from pre-employment and entry level to further/higher education. Not all of those currently available are well used and some have had little or no take-up; others lack relevance for the sector. The lack of use could be due to confusion over the number of qualifications on offer with similar sounding titles all providing different learning and development possibilities through a variety of different assessment methods.

²⁴ Ibid.

4.1.1 Retail Scottish and National Vocational Qualifications

S/NVQs in retail have been offered in England, Scotland Wales and Northern Ireland since the late 1980s with participation rates amongst the most robust in any sector in the UK. More recently awarding bodies have also offered a Level 2 NVQ in Optical Retailing as a qualification developed for the niche retail specialists selling optical products.

In response to sector demand 'Target' Awards were developed and have been offered since September 2002. Each is a three-unit qualification using units from the Level 2 NVQ in Retail Operations with eight routes available. The majority of retail qualifications are fundable, but not necessarily funded; lack of national funding for these 'Target' Awards may have had an impact on the poor take-up experienced to date. These have recently been reviewed in conjunction with the awarding body and reduced to three awards to more effectively target the potential market. These awards represent an early approach to responsive qualifications based upon a bite-sized approach and would be expected to be replaced by credit-based qualifications in the future.

4.1.2 Vocationally-related Qualifications (pre-employment)

A wide variety of pre-employment vocationally related qualifications suitable for pre-16 students are available. They focus on the basic knowledge required to develop an awareness of work and the expectations of employers in the retail sector.

Whilst many of these qualifications are linked to work experience and work tasters, there is no requirement to have access to practical skills development at work. A detailed list of these qualifications is shown at Appendix D.

4.1.3 Vocationally-related Qualifications (retail-specific)

Available across a range of levels within the current National Qualifications Framework (NQF) and Scottish Credit and Qualifications Framework (SCQF), these qualifications are designed to provide the underpinning knowledge, understanding and skills, which, upon successful achievement, support the attainment of competence, based qualifications. These may be taken prior to entering employment or when in employment.

Certain of these vocationally-related qualifications are approved as Technical Certificates²⁵ as part of the national Apprenticeship programmes for England, Wales and Northern Ireland and have had a positive take-up across the three awarding bodies that offer them. There is

²⁵ The historical title for the qualification covering the broad vocational content within the apprenticeship blueprint previously approved by regulators

no technical certificate requirement as part of the Scottish Modern Apprenticeship programme.

There is also an emerging market for technical certificates amongst young learners looking to enter the sector. It is not clear yet whether this is demand or supply led, however, it is growing and is identified as a rich source of prospective recruits into the sector. In particular, this provides an ideal basis for 'programme led' Apprenticeship routes for the sector.

4.1.4 Vocationally-related Qualifications (specialist)

There is a variety of specialist vocationally related qualifications available that staff working within a retail environment may find useful depending on their individual job role. These deal with areas where regulatory requirements specify particular requirements:

- alcohol retailing
- food safety, and
- health and safety

There are also qualifications addressing the needs of special functions, skills or knowledge bases, for example:

- beauty retailing
- wine retailing
- food, fruit, and vegetables retailing
- lingerie fitting

to name a few.

For some of the more generic qualifications there is no data available to identify participation rates by candidates working in a retail-specific occupation as the qualifications are designed for the service sector in general and as such are widely used in hospitality and catering environments.

4.1.5 Full-time learning programmes

For school leavers wishing to follow a full-time learning programme a Diploma in Fashion Retailing at Level 2 and 3 (ABC Awards) designed to ensure in-depth knowledge and understanding of fashion retailing has been developed. These also offer the opportunity to be linked to a major fashion retailer for work taster opportunities to help underpin the knowledge being provided. A restricted pilot for these qualifications has now finished, following which the qualifications have been made available to further centres to offer the qualifications.

There is also a further full-time course available from the London College of Beauty Therapy the BTEC Certificate in Retail Beauty Consultancy at Level 2 and 3 (Edexcel).

In addition, SQA, Edexcel, and City & Guilds have higher-level qualifications available, the largest take-up for these being in Scotland, but again as a proportion of the number of people working in, or aiming for a career in retail, the take-up is extremely low.

4.1.6 Higher Education

Undergraduate and post-graduate programmes are offered by a limited number of institutions covering areas such as retail management and international fashion retailing. Programmes in this area begin at Foundation Degree or HNC/HND in Scotland through to PhD level.

4.2 Current volumes

Table 4.1 – S/NVQ completions

	Level 1	Level 2	Level 3	Total
2005	1523	7266	440	9229
2006	911	5259	499	6669

Source: Qualifications and Curriculum Authority, November 2007

Table 4.2 – VRQ completions

	Level 1	Level 2	Level 3	Total
2005	2374	12521	5573	20468
2006	6548	29182	5446	41176

Table 4.3 – Apprenticeship completions

	Apprenticeship	Advanced Apprenticeship	Total
2005	6641	624	7265
2006	7062	1105	8167

Table 4.4 - Degrees in retail (England, Wales and Northern Ireland)²⁶

Level	Degree programmes
Foundation	14
Honours	67
Masters/ Post-graduate	5
Doctorate	3
Total	89

Source: Skillsmart Database June 2005

The completion rate for S/NVQs suggests a declining participation rate in 2006, however this is a false indication of activity. This decline represents something of an opportunistic move by some training providers to deliver the Customer Service S/NVQ into the retail sector. This was in part stimulated by a qualification with fewer units which might have been perceived as 'easier' to achieve and deliver. Skillsmart Retail in conjunction with the industry examined this situation and determined that the Customer Service S/NVQ was not an appropriate route for learners in the sector and steps have been taken to ensure that learners have access to a retail specific qualification which encompasses far more than generic customer service. As a consequence, reports for 2007 indicate that participation rates are in line with historical trends.

In broader terms, statistical information in the area of registrations and completions is rudimentary and inconsistent for the sector. More detailed collection, reporting and analysis of both unit and full qualifications take-up and attainment will be necessary if the monitoring is to be effective, and will be explored further through the Action and Implementation stages of the project.

4.3 Match to employer current and emerging needs

By any measure, the volumes of qualifications outlined in section 4.2 considered in light of the potential described in section 2 falls short of expectations. Yet, research²⁷ clearly supports the view that the sector engages with both formal and informal training on a wide scale. There is a significant gap between the attainment of recognised knowledge and skills and learners gaining formal recognition by way of qualifications for this. This picture needs to be placed into context. Whilst it is not possible to support this contention with data that can be referenced, it is known that in the period since its inception, the retail sector is amongst the largest participants in S/NVQs in the UK.

²⁶ Extracted from Skillsmart Retail Stage Two SSA, p39

²⁷ BMG Research, *The learning provision market....*, op.cit.

Whilst the retail environment does not contain the complexity of qualification types and structures experienced in other sectors, the landscape is nonetheless still considered complex. Employers and providers express a need for a more coherent framework of qualifications encompassing those still at school through to those taking higher studies. Whilst the potential for flexibility in the content is considered important, a simple structured blueprint that defines the navigation into the sector and through a career requires development.

Looking to the future, the challenge in developing a wider culture of engaging with qualifications within the sector is that employers need qualifications to be of real value and relevance to justify their engagement. Except in a minority of cases (e.g. food safety, sale of alcohol), the retail sector does not generally require qualifications as licences to trade. Skillsmart Retail believes that increased qualification take-up will require both the removal of perceived barriers as well as the development of incentives to encourage employers to engage. Much has been done already to develop qualifications that respond to their defined needs in terms of content, within the scope of the current systems, however, future work will need to address systems as well as structure and content issues.

In systems terms, employers consider current qualifications to be overly bureaucratic and costly. The prohibitive expense on the sector at large becomes obvious when examined in light of new level 2 entrants into the sector each year given a labour turnover level of around 34%²⁸ and a sector workforce at this level of about 1.5 million.

There are examples within the sector where major retailers have been forced to develop a complete parallel structure to accommodate the requirements of current qualification systems, in spite of the fact that these major retailers are held in the industry to be a role model for skills development and recognition. These retailers eventually reject qualifications when the cost and levels of frustration become unacceptable. If they are to engage with qualifications, employers have clearly expressed a need for a qualifications environment that is less bureaucratic and that recognises that they have effective quality, delivery and assessment regimes that, in many, if not all circumstances exceed the requirements of the qualifications environment.

²⁸ Chartered Institute of Personnel Development Survey 2006 (Extracted from Skillsmart Retail Stage One SSA p60)

As early as the development of the first Assessment Strategy²⁹ for retail S/NVQs, employers express the need for work-based competence style qualifications and an infrastructure that reflect the realities and constraints of the workplace³⁰. Current quality systems and infrastructure simply seek to replicate academic/learning based provision. If employers are to engage widely with qualifications the quality assurance and infrastructure need to reflect the work environment and financial realities of the sector in which it applies. Evidence suggests³¹ that the sector does not want nor does it need a complex cost-laden qualifications infrastructure for level 1 and 2 staff, whilst it would be prepared to invest more in level 4 and 5 employees, reflecting the return on investment and the complexity of the role. Cost and complexity needs to reflect the level of 'risk' associated with the skill being recognised (e.g. one with a high health and safety component would require greater scrutiny than one without). As it currently stands, the 'quality' model for qualifications does not allow this level of discrimination. Put very simply, if there is any expectation that the sector will engage widely with qualifications then the requirements surrounding them must be a balance between the legitimate needs of the system and the pragmatic culture of the sector to which they apply.

Skillsmart Retail believe that in addition to the reduction in complexity and the capacity for adaptability, clear purposes must be established to promote qualifications for the sector. Specifically in relation to learners and employers we must be able to respond to the question, 'what's in it for me'?

In answer to this question, Skillsmart Retail believe that there is the potential to promote qualifications for the sector that recognises four different groups who could benefit from such qualifications in retail, each in different and potentially powerful ways³²:

- the learner
- the customer
- the employer
- government agencies with an interest in both business performance and labour market policies.

²⁹ *Skills formation and recognition of employees in the Distributive sector: findings and recommendations of the DNTO assessment strategy project*, Nov 2000

³⁰ This strategy was developed in consultation with a number of employers representing large, medium and smaller/micro businesses. It has been reviewed subsequently, most recently in 2007 with continued employer support. Refer to Appendix G for membership of the steering committee.

³¹ BMG Research, *The learning provision market...*, op.cit.

³² An examination of the relevance of each of these groups in influencing the environment for qualifications in the sector is detailed in Appendix F.

It should be observed that changing the environment for qualifications in the sector should not be underestimated. There are highly relevant reasons why the change should be made and, in engaging each of the above groups in the ways outlined, Skillsmart Retail believe it is possible to change the landscape for qualifications from an employer perspective. The use of qualifications to meet customer expectation is a cultural change that Skillsmart Retail will commit to facilitating. The proposals outlined in this strategy document are specifically designed to address the needs of both the learner and employer groups.

Finally, Skillsmart Retail in partnership with the wider sector, regulators and funding authorities will look to find constructive mechanisms for funding that are both robust and flexible as a pathway towards contributing to government policies and targets.

Section 5 – Other sector uses of qualifications

5.1 Regulation of practice

The retail sector has limited legislative control on employment practice and has no desire to see this extended. The notable exceptions mentioned earlier relate to the retailing of alcohol, where specific qualifications are required, and food handling/selling of advised insurance products where employees are required to have undertaken training. Where this is the case, the structure and approach to qualifications, particularly a credit based approach, is seen as providing the necessary support and encouragement for both employer and learner to pursue full qualifications in the longer term.

5.2 Promotion of customer confidence and protection of consumer rights

The issues identified earlier in this report relative to the increasing need for technically competent sales staff are at the heart of this aspect of qualifications. Increasingly retailers will look to build on reputations and to use quality of service and after-sales service to differentiate their brand. Once again, the availability and promotion of credit for units achieved that respond to this requirement, is seen as a necessary backdrop to encouragement of the attainment of full qualifications.

Section 6 – How Skillsmart Retail will help realise the future

6.1 – Vision of future qualifications

After considering the complexities attached to qualifications and the requirements which affect uptake, it has been determined that future qualifications in retail should have the following features, each of which is discussed further in this section.

The qualifications and way units are combined should:

- 1) be adaptable to enable adoption by different types of employer, by accommodating different models of training and development and of quality assurance
- 2) assist candidates' career progression within retail but should also allow movement to other professional areas and other employment areas, by incorporating three categories of expertise (retail-specific, professional, and generic)
- 3) enable the candidates to match their learning to their career aspirations by demonstrating clear progression links to the career paths within retail
- 4) be adaptable to meet the different needs of different employers, through the use of different units and by allowing some ability to go up or down a level allowing for 'spiky' profiling
- 5) fit within a simplified framework that is clear, progressive and purposeful

6.1.1 Adaptability through delivery and assessment models

Employer demands for qualifications reflecting the practicalities and financial realities of the working environment mentioned in Section 4.3, suggests that future qualifications should be adaptable for different employers in the sector by enabling a range of training and development models as well as quality assurance models to be used. Skillsmart Retail will work with partner awarding bodies and regulators to base developments on experience to date with the S/NVQs.

This experience suggests that a model such as that shown in Appendix B might be appropriate for the units in new qualifications, with the awarding bodies interacting differently with organisations with different levels of sophistication within their quality systems infrastructure (e.g. ISO9001; 6-Sigma, etc.). At one end of this spectrum, awarding bodies would maintain a high level relationship with organisations quality assuring internal systems, much as bodies such as the British Standards Institute do for these ISO quality systems. At

the other end they would continue to monitor organisations activities more closely in line with the existing Code of Practice requirements.

All retail qualifications must be capable of adding value to retailers' own high-quality in-house training and development programmes. This could be achieved by accrediting what already occurs through evaluation by awarding bodies of the organisation's training and quality assurance systems against the requirements of the national qualification. Depending on the degree of match and the rigour of the quality assurance, the awarding body will work with the employer to ensure the integrity of the required systems and assist in setting up programme-specific moderation processes. The programme then runs normally, but with the considerable added benefit of a nationally accredited qualification for successful candidates.

The S/NVQ model for the retail sector has fundamentally changed the model of qualification delivery in the retail sector. Up to now, employers have always had to adapt to the requirements of the awarding body. With the retail S/NVQ, the needs of the employer and the awarding body are more closely aligned whilst continuing to maintain standards. It is intended to build on this new, customer-led system to allow much more freedom in programme design and delivery. This combined with the unitised approach offers complete flexibility for the employer and employee.

This initiative is seen to support the current direction being articulated by regulators in the consultation draft on the strategic regulation of qualifications³³.

6.1.2 Three categories of expertise

As outlined earlier³⁴, employers identified three distinct categories of expertise that can be isolated in a retail context:

- *Retail-specific expertise* is particular to retail and even to particular specialisms within retail: for example, this would include the provision of expert advice to customers on goods and services.
- *Professional expertise* is also relevant to other industry sectors: for example, this would include expertise from areas such as finance or HR.
- *Generic expertise* is relevant almost regardless of job role or industry sector: for example, this would include the abilities to work in a team, to serve customers, to remain enthusiastic and to motivate others.

³³ Strategic regulation of qualifications - *How the regulators would use a new statutory power to recognise organisations to offer qualifications*, QCA, September 2007

³⁴ Refer to section 2.1.6.5

It is intended to demonstrate that qualifications are relevant not only to retail, but also to professional careers and many other industries. This will be achieved through mapping models that demonstrate how many of the skills that need to be developed for success in retail are also required elsewhere.

By using a unitised structure for qualifications, it is intended that units in professional expertise are shared with other relevant professional bodies (e.g. accounting, HR, marketing) and to share units in generic expertise with qualifications in other customer-facing sectors. If this can be achieved, then it may be possible to negotiate exemptions from the relevant professional bodies and other qualifying bodies towards both qualifications and professional recognition. This would provide firm evidence of the overall value of expertise developed in the retail sector and would confirm the universal currency of qualifications to candidates.

In terms of entry in retail, employers have expectations of the compulsory education system in that entry into the sector will be predicated upon people having generic employability skills (e.g. communication, team working, customer handling skills, reading and understanding, IT skills). These generic skills are also sought in A Level or Graduate entry but at this level they are more advanced skills (e.g. analytical skills, ability to write substantial reports, solving complex problems, higher cognitive skills etc). It is a given that selection for employment in the retail sector takes place based on these generic employability skills, and then following successful recruitment more specific retail training is given. It is intended, therefore, that the content and assessment of qualifications will be guided by the needs of the retail sector. In particular there is no intention to impose additional assessment requirements as has been required with the Key, Core and Essential Skills in the National Apprenticeship schemes (Wales being the exception in this regard).

6.1.3 Matching to career paths

Most importantly, the intention should be to develop future qualifications that will provide value to candidates at transitional points in their careers. This approach to the design process for qualifications will support career progression and facilitate career choices either in retail or elsewhere. It is intended that such qualifications should be developed, even if it means breaking the current mould, and to work with the retail sector, awarding bodies, universities and government agencies to ensure viable delivery systems and robust assessment methods.

In order to design the qualifications, there is a need to take account of career paths in retail operations, in particular. Other roles in retail, particularly in head offices, tend to have their

own career paths that are less specific to retail. Individuals who are responsible for business functions such as finance, HR and marketing may be recruited internally or externally. Their career paths relate more to the specialist 'head-office' based business functions that they take on rather than to any special characteristics of the retail sector.

For career paths in retail operations, there is a need to take account of the different routes into, through, and out of retail. This will require:

- consideration of routes into retail to ensure that the design of qualifications suits the needs of the sector;
- consideration of routes through retail so that the design of qualifications supports employees at transition points in their careers;
- consideration of routes out of retail so that the design of qualifications provides wider opportunities and applicants are not discouraged from retail by any perceptions that they may become trapped within the sector.

The present model of career routes into, through and out of retail operations is shown in Appendix C. It is a composite model from several retailers and the job titles do not correspond to any individual case. But the pattern of progression from the sales floor up through management appears to be generally recognisable.

The model does, however, hide complexities. Specifically, it does not show the range of business activities accommodated within the same job titles. For example, staff with the same job title in a large supermarket chain will take on responsibilities from a range including replenishment, check out operation, fresh produce service (including butchery, bakery, fishmongers, hot food, salad bar) and so on. Also it does not show the lack of alignment between job titles and levels of responsibility in different retail firms. For example, the responsibilities of store managers in small stores might be more akin to department managers or even supervisors in large stores.

The model provides a starting point to enable the design of new qualifications that will assist career progression along the routes shown, providing that it can take into account the hidden complexities. It can also accommodate the progress in moves such as that from "store manager" in a small store to "assistant store manager" in a large store.

6.1.4 Adaptability through unitisation

The sector strongly endorses the concepts underpinning the QCF in England and Northern Ireland, SCQF in Scotland, CQFW in Wales as providing an ideal environment within which

fit-for-purpose learning programmes might develop and sector relevant qualifications be formulated. The development of unitised frameworks, as outlined above, are intended to ensure the unique elements of each framework are accommodated and the objectives of each regulatory environment respected.

It is intended that future qualifications for the retail sector be adaptable for different candidates by assembling the qualifications from discrete units, as has previously been done with S/NVQs. This will lead to flexibility for both learners and employers to create bespoke qualifications which are fit-for-purpose and suited to their needs.

The use of units as the building blocks of a qualification enables an awarding body to offer the candidates a degree of choice in the design of the qualification that they take. Candidates can adapt the qualification to suit their own needs and that of their employers by choosing the relevant units. The choices can be constrained as in the “core and options” model for which candidates have to take a core of mandatory units but can choose relevant options for the remainder; or the choices can be more free ranging as in the “pick and mix” model” for which candidates choose all of the options.

Units have another advantage in that they can be used to acknowledge candidates’ progress until they have completed the whole qualification. This enables the candidates to build up their qualifications through credit accumulation. This aspect of credit will be particularly useful to those employees who move within the sector and those who are part-time.

It is further proposed that qualifications, rules of combination and credit frameworks be developed separately from the building blocks thus providing long-term stability for the qualifications themselves as well as providing an evolutionary framework rather than step change.

6.1.5 Learning and Qualifications framework for Retail

The framework for learning and qualifications in the retail sector that reflects this vision is anticipated to be:

- Full-time vocational courses for 14-19 year olds e.g. the Diploma in Retail, the Welsh Baccalaureate, National Qualifications (current qualifications include the Diplomas in Fashion Retail and Retail Beauty Consultancy)
- Short or taster vocational courses for 14-19 year olds e.g. Skills for Work, Occupational Studies, Work-based Learning Pathways, Young Apprenticeships
- Apprenticeship programmes

- Technical courses at Levels 1, 2 and 3 which are based on the underpinning knowledge and understanding within the NOS and which include the Technical Certificate and other legislative requirements for the sector
- Occupational qualifications e.g. S/NVQs or similar replacement qualifications
- Foundation Degrees in England, Wales and Northern Ireland and Higher Nationals in Scotland
- Degree and Post-Graduate programmes

6.1.6 Funding

The funding landscape outlined for qualifications is crucial if the vision is to be realised. In the first instance, funding designed to address market failures must be targeted in such a way that they are complementary to the sector's need for skills. Thereafter, funding policies that recognise the limitations and commercial tensions outlined earlier in this document are an important component in promoting qualifications as a viable option for skilling the sector.

Skillsmart Retail, and the sector at large, recognise that there are no simple solutions to this issue and that government and funding bodies have a responsibility to expend public monies in a responsible and a prudent fashion. The effect of divergent policies in terms of access to funded qualifications for those already in the workplace should not be underestimated. It is problematic for a homogenous retail sector to operate consistently across the UK.

Skillsmart Retail and the sector will work with all stakeholders to look to frame suitable policies and programmes that support learners, appropriately stimulate employers and deliver on government targets.

6.2 *Past and future dialogue*

Dialogue with the sector and other stakeholders falls into three broad categories, in the development of this strategy. This can be identified as:

- Long-term engagement
- Development of Sector Skills Agreement
- Development of the SQS for Retail and more specifically 14-19 provision

In addition, this section will outline Skillsmart Retail's intentions for future working arrangements with all stakeholders, as the SQS implementation process develops.

6.2.1 Long-term engagement

The Sector Skills Council for Retail and its predecessor organisations have been involved in the development of vocational qualifications since 1989. Members of these bodies and the organisations as a whole have been engaged in consultation with employers, employer

organisations, awarding bodies and regulators in England, Northern Ireland, Scotland and Wales over the whole of that period. Retail qualifications have been some of the most widely undertaken qualifications in the National Qualifications Framework.

The sector has been at the forefront of initiatives associated with both the development of national occupational standards, definition of S/NVQ qualifications, and the development of effective fit-for-purpose quality systems. As a consequence of representation from employers, and in conjunction with the regulators, this development saw some of the first examples of the use of plain English in occupational standards, underpinned by recommendations from the Beaumont Report.

The General National Vocational Qualification (GNVQ) in Retail was one of the earliest programmes of this type delivered into the 14-16 cohort, once again as a result of collaboration between employers, regulators and the teaching profession.

Skillsmart Retail has piloted work on flexible approaches to assessment, reflecting high quality employer based skills development. This work, initiated in early 2000, reflected close liaison between regulators, awarding bodies and targeted businesses in the sector, to develop systems that reflect employer needs for flexibility and adaptability while meeting the demanding requirements of both awarding bodies and regulators for integrity in the quality systems.

Retail and retail oriented qualifications have wide awarding body representations across the United Kingdom. The current list is:

- City & Guilds
- Edexcel
- OCR
- EDI
- ASET Awards
- Scottish Qualifications Authority
- ABC Awards
- NCFE
- BIIAB
- BSC Awards
- WSET
- NOCN
- Awards UK
- RIPH
- RSPH
- CIEH

Skillsmart Retail has worked closely with these partners and the regulatory authorities for some time through a variety of fora, looking both at the overall fitness of purpose of qualifications and the challenges needing to be faced to encourage and expand participation. In particular, initiatives outlined below are canvassed with this group both on a community

basis and individually, with a view to ensuring that the needs of all stakeholders are accommodated and promoted.

Skillsmart Retail, in partnership with sector awarding bodies and the regulators, has also developed an alternative assessment strategy for S/NVQs. This was developed in response to the concerns of employers about the bureaucracy that surrounded these work-based qualifications. The strategy recognises the contribution that in-company training programmes and processes make to the learner evidence audit trail.

This means that larger companies, who have robust and rigorous systems can, in effect, have their in-house training accredited as a national qualification without having to use additional QA processes which do not add value to the business³⁵. This fit-for-purpose and pragmatic solution has allowed for twenty-seven large retailers to re-engage with accredited qualifications/apprenticeships since 2003.

Skillsmart Retail is engaged on a number of pilots promoted by regulatory authorities in all four home Nations as a commitment to closer working with these bodies. In particular, work on credit rating of SVQs in Scotland and the Test and Trial of the QCF in England, Wales and NI is identified as a core obligation in realising the vision for qualifications articulated above.

In summary, the current vision for qualifications in the retail sector is part of a continuum of development and innovation in qualification design and structure in the retail sector. This continuum has been based upon close working relationships with awarding bodies and regulators over two decades reflecting the demands of a dynamic sector looking to engage with a qualifications environment in a climate of intense challenge.

6.2.2 Development of the Sector Skills Agreement

A summary of the consultation undertaken in formulating the Sector Skills Agreement identifies:

- 40 in-depth interviews were undertaken with HR Professionals from the UK's top 300 retailers, representing nearly 200,000 employees, and six were with retail trade associations.

³⁵ This approach was first piloted in 2002 in the EDI Certificate in Retail Skills and has since been mainstreamed for Retail S/NVQs. The S/NVQ Code of Practice has been amended to allow for sector-led alternatives.

- An evidence base built around retail SME and micro-business skills needs and priorities as a result of over 3000 store assessments across 70 locations in the UK as part of our unique Location Model research process.
- A Stage Two process that has tended to concentrate on enhancing understanding through focussed surveys and qualitative research, rather than commissioning new large-scale fieldwork. These sources include:
 - A bespoke quantitative survey among 740 UK retailers during July and August 2006. Of these 420 were in England; 109 in Scotland; 107 in Wales and 102 in Northern Ireland
 - Six focus groups among micro-businesses in Glasgow, Swansea and Belfast in summer 2006 attended by 43 retailers in total
 - Employer HR forums in the three nations during Summer and Autumn 2006
 - Regional roadshows in England with training providers during Summer 2006
- A Stage Three report that summarises the specific participants on board, advisory and consultative groups representing:
 - Skillsmart Retail Board
 - Skillsmart Retail Patrons
 - Northern Ireland HR forum
 - Skillsmart Retail Expert group
 - Regional Retail Strategic forums
 - Retail Trade Associations
 - Developers of retail destinations

all of whom participated in the formulation of recommendations feeding into this strategy.

6.2.3 Qualifications specific consultation

The development of this document has been further underpinned by specific consultation with employers on current practice around qualifications³⁶, following on from consultation undertaken when the pilot document was developed in the latter half of 2003 with a wide variety of employers and employer organisations. The current consultation made contact with 280 organisations distributed as follows:

³⁶ BMG Research, *The learning provision market outside of accredited qualifications actions - Qualitative Study of Large Retailers*, November 2007

Table 6.1 – BMG – Retailers consultation distribution

	Target	Achieved
England	150	170
Wales	35	36
Scotland	35	40
NI	30	34
10-49 staff	50	76
50-249 staff	125	127
250+ staff	75	77
	250	280

In addition, following the development of the pilot SQS, awarding bodies have been engaged in on-going dialogue based upon the vision articulated in that initial document. These meetings have been extremely well attended and have generated a great deal of engagement leading to a far better understanding of the range of stakeholders positions.

Regulators in England, Northern Ireland, Scotland and Wales have been engaged at various stages of these discussions but in the latter stages of the pilot activity, all were actively involved.

For example, in the development of the Diploma in Retail in England, a consultation process was undertaken specific to the needs of the 14-19 learners³⁷. This has relevance to the recommendations outlined in this strategy and in particular to the action plans for the implementation phase. This research reflected 50 interviews conducted with employers and 21 providers who responded to an online survey.

6.2.4 Development of the Sector Qualifications Strategy

Skillsmart Retail embarked on a highly focused consultation process in developing this strategy. In the first instance, data accumulated as a consequence of the continuous improvement processes established by the council as an element of earlier versions of the strategy was examined. This served the purpose of reflecting current employer needs. In addition, two specific pieces of work were commissioned; one looking at the current learning and qualification provision mentioned earlier³⁸, the second canvassed views from individual retailers in the sector on elements of the strategy as outlined in this document³⁹.

³⁷ Pye Tait, *Market View for The Diploma in Retail*, September 2007

³⁸ BMG Research, *The learning provision market.....*, op.cit.

³⁹ BMG Research, *Qualifications within the Retail Industry – telephone survey of retailers*, November 2007

Consultation with Awarding Bodies and regulators was undertaken in a number of phases. Initially all organisations were briefed in general terms, Awarding Bodies and regulators at a forum meeting⁴⁰. Following this, each stakeholder was provided with a copy of the first draft document at the end of September 2007, and invited to feed back any comments. This was then followed up with one-to-one meetings between Skillsmart Retail and representatives of each organisation during November 2007 with the purpose of discussing the strategy in detail and to seek input and clarification on matters pertinent to their organisations that influenced the strategy.

Once Skillsmart Retail had met with all stakeholders, the strategy was revised taking on board specific feedback and re-circulated to all stakeholders for a final viewing prior to submission to the SSDA. Where any further issues or concerns were raised in this final draft these were addressed by personal contact with each organisation.

6.2.5 Future dialogue

Skillsmart Retail will engage at a strategic level with all awarding bodies to jointly agree their response to the SQS in terms of what part of the market they wish to work in and their future plans. The existing forum (bi-annual strategic and bi-annual operational qualification forums with all stakeholders) with the purpose of promoting communication and sector qualifications management between Skillsmart Retail and the Awarding Bodies will be maintained and strengthened, seeking to engage with both mainstream and specialist awarding bodies operating in the sector. Whilst a robust competitive environment for qualifications is desirable for the sector, much can be gained through partners collaborating to develop the market as a whole.

Where appropriate, and to ensure a coherent qualifications offer, it will be necessary for a number of awarding bodies to work jointly on particular qualifications. Skillsmart Retail will work in collaboration with stakeholders to facilitate such joint activities.

Skillsmart Retail will continue its close collaboration with regulatory authorities in all home Nations, participating and contributing to policy development and implementation where practical and appropriate. Specifically, Skillsmart Retail will work with regulators to develop frameworks for apprenticeships, the foundation learning tier and full level 2 & 3 qualifications and to endorse or approve qualifications as appropriate for use in the retail sector. Regular

⁴⁰ Refer to Appendix G for a list of current members of the Skillsmart Retail Strategic Qualifications Forum

'Keep In Touch' calls and meetings with all regulators will continue and will ensure collaborative working.

Skillsmart Retail has also signed the Code of Practice for Strand 4 of the UK Vocational Qualifications Reform Programme; it is intended that the ideals articulated in this agreement be implemented effectively within the sector and to this end, appropriate consultation will take place amongst the various stakeholders involved.

6.3 *Practical help*

The analysis provided throughout this document outlines an environment for taking forward work that is UK-wide. Differences do exist within the home Nations that will require specific responses with Nation specific action plans developed from this strategy. However, the overall programme of work for the future is seen as being UK-wide reflecting the nature of retail operations in the UK. Skillsmart Retail proposes a series of specific actions in the short and medium-term that are intended to deliver the vision outlined above:

6.3.1 For developing young learners and preparing for the transition into work in relation to 14-19 general education:

6.3.1.1 Programme development

- collaboration in the development and promotion of specialised qualifications, including:
 - the Welsh Baccalaureate and work-based learning pathways in Wales
 - Occupational Studies and 14-19 Vocational Enhancement Programme in Northern Ireland
 - National Certificates and Skills for Work in Scotland, and
 - the Diploma in Retail in England

6.3.2 For developing skills in the workplace and encouraging and stimulating wider participation amongst employers:

6.3.2.1 National Occupational Standards

- continue to contribute to the integrity of the S/NVQs (or their successor occupational competence-based qualifications/units) through on-going incremental review of national occupational standards, development of units (e.g. for online and e-retailing), definition of qualifications structures and development of assessment strategies. This process is intended to support and embrace the unitised structure to support awarding bodies in developing bespoke, flexible qualifications and learning programmes
- continue to develop new NOS, where there is evidence of employer demand or sector trends. It is the intention of Skillsmart Retail to carry out a feasibility study during 2008 into the skills requirements of emerging roles in e-retailing
- continue with the practice of separate publication of knowledge and understanding and performance requirements so that either only the former or both can be used as the basis for the qualification
- continue to publish all of the standards in its portfolio for use by awarding bodies and other SSCs in their own qualifications.

6.3.2.2 Learning programme content

- work in collaboration with awarding body partners to develop 'fit-for-purpose' specifications and curriculum outlines for technical courses (similar to that developed for the 14-19 Diploma) that accommodate both preparation for work and apprenticeship programmes.

6.3.2.3 Qualifications structures and content

- work with awarding bodies to ensure that qualifications structure, design and content are 'fit-for-purpose' and meet the requirements set by government agencies to become eligible for use in government sponsored vocational and training programmes
- specifically Skillsmart Retail will focus on VRQs initiatives that:
 - ensure that qualifications meet the needs of pre-employment programmes
 - ensure that qualifications are focused appropriately for the needs of the employment programmes in which they are utilised

- establish agreements with awarding partners on specifications for qualifications (similar to that developed for the 14-19 Diploma) that ensure consistency in learning programmes and assessment across all partners
- develop qualification specifications that build on a unit basis designed to meet the needs of learners and employers as well as progression through career pathways
- work with Awarding Bodies and partner SSCs and professional organisations to develop and streamline the '*three categories of expertise*' model for development to assist learners enter the sector, develop themselves and prepare for the future, whether in retail or another sector of the economy
- provide leadership, encouragement and support to ensure that the QCF, SCQF and CQFW are populated with retail units as early as is practically possible.

6.3.2.4 Delivery and assessment systems

- work with awarding bodies and regulators to develop systems and infrastructure to assist in integrating employer-led training into the credit frameworks for England, Northern Ireland, Scotland and Wales
- work with awarding bodies and regulators to develop systems and infrastructure that recognise alternative employer-based quality infrastructures that meet or exceed the rigorous requirements of the current and emerging frameworks
- continue to represent to awarding bodies and regulators the need to develop quality infrastructure for workplace qualifications that reflect the diversity, economies and demographics of the retail sector
- work with awarding bodies and regulators to develop and refine assessment that reflects the operational functions and realities of retail.

6.3.3 For the ongoing career and professional development of learners at all levels of the sector:

- develop fit-for-purpose qualifications frameworks that reflect the diversity of retail organisations while recognising the need for learners to build a coherent set of skills that will support their personal career aspirations
- work with partner SSC and professional organisations to facilitate the inclusion of appropriate recognition into retail qualifications frameworks that will support career development across sectors and into professionally based functions within retail (e.g. HR, accountancy)
- support for educational institutions offering foundation degrees, by continuing to prepare learning outcomes in retail store management, to be used as the basis for units within the degrees and to inform the content of Higher Nationals

- continue to publish guidance on the design and delivery of foundation degrees in retail, including guidance on how educational institutions can involve and work with employers. Review and update of this resource, in particular, will draw upon experience to ensure learner and employer needs are being met by these programmes.

6.3.4 For market growth and wider adoption of qualifications in the sector

- work collaboratively with partner organisations to explore creative and innovative mechanisms to grow the market for qualifications as a whole whilst supporting the benefits of a competitive provision
- work with regulating and funding bodies to explore potential for pilot schemes to stimulate segments of the employer market currently under utilising qualifications
- work with delivery partners to develop effective CPD provision to support effective delivery of qualifications

6.4 *Future evolution of the Sector Qualifications Strategy for Retail*

This Sector Qualifications Strategy will be subject to continuous monitoring, evaluation and review as it develops and is implemented. Broadly this process will focus on the effectiveness of the strategy and whether it is meeting the needs of learners and employers and keeping pace with any changes in policy. At a qualifications level, consultation through the employer, provider and awarding body forums described will be used to isolate issues and the continuous improvement and annual review cycle will be used to update NOS, VRQ specifications and other relevant qualifications.

More specifically it will:

- check progress against milestones
- identify and manage risk, including potential slippage
- ensure outcomes are of the appropriate quality
- ensure key stakeholders are consulted and engaged
- consider any adjustments that may be needed to keep it on track
- ensure it still meets the requirements of the sector.

It is intended that the evolution of this strategy will support:

- Review of the strategic elements of the document on a triennial basis
- Review of the implementation plan on an annual basis

- Review of action plans at least half-yearly, or more frequently where criticality or timescales dictate
- Review of all strategies and action plans at the time of publication of major policy announcements impacting on qualifications.

Skillsmart Retail welcomes this opportunity to work with employers and stakeholder partners to ensure that the Sector Qualifications Strategy fully reflects the needs of the sector.

Skillsmart Retail looks forward to working in partnership with all stakeholders in ensuring that the strategy is adopted and promotes uptake of qualifications in retail.

Appendices

Appendix A – Scope of the sector

Table A2.1 - UK retail employees by major occupation

Occupation	%
Sales occupations	51
Managers and senior officials	18
Elementary occupations	12
Administrative and secretarial	6
Associate professional and technical	4
Skilled trades occupations	3
Process plant and machine operatives	3
Professional occupations	5
Total*	100

Source: Labour Force Survey (Annualised 2006)
(Note: Figures may not total 100 due to rounding)

Table A2.2 - Distribution of retail employment throughout the UK

Nation/Region	% total retail employment
England	84
South East	14
North West	12
London	11
East of England	10
South West	9
Yorkshire & Humberside	8
West Midlands	8
East Midlands	8
North East	4
Scotland	9
Wales	5
Northern Ireland	3
Total UK	100

Source: Labour Force Survey (Annualised 2006)

Table A2.3 - Employment in the UK retail sector 1998-2006

Nation/Region	1998	2000	2002	2004	2006
England	2,260,290	2,383,957	2,509,332	2,585,585	2,555,426
South East	379,344	411,283	437,922	433,401	430,832
London	348,466	375,335	378,703	377,271	375,658
North West	314,434	327,808	341,048	354,437	350,536
East of England	254,614	266,067	286,353	291,691	290,553
South West	233,913	250,833	268,122	280,781	266,288
Yorkshire & Humberside	225,903	233,108	249,881	262,087	261,558
West Midlands	222,775	229,079	242,538	258,815	253,193
East Midlands	176,750	181,053	190,524	212,534	210,373
North East	104,090	109,388	114,243	114,567	116,435
Scotland	228,336	230,473	257,663	251,684	238,679
Wales	118,997	120,419	134,284	144,064	134,277
Northern Ireland *	73,733	77,463	80,992	88,345	90,446
Total GB/UK	2,607,622	2,734,849	2,901,281	2,981,332	3,018,828

Source: ABI, Nomis 2006

* Figures for Northern Ireland are derived from the Labour Force Survey

Table A2.4 - UK retail employment units by sizeband 2005

Number of employees	01-10	11-49	50-199	200+	Total
England	211,047	31,047	5,315	1,746	249,155
London	9,188	1,596	198	72	11,054
South East	29,051	4,153	638	241	34,083
North West	21,704	2,903	460	172	25,239
South West	17,050	2,458	444	141	20,093
West Midlands	22,073	3,186	585	156	26,000
Yorkshire & Humberside	21,576	3,445	623	218	25,862
East of England	34,832	4,246	853	275	40,206
East Midlands	32,775	5,526	926	301	39,528
North East	22,798	3,534	588	170	27,090
Scotland	11,910	1,976	281	89	14,256
Wales	21,731	3,665	426	144	25,966
Northern Ireland*	7,190	1,760	190	30	9,170
Total UK	251,878	38,448	6,212	2,009	298,547

Source: ABI 2005, Nomis, Crown Copyright Reserved.

*Northern Ireland totals are based on UK Business Activity, Size and Location 2006, September 2006 Interdepartmental Business Register ONS.

Table A2.5 - UK retail enterprises by market share 2005

	Enterprises %	Employment %	Turnover %
With no employees	57.7	7.4	5.0
All employers	42.3	92.5	95.0
1-4 employees	30.5	10.0	10.0
5-9	7.7	5.8	5.8
10-19	2.7	3.9	3.8
20-49	0.9	3.0	2.8
50-99	0.2	1.7	1.8
100-199	0.1	1.7	1.6
200-249	0.0	0.5	0.5
250-499	0.1	2.1	2.2
500 or more	0.1	64.0	66.5

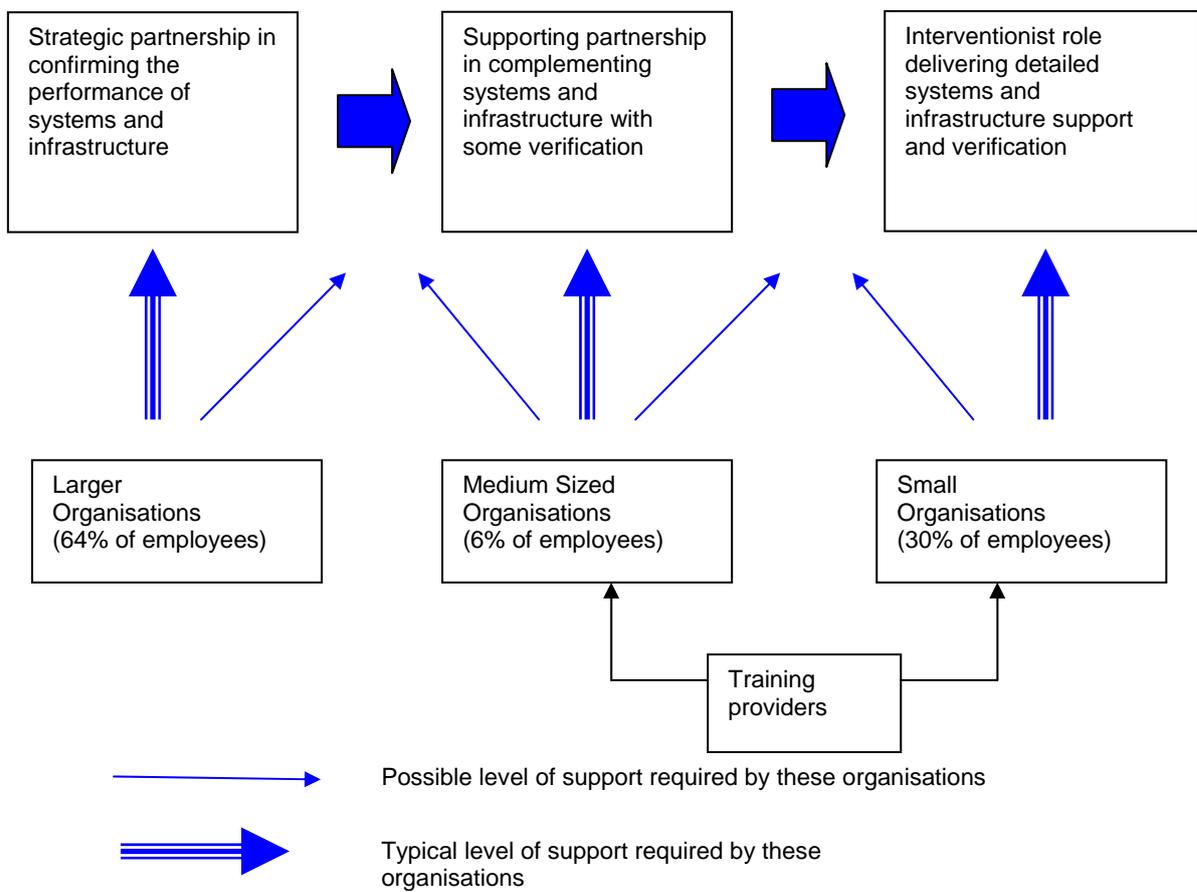
Source: Small Business Service 2005

Table A2.6 - Proportion of UK retail employment by age band

	16-24 %	25-44 %	45+ %
England	31	39	31
Northern Ireland	31	46	23
Scotland	32	39	29
Wales	33	40	27
UK	31	39	30

Source: Labour Force Survey (Q1 2005 to Q4 2005). SSDA Matrix

Appendix B – Delivery models for qualifications



Appendix C - Career paths into, through, and out of retail operations

Into Retail		Within Retail		Out of Retail
<ul style="list-style-type: none"> ▪ Senior managers with strategic experience 	➔	Retail Director National Regional	➔	Senior strategic roles in any sector
<ul style="list-style-type: none"> ▪ Senior managers from customer facing organisations 	➔	↑ Regional Manager	➔	Operational manager/director roles and business improvement roles in any sector
<ul style="list-style-type: none"> ▪ Managers from customer facing organisations 	➔	↑ Store Manager	➔	Management roles in the service sector (e.g., hospitality, catering) Training roles
<ul style="list-style-type: none"> ▪ Graduates ▪ Employees with management/organisational experience from other sectors 	➔	↑ Assistant Manager Department Manager	➔	Management roles in the service sector (e.g., hospitality, catering) Training roles
<ul style="list-style-type: none"> ▪ Employees from other sectors 	➔	↑ 1 st Line Manager (Supervisor/ Team Leader)	➔	Other supervisory roles outside of retail
<ul style="list-style-type: none"> ▪ School leavers ▪ Job changers ▪ Returnees 	➔	↑ Sales staff/Colleagues Grade3 Grade 2 Grade 1	➔	Other customer facing roles outside of retail

Appendix D – Qualifications detail*

** This list is for illustrative purposes only and not exhaustive*

VOCATIONALLY RELATED QUALIFICATIONS

1. Pre-employment (15 titles):

- Certificate in Retail – Entry Level 3 – (OCR)
- Certificate in Introduction to Retailing – Level 1 (ASET)
- Diploma in Fashion Retail - Level 2 & 3 (ABC Awards)
- BTEC Introductory Certificate and Diploma in Business/Retail/Administration – Level 1 (Edexcel)
- BTEC First Certificate and Diploma in Retail – Level 2 (Edexcel)
- BTEC Certificate and Diploma in Retail Beauty Consultancy – Level 2 (Edexcel)
- BTEC Level 3 National Award in Retail - Level 3 (Edexcel)
- Retail Skills: Identifying the Use of Common Office Equipment – Access 1 (SQA)
- Retail Skills: Performing Allocated Tasks - Access 1 (SQA)
- Retail Skills: An Introduction – Access 2 (SQA)
- An Appreciation of Retail: An Activity Approach - Access 2 (SQA)
- Workstart – Service Skills – Retail – Access 2 (SQA)
- Introduction to Retail Merchandising – Intermediate 1 (SQA)
- Skills for Work - Retail - Intermediate 2 (SQA)
- Occupational Studies - Retail - Level 2 (CCEA)

2. Retail-specific (16 titles):

- Certificate in Retailing – Levels 2 & 3 (City & Guilds)
- BTEC Certificate in Retailing - Level 2 (Edexcel)
- Certificate in Retail Operations – Levels 2 & 3 (EDI)
- Certificate in Retail Principles – Level 2 (City & Guilds)
- Award in Legislation for the Retail Environment – Level 2 (City & Guilds)
- Award in Marketing in the Retail Environment– Level 2 (City & Guilds)
- Award in Monitor Retail Operations – Level 2 (City & Guilds)
- Award in Product Range Planning in the Retail Environment – Level 2 (City & Guilds)
- Award in Security in a Retail Environment – Level 2 (City & Guilds)
- Award in Serving Customers in the Retail Environment – Level 2 (City & Guilds)
- Award in Visual Merchandising – Level 2 (City & Guilds)
- Award in Food Safety in Retail – Level 2 (CIEH, RIPH, RSPH)
- Award in Food Safety Supervision for Retail – Level 3 (CIEH, RIPH, RSPH)
- Award in Underage Sales Prevention – Level 2 (EDI)
- Award in Responsible Alcohol Retailing – Level 1 (BIIAB)
- Certificate in Visual Merchandising for Retail - Level 3 (ABC Awards)
- National Certificate in Licensed Retail (incorporates NCPLH and Introduction to Licensed Retail Operations) – Level 2 (BIIAB)

3. Specialist (9 titles)

- BTEC Award in Lingerie Fitting – Level 2 (Edexcel)
- Certificate in Beers, Wines and Spirits – Level 2 (NCFE)
- Certificate in Retail Customer Service Skills – Level 2 (NCFE)
- Certificate in News and Magazine Skills – Level 2 (NCFE)
- Certificate in Chilled Food Retail Skills – Level 2 (NCFE)
- Certificate in Fresh Food, Fruit, and Vegetables Retail Skills – Level 2 (NCFE)
- Certificate in National Lottery Retail Skills – Level 2 (NCFE)
- Certificate in News and Magazine Retail Management Skills – Level 3 (NCFE)
- Certificate in National Lottery Retail Management Skills - Level 3 (NCFE)

4. Service Sector (5 titles):

- National Certificate for Personal Licence Holders - Level 2 (EDI, BIIAB)
- National Certificate for Designated Premises Supervisors – Level 2 (BIIAB)
- National Diploma for Designated Premises Supervisors – Level 3 (EDI)
- Foundation Certificate in Wines - Level 1 (WSET)
- Professional Certificate in Spirits – Level 2 (WSET)
- Intermediate Certificate in Wines, Spirits and other Alcoholic Beverages – Level 2 (WSET)

OCCUPATIONAL QUALIFICATIONS

1. Scottish and National Vocational Qualifications

S/NVQ in Retail Skills – level 1

S/NVQ in Retail Skills – level 2

S/NVQ in Retail– level 3 (Pathways: Sales professional, Visual Merchandising, and Management)

2. Occupational Qualifications (NQF)

Target Award for Customer Service Advisors - level 2 (City & Guilds)

Target Award for Store Keepers (Goods In) - level 2 (City & Guilds)

Target Award in Retail Stock Controller - level 2 (City & Guilds)

3. Occupational Qualifications (QCF)

Award, Certificate and Diploma in Retail Skills - level 1

Award, Certificate and Diploma in Retail Skills - level 2

Certificate and Diploma in Retail - level 3 (Pathways: Sales professional, Visual Merchandising, and Management)

HIGHER LEVEL QUALIFICATIONS

City and Guilds Retail Management (Higher Professional Diploma) - level 4

BTEC Higher National Certificate/Diploma in Retail Management

Scottish Higher National Certificate/Diploma in Retail Management

BTEC Higher National Diploma - Fashion: Design and Production with Retail

Certificate in Higher Education Retail Management

FDA Interior Design for Retail Environments

FDA Visual Design and Display

FDA Visual Merchandising

FDA Visual Merchandising and Promotional Design

FDA Fashion Buying and Merchandising

FDA Fashion Marketing and Retailing

FDA Retail and Food Management

FDA in Retail Management

BA/BSc (Hon) in Retail Management

BA (Hon) in Retail Buying (fashion)

BSc (Hon) in Retail Buying (textiles)

BSc (Hon) in Fashion and Textile Retailing

BSc (Hon) in Fashion Buying

PGC / PGD in Retail Management

MA International Fashion Retailing

MA Retail Management

MBA Retailing

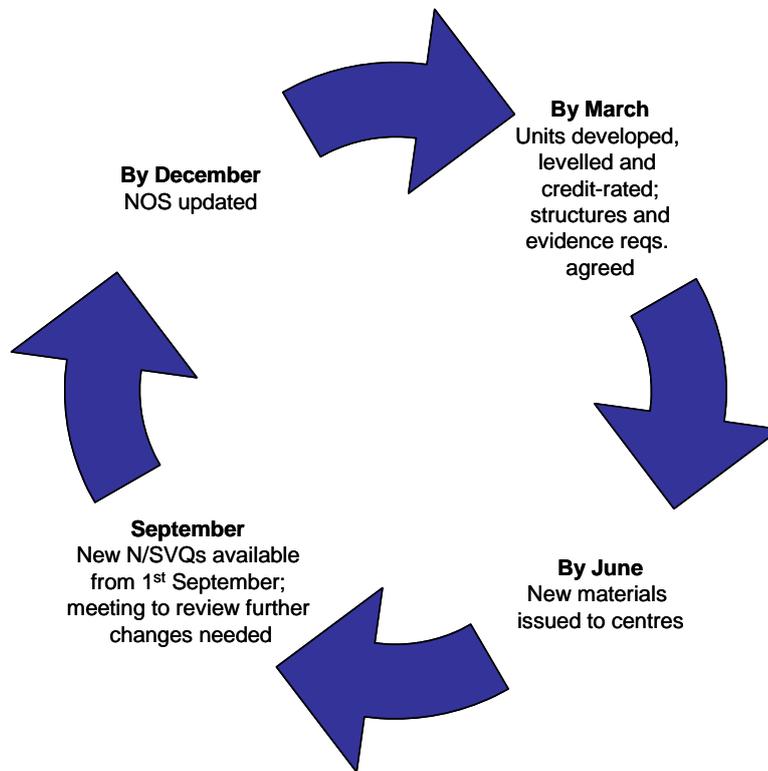
MSc Retail Management

MPhil/PhD Retail and Services Management

MPhil/PhD in Hotel, Tourism and Retail Management

MPhil/PhD in Consumer and Retail Management

Appendix E - The National Occupational Standards Continuous Improvement and Review Annual Cycle



Appendix F – Groups influencing future needs for qualifications

Learners

Most important for learners is that the qualifications provide evidence of their abilities and enhance their career prospects. A relevant qualification can help them to stand out when applying for a job or enhance their prospects for promotion.

The prospect of gaining a retail qualification can be highly motivating for some learners as they reward and recognise achievement in less traditional academic subjects. Learners also benefit from improved training that has been designed to match the requirements of nationally designed qualifications.

Qualifications should be designed for use at transitional points in learners' careers. Their content should demonstrate that the learners are ready to move on to the next stage in their career.

Customers

Customers benefit and feel more confident when staff have a certain level of expertise. The retailer may already have a good reputation but a qualified member of staff is an additional benefit, particularly in specialist areas of retailing, such as lingerie fitting or electrical goods. Encouraging an environment in the sector that stimulates the value of qualified practitioners, particularly in specialty retailing areas has the potential to stimulate engagement with qualifications.

Employers

Employers have the potential to benefit from retail qualifications in four main ways:

- by knowing that current or prospective employees are more competent after receiving training that has been designed to meet the requirements of national qualifications derived from standards into which they have input. This could be of particular advantage to smaller retailers who are not able to run their own training schemes
- by being a more attractive employer in providing the opportunity to take qualifications. Recruitment and retention are major problems in the retail sector. If staff take qualifications they are likely to be more motivated and less likely to leave. This could particularly benefit larger companies that run their own training programmes
- by being able to access government funding for training that is contingent on the use of the qualifications. The high rate of staff turnover in the retail sector makes a constant demand on training resources, therefore, employers would benefit greatly from funding that contributed towards this cost
- by having an additional source of information about applicants, helping them make selection or promotion decisions. Retail specific qualifications are unlikely to become pre-requisites for working in the sector in the near future and traditional qualifications in other subjects, as well as work history, will remain highly relevant indicators of aptitude.

Government agencies with an interest in both business performance and labour market policies

Government agencies can benefit from retail qualifications in the following ways:

- Many students find retail qualifications more attractive than traditional academic subjects and as a result are encouraged to stay in full-time education after the ages of 16-18

- A skilled and competent workforce will help the retail sector flourish which is good for the economy, given the importance of retail to the UK economy
- The qualifications will provide a means for the government to measure skills attainment in the retail sector
- The sector has a much higher proportion of level 2 employees, many whom are not qualified. Effectively structuring qualifications and funding strategies for the sector has the potential to make significant inroads to qualifying this level of the workforce making a significant contribution to government targets for level 2 attainment.

Appendix G – Committee lists

Strategic Qualifications Forum membership

- City & Guilds
- Edexcel
- OCR
- EDI
- ASET Awards
- Scottish Qualifications Authority (SQA)
- ABC Awards
- NCFE
- BIIAB
- BSC Awards
- WSET
- NOCN
- Awards UK
- RIPH
- RSPH
- CIEH
- Qualification and Curriculum Authority (QCA)
- DCELLS
- CCEA

Assessment Strategy Steering Committee membership

- British Retail Consortium
- Retail Skills Network
- Seafish Training Authority (on behalf of seafish retailers)
- Asda
- Boots
- Boundary Mill
- British Red Cross
- Buy As You View Ltd
- Cabin Centre Ltd
- Co-op
- Dan Evans
- Debenhams
- Dekko
- Dunnes Stores
- Durham Shoe Box

- Early Learning Centre
- Eason
- Fortnum and Mason
- Gap
- Gardiner Haskins
- Gerrards Confectioners (North Wales) Ltd
- Glanmors Bakery
- Habitat
- Harrods Ltd
- Harry Corry
- Henderson Group
- Herbert Lewis
- High and Mighty International
- High Street Arcade
- House of Fraser
- Hyper Value Holdings Ltd
- Intelligent Computers Ltd
- JD Sports
- Jessops
- JH Leeke & Sons
- John Lewis Partnership
- Jojo Maman Bebe
- Jonathan David Jewellers
- Jones the Bootmaker
- Marks & Spencer
- Maskreys
- Musgrave, Supervalu, Centra.
- Next
- Oxfam GB
- Oxford & Swindon Co-op Group
- Paperchase
- Pilot Clothing
- Powerhouse
- Professional Cookware
- Pumpkin Patch
- QS & Bewise

- Robert Price (BM) Ltd
- Sainsburys (London)
- Sainsburys (Northern Ireland)
- Scotch Corner
- Selfridges
- Sofa Workshop Direct Ltd
- Specsavers
- St Nicholas Market
- Taha Stores
- Tesco
- The Cardiff Initiative Limited
- The Learning Tree
- The Millennium Coast Bakery
- The Peacock Group
- Topshop
- Ulster Stores
- Virgin Megastore
- W H Smith
- Whittards
- Wonderpark
- Zara

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The UK Commission aims to raise UK prosperity and opportunity by improving employment and skills. Our ambition is to benefit employers, individuals and government by advising how improved employment and skills systems can help the UK become a worldclass leader in productivity, in employment and in having a fair and inclusive society: all this in the context of a fast-changing global economy.

Because employers, whether in private business or the public sector, have prime responsibility for the achievement of greater productivity, the UK Commission will strengthen the employer voice and provide greater employer influence over the employment and skills systems.

Having developed a view of what's needed, the UK Commission will provide independent advice to the highest levels in government to help achieve those improvements through strategic policy development, evidence-based analysis and the exchange of good practice.

UKCES

3 Callflex Business Park
Golden Smithies Lane
Wath-Upon-Dearne
South Yorkshire
S63 7ER
T +44 (0)1709 774 800
F +44 (0)1709 774 801

UKCES

28-30 Grosvenor Gardens
London
SW1W 0TT
T +44 (0)20 7881 8900
F +44 (0)20 7881 8999

