



# REC Sales & Retail

The Recruitment & Employment Confederation's (REC) Sales and Retail sector group is a hub for recruiters who are at the coalface placing candidates into a range of roles from high end sales managers and retail executives, through to in-house sales and call centre roles. The sector group aims to provide members with the latest trends in the sector, tailored advice and act as a voice for members in the sector.

## Sector developments

Recent data suggested that the retail industry is in relatively good health. According to the British Retail Consortium (BRC) and KPMG, retail sales increased by 1.9 per cent from June to July 2016 and like-for-like sales growth rose by 1.1 per cent.<sup>4</sup> The data is positive news for consumers, unperturbed by the outcome of the EU referendum: however, retailers will know this only tells half the story as they face a number of challenging headwinds. The expansion of discount retailers and food price deflation are squeezing margins of big supermarkets, potentially triggering a race to the bottom in terms of revenue. More broadly, the industry is grappling with rising labour costs, forcing a productivity drive which could lead to substantial job losses. Retailers must also demonstrate their ethical standards and comply with recent supply chain legislation while ensuring that retail remains an attractive employment proposition with the potential for career development.

## Brexit

The UK's decision to leave the EU on 23rd June 2016 took many in the business community by surprise. While the UK economy suffered a shock in the aftermath of the decision, the retail industry maintained a strong performance. However, the decision will herald a period of uncertainty as the government formulates its 'Brexit' strategy, before triggering Article 50 of the Lisbon Treaty – initiating the formal exit process – and then renegotiation of the UK's relationship with the EU. Of particular concern to the recruitment industry will be to ensure that any trade deal negotiations enable business to access the skills they need to succeed.

*"Sales and Retailing are going through a minor revolution as individuals move to buying on-line, larger organisations equip themselves for more in-house recruitment and individuals become more aware of the way social media can assist in their own career prospects. The vote to leave the EU will affect the industry over the coming five years as the country and our neighbours contend with the change that it brings. At such times it is essential that the industry works together to respond without lowering standards. The REC Sales and Retail sector group has an important role to play by equipping recruiters with the information and intelligence to thrive in this environment."*

Mike Stephens, Director, Harbourne Associates

## Key stats

Retail is the single largest private sector employer in the UK, with three million workers<sup>1</sup>

Of those, 60 per cent are women and 55 per cent are part-time workers<sup>2</sup>



Between 2013 and 2020, the retail sector workforce is projected to grow by 54,800.<sup>3</sup>

<sup>1</sup> Key facts and figures, British Retail Consortium. [http://www.brc.org.uk/bis/default.asp?main\\_id=20](http://www.brc.org.uk/bis/default.asp?main_id=20) <sup>2</sup> Ibid <sup>3</sup> Retail Sector: Labour Market Review, People 1st, September 2013. <http://www.people1st.co.uk/getattachment/Research-policy/Research-reports/Other-reports/Retail-Labour-Market-Review-2013-website.pdf.aspx> <sup>4</sup> Online Retail Sales Monitor: July 2016, BRC & KPMG, August 2016.

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## Productivity and future of the workforce

The retail industry is in a state of flux. As the government seeks to reduce the deficit and transfer costs from the public sector onto businesses; retail is especially prone to the consequences of this. In particular, the recent National Living Wage, the associated rise in employer National Insurance Contributions and auto-enrolment are pushing up labour costs and some retailers have responded by removing bonuses and perks to obviate their impact. With an Apprenticeship Levy set to be introduced in April 2017, employers are seeking to increase productivity and employ a greater use of automation to ensure that they keep up. However, the BRC estimate this could result in the loss of up to 900,000 jobs – about 60 per cent of the retail workforce – by 2025.<sup>5</sup>

## Career Opportunities

An alternative model for the retail workforce of the future is one in which technology complements the role of the worker, rather than replacing it. As such automation presents an opportunity to upskill the workforce and get rid of some of the more mundane aspects of work. Based on this model, 54,800 new jobs are expected to create by 2020 with the majority of growth expected to be in managerial positions.<sup>6</sup> Furthermore, as an REC research report – Getting On – found, low-paid jobs in retail can open up opportunities to progress by providing the necessary skills, experience and development in the sector.<sup>7</sup>

Recruiters, employers and the government all have a role to play in facilitating progression of workers and must work together to raise awareness of career opportunities in the retail sector and actively assist workers to progress. In 2015 the REC launched *Jobs Transform Lives* – new messaging to reflect the role that recruiters play in empowering others to make important choices about their work and careers.<sup>8</sup>

## Supply chain

In policy terms, career development fits hand in glove with tackling exploitation, and corporate responsibility is high on the government's agenda. In 2015 the government introduced the Modern Slavery Act which, places Reporting Requirements on businesses with a turnover of more than £36 million a year to confirm that every part of their supply chain is slavery free. On the anniversary of the Act, Prime Minister Theresa May pledged to 'defeat' modern slavery and announced the establishment of a government taskforce to 'get a grip on the issue right across Whitehall'.<sup>9</sup> As a result, agencies and end-clients need to work more closely together on this agenda. Agencies may be asked by clients for a statement to support their Modern Day Slavery annual report. The REC has published materials to help assist members and seeks to work with sector bodies to enhance understanding of the supply chain.<sup>10</sup> The REC also runs the Good Recruitment Campaign to promote good practice amongst UK employers and push good resourcing up the corporate agenda.



Technology complements the role of the worker, rather than replacing it.

## Get involved

To find out more about joining REC Sales and Retail, visit [here](#). The best way to get involved is to come to the next meeting or join our next webinar – ask your REC account manager for more details.

[www.rec.uk.com/sales&retail](http://www.rec.uk.com/sales&retail)

<sup>5</sup> Retail 2020: fewer but better jobs, BRC, February 2016. [http://www.brc.org.uk/downloads/Retail\\_2020\\_\(final\).pdf](http://www.brc.org.uk/downloads/Retail_2020_(final).pdf) <sup>6</sup> Retail Sector: Labour Market Review, People 1st, September 2013. <sup>7</sup> Getting on: What progression looks like for low paid workers today, REC, September 2015. <sup>8</sup> <https://www.rec.uk.com/about-us/jobs-transform-lives> <sup>9</sup> Theresa May, "My Government will lead the way in defeating modern slavery", The Telegraph, 30th July 2016. <http://www.telegraph.co.uk/news/2016/07/30/we-will-lead-the-way-in-defeating-modern-slavery/> <sup>10</sup> Transparency in supply chains Reporting Requirements: REC Policy Briefing, REC, October 2015. [https://www.rec.uk.com/rec-document-library/policy-and-campaigns/REC-Policy-Briefing\\_Transparency-in-Supply-Chains-Reporting\\_01-10-15.pdf?SQ\\_ACTION=login&](https://www.rec.uk.com/rec-document-library/policy-and-campaigns/REC-Policy-Briefing_Transparency-in-Supply-Chains-Reporting_01-10-15.pdf?SQ_ACTION=login&) and Chain reaction: making recruitment supply chains work, REC, CIPS & CIPD, November 2014. [https://www.rec.uk.com/rec-document-library/press-and-research/Chain-reaction-report-2014.pdf?SQ\\_ACTION=login&](https://www.rec.uk.com/rec-document-library/press-and-research/Chain-reaction-report-2014.pdf?SQ_ACTION=login&)