



Skillsmart Retail Analysis

The Ethnic Profile of Retail

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About Skillsmart Retail's Analysis Series

How we shop and where we shop is the source of countless headlines. Those who are employed in the sector and how they serve us also feature frequently in the UK press.

This series of reports, developed by Skillsmart Retail provides the reader with an in-depth analysis of the main business, employment and skills trends within the retail sector.

Skillsmart Retail is the Sector Skills Council for Retail. Part-funded by the Government and led by retailers, it aims to be the recognised authority on retailers' skills needs and priorities. One of its core remits is to develop high quality labour market intelligence for the sector and evidence this work with insights into specific aspects of skills in the retail workforce.

If you would like to comment on any of the issues raised in this report, please contact Phil Mosley, Research Manager at phil.mosley@skillsmartretail.com, or telephone 020 7462 5070.

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1. Introduction

The impact of the 2008 economic downturn continues to be challenging for retailers. The retail industry needs to employ people with the right skills and leadership to take it through the difficult times so it can capitalise on the market's eventual upturn.

As part of Skillsmart Retail's role to maximise skills utilisation amongst the retail workforce, it has analysed the ethnicity of the retail sector. The analysis contained in this report details the ethnic profile of the retail workforce and how it compares with the UK population. It also looks at ethnicity by gender, work pattern (full-time part-time), occupation, highest level of qualification and incidence of training.

Using the Labour Force Survey, this report looks to outline any obvious barriers to training that could be linked with employee ethnicity. Classification of ethnic groups follows the Office for National Statistics classifications mainly to ease the analysis of data. It is accepted that the classification used is by no means the only way to define ethnicity.

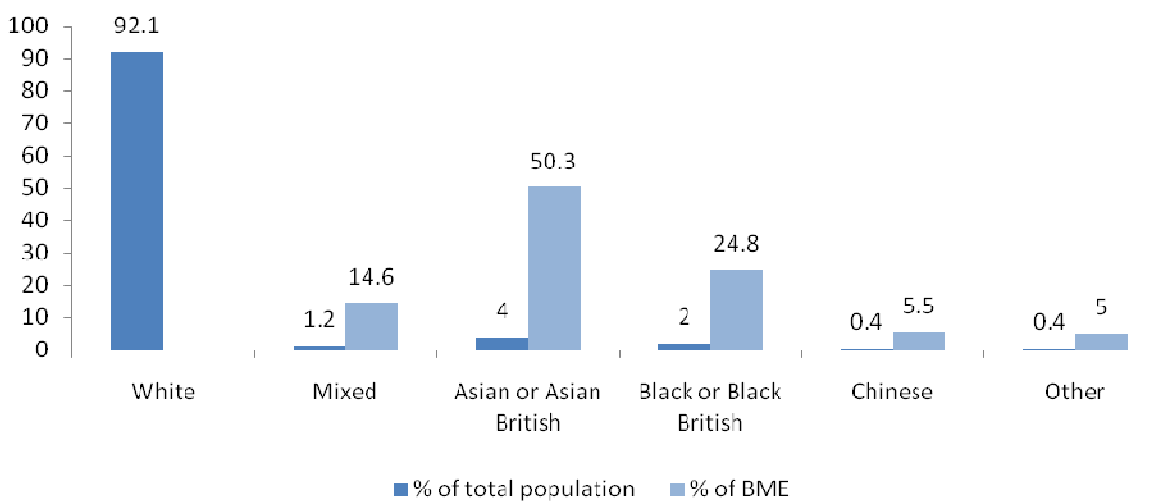
2. Background

Before looking at the ethnicity of retail employees, it is important to understand the current demographics of the UK as a whole.

According to the Office for National Statistics (ONS) last census, the majority of UK population were white. However, this figure was not constant across all areas of the UK, with some cities and urban areas often displaying different characteristics to rural settlements.

Figure 1 shows the ethnic makeup of the UK population. It also shows the proportion that each ethnic group contributes to the total Black and Minority Ethnic (BME) population.

Figure 1: Population of the UK in 2001 by ethnicity



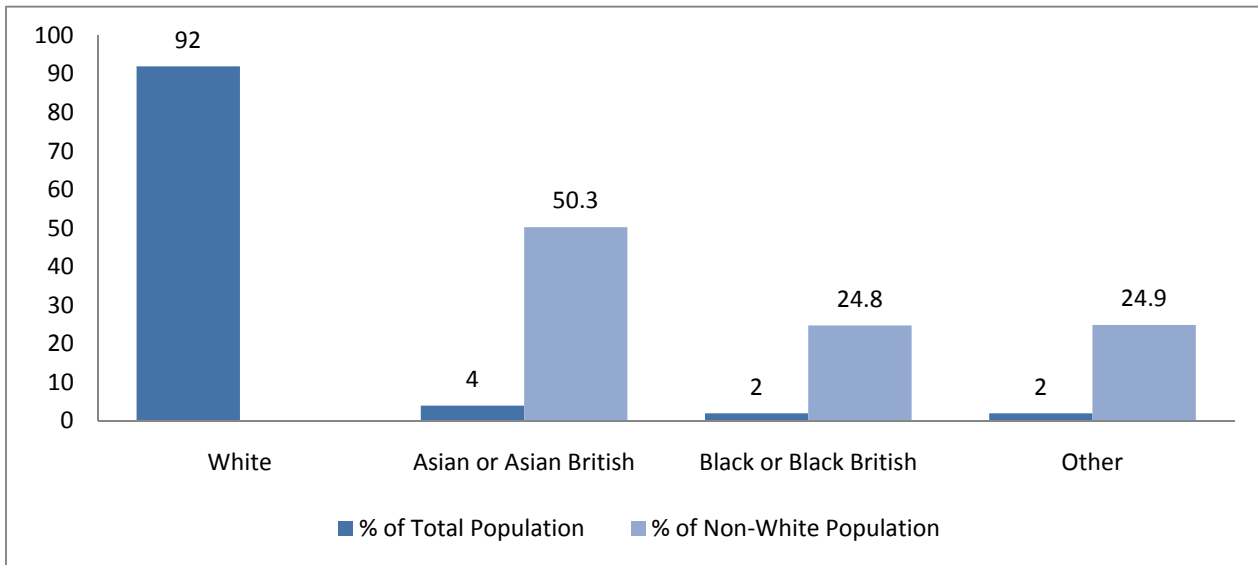
Source: Office for National Statistics. April 2001

The figure above shows that in 2001, 92% of the UK population were White (nearly 54 million people out of a total population of approximately 58 million). The table also shows:

- Just under 8% of the population were from BME groups
- The Asian and Asian British ethnic group made up the largest proportion of the BME population (45%)
- Chinese and Other minority ethnic groups made up the smallest proportion of the BME population.

The data for Mixed, Chinese and 'Other' minority ethnic groups was too small to provide a reliable sample. Therefore this report categorises retail employees into four main ethnic groups; White, Asian or Asian British, Black or Black British and Other. The Other category includes Chinese, mixed minority ethnics and those from other ethnic backgrounds. Figure 2 shows the 2001 data for the revised groupings.

Figure 2: Population percentages for 2001 by ethnicity – new groupings

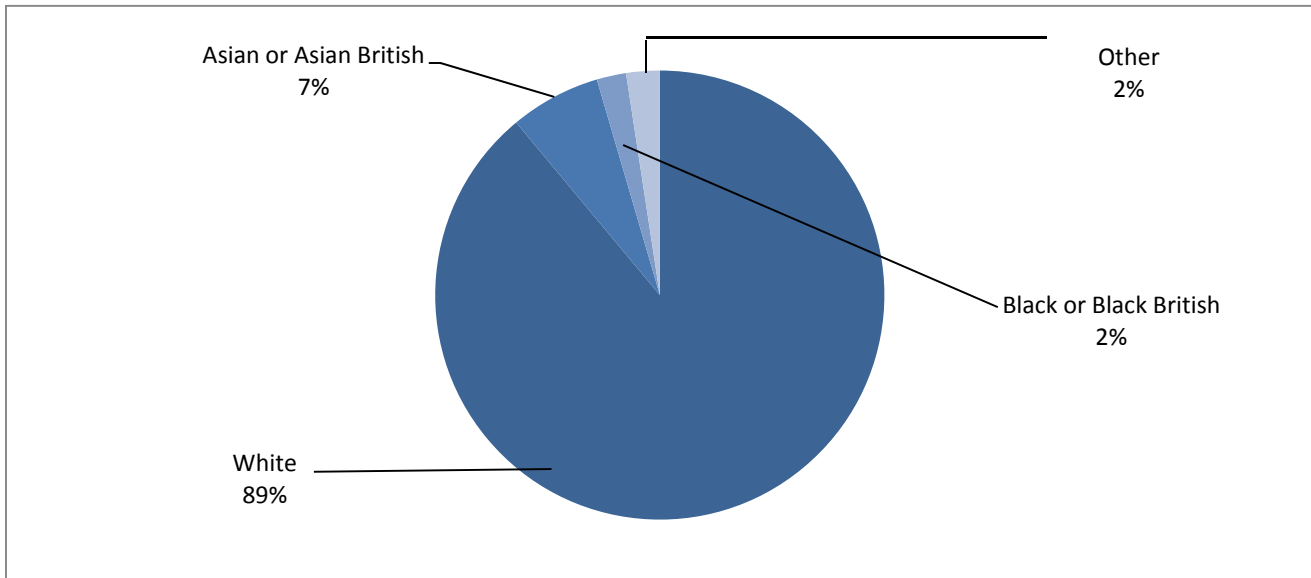


Source: Office of National Statistic. April 2001

2.1 Ethnicity of workforce

Retail accounts for nearly one in ten workers in the UK Labour Market (nearly 3 million people). Figure 3 shows the proportion each ethnic group contributes to the retail workforce.

Figure 3: Percentage breakdown of retail employment by ethnicity



Source: Labour Force Survey (Annualised) 2009

The White population dominates retail employment, accounting for nearly nine in ten (89%) retail workers. However, when compared with the all industry figure, the retail sector employs above average proportions of Asian and Asian British workers. The proportion of employees from the Black

and Black British ethnic group is in-line with the national average whilst the proportion for workers employed from the 'Other' ethnic group is below the national average¹.

Although White employee numbers make up the majority of the retail profile, the proportions have changed since 2001 (Table 1).

Table 1: Number of employees within retail and percentage change between 2001 and 2009 by ethnicity

Ethnicity	2001 Number of employees	2001 %	2005 Number of employees	2005 %	2009 Number of employees	2009 %	Number of employee change 2001-2009	% change 2001-2009
White	2,622,080	92	2,769,780	91	2,457,017	89	-165,063	-6
Asian or Asian British	127,545	5	168,655	5	180,056	6	52,511	41
Black or Black British	52,921	2	50,902	2	58,763	2	5,842	11
Other	37,104	1	69,267	2	66,438	2	29,334	79
Total BME	217,570	8	288,824	9	305,257	10	87,687	40
Total	2,839,651	100	3,058,604	100	2,762,274	100	-77,377	-3

Source: Labour Force Survey (Annualised) 2001, 2005 and 2009

In 2001, 8% of retail employees were from minority ethnic backgrounds. In 2009 this had grown to 11%. The big driver appears to be the increase in workers from the Asian and Asian British group. The extra 52,000 workers from this ethnic group made up 60% of the increase in BME workers.

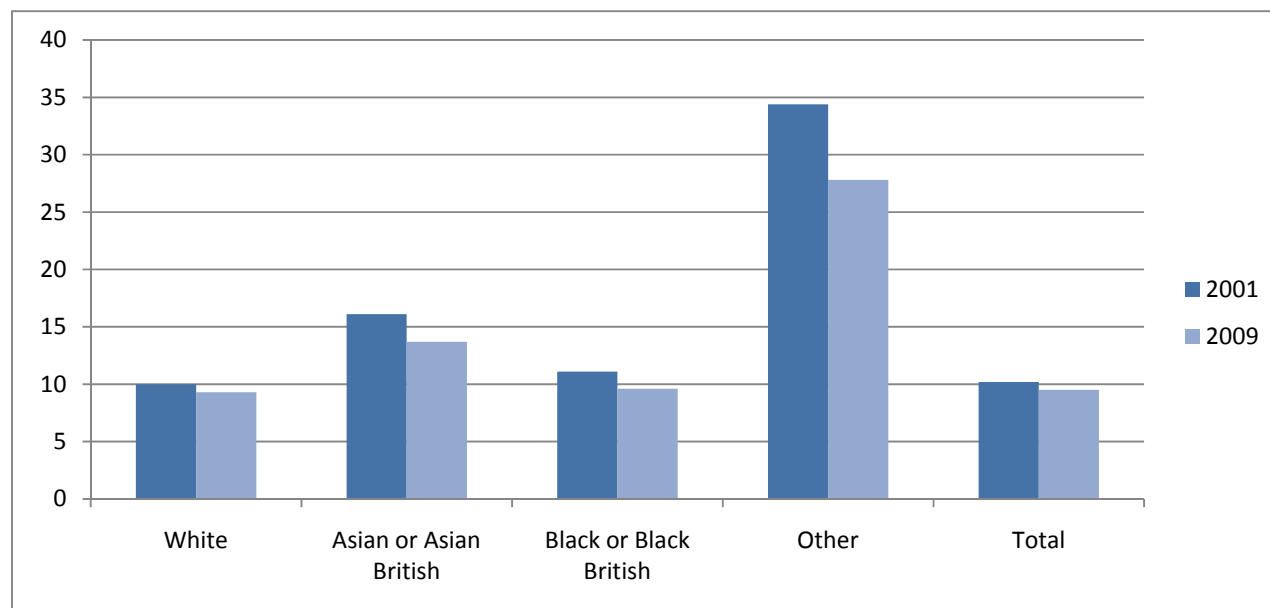
Although the total proportion of BME workers in retail has increased by just over 3% (87,687), the number of White employees has decreased by 165,063, resulting in an overall decline in number of retail employees across the UK retail sector.

2.3 Ethnic profile of retail employees as a percentage of all industries

A key consideration when looking at the ethnic profile of retail is if the sector appeals to any particular ethnic group. Figure 4 shows the proportion of each ethnic group in the UK Labour Market that are employed in the retail industry.

¹ UK Industrial averages are provided at the back of this document

Figure 4: Proportion of people working in retail as a percentage of all industries 2001-2009



Source: Labour Force Survey (Annualised) 2001, 2009

Although the white ethnic group makes up the majority of the retail workforce, it still only accounts for under 10% of the total white working population. Retail does seem to be a more popular destination for Asian and Asian British workers and those employees from the Other ethnic category. In 2009, retail employed more than a quarter (29%) of workers from the Other ethnic category.

All ethnic groups have seen a decline in numbers of retail workers between 2001 and 2009.

2.4 The ethnic profile of retail employees by gender

In terms of numbers of employees, the UK the retail industry has a predominantly female based workforce. The female to male ratio of 59:41 is noticeably different when compared with the all industry average (47:53). This is perhaps because retail is a flexible entry point into the labour market.

Table 2 shows the ethnicity of retail workers by gender for the years 2001, 2005 and 2009.

Table 2: Percentage comparison of male and female employees within retail by ethnicity

	2001		2005		2009		Change 01-09	
	Male %	Female %	Male %	Female %	Male %	Female %	Male %	Female %
White	37	63	39	61	40	60	+3	-3
Asian or Asian British	55	45	58	42	55	45	0	0
Black or Black British	40	60	43	57	55	45	+15	-15
Other	47	53	50	50	49	51	+2	-2
Total retail	38	62	40	60	41	59	+3	-3

Source: Labour Force Survey (Annualised) 2001, 2005, 2009

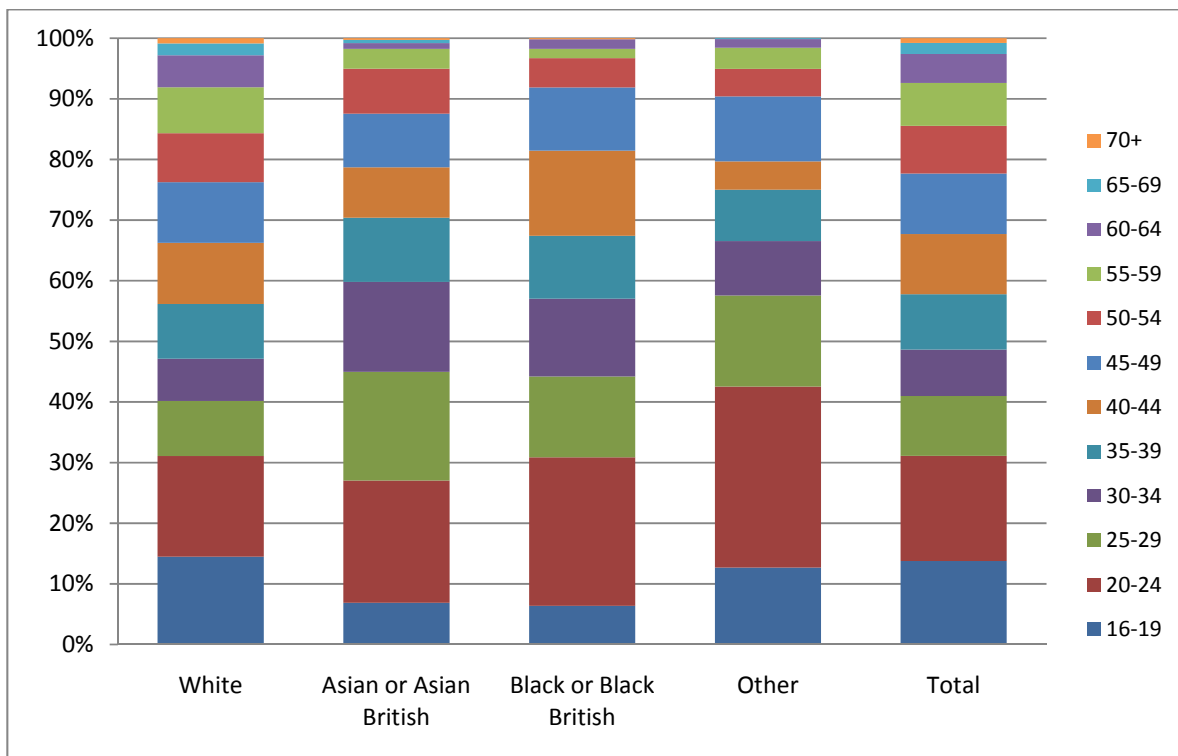
The table shows the total number of female employees in retail has declined over the past 8 years whilst total male employees have increased. Whilst the percentage change may be small, it actually represents a large number of people. The table also shows:

- Results for 'Asian or Asian British' conflict with all other ethnicity data for 2001 and 2005. It appears to be males who predominantly who work in retail
- In 2009, 'Black or Black British' proportion of male employees increased by 15% compared with 2001

2.5 Age of retail workers by ethnicity

Nearly a third of retail workers are aged under 25, although this is expected to change in coming years with a greater proportion of the workforce being drawn from people age 50+². Figure 5 shows the main ethnic groupings of retail workers by ageband.

Figure 5: Ethnicity of retail workers by ageband



The figure shows that the Other ethnic category has the highest proportion of its retail workers aged under 25. The White ethnic group has the highest proportion of retailer workers aged 50+.

² Skillsmart Retail, 'Age of Retail' July 2010

2.6 Barriers to language and education

With a strong focus on soft skills, it is important for employees in the retail industry to be able to communicate efficiently and effectively with customers. Speaking and understanding English is a fundamental component of this.

Table 3 shows ethnicity of retail workers by first language spoken at home.

Table 3: Percentage of retail employees speaking English as a first language at home

	English first language speakers 2006 (%)	English first language speakers 2009 (%)
White	99	97
Asian or Asian British	39	42
Black or Black British	78	84
Other	67	67
Total	95	93

Source: Labour Force Survey (spring quarter³) 2006, 2009

The data in the above table shows although the total number of retail employees speaking English as a first language at home decreased by 2% between 2006 and 2009, English is still the first language spoken at home for 93% of retail workers. The table also shows:

- Between 2006 and 2009, numbers of people from Asian or British Asian, Black or Black British and Chinese minority ethnic groups speaking English as a first language at home increased
- Only 42% of Asian or Asian British minority ethnics spoke English as a first language at home in 2009 – the least out of all minority ethnic groups

Table 4: Percentage of people in retail not speaking English as a first language at home, expressing difficulty with employment and education

	Had difficulty finding or keeping a job (%)		Language difficulty caused barriers to education (%)	
	2006	2009	2006	2009
White	13	17	2	13
Asian or Asian British	3	5	5	1
Black or Black British	0	14	0	0
Other	16	16	27	28
Total	7	10	8	7

Source: Labour Force Survey (Spring quarter⁴) 2006, 2009

For people who do not speak English as a first language, there could potentially be a problem gaining employment in the retail industry. However, the data above shows that only around 10% of retail workers who do not have English as their first language find it difficult to keep a job (2009).

³ The question is only asked in the spring quarter, once every three years.

⁴ The question is only asked in the spring quarter, once every three years.

When looking at the barriers to education resulting from not speaking English as a first language, it is interesting to see that 13% of the White Ethnic group feel their training has been impaired. Despite some small sample sizes Table 5 shows the main nationalities that contribute to the white ethnic category.

Table 5: Ten largest nationality groups of White UK retail workers

Nationality	Number of retail workers
United Kingdom	2,334,859
Ireland	30,817
Poland	26,693
South Africa	5,499
Italy	4,970
Germany	3,884
Australia	3,778
Lithuania	3,777
United states	3,362
Portugal	3,037
Total	2,457,017

Source: Labour Force Survey (Annualised) 2009

Apart from UK nationals, Polish and Irish are largest nationalities in the white ethnic group of retail workers. Table 6 shows the ten largest nationality for BME workers in retail.

Table 6: Ten largest nationality groups of BME UK retail workers

Nationality	Number of retail workers
India	18,479
Pakistan	9,297
Bangladesh	7,444
Sri Lanka	4,014
Philippines	3,497
Ghana	3,327
Nigeria	3,210
Portugal	3,041
Nepal	2,426
Thailand	2,234

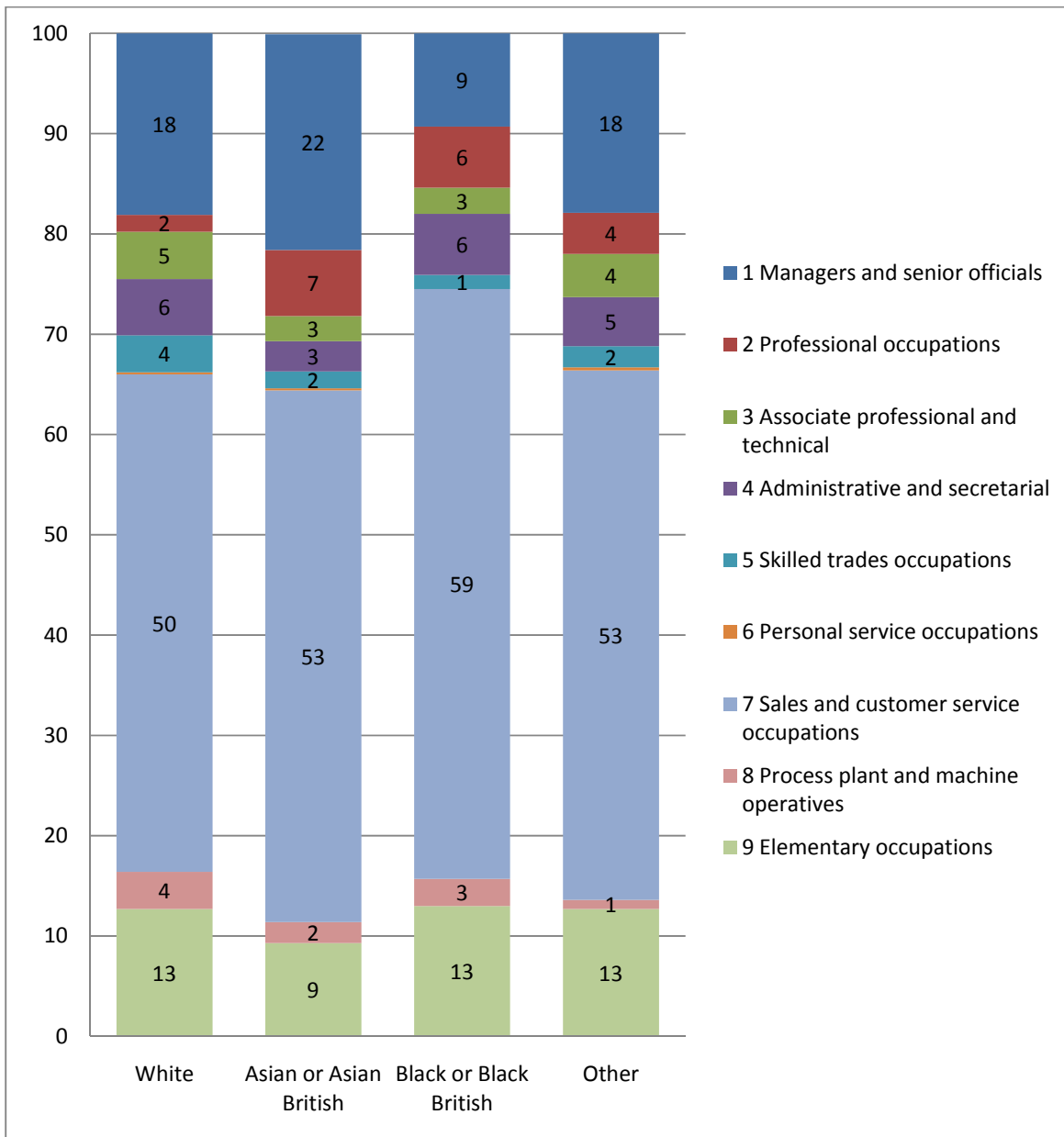
Source: Labour Force Survey (Annualised) 2009

The four largest nationalities in the table above all form part of the Asian or Asian British ethnic group.

2.7 The Ethnic profile of retail employees in each major occupational role

Although retail may primarily be thought of in terms of sales and customer service roles, retail offers a wide range of occupations and demands many different skills. Figure 6 shows distribution of ethnic groups in the broad occupation groups.

Figure 6: Distribution of occupation role types in retail by ethnicity (%)



Source: Labour Force Survey (Annualised) 2009

The figure shows that sales and customer service occupations consistently employ the majority of workers in all ethnic groups. The figure also shows:

- Personal service occupations remain the smallest in retail across all minority ethnic groups
- Retail employees from Black or Black British backgrounds have the smallest proportion of people working as managers and senior officials
- Distributions of occupational roles are similar across all minority ethnic groups, however BME groups tend to have more people in professional occupations and fewer people in skilled trade occupations than the White ethnic group.

2.8 The Ethnic Profile of Retail Employees with Different Levels of Qualifications

Since the establishment of Skillsmart Retail in 2002, there has been a focus on raising the levels of skills and knowledge in retail. Employers and employees are now encouraged to gain recognised qualifications specific to retail as well as taking part in both on- and off-the-job training.

Table 7 shows each ethnic category of retail worker by highest level of qualification attained.

Table 7: Proportion of each qualification held in the retail industry by ethnic group 2001-2009

Qualification Level held	% Change between 2001 and 2009			
	White	Asian or Asian British	Black or Black British	Other
Level 4 and above	+5	+6	+22	+4
Level 3	+5	+5	-1	+2
Trade Apprenticeships	-2	0	-3	+2
Level 2	+2	-10	-10	-1
Below NVQ Level 2	-2	0	-4	0
Other qualifications	0	+3	-3	-2
No qualifications	-5	-4	-2	-1

Source: Labour Force Survey (Annualised) 2001, 2009

Proportion of people with Level 4 qualifications has increased across all ethnic categories. The table also shows:

- The number of Level 3 qualifications has increased except amongst Black or Black British minority ethnics
- The proportion of workers without a qualification has fallen in all ethnic groups
- Black or Black British minority ethnics holding Level 4 and above has increased dramatically since 2001 by 22%
- Number of the white ethnic category with Level 2 qualifications has increased since 2001

2.9 The ethnic profile of retail employees in full and part-time work

Retail as an industry often offers flexibility of working hours and is a popular option for many people seeking part-time work in sales and customer service roles. Table 8 shows working pattern by Ethnic group

Table 8: Percentage of full and part-time employees in retail and all industries

		2001		2009	
		Full-time (%)	Part-time (%)	Full-time (%)	Part-time (%)
Retail	White	49	51	50	50
	Asian or Asian British	55	45	46	54
	Black or Black British	47	53	49	51
	Other ethnic group	40	60	49	51
	Total	49	51	50	50
All	White	75	25	74	26
	Asian or Asian British	76	24	73	27
	Black or Black British	77	23	75	25
	Other ethnic group	76	24	74	26
	Total	75	25	74	26

Source: Labour Force Survey (Annualised) 2001, 2005, 2009

The table above shows that amongst White retail employees, the proportion of full/part-time workers in retail is virtually a constant and equal 50:50 split, compared to the national split of approximately 75:25.

- Asian or Asian British minority ethnics hold a higher proportion of full-time retail workers in 2001 than part-time but this changed in 2009. There is no obvious explanation for this and it may be due to changes in preferences and demand for more flexible working hours
- The distribution of full/part-time workers from Black or Black British minority ethnic backgrounds is similar throughout
- The majority of people from 'Other' minority ethnic groups are employed in part-time retail work but this distinction is diminishing. This could be due to the small change in the retail average of full and part time workers.

2.10 Reasons for part-time working by ethnicity

The Labour Force Survey asks respondents reasons for their part-time working hours. The table below shows the results for retail workers by ethnic group.

Table 9: Reasons for working part-time

	Student (%)	Ill or disabled (%)	Could not find a full-time job (%)	Did not want a full-time job (%)	No reason given (%)
White	31	2	16	50	0
Asian or Asian British	42	2	21	35	0
Black or Black British	50	3	18	25	4
Other	34	5	17	44	0
Total	33	2	16	48	0

Source: Labour Force Survey (Annualised) 2009

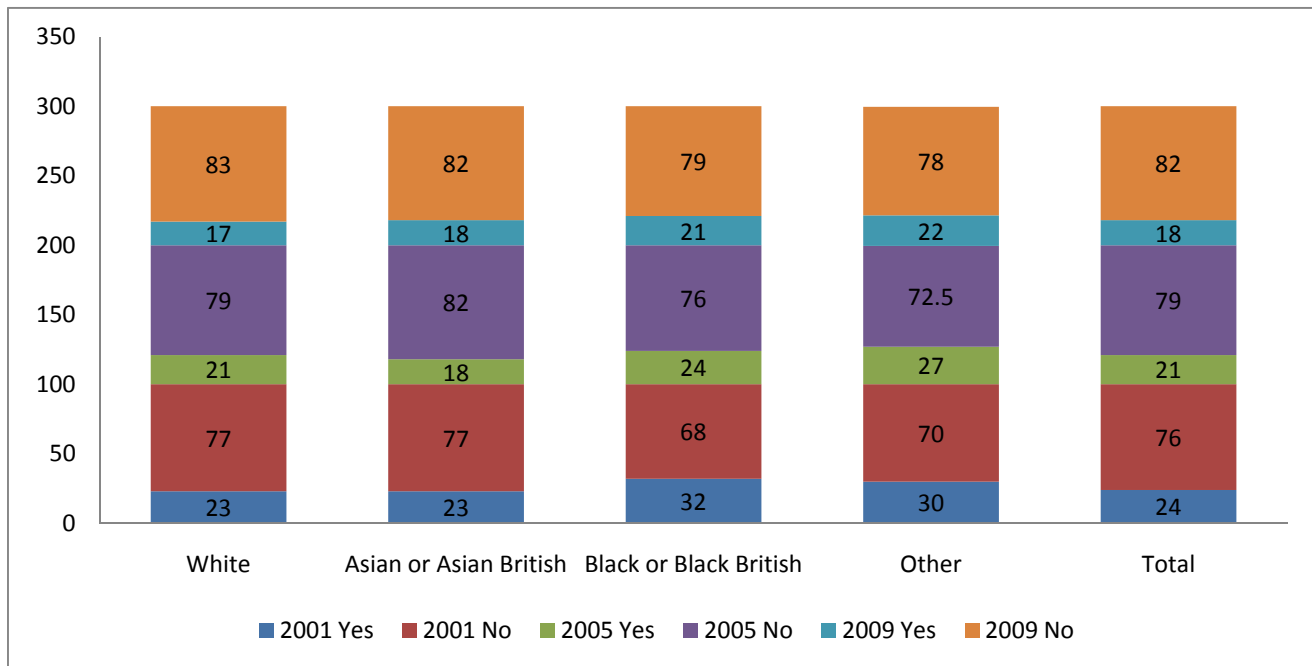
Retail appears to be an important destination for students from a Black or Minority Ethnic background (BME). Although less than a third of the white ethnic group work part-time because they

are a student, it still accounts for around 375,000 retail workers. This figure accounts for 84% of all the students working in retail.

2.11 The ethnic profile of retail employees receiving job related training in the past 13 weeks

Job related training refers to any in-store or off-the-job training that a retail employee may have taken part in the past 13 weeks. Proportions receiving training within each minority ethnic group is similar to the total for all retail employees, showing there is very little discrimination within training in retail.

Figure 7: Percentages of people receiving training in the past 13 weeks by ethnicity



Source: Labour Force Survey (Annualised) 2001, 2005, 2009

The table below shows retail employees by ethnicity and whether they received job-related training in the past 13 weeks.

Table 10: Retail employees receiving job related training within the past 13 weeks by ethnicity (%)

	2001		2005		2009	
	Yes (%)	No (%)	Yes (%)	No (%)	Yes (%)	No (%)
White	23	77	21	79	17	83
Asian or Asian British	23	77	18	82	18	82
Black or Black British	32	68	24	76	21	79
Other	30	70	30	70	22	78
Total	24	76	21	79	18	82

Source: Labour Force Survey (Annualised) 2001, 2005, 2009

The table shows that in 2001, nearly a quarter of retail workers had received job related training in the past 13 weeks compared with only 18% of workers in 2009. This figure may be as a result of the

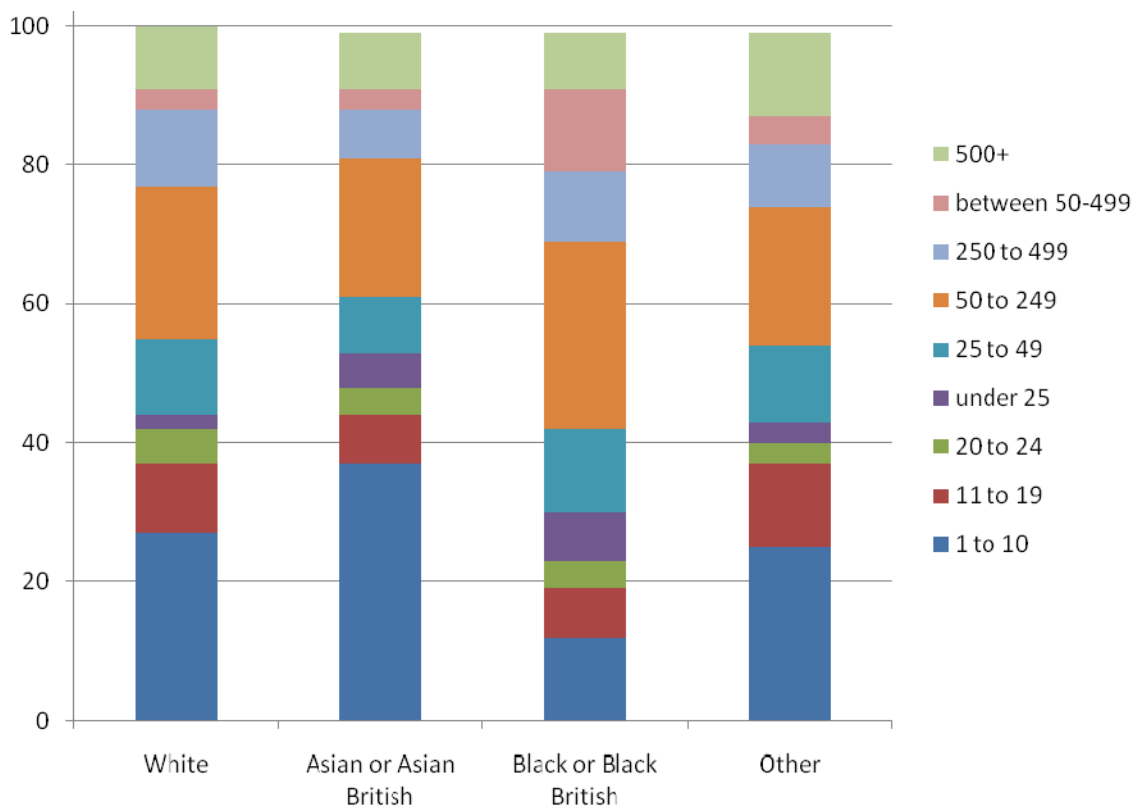
economic downturn restricting training opportunities, but this cannot be proven with the available data. The table also shows that:

- In 2009, 82% of retail employees had not received job-related training in the past 13 weeks
- The percentage of employees receiving training in the past 13 weeks is highest over the three years amongst those from 'Other' and Black or Black British minority ethnic groups
- The large proportion of retail employees not receiving training may be because employees have already gained relevant qualifications, there being limited funds available for training or more strict selection criteria of employees who need training.

2.12 The ethnicity of retail employees by sub-sector and size of establishment

Recruitment practices and workforce characteristics may well differ depending on the size of retail establishment. One method of measuring the size of is by number of employees. The figure below shows ethnicity of retail workers by number of employees in retail establishment.

Figure 8: Distribution of employees in different sizes of establishment by ethnicity



Source: Labour Force Survey (Annualised) 2009

The majority of Black or Black British ethnic group work in retail establishments employing more than 50 employees. It is a contrast with the other ethnic categories where the majority of employees work in stores employing fewer than 50 employees. As this data refers to establishments (stores) rather than actual businesses (such data does not include ethnicity) perhaps the reason

why so few people work in stores with 500+ employees is that there are not many establishments this size in the UK.

Retail consists of different sub-sectors which, in turn, have their own characteristics. Perhaps the most easily recognisable is "Retail sale of goods in non-specialised stores" as it covers the large grocers, such as, Tesco, Asda, Sainsburys, Morrisons, Co Op as well as the large department stores (including John Lewis, Debenhams and House of Fraser). This sub-sector accounts for nearly half of all retail employment in the UK.

It traditionally competes with the sub-sector 'Retail sale in food/beverages/tobacco in specialised stores' which includes; Butchers, Bakers, Off Licences and convenience stores. The other categories of specialised stores include entertainment retailers (e.g HMV, PC World, Comet), home and DIY (B&Q, Homebase, IKEA) and cultural items (Waterstones, WH Smiths). Retail sale of other goods in specialised stores includes clothing, footwear, pharmaceutical products and jewellery.

The selling of items outside the traditional shop format is largely carried out via either stalls and markets or mail order / online shopping facilities.

Table 11: Proportion of employees working in each specific sub-sector of retail by ethnicity

	White (%)	Asian or Asian British (%)	Black or Black British (%)	Other (%)
Retail sale in non-specialised stores	43	44	52	45
Retail sale in food/beverages/tobacco in specialised stores	6	8	3	6
Retail sale of info/com equipment specialised stores	3	4	4	2
Retail sale of other household equipment in specialised stores	12	7	8	7
Retail sale of cultural goods in specialised stores	5	3	7	2
Retail sale of other goods specialised stores	27	30	24	32
Retail sale via stalls and markets	1	2	2	1
Retail sale not in stores, stalls and markets	4	2	1	4

Source: Labour Force Survey (Annualised) 2009

The sub-sector recruiting the largest proportion of all ethnic groups is the retail sale in non-specialised stores. Retail sale of other goods in specialised stores also recruits a large proportion from all the main ethnic groups. These two sub-sectors account for between 70 and 77% of retail employees in each ethnic group.

Unsurprisingly, the smallest proportions of people in all minority ethnic groups' work in retail sales via stalls and markets, one of the smallest sub-sectors in retail.

3. Conclusion

The retail sector has traditionally been a flexible and accessible pathway into employment for all minority ethnic groups. General population statistics state that people from Black and Minority Ethnic groups account for around 8% of the population. The retail industry actually draws 11% of its workforce from BME groups indicating that the industry may be attractive to ethnic minority groups.

Between 2001 and 2009 retail employment fell overall (-3%) which was driven by 6% decrease in the number of white retail workers. However, the proportion of the retail workforce from BME groups actually increased by 40% which has been mainly driven by an increase in Asian and Asian British workers (+52,500 retail employees).

General trends in qualification levels included all ethnic groups seeing an increase in the proportions of workers with higher qualifications (Level 4+). The majority of the ethnic groups saw an increase in proportions with a Level 3. Most encouraging was that the proportion of the workforce with no qualifications decreased across all ethnic groups.

The sales and customer service occupation group draws the majority of retail workers from all ethnic groups. As many such roles require Level 2 skills, trends in retail workers with Level 2 qualification may be one indicator of whether the retail workforce is appropriately trained. There was a small decrease in workers without a Level 2 although only the White Ethnic group saw an increase in workers with a Level 2. Unfortunately, there is not enough definite information to determine why there was the difference.

In terms of receiving training, the Black and Black British ethnic group were the most likely to receive training out of all ethnic categories in 2001, 2005 and 2009. However, in terms of proportion of the retail workforce, they still only accounted for 2% of all retail workers. This ethnic group were most likely to work in the non-specialised stores sub-sector which included the big grocers and department stores many of which have established training programmes.

In the retail industry there are over 1.4 million part-time workers. Of all the main ethnic categories, the Asian and Asian British workers are most likely to work part-time. Around 54% of retail workers from this ethnic group work part-time which is nine percentage points higher than 2001.

Recent all-industry research has suggested there has been an increase in part-time employment because many workers are unable to find a full-time job⁵. Although 16% of part-time workers in retail did so because they were unable to find a job, four out of five part-time retail workers did so out of choice: they were either students or did not want a full time job. There were, however, slight variations in the ethnic groups.

⁵ Income Data Services, Pay and Conditions Report, August 2010

4. Appendix 1

Table 4.1 UK Broad industry groupings by ethnicity

	White		Asian or Asian British		Black or Black British		Other		Total
	Numbers	% total industry	Numbers	% total industry	Numbers	% total industry	Numbers	% total industry	Numbers
A-B: Agriculture & fishing	376,121	99	1,798	0	455	0	1,186	0	379,559
C,E: Energy & water	322,284	96	8,589	3	2,301	1	2,332	1	335,506
D: Manufacturing	3,327,949	94	111,606	3	38,743	1	50,213	1	3,528,510
F: Construction	2,217,041	97	29,315	1	21,164	1	22,315	1	2,289,835
G-H: Distribution, hotels & restaurants (Excluding retail)	2,232,738	89	131,334	5	38,516	2	93,513	4	2,496,101
I: Transport & communication	1,868,127	89	128,129	6	52,029	2	46,752	2	2,095,036
J-K: Banking, finance & insurance etc	4,156,507	91	183,647	4	98,973	2	111,022	2	4,550,149
L-N: Public admin, educ & health	7,572,252	92	266,319	3	210,966	3	186,428	2	8,235,965
O-Q: Other services	1,598,955	94	29,675	2	30,948	2	39,214	2	1,698,791
Retail	2,769,780	91	168,655	6	50,902	2	69,267	2	3,058,604
Total	26,441,753	92	1,059,065	4	544,996	2	622,241	2	28,668,055

Source: Labour Force Survey (Annualised) 2009