

Wholesale & Retail LEADERSHIP CHAIR

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RETAILERS HAVE CRITICAL ROLE TO PLAY IN JOB CREATION

Although the retail sector has been under pressure ever since the financial crisis of 2008, it remains uniquely placed to engage with South Africa's job crisis.

This is the view of researchers Dr Burton Malgas and Dr Tony Khatle, both of OD Management Services, and Professor Roger Mason of the Wholesale & Retail Leadership Chair of the Cape Peninsula University of Technology, in a study on the retail sector's role in job creation and retention.

Said the authors: "The retail sector, with its large footprint in both urban and rural areas, has enormous potential to create more sustainable jobs in South Africa, essential for the country's political and economic stability. Given the factors at play, the industry simply cannot afford to be an onlooker but must become an active participant for change through the support of strategic interventions aimed at addressing the job crisis."

For the study the researchers solicited responses from South Africa's major retailers operating in Johannesburg, Cape Town and Durban. Among their findings were:

- Around half the jobs in the retail sector are currently of a casual nature
- Jobs in the sector have declined by 8% since the start of the financial crisis in 2008, flattening out since 2010 and employers are continue to hold back on hiring new staff
- A handful of large companies currently dominate the market to the detriment of small players who find it difficult to compete
- The sector is likely to shed unskilled jobs due to the rise of e-commerce and technological changes, but is facing a looming skills gap higher up the line

Among the strategic interventions proposed by the report are for the retail industry to join hands with the Wholesale and Retail SETA to address the emerging skills gap and the youth employment crisis. The study also calls for more active support for small businesses, which are more agile when it comes to responding to the market, and consequently have the potential to generate new jobs.

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