

Wholesale & Retail

LEADERSHIP CHAIR

Collaboration opens the window to a world of opportunities



Evaluation of the shortage of retail management skills and employment equity strategies with regard to attracting women for permanent careers, especially in rural areas

A SUMMARY



INTRODUCTION

The wholesale and retail industry worldwide, and particularly in South Africa, faces a major challenge in attracting and retaining women for permanent careers, especially with regard to management positions and especially in rural areas.

The retail sector in South Africa is dominated by casual workers. This situation has a major bearing on the employment of women in permanent positions. Women are generally marginalized, and the prospect of being appointed to senior management positions is low, based on current trends. It seems as if it is the norm not to promote women to management positions in the retail sector. There is a considerable shortage of women occupying management positions in the retail sector, and a lack of retail experience and expertise at this level. Skills development for management has been identified as a key requirement to give effect to South Africa's Employment Equity Act, by developing women so that they are equipped to fill available managerial positions, as indicated in the sector skills plan. This process is important in driving the transformation agenda of the retail sector with a proactive and innovative approach to resolving the managerial skills shortage.

It is evident that women continue to suffer discrimination in the labour market, in terms of lower quality employment and lower remuneration. The research evaluates the shortage of retail management skills and employment equity strategies with regard to attracting women for permanent careers, especially in the rural areas. To meet this goal, the following objectives were set:

To investigate factors affecting empowerment and transformation.



To identify the impact of employment efforts to attract women to the retail sector.



To identify the barriers and threats to the permanent employment and promotion of women in the retail industry.



To meet these objectives the following issues were investigated:

- the number of women in permanent management positions;
- the policies employed by retail companies to attract and employ women in management positions;
- the strategies employed to create opportunities for women in management positions; and
- the empowerment processes utilized to advance the management skills of women.

RESEARCH METHODOLOGY

Research design

A qualitative questionnaire was developed in consultation with representatives from the Wholesale & Retail Sector Education and Training Authority (W&RSETA). Purposive sampling was employed, with the W&RSETA supplying a list of retail stores to contact and the names of relevant people to email. Respondents were selected based on their positions and roles at retail stores.

The researchers also conducted interviews with 20 women who were employed in managerial and supervisory positions in the retail sector, and who had a connection with the rural retail area.

Data collection and sampling

The W&RSETA supplied email addresses from their database, and distributed the questionnaires to W&RSETA-affiliated retailers. The questionnaires were distributed to 20 respondents from small, medium and large retail entities with an interest in the rural areas, and in the promotion and empowerment of women. Subsequently, a series of telephonic interviews were conducted with women employed in different management positions within the retail sector. After the analysis and report writing, a focus group was held with six women in different managerial and clerical positions from different retailers to peer-review the findings.

Data analysis

Data was analysed qualitatively based on the key issues that were raised from the questionnaires and the interviews. The respondents' ages varied between 35 and 51, and their years of experience in the retail sector varied between 7 years and 34 years. The positions occupied by the respondents included: Accounts Manager, Area Manager, Senior Area Manager, Director, Category Buyer, and Controller. Seven women were from big companies, eight were from medium-sized companies, and five were from small companies. The majority of respondents were from Gauteng, KwaZulu-Natal and the Western Cape, although there were some respondents from Mpumalanga, Limpopo and North West.

There is a considerable shortage of women occupying management positions in the retail sector, and a lack of retail experience and expertise at this level.

LITERATURE REVIEW

To find out whether the challenges to attract women to management positions in the retail industry, especially in rural areas, is a South African phenomenon only, two other countries from the Brazil, Russia, India, China and South Africa (BRICS) economic group were investigated for comparison. For this purpose India and Brazil were selected due to their having similar challenges to the South African market.

BRAZIL

In the 21st century Brazil has made efforts to reduce poverty and improve living standards, though much remains to be done, especially in the field of women's work and employment. The 2017 estimated annual income of men was US\$14,857 and of women US\$9,055, suggesting that very large gender gaps in pay are persistent in Brazil (UNDP, 2017). Ten per cent of women workers are employed in the wholesale and retail sector, but 36% of female managers are employed in wholesale and retail, most likely for the largest part as store managers. The situation of women in rural areas is very precarious, and can be related to the expansion of the salaried system, the rapid modernization of agriculture, and landownership concentration. These factors have brought about widespread impoverishment of rural families.

INDIA

India is the second-most populous country in the world, with an estimated population of 1.26 billion in 2014. Its female labour force participation (FLFP) is 33%, implying that only 125 million of the 380 million working-age Indian women seeking work are currently employed. FLFP rates vary widely between urban and rural areas, with participation rates of women in rural areas much higher than of women in urban areas. In India the retail market is unorganised and fragmented, with a pronounced rural bias, despite a market size of \$180 billion. The retail sector provides jobs to 15% of working-age adults, but 98% of the 12 million retail outlets in the country are in the unorganised sector.

SOUTH AFRICA

Companies face unique challenges when operating in the rural regions of South Africa. The consumer population is dispersed over a wide geographic area, transportation infrastructure is often poorly developed, and many consumers have sporadic and extremely low incomes. In South Africa, female oppression was mainly shaped by two socio-political factors: apartheid and racial exclusivity, and the development of the capitalist sector. The latter implies that typically "women's jobs" are more prone to deskilling and displacement because of technological change. The patriarchal nature of South African society has been another influential factor. Promoting women's economic and political empowerment has gained greater attention over the past three decades. Various policies and programmes have been implemented to ensure equal and fair access to the labour market for women. However, there is a growing realization that gender equality and empowerment of women has not been fully integrated into policy formulation and project design. Considerable gaps between men and women persist in education attainment, economic opportunities and decision-making. Women are more likely to be employed in low-skilled occupations and less likely to be employed in high-skilled occupations.

Retailing has been undergoing tremendous changes since the early 1990s, and also in South Africa there are a number of drivers of change in retail. The influx of large international retail chains has modernized the retail industry by increasing the number of establishments, introducing large and new formats, and establishing one-stop shopping centres that benefit consumers by enhancing their shopping experiences. Factors such as a growing middle class, increased income, market reforms, the high rate of urbanization, and changing lifestyles have also made a significant contribution.

Attempts to strengthen the retail sector in rural areas have focused on increasing market size by attracting manufacturing activities. However, some scholars have questioned the contribution of manufacturing, arguing that while men are mainly employed in large numbers in the manufacturing sector, women are more often employed in the services sector. Therefore promoting manufacturing in rural areas is unlikely to help grow employment opportunities for women.

FINDINGS AND DISCUSSION

The research found that women are still discriminated against in the workplace when it comes to promotion, and are still paid less, even if they are breadwinners. Big companies were felt to not invest in developing rural areas and townships. This creates a backlog in the rural areas, and eventually marginalizes the rural communities.

The lack of exposure to business by rural women tends to disadvantage them when management opportunities arise. The lack of fluency in business languages (English and Afrikaans) is problematic, as are poor communication skills and the issue of cultural subordination. The study found that traditional female roles and stereotypes tend to influence women's perceptions of their abilities, and undermine their potential, including their applying for management positions in retail businesses.

The volatile and unpredictable labour environment contributes to the challenges experienced by rural women. Labour legislation and other practices regulating the functioning of labour markets can have significant gender impacts for advancing rural women in the retail sector.

Few rural women occupy management positions. While the study found that some women have the necessary skills, they still need more training. Providing training opportunities for women is an important factor for promotion from normal employment to management employment.

The findings highlight the multifaceted challenges faced by the retail industry in driving equity and transformation.

THE RESULTS OF THE RESEARCH PRODUCED SEVEN FINDINGS:

1. Women are still discriminated against and marginalized in the workplace when it comes to their promotion, or consideration for promotion, to fill management positions.
2. Women earn less than men in the retail sector, even though they are employed in large numbers by the retail industry.
3. Most rural women are disadvantaged by the lack of exposure to the retail business sector, and this situation further disadvantages them when management positions are available. They are deemed not ready for appointment.
4. A poor command of business languages such as English is a barrier to the assertiveness and confidence of rural women in the retail sector. This jeopardises their chances of promotion and consideration for management positions.
5. There is a lack of proper training for rural women, and preparing them for senior and management positions in the retail sector. The available training in most instances is unorganized and not adequate to prepare them for management positions.
6. Traditional and cultural demands and expectations are that women should take care of their families first, and that their career aspirations will be considered later. This stifles the progress of rural women.
7. The lack of female role models and mentors contributes to too many women accepting the status quo in the retail sector, which adds to the lack of ambition to aspire to promotion.



CONCLUSIONS

The employment of women in the retail sector is affected by many barriers and factors, such as education level, exposure to the retail business industry, cultural and traditional factors, and employment conditions such as being employed as casual workers. Few women are employed in management positions, even though more women are employed in the retail sector. The study found that women are managers in small businesses, but medium and large businesses are still male dominated.

Permanent employment of rural women in the retail sector is very low, due to their lack of exposure to the retail industry. Language also serves as a barrier, which creates lack of self-confidence and assertiveness. Cultural and traditional demands, including rural community expectations for women to raise and care for their families, play a role.

Table 1: Opportunities and threats



 OPPORTUNITIES	 THREATS
Flexible working conditions	Traditional and cultural factors
Empowerment of women and equity considerations	Discrimination and undermining of women managers
Permanent employment	Lack of permanent employment through casualization
Equal earning power and salaries	Unequal payment for same work

Table 2: Other factors influencing employment of rural women

Other factors
Equity considerations
Transformation of the retail sector
Empowerment of rural women
Travelling distance from the nearby retail stores

The study found that women are managers in small businesses, but medium and large businesses are still male dominated.

RECOMMENDATIONS

The findings of the research produced seven recommendations:

1 Eliminating discrimination against female workers, thereby reducing the productivity gap between men and women, could increase productivity per worker by between 25% and 40%.

2 Reducing and eliminating earning disparities between men and women will reduce the wage gap in the retail sector, and promote equity in the workplace.

3 The W&RSETA should consider introducing specific programmes focused on developing rural women in the retail sector for occupying management positions when these become available.

4 The W&RSETA should consider introducing programmes to assist women in the rural areas to overcome language barriers and to improve their communication skills.

5 The retail sector, in collaboration with the W&RSETA, should devise a training strategy to advance the transformation and empowerment of rural women in ascending to management positions in the retail sector.

6 The retail sector should allow for the consideration of cultural and traditional demands affecting rural women, in order to enable them to contribute in retail sector management positions. Policies need to be in place to recognize their norms and values, and adapt Eurocentric rules in accordance with traditional rules.

7 The retail sector, together with the W&RSETA, should consider introducing programmes for mentoring prospective rural women recruited for promotional positions in the industry, and incorporate succession plan strategies that are implementable, and these should be monitored and evaluated.

THE W&R SECTOR

W&R is the fourth largest contributor to GDP and the 30 000 tax-registered retail enterprises employ about 20% of the total economically active workforce according to Stats SA.

About 86% of registered enterprises in this sector are small and micro enterprises, 9.5% medium size and 4.5% large companies. Only 66% of operational retail traders are formally registered and contributing to the fiscus, suggesting there are over 100 000 informal (unregistered) traders in the sector accounting for 10% of national retail turnover.

The main employment increase has been in the informal /SMME sub-sector. This project is the twentieth research study conducted by the WRLC.

Wholesale&Retail **LEADERSHIP CHAIR**

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THE WRLC

The Wholesale and Retail Leadership Chair (WRLC) at the Cape Peninsula University of Technology (CPUT) was established in 2013, based on an initiative by the Wholesale & Retail Sector Education and Training Authority (W&RSETA) to contribute towards sector research and professional qualifications development at Higher Education levels.

A national survey report entitled Priority Research Needs of the South African Wholesale and Retail Sector marked the first step taken by the WRLC towards the creation of a basis for relevant research in this dynamic business sector.



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The full research report can be found at <http://wrlc.org.za/research-2-2/completed-research//>.

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