

Wholesale & Retail LEADERSHIP CHAIR

PRESS RELEASE

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THE RETAIL INDUSTRY IN SOUTH AFRICA AS EMPLOYER OF FIRST CHOICE FOR YOUNG PEOPLE

The wholesale and retail industry in South Africa is the fourth largest contributor to the country's Gross Domestic Product, and employs approximately 21% of the total workforce, yet the industry faces a major challenge in attracting and retaining highly skilled and motivated workers. According to the so-called "retail myth", working in retailing is associated with store-based activities, poor working hours, poor compensation and limited advancement. The expectations of Generation Y regarding work content and careers include enjoyable work, a sense of accomplishment, good pay and skills development, which might explain why attracting especially young talent to a career in retail is problematic in South Africa.

In a recent research study at the Cape Peninsula University of Technology, an international team from the Wholesale & Retail Leadership Chair set out to explore the image students have of the wholesale and retail industry in South Africa; outline the key factors that are important to Generation Y in choosing their field of study and prospective career; and identify student segments that are more or less likely to strive for a career in retailing. The team consisted of Professor Dr Thomas Dobbstein from Baden-Württemberg Cooperative State University and Professor Dr Wibke Heidig from Albstadt-Sigmaringen University of Applied Sciences, both from Germany, and Mr Wayne Jooste and Professor Roger Mason, both from South Africa.

Following a qualitative pre-study consisting of narrative telephone interviews with twelve first-year students and six human resources managers, a quantitative survey using anonymous questionnaires was conducted among students at five universities offering retail business management. The research was conducted during students' first week of study and the final sample consisted of 1363 participants.

Students were asked about various factors that influenced their decision to choose a specific field of study. The results showed that company websites played the biggest role in this decision, followed by career guidance at school, and consulting family and friends. The finding that company websites offering information on careers represent the most important factor in the decision-making process offers a great opportunity for retailers.

Splitting the survey sample into retail and non-retail students showed the disconcerting picture that only 58.1% of retail students specified retailing as their preferred career choice. On the reverse, 3.2% of non-retail students indicated that they would prefer to work in the retail industry. By cross tabulating participants' current field of study with their preferred career industry, a classification of four student types was proposed.



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Group 1 are the 58.1% of retail students who would prefer a career in retail; their relationship to the industry was named a “love marriage”. Group 2 are the small proportion (3.2%) of non-retail students who would prefer a career in retail, and they were labelled “love at second sight”. Group 3 gives cause for concern, because they are the 41.9% of retail students who are not interested in a career in retail – their relationship with the retail industry was named an “arranged marriage”. Group 4 is simply the vast majority of non-retail students (96.8% of them) who are not interested in a career in retail and are named “not interested” – they are in a “love marriage” with another industry.

The study concluded that in order to attract young talent, the image of the retail industry needs massive improvement to make it more attractive. The industry, retail companies and educators need to implement strategies to attract and inform highly motivated students prior to and during their studies. Another recommendation was that universities should review their selection processes with regard to selection criteria and capacity restraints, to ensure that those students who study retail business management are indeed those who have a passionate commitment to the retail industry.

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