Factors Affecting Job Tenure in the Australian Retail Industry

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This thesis is my own original work. All data collection and writing has been done by me solely.
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### Abbreviations

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<tbody>
<tr>
<td>IASCR</td>
<td>Industrial Arbitration Service Current Review</td>
</tr>
<tr>
<td>AILR</td>
<td>Australian Industrial Law Reports</td>
</tr>
<tr>
<td>ALLR</td>
<td>Australian Labour Law Reports</td>
</tr>
<tr>
<td>CAR</td>
<td>Commonwealth Arbitration Reports</td>
</tr>
<tr>
<td>FLR</td>
<td>Federal Law Review</td>
</tr>
<tr>
<td>NSWIG</td>
<td>New South Wales Industrial Gazette</td>
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<tr>
<td>IR</td>
<td>Industrial Reports</td>
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<td>SAIR</td>
<td>South Australia Industrial Reports</td>
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<td>SAIG</td>
<td>South Australia Industrial Gazette</td>
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<tr>
<td>WAIG</td>
<td>Western Australia Industrial Gazette</td>
</tr>
<tr>
<td>TGG</td>
<td>Tasmanian Government Gazette</td>
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<td>QGIG</td>
<td>Queensland Government Industrial Gazette</td>
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#### Newspapers and magazines

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<tr>
<td>NBMS</td>
<td>National Bank Monthly Summary.</td>
</tr>
<tr>
<td>AFR</td>
<td>Australian Financial Review</td>
</tr>
<tr>
<td>SMH</td>
<td>Sydney Morning Herald</td>
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<tr>
<td>N. T.</td>
<td>National Times</td>
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Organisations

AAA : Affirmative Action Agency
ABS : Australian Bureau of Statistics
ACTU : Australian Council of Trade Unions
AGPS : Australian Government Publishing Service
ASTEC : Australian Science and Technology Council
BLMR : Bureau of Labour Market Research
BIE : Bureau of Industry Economics
CAI : Confederation of Australian Industry
CATU : Clothing and Allied Trades Union
COI : Central Office for Information
DEET : Department of Employment Education and Training.
FIET : International Federation of Commercial Clerical, Professional and Technical Employees
FLAIEU : Federated Liquor and Allied Industries Employees Union
FMWU : Federated Miscellaneous Workers Union
JETRO : Japan External Trade Organisation
NMRITC : National Retail Motor Industry Training Council
OECD : Organisation for Economic Cooperation and Development
RITC : Retail Industry Training Council
RTA : Retail Trader's Association
SDA : Shop Distributive and Allied Employees Association
Abstract

All sociological traditions recognise the importance of the labour market in the shaping of advantage and disadvantage in society. However, sociological research has often centred on describing how factors internal to the workplace, such as the labour process, contribute to patterns of disadvantage. One aspect of the labour market operations which has received scant attention in the sociological literature is the different types of tenure attached to different jobs. This thesis considers factors which affect job tenure. The broad context in which patterns of job tenure are created is discussed. The study then narrows its focus to discuss one industry in one place: the retail industry in Australia.

Data collected by the Australian Bureau of Statistics are used to present a broad picture of trends in the labour market in the 1980s with respect to job tenure. Data from the Affirmative Action Agency are used to describe patterns of job tenure within the retail industry which are associated with particular firm characteristics. Interviews with retail managers and employees are used to identify some of the social and cultural factors which have affected patterns of job tenure in the retail industry. Finally, two government initiatives are discussed with respect to their likely impact on job tenure in the industry. Changes to the major retail awards are documented and their likely impact on job tenure in the industry are discussed. Government records and interviews with store level managers are used to build a picture of the likely affects of some government sponsored training programs on job tenure in the industry.

It is concluded that a convergence to a single pattern of job tenure, as predicted by writers such as Atkinson (1986) and Michon (1987), is unlikely. Social and cultural factors are found to affect patterns of job tenure in the retail industry to a greater extent than the labour market literature would suggest.
Introduction

Job Tenure in Labour Markets

Paid work in our society takes a number of socio-legal forms. It may be short term or relatively permanent, full-time or part-time, casual and regular or irregular, outwork, contracted or franchised. The various socio-legal forms embody within them different degrees of job tenure. Job tenure consists of the formal requirements for workers and employers to provide warning if they wish to terminate the relationship and the informal expectations and social norms which result in *de facto* security of tenure. Patterns of tenure change in an economy through processes of routinisation and casualisation of labour, and through changes in the relative significance of different sectors of the economy.

It is recognised by all sociological traditions that within capitalist society the relationship to the labour market has central importance for a person's life chances. The labour market consists of a structure of jobs, and also processes by which workers exchange their labour power in return for money, status and other job rewards, and by which employers exchange money for labour power. One feature of this exchange is the loyalty of the worker and the security of job tenure associated with a particular job. While we know that patterns of job tenure vary we do not know how or under what conditions they vary, or what the implications of such variations are for the everyday lives of individuals. What does it mean when an industry is characterised by high levels of subcontracting or agency relationships? Do such industries operate differently from industries characterised by weekly employment? If so in what ways? Do differences in job tenure imply different relationships between members of families? Do they have implications for home ownership or the ability of people to get loans?

Job tenure in this thesis means the ability of workers to retain their jobs if they wish to do so. While discussions of this have not been entirely absent from the labour market literature, it has never been of central interest. The marginality of job tenure in sociological literature is surprising since much sociology is concerned with the ways in which inequality is created and maintained in modern western societies. Of particular interest to sociologists have been the processes which create disadvantage according to class, sex and race. Structures of capitalism, patriarchy and colonialism are identified as shaping patterns of inequality.
Sociological research often stresses the importance of conditions of work, and rewards attached to different sorts of work, in shaping structures of inequality. For example, research on gender relations has identified labour market processes, and in particular the relationship between paid and unpaid labour, as crucial to understanding disadvantage which accrues to women (cf. Redclift and Mingione, 1985). Much of the research which has been conducted on gender relations has been concerned with hours of work. Women's propensity to be employed part-time has been seen as an important dimension of gender inequality (cf. Beechey and Perkins, 1987). This directs our attention to one part of the process whereby disadvantage accrues to women. Hours of work are important because many employment conditions are tied to 'standard', or 'full-time', jobs. However to construct a full picture of this process we need to understand other aspects, such as that whereby job tenure is attached to some jobs and not others.

Research on labour market segmentation has focused on the disadvantages which accrue to social groups due to their concentration into industries and occupations characterised by poor pay and working conditions. Writers note the lack of job tenure which is found in the segments where disadvantaged groups predominate. However, the process through which segmentation by occupation or industry is translated into disadvantage are, again, poorly understood. In particular the role of job tenure in this process has not yet been clearly articulated. This is not to say that the interest in segmentation has provided no insights into job tenure. In particular analyses of the emergence of internal labour markets in firms point to factors which are implicated in the generation of patterns of job tenure in firms.

Some detailed analyses of bounded labour markets have contributed to an understanding of the dynamics of job tenure. Urban sociologists such as Mingione (1991); Buck (1991) and Fujita (1991) note that less stable employment conditions emerged in the cities which they studied in the 1980's. The tendency to lower levels of employment tenure has been associated with the emergence and growth of an underclass and the fragmentation of political organisation and activities by working class people. Pahl (1988) has pointed to the cumulation of work characterised by de jure job tenure, informal work and casual employment, in generating and maintaining patterns of inequality in bounded communities. Pahl's study of Sheppey (1984) and Tamara Harevan's study of Amoskeag (1982) reveal some interesting aspects of job tenure in the labour markets which they studied. These studies alert us to the importance of social forces, such as ethnic differences in work orientation and gender relations, in structuring patterns of job-tenure. Again however, job tenure is not the central interest of the authors, and patterns and tendencies are not systematically elucidated.
Historians have pointed to the importance of job tenure in shaping social structures and processes, and in particular in the formation of social class (Hobsbawm, 1975) and gender relations (Pinchbeck, 1969). Forms of irregular employment which were generated in the U.K. with the emergence of the employment contract included outwork in the textile industry (Pinchbeck, 1969: 112-137), gangs and butties in the mines (Pinchbeck, 1969: 255; Goffee, 1981); and hawking in the retail trade. Each of these implies different degrees of geographical mobility, separation of home and work, and interdependence of family members. Pinchbeck (1967) has noted that, in eighteenth century Europe, as people moved or were moved off the land and into cities, the changing nature of job tenure had implications for gender relations and family structures. For example, the 'bondage' system of labour was associated with quite different family structures than an alternative system for the organisation of agricultural labour which occurred at the time: the 'gang' system.

Other historians point to the importance of job tenure in the creation of an urban proletariat (Hill, 1967; Gutman 1977). They point to the passage of various factory acts which determined the accepted 'standard' working week in various industries (Bienefeld, 1972; Fichtenbaum and Welty, 1986). This 'norming' of the working week represented a routinisation of labour culminating in payment by the week or year rather than the hour. In both Europe and the United States establishment of the standard working week was achieved in the face of social and cultural norms, rather than because of them, and seems to have contributed to the emergence of new social and cultural orientations to work. The standardisation of the working week paved the way for replacing individual bargains between workers and employers with collective bargains and regulation. Indeed in Germany it ultimately resulted in enforcement by the state of internal labour markets, though the more usual vehicle of enforcement in other European countries has been unions (Windolf, 1986).

The effect of the routinisation of work on cultural and social structures and processes is not restricted to Europe and the United States. Under colonial administrations unique combinations of contracts and forced labour emerged from particular market, social and political conditions. These combinations generated their own social and cultural structures and processes. Cotton production for example, at least initially, depended on slave labour in the colonies which generated particular cultural forms (Trouillot 1982; Genovese 1971). Mine labour in Africa depended on the ability of colonial governments to impose taxes, and provide alcohol and other goods and services. The routinisation of labour in mines separated the male workers from their home communities (Van Onselen,
Agricultural and mining labour in Australia was obtained through a mixture of self-employment, indentures, wages and forced indigenous labour. The consequences of forced and yet intermittent demand for indigenous labour resulted in pauperisation and intinerancy. The dependence created by this type of employment, on both pastoralists and missionaries, generated new cultural and social structures (Berndt and Berndt, 1987; Evans et.al. 1988).

In discussing tendencies in job tenure, five major problems emerge. Four of these are concerned with definition and measurement, the fifth with comparability of research. The first is that different institutional and legal contexts specify different types of tenure differently. Thus casual employment has different meanings in different legal contexts. For example, the relationship between security of employment and entitlement to a particular job is close in some countries and not in others. Such problems of classification make international comparisons of job tenure extremely difficult. Partly as a result of this difficulty this study focuses on one country: Australia. This geographical limitation means that any generalization of the results of this research will be limited. The advantage of focusing on one industrial relations system is that I am able to define tenure in a more precise way and describe the processes operating in far greater detail than a comparative study would allow.

Secondly, even within a specific legal context terms with precise legal meanings are interpreted in a variety of ways by researchers, employees and employers. We have insufficient information regarding how survey respondents are making judgements when categorising their jobs. The problem is identified by Hakim (1988) and by Casey and Creigh (1988) with respect to measurement of self-employment in Britain. They show that the definitions of self-employment used for tax purposes generate different estimates than do the Labour Force Surveys, while both differ from data gained through self-reporting by workers. The confusion is exacerbated by the desire of both employers and employees to avoid or minimise taxes such as national security payments. In this situation work done by temporaries may be undeclared and under-reported (Dale and Bamford, 1988). This again points to the need for more detailed studies of tenure within specific legal contexts.

Third, in practice the meanings of the legal prescriptions are often subject to dispute, and in most cases workers are unaware of the tenure implied in their employment contracts. Thus in practice tenure is composed of both the formal legal elements which reside in contract, and informal elements which reside in, and derive from, socio-cultural contexts. The informal elements provide a framework within which the legal contract operates and
within which it is initially formulated. An example is that workers, in contrast to jobs, may be seen as casual, permanent, temporary, weekly. This makes sense in a situation in which casual jobs are stepping stones to permanent positions, and where the characteristics of the worker is crucial to whether this transition takes place or not. Thus an employer may categorise female employees as casual and male employees as permanent, when in fact the legal contracts they hold are identical. The categorisation in this situation reflects the employers knowledge regarding who is likely to be promoted, who to be made redundant when demand is reduced and so on. Empirical research in the U.K. has shown that people who report their employment status as 'temporary' do so on the basis of their knowledge of the general practices of the firm, rather than according to their own employment contract (Casey, 1988). As far as I know no research has been conducted to determine whether such factors have important consequences for the measurement of tenure. It would seem to be important to bear such factors in mind when discussing survey data.

A fourth problem is that tenure may exist even when an employment relation has not been entered into. A typical case is a franchise relationship in which a franchisee is at law an independent entrepreneur, but may in practice be unable to continue operations without the franchisor's continued support. In such cases a contract may specify the period within which a franchise can be terminated, and tenure is formalised. In other cases where the relationship between the firms is more informal, there may be no legal, formal, base of tenure at all, yet a significant degree of tenure at an informal level. This is illustrated when 'self-employed' people in practice sell their work to only one employer (Bromley and Gerry, 1979).

The final problem, in discussing characteristics and tendencies of employment tenure, is that research has not been conducted on enough types of employment contracts operating in enough different industries to enable comparisons. The problem here is that, for example, dependent sub-contracting may imply much greater de facto tenure in one industry than in another. This study therefore focuses on only one industry. This does not imply that comparisons between industries are impossible, but that comprehensive analysis of particular industries are necessary before comparative work can be done. While work has been done on outworkers, on temporary agency workers, on casual dock workers, on contract workers in the building industry, these studies are difficult to assemble into a coherent picture regarding tenure in the labour market overall since they each address different aspects of the problem.
Clearly, there is no possibility of adding formal and informal aspects of tenure to arrive at an empirically uncontentious conclusion. Yet both de jure and de facto tenure can be said to vary in particular instances. An employment contract which is an indefinite arrangement, in which redundancy procedures and termination compensation are specified is characterised by greater security of tenure for the worker than one in which the worker is employed on an hourly basis, or for a specified and definite period of time. Similarly, a worker with kin ties to their employer is likely to have a higher degree of de facto tenure than a worker with no kin ties to the employer. It is very difficult to translate aggregate individual instances into societal patterns of tenure. For example, in most cases part-time employees have little security of tenure. In some cases however, such as part-time public servants, they may have considerable security of tenure. Statistics on part-time employment then must be a crude indicator of tendencies in tenure.

A summary of tendencies in job tenure in OECD countries is presented below. Job tenure is treated as a broad phenomenon, independent of any specific legal framework. The purpose of this summary of trends is to demonstrate the extent of current trends towards reduced de jure job tenure. The ways in which government policy and regulation may affect patterns of tenure at a particular time are then identified. This provides a framework for subsequent analysis of government policy and regulation in Australia in the 1980s with respect to patterns of tenure. In Chapter 2 the specific legal framework within which de jure tenure is defined in Australia will be outlined. This will allow more specific discussion of exactly what employment tenure means in the Australian legal framework, and how changing patterns of tenure can be identified.

Trends in Job Tenure in OECD Countries

While tenure is too complex to be measured directly, time series analyses on related phenomena do exist and provide an indication, if not a complete picture, of trends. Part-time, self-employment, employment in the informal sector, temporary employment and outwork are all indicators of low job tenure. Each of these forms of employment have increased in the 1970s and 1980s in OECD countries.

Extensive research has been conducted on hours of employment, and particularly on the growth of part-time employment in all OECD countries in the latter half of the twentieth century (OECD, 1968; ILO 1973; Robinson; 1979). While hours of work and tenure are not logically related, in practice part-time work is associated with non-standard employment contracts (Casey, 1988; Hurstfield, 1987: 12; Kahne, 1985: 31; Robinson, 1979: 310; Disney and Szyszczak, 1984; Robinson and Wallace, 1984). In many OECD
countries almost the entire increase in the number of jobs between 1960 and 1987 consisted of part-time jobs. The trend towards part-time jobs has been accompanied by a growth in the size of the service sector, which masks a decrease in part-time work in some countries' manufacturing sectors. This indicates that the trend is not uniform across industries or occupations (Pollert, 1988: 288).

The relationship between part-time and low tenure work varies by country. In the Netherlands, which has the highest rate of part-time employment of any EEC country, there has been a dramatic growth in 'flexible' contracts. The shift from fixed to flexible part-time employment has occurred particularly in the retailing sector. (Hurstfield, 1987: 49). In contrast Sweden, which also has high rates of part-time employment appears to have few casual workers and few workers on 'flexible' contracts (Hurstfield, 1987: 52). Given the difficulty of ensuring common interpretations of casual employment, it is unclear whether this difference is a real one or a reflection of different interpretations of changing conditions. The Swedish situation may indicate that while part-time employment can be used as an indicator of a low degree of tenure, it is not always synonymous with it. In Germany a similar situation exists in which two thirds of part-time workers are regular employees protected by full-time employment provisions regarding redundancy (Rodgers, 1989: 4). Given that the other indicators of tenure also suggest that de jure tenure is being reduced, I would argue that the increase in part-time work in most OECD countries indicates a decrease in the overall level of tenure.

Another indication of reduction in job tenure is the growth of temporary help agencies. These agencies are set up so that employers can extend their workforce without acquiring continuing obligations to extra workers. Such agencies are functionally similar to the older system of 'gang' subcontracting, since the agency acts as an intermediary between employers and employees. It determines pay and conditions of staff, and is responsible for a minimum level of worker performance. The temporary agency represents a stage on a continuum of tenure half way between an on-going employment contract and casual employment. Workers are excluded from the usual rights accorded by employment legislation (Casey, 1988: 503). In the U.S. there was a 280% increase in the number of temporary help agencies between 1963 and 1977 (Mangum, 1985) and in the U.K., where they are 'flourishing' (Casey, 1988: 501) the pay-rolls increased 468% and the number of employees by 550%. In the U.K. the use of temporary workers has increased in the public sector, in contract cleaning, in farming, in construction and engineering, in financial services, and in food and drinks (Collison, 1987). While many of the workers hired through agencies may have been employed in a casual relationship had the agency not existed, the increased demand for agencies to fill temporary jobs for skilled workers
suggests an increased demand for temporary skilled workers. In a context of contracting labour markets this suggests an increase in the proportion of such workers employed by firms.

There appears to be very limited evidence of an overall change in rates of temporary employment in other OECD countries (Marshall, 1989: 32-3). While the numbers of temporary workers are sufficiently small that they have limited impact on the overall shape of the labour market, trends do appear to be significant for some groups. In particular, it appears that for new recruits a significant increase in hiring via fixed term contracts has occurred (Marshall, 1989). The lack of evidence of an increase in temporary work may reflect an increase in the numbers of unlicenced temporary workers. For example, in the Federal Republic of Germany, Dombois and Osterland (1987) report estimates that six workers in the metal industries are employed illegally for every one employed legally under licence. Similar ratios for construction and shipbuilding are 9:1 and 5:1 respectively. These workers are unregistered contract employees, often foreign. In France, by contrast, where legislative changes in the early 1980s facilitated employment under fixed term contracts, 80% of new unskilled recruits are recruited on such contracts (Caire, 1989). It may, however, be the case that high usage of temporary workers where this occurs is due to industrial restructuring which has resulted in large numbers of firms which have fluctuating labour requirements. If this is the case the increase in temporary workers may be a short-term phenomenon (Pollert 1988: 287).

Outworkers are completely casualised. They are classed for tax purposes in most OECD countries as 'self-employed'. They are thus ineligible for any of the benefits which accrue to employees, even when they sell their work to only one employer. As with other types of employment, trends are not easily determined. However, it is clear that due to new forms of technology, particularly personal computers, outwork has increased considerably. While in the past outwork has been typical of a small range of industries including the textile industry, it has recently become more prevalent for clerical and managerial workers (Forester, 1987: 161-5). Studies of outwork have shown that outworkers are typically employed by one subcontractor, who in turn is employed by one national or multinational firm (Allen, 1986: 15). Homeworkers exist in a large range of occupations and industries and are an integral part of the manufacture of a wide range of goods (Allen and Wolkowitz, 1987: 30-58). While there is some evidence that homeworkers have increased in the United Kingdom (Rubery, 1989: 51-3), in France the numbers fell in the 1970s (Rodgers, 1989), and overall trends are far from clear.
The size of the informal economy in OECD countries also appears to have increased. In particular 'concealed employment' has grown in OECD countries (OECD 1986a). Concealed employment includes legal work, such as self-provisioning which is not formally recorded, and illegal work. Both illegal and legal forms exists outside of state regulation. Since *de jure* tenure is defined by state regulation, employment in the informal sector is characterised by a low degree of *de jure* tenure. By definition, such employment is rarely recorded in national statistical collections and is therefore difficult to measure. However qualitative evidence indicates that this part of the economy has grown recently (Gerry, 1985; Pinnaro and Pugliese, 1985; Pahl, 1984). Robinson (1988) and Portes and Sassen Koob (1987) argue that the process of casualisation and informalisation through sub-contracting, is occurring in OECD countries. The increase in outwork supports this position. Estimates of the size of the U.S. informal economy vary from $60 to 330 billion but the means for calculating these estimates are highly unreliable (Portes and Sassen-Koob, 1987: 42-6). Portes and Sassen-Koob point to the construction, footwear and garment industries as examples of industries where informalisation is occurring in the U.S. (1987: 46). Portes and Sassen-Koob also report an unpublished study by Benton which shows that Spain exports millions of dollars worth of footwear made in factories which do not legally exist (1987: 47-8). In addition to the world-wide economic downturn, writers have pointed to the reluctance of some first world governments to stem illegal immigration, and of others to foster guest worker programs (Weiner, 1978: 180-90; Portes and Stepick, 1985: 493; Portes and Borocz 1988: 21) as factors which have increased the size of the informal sector of western economies in recent years. Yet other writers have suggested that violations in child labour laws increased enormously in the 1980s (Mort, 1990). Thus, while the extent of the increase in the informal economy is not measurable, there appears to be some agreement that it has increased in size. The corollary of such an increase is likely to be reflected in an increase in employment which is characterised by a low degree of tenure.

Finally, increasing self-employment rates are also an indication of reduced tenure. OECD (1986, 44-48) figures indicate that the strength of the trend towards self-employment varies across countries, with the U.K. experiencing the fastest growth of OECD countries. The Institute of Employment Research in the UK has predicted an increase of self-employment of 2% each year until 1995, by which time nearly a third of all workers would be self-employed. Self-employment is also increasing faster in some industries than in others. In the U.K. a NEDO study (1986: 58) found that the growth in self-employment was greatest in the financial services and the food and drink sectors, but was small elsewhere.
While it is not clear exactly how government regulation affects tenure, historical examples suggest that such regulation does affect tenure. It is widely recognised that the emergence of the employment contract, the basis for modern wage labour, was predicated on changes in the law in the eighteenth and nineteenth centuries in Europe. While in Japan, government intervention at the turn of the century, in the face of high labour turnover and infringements of contracts by both employers and employees, was implicated in the creation of internal labour markets (Taira, 1970: 128-164). Macroeconomic policies, use of common law, the state provision of infra structure and creation of both markets and incentives, may all affect tenure. On the supply-side policies with respect to education, immigration, welfare and taxes may influence the type and amount of labour available (Weiner, 1978; Van Onselen, 1979: 289-302; Bowles and Gintis, 1977; Dickinson, 1986; Wayne, 1986).

A floor of rights in relation to the employment relationship have gradually been acquired during the twentieth century by employees in OECD countries. Much of the formalisation of these rights into regulations occurred in the post World War Two period of full employment (Standing 1986). The specific rights gained vary between countries, despite ILO (International Labour Organisation) attempts to create an international set of minimum rights. Typically, employee rights are related to hours of work and conditions. They specify dismissal procedures, redundancy payments, and provisions for sick leave, maternity leave and compensation. In most cases, both legal requirements and negotiated agreements relate to weekly, full-time employees. In many cases they specifically exclude part-time and/or temporary workers. In the U.K. for example, the right to a contract of employment was established in 1978, and employers' rights to dismiss workers at will were circumscribed with provisions for redress in cases of unfair dismissals. In addition mandatory temporary contracts for particular categories of workers such as married women, were eliminated (Allen, 1986: 3). In other countries, such as France (Jallade, 1985) and Germany (Furstenberg, 1985), a similar pattern of increased regulation during the 1960s and 1970s for workers in 'normal' employment relationships occurred, with exclusion of non-continuous employees. Job and employment security became established principles, though less entrenched than income security (Standing, 1986). In the United States, the trend was manifest in 'just cause' provisions which restricted the ability of employers to sack workers without 'just cause', and seniority provisions which ensured that long term employees retained employment in the case of lay-offs (Carter, 1989).
That regulation has an effect on employment tenure is clear. This is demonstrated for example in a comparison of the effects of government regulation on company strategies to adjust labour supply. Sengenberger and Kohler (1989) have shown that strategies in the automotive industries in the United States and the Federal Republic of Germany reflect regulations in those countries. Thus in Germany, where employers are restricted from firing employees, labour supply is adjusted by changing the number of hours each employee works. In contrast in the United States where no penalties attach to the firing of workers, fluctuations in demand are met by hiring and firing workers.

In the 1980s governments have been attempting to reduce restrictions on employers which guarantee minimum amounts of tenure. Government policies have been based in many instances on OECD (1973, 1986) and ILO (1978) reports on the question of labour market flexibility. While 'flexibility' includes aspects of employment unrelated to tenure such as staggered time, shift work, break-free days and new ways of organising days, weeks, years, and life-times of work, the discussions have inevitably included consideration of tenure. In 1986 an OECD report argued that "(e)mployment protection measures were introduced in many countries which had to be corrected when it became clear that job security legislation had itself become part of the structural problem." (OECD, 1986: 11). They went on to say that: "(a)rguably, the spreading of new types of labour contract is at least as important as adjustments in employment protection rules." (OECD, 1986: 11). The report argued that the increased use of short term contracts was desirable, and it predicted that ultimately flexible contracts would be the 'norm' rather than the exception. The push for flexibility has not remained at the level of rhetoric: for example, Blanpain (1985) notes that there is pressure throughout Europe to diminish the effect of labour law legislation to make countries more 'investment friendly', and that this pressure has to some extent succeeded.

One of the ways in which governments have facilitated the reduction in employment tenure has been to privatise service activities in public institutions. Thus government bodies have contracted out work such as cleaning and garbage disposal (Coyle 1986).

The rhetoric around this question leaves little doubt that both governments and employers are attempting to increase 'flexibility' in the labour market. Governments across the OECD have turned their attention to the labour market after the failure of macro-economic policies to combat recession, and unemployment (Sarfati and Kobrin, 1988). Governments have claimed that rigidities in the labour market have prevented the broader macro-economic strategies from working effectively. They have tried various strategies to overcome perceived rigidities in the labour market. These have included subsidies for
recruitment, reduction of on-costs associated with hiring labour, and general de-
regulation, manpower training, geographic mobility programs, public sector job creation,
regional programs, de-centralisation of wage bargaining and elimination of institutional
constraints on employers hiring and firing of workers (OECD, 1984: 46-60; Gaudier,
1987: 56). In an attempt to reduce employment stability, firms have been encouraged to
recruit more workers by reductions in the penalties for firing staff. Even in Japan where
temporary employment had been illegal until the early 1980s, temporary employment has
been legalised. In an attempt to reduce labour costs, wages have been de-indexed; youth
wages have been lowered; and individual contracts have been encouraged. Working time
flexibility has also been sought. There has been a shift away from reducing standard
hours, an increase in normal hours and attempts to introduce more flexible rosters.
Training packages have been funded by governments in attempts to facilitate skill
versatility and the creation of the multi-skilled worker (Sarfati and Kobrin, 1988).

While the above changes represent a de-regulation of the labour market, they are being
achieved in many cases through an increased centralisation, with more national
agreements between unions, employers and governments. The governments' role has
been in many cases to facilitate agreements between unions and employers, and to
provide a framework for those agreements. The potential for governments to achieve the
'negotiated de-regulation' that they seek may be limited. For example, government
regulation in France, to provide some employment guarantees to temporary workers,
resulted in a reduction in the numbers of temporary assignments worked (Caire 1989).

Within this framework, of negotiated de-regulation, some differences exist in the
particular strategies adopted. The U.S. and German governments have attempted to
reduce perceived rigidities through de-regulation. The Swedish government has
attempted to promote flexibility through subsidies including recruitment support and
funds for retraining of workers, and aid to facilitate modernisation of manufacturing
industries. The Netherlands has introduced an emigration assistance program, training
subsidies and job creation schemes (OECD, 1984: 46-60). Many OECD governments
have encouraged early retirement schemes by providing financial incentives to firms to
introduce such schemes (Simon, 1989: 69).

The extent to which governments and their advisers have succeeded in increasing the
flexibility of the workforce overall is unclear. It is difficult to attribute changes to
government regulation above other possible causes. For example, while it has been
argued that labour laws in Canada have slowed the trend towards precarious jobs in
Canada compared to the United States which has less stringent laws (Lynk, 1989), the
same trend towards precarious employment has occurred in both countries despite different regulatory frameworks (Murray 1989).

The potential for decreased security of tenure exists in provisions such as extending the situations in which non-standard employment contracts are permitted, extending probation periods and reduction in compensation payable on dismissal (Sarfati and Kobrin, 1988). Trends indicate a shift towards reduced employment tenure, but the recent growth of the informal economy suggests that de-regulation has not been proceeding as fast as demand for workers who are prepared to work in non-standard employment arrangements. Given the similarity of trends in both patterns of tenure and government policy across OECD countries, it would seem likely that the changes to the labour market and the shifts in government policy, with respect to employment tenure, have both been brought about by common economic pressures.

The Research Project
Social researchers have been largely absent from the debates engendered by government attempts to increase flexibility in the labour market through micro-economic reforms. Given the importance of job tenure to life chances of individuals, and to social structures and processes, they should not have been absent. There are two aspects of the flexibility debate of central concern to social researchers.

The first is the effect of changes on the life-chances of individuals. The most obvious way to research this, would be to obtain data on workers' lives and work histories. The second concerns the process by which different patterns of job tenure emerge in different industries and occupations, and by which they change over time. The second is a concern of social researchers because different groups of workers are found in different segments of the labour market. This means that they are systematically and differentially affected by the patterns of tenure across occupations, regions, and industries. It also means that the concentration of different types of workers in different segments is likely to affect the patterns of job tenure found in them.

This thesis is focused in the latter area: contributing to analysing the processes by which job tenure varies between industries, and by which patterns of job tenure change over time. It would not have been possible to gain sufficient work and life profiles of individuals to enable me to make a significant contribution to the literature on the effects of job tenure on workers’ life chances. At the same time, statistical indicators of the ability of workers to retain their jobs if they wish to do so, are not readily available either. Indeed even indicators of the formal aspects of job tenure: such as the numbers of
casuals compared to weekly employees, is not available on a basis which would allow me to describe trends or tendencies. Clearly describing a trend is necessary before describing the processes whereby the trend occurs. I decided to describe the process whereby a particular pattern of tenure was generated in one industry in Australia. This provides a framework for analysis of similar processes in other industries, and may ultimately lead to cross-industry and cross-occupational comparisons.

The research concerns the retail industry up to 1991. The retail industry was chosen because of the diversity of types of employment in the industry: casual employees, agents, franchisees and proprietors all work in it, as well as part-time and full-time weekly employees. There are also a variety of social groups employed in retailing. Women and young people are over-represented, while other disadvantaged groups such as Aboriginal people are under-represented. The industry therefore offers scope for analysis of processes relating to a variety of types of job tenure, and the access of various social groups to jobs associated with different types and degrees of tenure.

I consider the thesis to contribute to the relevant literature in three ways. Firstly, the thesis presents some preliminary ideas on how to conduct research into the relationship between job tenure and social structures and processes. Secondly, it presents the available data on *de jure* job tenure in the retail industry in Australia, in a way which has not been done before. Thirdly, it documents the changes to the retail awards and retail training programs which have occurred as a result of the federal government's micro-economic policies. It discusses the extent to which these changes are likely to affect job tenure in the industry.

The literature pertinent to explaining tendencies in patterns of job tenure is discussed in Chapter 1. Chapter 2 discusses the Australian labour market; the institutional constraints on the operation of the labour market in Australia and the implications of these constraints for patterns of job tenure. Chapter 3 describes the retail industry. It presents trends in the structure of the retail industry and technological change, and the implications of these for job structures. It also discusses constraints on the supply of labour to the industry and characteristics of workers in the industry. The implications of job structures and worker characteristics for tenure are discussed. Chapters 2 and 3 are intended to provide a context within which data presented in subsequent chapters can be analysed.

In Chapter 4 the morphology and tendencies in the Australian retail industry are discussed. In particular the shape and tendencies of the labour market in the retail industry is described, as well as potential and actual government interventions in that
labour market. Chapter 5 then presents data on rates of casual employment in different 'trades' in the retail industry in Australia. The 'trades' are the 'main business' of the company, as identified by the firms themselves, and refer to the types of goods sold. This chapter uses data collected by the Affirmative Action Agency, and also data from interviews of employees in the retail industry, managers and union officials. The data enables comparison of patterns of tenure in firms with quite different labour processes and organisational structures. Chapter 6 then discusses the constraints placed on patterns of job tenure by the Australian industrial relations system, in particular by the Award system. Changes in the Awards are documented and the potential for these to affect patterns of tenure in the industry are discussed.

It has been argued that centralised regulation enables comparative wage justice and minimum employment conditions to be maintained across the workforce in the face of fluctuating economic conditions. There have, however, been few specific studies done which would shed light on the conditions under which centralised systems protect the employment tenure of the more vulnerable workers, or on what form this protection takes. In the conclusion to the thesis I will argue that centralised industrial relations did not protect the tenure of retail workers in Australia in the 1980s. Nevertheless, the speed of the changes, the way in which reduced job tenure has been achieved, and the form it takes, are likely to have been affected by the legal and institutional constraints which comprise the industrial relations system.

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1 No distinction is made in this thesis between employment tenure and job tenure. While it is recognised that some employees with employment tenure do not have tenure over a specific job, it is assumed that the distinction is not of great significance to most workers. The exceptions include people taking extended leave, such as parental leave. This aspect is not addressed in this thesis.
Explanations for Tendencies in Job Tenure

This chapter considers general arguments regarding how and why patterns of job tenure change. While it is recognised that the importance of each factor or process will vary according to specific circumstances, this chapter attempts to draw out some general principles with relation to the morphology and tendencies in job tenure. The objective is to construct a model of changing patterns of job tenure. Because much of the literature deals with the notion of job tenure tangentially, often what is presented is the implications of major theoretical discussions of the labour market for patterns of job tenure. The available empirical evidence is then summarised in appraising the usefulness of the insights gained with respect to job tenure. The resulting model is used to structure discussion, in later chapters, of the specific processes whereby job tenure changed in the retail industry in Australia in the 1980s and early 1990s.

The model is presented in Diagram 1.1. The remainder of the chapter describes the literature from which the model has been constructed and points to tensions, gaps and debates in the literature with respect to job tenure. The discussion of the literature is organised according to different approaches regarding how the parts of the model fit together. Thus, rather than discussing each part of the model in turn, each part is considered in relation to the importance placed on it by various authors, given their overall conception of how the labour market operates and changes.

The model suggests that patterns of job tenure in a society will be constrained by social, political and economic structures and processes. In a capitalist society, employers with job vacancies search for labour, while people with different skills, orientations to work and social characteristics, offer themselves for work. They meet in the employment relationship which is entered by way of job search and recruitment, and which is formalised in an employment contract. This contract regulates the exchange of financial rewards for work, it also determines the characteristics of the de jure tenure attached to each job.

Governments constrain patterns of tenure through direct labour market regulation, by specifying rights and duties of employers and employees and by defining the types of relationships which may exist between them. However governments also affect patterns of job tenure indirectly. They do this through such things as taxation structures and financial incentives in such areas as export and research and development. Some firm
types will be advantaged over others given any particular set of constraints, and employment strategies of firms will reflect the sum of government policies.
Diagram 1.1

Model, derived from the literature, of the constraints on patterns and trends in job tenure.

In summary, the model represented in Diagram 1.1 suggests that the labour market, and its associated patterns of job tenure, is affected by government regulation and...
interventions, but is also constrained by social and economic factors. The demand for labour is structured by industrial and occupational patterns, and by the global division of labour. Constraints include the existing patterns of tenure as well as other characteristics of labour and product markets. Constraints will have different consequences depending on the characteristics of each firm. On the supply side, customs, the skill levels in a particular community, and orientations of groups of workers influence what types of labour are available. In particular, expectations about job security and the experience in communities of the consequences of different employment arrangements will affect the supply of labour for different job types. Expectations and orientations will be affected by access to other forms of income such as social security payments, and the costs levied by governments on different types of employment through such measures as taxation.

The model then, presents the labour market as affected by both direct and indirect government interventions, and by social and economic conditions which impinge on demand for and supply of labour. These factors shape patterns of segmentation and concentration, skill and training profiles, characteristics of internal labour markets, and the numbers of jobs available. Labour market conditions are transformed into specific job tenure patterns in negotiations over working conditions and wages between workers and their employers. This 'effort bargain' may be formalised in written union-employer agreements, or it may consist of unspoken assumptions and understandings.

The above model has emerged from a consideration of the literature pertaining to labour market processes and structures and the conditions under which labour markets change. Three approaches are commonly identified in the labour market literature (cf Amsden, 1980) as the institutional, radical, and Marxist approaches. Within each body of literature different writers emphasise different structures and processes as determinants of labour market characteristics and operations.

Much of the literature focuses on labour market processes to the exclusion of the wider social processes within which labour markets operate. In this chapter I also discuss the literature which describes the context within which labour markets operate. I have classified the material according to assumptions regarding the way in which social structures and processes operate. The institutional, radical and Marxist categories are subsumed under the broader categories of 'pluralist' 'radical' and 'historical materialist' respectively. Because of their shared assumptions, the writers in each group tend to stress the importance of some factors over others. The pluralists emphasise institutional frameworks, technology and individual preferences; the radicals emphasise power relations both inside and outside the workplace; while the historical materialists emphasise economic cycles, material conditions and collective actions and orientations.
As is common to most such typologies, not all of the literature concerned is easily categorised, and tensions become apparent as some of the literature is discussed. The authors treated in each category are even more diverse than those usually brought together in such discussions. One of the differences between writers within each of the bodies of literature is that some ignore gender relations entirely, while others see gender relations as a central to understanding labour market processes and outcomes. In this chapter, because the feminist literature provides insights into the way in which job tenure varies, I have discussed feminist writers in each category, identifying them as such, rather than grouping these feminist writers together.

Essentially the unifying theme in feminist writing is the notion of patriarchy. The disadvantage which women face in our society are analysed in terms of how they are created and maintained in various sites of patriarchy (c.f. Walby, 1990). Job tenure is part of the nexus between paid and unpaid work which is a key site where private and public sites of patriarchy meet to create disadvantage. It is an aspect of the process of the creation of disadvantage which has achieved insufficient attention. This thesis deals with structures and processes which are part of patriarchy, as they are part of the processes whereby racial and class disadvantages are created and maintained. However, patriarchy as an overarching concept is not useful in analysing these structures and processes. Rather, the analysis presented in this thesis should be seen as contributing to our understanding of the creation and maintenance of patriarchy through the operations of labour market institutions and relations.

Since the focus of my thesis is on aspects of the processes and structures operating in the labour market, specifically those having to do with job tenure, I have chosen to discuss feminist writers in terms of the way in which they have contributed to the mainstream labour market debates. Gender relations are viewed as central to labour market outcomes, but as can be seen from the following discussion, are not adequately treated in much of the literature.

The discussion of the literature begins with a consideration of the institutional frameworks, technology and individual preferences which writers in the pluralist tradition regard as the basis for job tenure. This first section outlines the theoretical position and appraises the position of these writers in the light of relevant available evidence. The following section discusses the political constraints on job tenure as conceived by writers in the 'radical' school. It points to power relations both inside and outside the firm as important in shaping patterns of job tenure. Again the theoretical position is outlined and is appraised in the light of available evidence. Finally, job tenure
is discussed in terms of the effect of cyclical tendencies of capital accumulation. Two bodies of literature are described, that which treats the bargaining power of workers within the workplace and that which discusses the effect of capital accumulation on the collective orientations of workers and others to work.

Pluralism

a. Institutional constraints on spot contracts: the emergence and operation of internal labour markets

Economists writing on the labour market in the pluralist tradition base their point of departure in the neo-classical model of the labour market. This model assumes that individuals act in the labour market in such a way that they maximise economic benefits to themselves; that firms maximise profits to themselves; and that individuals invest in education and training to maximise economic returns, trading off gains in the short and long terms. While job tenure is perceived by most writers in the neo-classical tradition as important to understanding the operation of the labour market; the extent of tenure which contracts embody is assumed rather than researched. Thus the neo-classical position assumes that each worker enters a contract with an employer which maximises returns to each of them at a particular time according to market forces (spot contracts). The notion of spot contracts assumes that each day people will be hired with no regard for previous loyalty or work performance, but rather on the basis of the best value for money to the firm. The wage rate will fluctuate according to the availability of labour on each day. It also assumes that there is frictionless mobility of workers between jobs, and that there are 'open' job structures. This tradition is of little help in understanding the process by which different patterns of tenure are constructed. Indeed it is more concerned to expose the consequences of rigidity in the labour market. The model developed in this chapter, in contrast, identifies some of the constraints on the formation of spot contracts, which result in the emergence of different types of job tenure.

Some neo-classical economists have more recently rejected the assumption of spot contracts, arguing instead that 'implicit' contracts exist between employers and employees. Implicit contracts are contracts in which there are expectations on the part of both employer and employee even though these are not formally articulated. It may be assumed for example, that current employees will be retained instead of hiring new employees unless there is a particular reason to hire new employees. The implicit contract might include an assumption that the hourly rate for a given type of labour will not vary from day to day. Such 'implicit' contracts are seen to reduce the hiring and training costs of firms. They do this by generating a reputation for reliability on the part of the firm which attracts recruits and helps to retain workers. At the same time, the
implicit contract reduces the risk to workers of unemployment, and irons out the variations in wages caused by fluctuations in product market. Rather than wages adjusting with fluctuations in the product market, when the product market is poor the most recently hired workers, embodying the least training, are retrenched. This means that the risk to workers is reduced as their employment with the firm becomes longer. For the new workers risk is minimised by the expectation that they will be re-hired by their original employer when product markets recover. Labour becomes a quasi fixed factor, as training expenditure is based on the assumption that people will remain with the firm indefinitely (c.f. Sloan and Wooden, 1984).

Writers in the institutional approach have developed the notion of implicit contracts further by identifying structures in the labour market which imply both implicit and explicit contracts with respect to job tenure. In particular, internal labour markets, which provide some workers with considerable security of tenure, are indicated. Institutionalist writers such as Doeringer and Piore (1971); Williamson et al (1975) and Osterman (1982) argue that the requirements of the production process for skilled labour, the degree of idiosyncrasy of the skills and training required in each job, and the existing patterns of job tenure operate within the constraints of product and labour markets to structure jobs into internal and external labour markets. The internal market is that which exists inside firms. It consists of jobs in structured hierarchies and workers who are eligible, by prior employment in the firm, to apply for them. The external market consists of ports of entry to the internal market and workers who, by virtue of geographical proximity, mobility, and qualifications are in a position to compete for entry to the firm.

The basic shape of the labour market is presented as determined by product demand in the economy. If product demand is stable, then demand for labour is likely to be stable and job tenure is likely to be higher. If product demand is unstable, then a necessary condition for a high degree of job security is not present, and job tenure is likely to be low. In some industries job tenure will be associated with firm size as the core firms which produce for the stable sector of demand tend to be larger. In other industries large and small firms may both produce partially for stable and partially for less stable markets. In this case firm size and tenure are less likely to be linked. (Piore, 1975: 141-3). Later analyses (e.g. Osterman, 1982: 350-1) suggest that firms will employ different groups of workers in different types of job tenure, depending on the occupations and specific jobs they do.

Doeringer and Piore (1971: 28) suggest that three cost considerations favour the development of internal labour markets. These are the proportion of wages, or other
expensive conditions, workers are willing to trade off for job security, the cost of labour turnover to the employer, and the technical efficiency of recruitment, screening and training of labour. What determines the cost considerations in a given situation are custom, skill specificity and the extent of on-the-job training required for workers to become competent in the labour process (1971: 13).

Casual employment (that is, uncertain and irregular employment) does tend to be more heavily concentrated in some industries than others, supporting Doeringer and Piore's account. Studies of casual work in the dock, building, cleaning, road transport and mining industries show high rates of casual employment to have emerged in conjunction with self employment (that is work which is obtained through a tendering process) (Anderson, 1984; Bernstein, 1986; Bray, 1984; Bray and Rimmer, 1986; Connolly, 1986; Goffee, 1981; Hill, 1976: 14-36; Morewedge, 1970; Saw, 1986: 295-323; Villa, 1986). In contrast studies of the textile, paper box and cutlery industries indicate a tendency towards outwork (that is usually working in one's own home on an irregular basis and paid by the amount of work completed) (Allen, 1983; Rubery and Wilkinson, 1981). Casey has argued that temporary work tends to be concentrated largely in the service sector in the U.K., particularly in office and secretarial work (Casey, 1988: 490). Bluestone and Stevenson (1981) have argued that a significant proportion of retail workers experience insecure employment. In most of these cases it appears that both the stability of product demand and labour process factors are implicated in patterns of job tenure.

Not only are some industries more prone to casual employment, but of those industries some are more prone to particular types of casual employment than others. Morewedge (1970) classifies casual employment according to the degree of regularity of demand for casual labour. He posits a typology in which casual employment is classified into four types: seasonal (such as fruit picking); occasional (such as the fashion dependent part of the textile industry, film 'extras', casual teachers); employment of a semi-regular nature (such as railway porters); irregular employment (such as dock workers). The difference in proneness of some industries to casual employment and sub-contracting and others to outwork supports the notion that there are some aspects of the labour process at particular times which encourage particular types of employment relations, and that these are not chosen at will by employers. Indeed Rubery (1989: 59) tabulates the types of employment relations found in particular industries and occupations in the U.K. She shows that contract, casual and part-time work, homeworking and illegal employment are found with different frequency in different industries.
However, many of the industry based studies have documented different ways of organising labour in the same labour process. Others have documented changes in labour organisation which results from political action, or the potential for such action, rather than from technological changes (Stone, 1974; Kahn, 1976; Edwards 1979; Pfeffer, 1980; Bernstein, 1986; Bray, 1984; Goffee, 1981; Brown and Philips, 1986). Thus the desirability of attaching different types of tenure to different jobs may affect the adoption of technical innovation, in which case the form of employment relations preferred by employers can be seen as constraining the labour process adopted (Piore, 1975: 141; Rubery, 1989).

Skill specificity appears to be more important in determining job tenure than the level of skill required to perform the job. According to Doeringer and Piore, when specific skills are required in a particular process not only are the costs of training increased, the proportion of the training costs borne by the employer are also increased. As skills become more specific, the incentive for the employee to invest in such skills becomes less, since s/he cannot transfer them to other employers. At the same time, the cost of labour turnover becomes greater for the employer since employees with the skills cannot be hired. Thus it would appear to be efficient to reduce labour turnover as skill specificity increases. One way of achieving this is to create an internal labour market. This internal labour market facilitates on-the-job training by increasing the complexity of tasks assigned to employees. The internal labour market is structured according to both the needs of the labour process and customary rules which have been established in the past. Once the customary rules have been established they are difficult to change because employees expect them to remain the same and make decisions accordingly (Doeringer and Piore, 1971: 14-22).

The available research on the relationship between skill and tenure supports the notion that it is not so much skill type or level as measured in formal qualifications, as the idiosyncratic nature of a job which renders it suitable to incorporation into internal labour markets. Data to support this position is presented by Dale and Bamford (1988), who argue that in Britain casual employees are less likely to receive on-the-job training than permanent employees. Temporary employment has been shown to be high both in occupations characterised by low levels of skill, and in skilled occupations such as teaching (Casey, 1988: 490). In some industries, where demand for specialised skill is discontinuous, there is a tendency to use outwork and other forms of temporary employment to increase the flexibility in types of skill available. Rubery has argued that rather than specialisation resulting in inclusion of workers into internal labour markets, it acts as an incentive to casualise the relationship, thereby facilitating the employment of skilled labour only for the time required to do skilled work (Rubery and Wilkinson, 1981: 24).
Thus highly skilled work is performed by people employed on a short term basis. The nature of the skill (such as those embodied by teachers and engineers) is such that a large proportion of the skill is acquired in formal education rather than on particular jobs, and that it can then be transferred easily from one employer to another.

b. The context of institutional constraints: social structures and preferences

The above discussion focuses on the ways in which industrial and occupational structures are regarded in the literature as likely sources of patterns of job tenure. The literature presents both theoretical and empirical evidence to support the view that industrial and occupational structures do indeed pattern job tenure and that the nature of the labour process is important in shaping the particular patterns which emerge. But, the labour market is also segmented with respect to types of workers. Some groups of workers are more often employed in casual jobs than others. Institutional analyses acknowledge that segmentation of the labour market is not random: that social groups are concentrated in different labour market sectors. The labour market sector characterised by poor job tenure and pay is referred to as the secondary labour market.

Supply-side writers in the neo-classical tradition argue that two forces operate to create the link between segmentation and group characteristics. The first is that some employers have a 'taste for discrimination'; the second that some workers choose to invest in human capital and long term careers more than others. Piore (1975: 132-40) notes that general traits which characterise workers in internal labour markets can be passed on from one generation to another and are reinforced, at work, in each generation. Thus social groups become associated with particular parts of the labour market. In addition some extraneous characteristics reinforce the exclusion of some workers from internal labour markets due to employer discrimination.

A 'human capital' argument about sex segmentation is presented by Mincer (1980) who argues that wives are likely to invest less in careers than husbands because of their limited ability to earn in the long term. That is, because of their child-rearing responsibilities women are unable to maximise returns to education or training. They are therefore less likely to engage in education or training. Indeed by investing little they maximise returns to the family, by enabling husbands, whose rate of return on investment in careers is likely to be higher, to invest more. If Mincer is correct then worker preference cannot be considered in isolation from household work strategies. Households may decide to divide up responsibilities such that some members retain a strong commitment to the workforce while others maintain greater flexibility in relation to their jobs, thus creating a pool of part-time and casual workers. Similarly some members
may refrain from earning an income in order to increase their human capital though obtaining formal qualifications.

Feminist writers in the pluralist tradition have produced extensive studies on the position of women in the workforce in various countries, and on the position of women in particular organisations. The literature highlights a number of principles of importance in understanding patterns of job tenure. The importance of the links between paid and unpaid work; the importance of structures of family obligation and sex roles; the incorporation of wives into their husband's jobs; and organisation of the workplace have all been identified as important institutional factors in the generation of a supply of female casual labour (Kanter, 1977; Brown, 1985; Blood and Wolfe, 1960; Pahl, 1984).

Power and Political Constraints on Patterns of Job Tenure

While writers in the pluralist tradition acknowledge that both the supply of labour and 'custom' are important in how a labour market operates, they do not directly outline the politico-legal context within which labour markets operate. This context is taken as given and analysis proceeds from it. Other writers have challenged the pluralist model, arguing that it is possible to explain changes in the institutional structures which generate a particular pattern by incorporating notions of class, social and cultural forces and power. The radical view argues that, rather than the market or constraints of the production process, power is the crucial factor which explains management decisions regarding patterns of employment. The radical tradition sees the structure of the labour market as an outcome of control strategies of employers and other powerful groups in society.

a. Power and politics inside the firm

Radical economics focuses on the demand side of the model. It explains the segmented and internal labour markets, identified by the institutionalists, as either parts of, or unintended consequences of, the way in which employers control their workers. In its focus on managerial strategy for maintaining and augmenting control over workers, the radical economists assume that capitalists and their managers consciously implement policies which promote their own interests. For example, Edwards (1979), in his analysis of nineteenth century and twentieth century labour markets, argues that the transition from complete market contracting to internal labour markets, in the twentieth century, occurred because of the control needs of management. By 'control' Edwards means the way in which direction, evaluation and discipline of employees is carried out. Control, Edwards says, is exercised by capitalists and their managers in an attempt to extract greater amounts of labour for a given amount of labour power (1979:180). But, Edwards says, as firms expand in capitalism methods of control come into conflict with
the requirements of production and must change to suit these new requirements (1979:27-9).

Edwards argues that in small firms control can be exercised by the owner's personal intervention. Hiring and firing can be the main sanctions and sanctions and rewards can be combined in idiosyncratic ways. This Edwards terms 'simple' control (1979:18-9). As firm size increases, simple control becomes more difficult. Growing numbers of foremen are needed as owners can no longer oversee workers directly. Various forms of contracting, both internal and external to the firm may occur. However, the interests of the owners and contractors are not always identical.

An alternative strategy for managers is to use 'technical control'. In this form control of the production process is embedded in the structure of the labour process, which directs workers automatically. Upper management can indirectly direct each worker simply by the organisation of the work process. Cooley (1981) and Braverman (1974) argue that under capitalism the major purpose of technological change is to transform the work process into routine sets of tasks such that no discretion or ingenuity is required from the worker. This fragmentation of tasks enables the employer to measure each worker's output: the first step in ensuring that workers are working to full capacity. As profit is dependent on extracting maximum amounts of work from labour, deskilling, according to Braverman, is inevitable under capitalism.

But, technical control increases the vulnerability of production to accident or sabotage, since the whole of the production process is dependent on each worker doing their job satisfactorily. Further, it tends to increase the possibility of militancy by homogenising and geographically concentrating workers (Edwards, 1979: 56). Stone (1974) provides an example in the U.S. steel industry showing how automation introduced in the late nineteenth century created a new class of semi-skilled workers to tend the machines. The resultant homogenisation of workers led to a lack of motivation and reduced productivity. Individual acts of rebellion such as absenteeism have also been attributed to extensive control of the work process (Edwards and Scullion 1984:547-72).

The radical economists argue that under monopoly capitalism, employers are released from the short-term pressures of profit maximisation, and as a result are able to direct attention to reducing the potential for unified worker action in opposition to managerial decisions. One way they can do this is by establishing a rigidly graded hierarchy of jobs through which top-down authority could be legitimised. Edwards (1979) termed this new strategy 'bureaucratic control'. Not only are workers divided within the firm, but worker mobility can be reduced by restricting certain benefits to continued employment
within the company (e.g. Stone 1974:107, 161-5). The internal labour market means that transfer between companies resulted in a loss of pay and status. Stone's example of the U.S. steel industry supports Edwards notion. Stone argues that management combated lack of productivity which resulted from mechanisation by introducing incentive schemes and internal labour markets. These internal labour markets consisted of strictly demarcated job ladders upon which workers could climb (1974:133). Stone claims that these ladders were, as Edwards model would suggest, consciously designed to break up any community of interest which might exist between workers. It was not, as the institutional model would predict, a response to increased diversity of work skills (1974:115).

Instead of seeing the segmentation of the labour market as an outcome of demand and production process characteristics, the radicals argue that segmentation of the labour market is one of the ways that workers are controlled. They say that employers quite consciously exploit race, ethnic and sex antagonisms in order to divide the workforce further. Labour market structures are thus seen as interacting with pre-existing divisions by race and sex to produce enduring divisions which fragment the working class. By restricting women and ethnic minorities to the sections of the labour market characterised by low tenure and pay these groups are unable to bargain for high wages and can be used as strike breakers (Reich, Gordon and Edwards 1980: 232-241).

If the radical economists are correct, then the prevalence of the different forms of control has implications for patterns of job tenure in different industries. Simple control is predicated on insecurity of tenure; technical control can exist with both security and insecurity of tenure but tends to be associated with security; and bureaucratic control is predicated on security of tenure and promotion structures (Edwards, 1979:179). Edwards argues that all forms exist concurrently but that some are more prevalent in certain periods than in others. Changes in patterns of job tenure would depend on changes in the types of control strategies which dominate at a given time. These control strategies will in turn depend on firm size and on the need for loyal workers.

Edwards argues that with new electronic technology, not only can technology be used to direct workers, but also to evaluate and discipline workers. If Edwards is correct then a variety of changes in employment structure and patterns of job tenure could be expected. Because workers can in many situations be geographically separated, and because they often use relatively autonomous equipment, technological control could both increase in prevalence and be associated with less secure forms of employment.
Radical economics can be criticised for its simplistic assumptions about the way in which decisions are made in firms and for the assumptions of uniform interests among employers and among workers across industries and firms. Writers have cited cases in which decision makers within the largest organisations have considerable power to vary the structure of the workplace, including the types of the labour process and job structures (Child, 1972; Brooke 1979:171; Osterman, 1982:357; Shearer, 1967). There is some evidence that increasing competitive pressures in the 1970s have reduced company flexibility with respect to such strategies (Kujawa 1980) suggesting that this model may apply more to some periods than to others. Brooke (1979) argues that competitive pressures will force companies to organise in a less centrally controlled fashion. This would mean that employment strategies will diversify depending on the political and economic context within which a subsidiary is located.

It is not necessary to impute conscious intent to control certain groups of workers in order to argue that job tenure is a central part of industrial administration. Rather, organisational theorists hold that organisations have histories and that these histories affect current decisions. As corporate structures change, patterns of tenure are also likely to change. Stinchcombe (1965) suggests that industries will be characterised by different structures depending partly on when the industry emerged. Thus pre-factory industries may involve a greater degree of un-paid family help in the twentieth century than industries which emerged at later dates. This is because organisations will tend to remain static with regard to structure and the resources they draw on unless they are forced to change: new resources are required to change internal structures. The implications of this are that firms in the same industry may be characterised by different patterns of job tenure. The nature of the differences will depend on the conditions under which the initial effort bargain was struck, as new firms can adopt internal structures to meet current organisational theories and economic pressures more readily than older firms can.

Brooke (1979) argues that one factor which does generate change in the decision making structure of companies is the need to accommodate diversification into more than one industry. He notes the interposing of several layers of management between the subsidiary and parent company board, extending lines of communication.

Writers in the 1980s in the U.K. (Atkinson, 1986; Tarling and Wilkinson, 1987), and France (Michon, 1987) have argued that the employment relations in contemporary large firms are converging to a single pattern. Writers argue that a core of functionally flexible employees are retained as permanent workers. This core is surrounded by two other layers: the first is a peripheral group consisting of casual and part-time workers and workers employed temporarily in response to government subsidies. The second
consists of self-employed people who work for the company on a temporary basis as sub-contractors or as agents. Mangum et al. (1985: 600-1) have summarised two unpublished studies showing that large firms in the United States do foster the sort of employment structure outlined by Atkinson. If Atkinson is correct, then variation in firm size does not necessarily imply the variation in employment tenure suggested by earlier radical economists.

Firms characterised by cone-shaped employment structures have been identified. For example in Britain, the Employers' Labour Use Survey showed that 26% of plants were using self-employed workers; 45% were using limited duration contracts and 21% temporary agency workers (Hakim, 1988: 439). Piore (1989) and Murray (1989) have argued that, in the United States, firms have adopted both 'distancing' strategies, by which they replace internal labour market jobs with contract jobs, and temporary and casual employment contracts to increase flexibility in their workforces. While Gaudier has argued that European firms have attempted to get around termination costs by employing workers on fixed term contracts or in temporary and part-time positions. Gaudier points to evidence from OECD studies that internal labour market workers are becoming a smaller proportion of all workers with numerical flexibility gaining ground (1987: 43).

Despite the prevalence of low-tenure jobs, cone shaped firms have not been demonstrated to be typical of firms in general. Indeed Lessem (1987) has described four firms which have operated successfully in the 1980s none of which employ Atkinson's structure. Casey (1988) found some support for Atkinson's notion that a large number of establishments currently use temporary workers to attain numerical flexibility in the workforce. But, contrary to Atkinson, he argues that few firms use a large variety of types of temporary workers (1988: 499). Others have also noted the delegation of employment strategies to regional level managers (Gospel 1983: 2; Michon 1981: 94-5). This suggests that specific strategies may emerge as the response to specific labour market conditions. Such strategies may not be uniform across firms, or even across branches of the same firm. There is certainly variation in this regard between countries (Dore, 1973; Michon, 1981; Goldthorpe, 1985; Lane, 1985).

Research into the emergence of internal labour markets in particular companies (Chandler, 1977; 1982), or countries (Taira, 1970) suggests that as management techniques develop the competing pressures of reducing costs and maintaining productivity, in the face of union pressure and established customs, result in new labour market strategies. Chandler (1962, 1977) in his analysis of the growth of specific firms provides evidence which suggests that managers of large firms make decisions and
construct strategies which follow on from firm characteristics, previous strategies and contingent factors and pressures external to the firm, including the market for the firm's products. This picture allows for changing patterns of tenure which are not in one direction. For example, when a firm opens a new plant in a different region or country, legal and customary factors pertaining to that region will shape employment strategies as well as the experience of managers in the firm's older plants.

The radical economists contribute to the literature on job tenure by pointing to firm characteristics which are crucial elements in the process whereby job tenure is constructed and changed. While acknowledging the factors identified by the institutional economists they argue that it is not the technical aspects but the social aspects of production which lead managers to organise production in particular ways. Another body of literature however, has criticised the pluralist framework of analysis on different grounds to those pin-pointed by the radical economists. This critique largely discusses employment relations in terms of factors external to the firm.

b. The context of workplace power and politics

Broadening a supply-side analysis to incorporate wider social factors, Fox (1985) provides an historical account of ideological factors which have moulded current management control strategies. He traces management control strategies back to pre-industrial England and the competing ideologies of paternalism and market individualism. Fox argues that the ideology of market individualism rests on the notion that the individual is the best judge of their own interests. Freedom is associated with the right to conclude contracts in the market place according to individual self-interest (1985: 5). Current employment law has emerged from a melding of the notion of free contracts with the traditional statuses of master and servant, which vest the duty of obedience in the servant. Fox claims that the resultant mesh is in the best interests of employers, who were thus able to dispose of the duties of the 'master' while retaining his rights.

This broader, radical, perspective identifies the state as an important part of the process through which employment and wage labour has been routinised. Sabel and Zeitlin (1985) point to the importance of the demand by nation states for mass production of weapons in establishing the dominance of mass production over craft production in the metals industries. Burawoy (1983) argues that types of production reflect the politics of the nation state. The factory 'regime' is a reflection of political struggles over particular ideologies and apparatuses. The production process contains ideological as well as economic elements.
On the demand side, macro-economic policies, use of common law, the state provision of infra-structure and the creation of markets and incentives are seen as examples of the state operating in the interests of capital (Baran and Sweezy, 1966). On the supply-side of the labour market, radical writers focus on the reproduction of the labour force. Radical education writers (e.g. Illich, 1974) argue that schools function to reproduce inequalities; radical writers in international relations argue that immigration programs serve to fuel the labour market with supplies of cheap labour (Weiner, 1978); and radical writers in the welfare area argue that welfare payments sustain a reserve army of labour and contain disaffection (Dickinson, 1986; Wayne, 1986).

The intersection of state power and power relations between the sexes in different places will also mediate the shape of the labour market. As an example the lower propensity of married women to engage in part-time employment in France than in the U.K. reflects differences in state provision of child-care and regulations pertaining to part-time work (Beechey and Perkins, 1987: 146; Dickinson and Russell, 1986; Allen, 1983). Ideologies of femininity, motherhood and masculinity will also be important in determining both the state provisions and the strategies available to women to accommodate competing pressures (Finch, 1983; 1989; Allen and Wolkowitz, 1987; Walby, 1986; 1990).

While the institutional and radical economists confine their analyses largely to the level of the firm, social theorists, adopting both pluralist and radical assumptions, have broadened the analysis to include wider constraints of the socio-political environment. It is argued that such contexts may limit the availability of particular sorts of labour. In particular, worker preference, as discussed by some neo-classical economists, cannot be considered in isolation from wider institutional, ideological and political processes.

The Effect of the Global Division of Labour and the World Economy on Patterns of Job Tenure

A number of aspects of the world economy are relevant to understanding labour markets. These include: concentration of capital and patterns of investment, immigration and the nature of labour markets in other countries. In a capitalist world system these aspects must in turn be understood in terms of capital accumulation and the falling rate of profit, since these determine the historical constraints within which employment relations and patterns of tenure change.
a. Capital accumulation

The demand for labour at a given time will be strongly affected by the international division of labour. OECD and other industrialised countries are currently experiencing industrial restructuring brought about by recession and by governments' responses to recession. This industrial restructuring has and is changing the international division of labour (Bluestone and Harrison, 1982; Cairncross, 1979; Portes and Walton, 1981; Frobel, Heinrichs and Kreye, 1980). The changes in the international division of labour have created new conditions of production in industrialised countries. Associated with these new conditions have been trends towards employment contracts characterised by low levels of job tenure.

The new sets of production conditions have generated different responses in different industries. For example, in the United States, as manufacturing has declined the demand for labour has shifted to the Southern states. The emergence of the electronics industry has been characterised by increased sub-contracting relations, has led to increases in the size of the informal sector and to increases in the employment of women, ethnic minorities and migrants. In the electronics industry the job structure has been polarised such that there is demand for a few highly skilled workers and larger numbers of unskilled or low-skilled workers. In the garment industry routine mass production has been replaced by flexible specialisation of goods which require close quality control (Fernandez-Kelly, 1987).

It has been argued that the combination of markets, technological change and industrial organisation (Piore and Sabel, 1984) have led to an increase in small batch production in small firms in some regions and industries. But this by no means appears to be a typical response in all de-industrialising countries. For example, it has been argued that flexible specialisation has not occurred in the British footwear industry because of the lack of domestic design expertise and fashion development (Rubery and Wilkinson, 1989: 126). Lane has found 'flexible specialisation' to be more prevalent in Germany than in Britain (1988). Smith (1989) has described the co-existence of both mass and batch production in the food industry, suggesting that globalisation of food tastes has reinforced mass production principles. Thus the re-emergence of small, flexible and specialised firms may be one response to falling profits, but it is by no means the only one. Further, flexible technology, can be introduced by large firms, with no need for either an increase in sub-contracting out of operations or concomitant changes in tenure (Jones, 1988).

One strategy which appears to have emerged is the displacement of large firms by small firms due to the greater flexibility of the latter. In some cases this transition appears to have been fostered by owners and managers of large firms (Matthews, 1990; Johnson
and Lawrence, 1988). Small and medium sized firms do appear to account for an increasing share of employment in many OECD countries. Some of these small firms are organised into networks which have been particularly important in the good economic performance of certain regions in Germany, Italy, Denmark and Japan in the 1970s and 1980s. Networks of firms have tended to emerge in manufacturing and the firms are characterised by a high level of skilled workers who collaborate with other small firms (Matthews, 1990; Johnson and Lawrence, 1988). By definition employees in small firms do not have access to internal labour markets, but the resurgence of such firms does appear to promote a high level of \textit{de facto} job tenure by promoting the demand for labour in the particular region in which they operate.

It is generally accepted that characteristics of the product market and extent of competition are important in structuring jobs and job tenure. Some writers, such as Edwards, assume that as firms grow competition is reduced. Firms are presumed to eventually become monopolies which provide managers with greatly increased flexibility in structuring jobs. Contrary to this, other writers argue that internationalisation is not necessarily accompanied by a reduction in competition (Littler and Salaman, 1984: 31). The primacy of profit and accumulation is not necessarily reduced by the depersonalisation and differentiation of capitalist functions. Indeed, while the number of competitors is reduced, the intensity of competition between remaining firms is great (1984: 33). A number of small firms operating in an industry may experience little competition if they are each servicing a geographically distinct area. In this case, large firms may be no more able to trade off expensive forms of job tenure for loyalty than are small firms. If this approach is correct then patterns of job tenure are more likely to change according to patterns of recession and boom than to growth of the firm. In effect, the process of internationalisation can be understood as part of the process of capital accumulation, but not necessarily as the most important part in relation to job tenure.

Capitalism is predicated on accumulation, which is punctuated by crises giving rise to a cycle of production. These crises represent the restructuring of capital. Different patterns of tenure emerge in recession and boom. The nature and processes of capital accumulation provide the context for understanding changing patterns of job tenure.

As well as cyclical trends, there are also secular trends in employment relations. There is thus a long-run tendency for what Marx called the 'organic' composition of capital to rise and the rate of profit to fall (Appelbaum, 1978: 75). The falling rate of profit encourages individual capitalists to reduce wages, but this further exacerbates the inability of capital as a whole to realise surplus value because the demand for goods falls (Mandel 1978:167). Capitalists compete with each other by cheapening their commodities. Their
ability to cheapen commodities depends on the productivity of labour, which in turn depends partly on the scale of production. Larger capitalists take over smaller capitalists who are unable to compete and centralisation of capital occurs. Centralisation, combined with accumulation, results in increasing firm size as capitalism progresses. Rather than the demand for labour increasing as total capital increases (as the neo-classical model would suggest) the demand for labour falls relative to the growth of total capital and as the size of the firm increases (Marx, 1976: 781). Workers are displaced and a reserve army of labour is created.

The concept of the reserve army refers to a source of labour available for capitals' changing requirements (Marx 1976: 784-5). The process of centralisation creates a reserve army as people are replaced by machines and the work process is intensified. As the reserve army of labour grows, then the casualisation of labour will increase since the risk to employers of production being retarded by a shortage of labour will be reduced. This prediction is in direct opposition to that of the radical economists who predict that as firm size grows greater job tenure will ensue. Clearly, the size of the reserve army is important in determining the need for employers to reduce the risks associated with a high turnover of labour. The size of the reserve army will therefore affect the shape of the labour market, the strength of internal labour markets and the degree and characteristics of segmentation. If labour of a desired quality is not available in the reserve army then an employer is likely to strengthen the ties of employees to the firm.

The variety of forms of tenure in contemporary society require a more complex analysis than that provided by a simple reserve army concept. One which recognises that the labour market is segmented such that some workers can be replaced more easily than others. Rubery has noted, with respect to geographic segmentation, that in some areas of high unemployment in the U.K. there is a low incidence of precarious work and in some areas of low unemployment there is a high incidence of precarious work. This pattern runs counter to that predicted by a simple reserve army analysis. Rubery explains this pattern in two ways. Firstly, there is evidence that in a recession people in regular work take on irregular employment to supplement their incomes. Secondly, this work is more likely to be available where there is a shortage of labour, since firms wish to increase their labour but not at the expense of raising wages high enough to attract workers from other areas. In contrast in areas of high unemployment many workers who had been employed in precarious jobs have lost those jobs thereby reducing the incidence of precarious employment in such regions.

Sex segmentation also generates counter-intuitive patterns of job tenure. Milkman (1976) has noted that sexual segregation by occupation resulted in a segregated reserve army in
the great depression in the United States. In this case, while women tended to be employed under low tenure arrangements, many of these workers retained their jobs while male workers in internal labour markets lost their jobs as demand for service workers fell more slowly than demand for manufacturing workers.

The historical materialist position, while acknowledging that a reserve army operates, locates the explanation for particular patterns of job tenure in the historical conditions which has led to its emergence (Walby, 1990: 35-37). Thus seemingly contradictory patterns emerge in different labour markets, different industries and in different places. In particular, historical materialists suggest that the condition of different groups of workers in the same country, and even in the same firm, will depend on differential power to resist employment strategies imposed by employers. For example, Friedman argues that as the reserve army of labour dries up, worker resistance grows in strength and the value of labour power rises (Friedman, 1977: 269). Given the preference of workers for greater degrees of tenure, the increasing power of workers explains the increasing tenure of workers in the mid twentieth century. This view contrasts with that of the radical model which suggests that changing patterns of job tenure reflect the control needs of employers.

Multi-national corporations have some degree of freedom to re-locate production and parts or aspects of the production process in different regions. This mobility has given the firms a degree of control over their supply of labour (Bluestone and Harrison, 1982; Fernandez-Kelly, 1987; Frobel et. al. 1980). Michael Van Waas (1982) for example, shows that the practice of duplicating plants in different countries in effect forces workers to compete with workers in other countries for the continued existence of their plant. The internationalisation of capital not only allows firms to re-locate, it also facilitates the movement of people (Portes and Walton, 1981: Ch. 2). Migration can generate groups of workers who exist outside of established collective bargaining, and in some cases outside of legal protection. This situation aggravates the segmentation of the labour market by creating a group of workers dependent on spot contracts.

Thus while radical writers have presented internal labour markets in terms of firms entrapping workers into job hierarchies, historical materialists have argued that they may function either to entrap or to protect workers depending on the state of the labour market (Barbalet: 1984). Indeed extreme insecurity of tenure is perceived by the historical materialist literature as the more typical and effective mechanism for maximising returns to capital. Internal labour markets may then be seen as gains made through class struggle by groups of workers (Barbalet 1984).
At any one time the 'effort bargain' is the outcome of changes in the relative power of unions and employers (Baldamus, 1961). Friedman argues that the condition of different groups of workers in the same country and even in the same firm will depend on differential power to resist employment strategies imposed by employers (Friedman, 1977: 267). One constituent of the effort bargain is the pattern of job tenure. There is historical evidence that the introduction of internal labour markets has been associated with union activity: Internal labour markets did not emerge gradually as the firm increased in size. Instead they emerged in waves as unions gained strength and personnel managers gained ascendency over foremen. In the United States, for instance, internal labour markets became more prevalent in the early part of the twentieth century, during the First World War and during the Depression (Jacoby, 1984; Enderwick, 1984). While unions initially sought to control the hiring of skilled workers, ensuring a greater degree of security of tenure; centralized 'welfare' programs had begun to appear in large firms by 1910. These were characterised by seniority promotions systems and in their attempts to promote worker loyalty implied greater de facto security of tenure for workers. Unions pushed harder for security of tenure in the Depression, when this became the most important issue for workers, and by the onset of the Second World War most large manufacturing employers had internal labour market systems established. However, internal labour markets were still patchy and covered only some workers in some industries (Jacoby, 1984).

Unions have extended workers' tenure by pressing for reduced time in lieu of layoffs. They also have acted to encourage management to plan work so that fluctuations in demand are minimised; established the principle of minimum period of guaranteed work for all employees; and have set up firm based unemployment funds for paying laid off workers during periods of reduced demand (Goodrich, 1975: 63-86). Such gains may create segmented labour markets as organised sections of the workforce, in negotiations with management, improve their own conditions and exclude others from their labour markets (Perlman, 1949; Taira, 1970: 179-183; Bonacich, 1972). This process of exclusion pertains to women in particular (Hartman, 1979), but also to minority racial, ethnic groups and young workers. Historically unions have restricted the supply of workers to internal labour market jobs by attaching particular qualifications to jobs (Goodrich, 1975: 92-100). In other cases seniority based on continuous service has been the criterion by which some workers are given tenure and others not (Herding, 1972).

One mechanism by which exclusion operates is documented by Fevre. Fevre (1989) has described a recruitment strategy in which employers withdraw from the recruitment process leaving employees to recruit for them. A necessary, though not sufficient
condition for employment in the firm then becomes knowing someone who already works there, and who can provide a reference. In this situation the secondary labour market described by Piore becomes a 'private' labour market into which people with similar social characteristics are likely to be recruited.

When internal labour markets are extended to less well organised workers the resilience of internal labour markets is less. Perlman (1949) argues that in a situation of perceived opportunity the exclusion role of unions will be reduced. In this climate tenure may be extended to less powerful workers. Sengenberger (1981) showed that, in Germany between 1945 and 1975, during periods of labour shortage and high product demand, internal labour markets were built with increasing division of labour and vertical differentiation of jobs. In other periods, low product demand and plentiful supplies of labour exerted pressure which tended to de-construct these internal labour market structures. Union action restricted the dismantling of the internal labour markets to the less skilled segments of the workforce. Increased 'flexibility' in the labour market overall was accompanied by continued protection of skilled workers in internal labour markets. In more extreme cases even the most militant and powerful groups can lose their ability to retain rights to a job (Ahsan, 1981).

The growth in precarious employment in the 1980s has been accompanied by a crisis in unionism in most OECD countries as the numbers of jobs traditionally associated with high rates of unionism have fallen. In this context opposition to new forms of employment has been muted. It has taken the form of pragmatic attempts to reduce the attractiveness of non-standard employment forms by arguing for penalty rates or pro-rata benefits. In this way unions have attempted to protect the rights of existing members without antagonising potential recruits in the growing areas of employment (Murray, 1989; Rubery, 1989:62; Standing, 1989: 54). The strategy implicitly acknowledges the propensity of companies to avoid regulatory legislation by employing people informally through sub-contracting (Scase and Goffee, 1982: 143).

b. The social context of capital accumulation
One of the manifestations of socio-cultural context which directly affects the ability of workers to act collectively and gain concessions such as secure job tenure is 'worker orientation'. Worker orientation is the sum of wants, expectations and meanings that a worker holds with respect to paid work (Goldthorpe, 1966). In an early series of studies on worker orientation, Goldthorpe and his colleagues argued that such orientations are shaped by a workers experiences in the workplace as well as by life-cycle position, community situation, status position, and mobility history. Later studies made distinctions between instrumental and economistic orientations (Ingham, 1970);
substantive and procedural orientations (Fox, 1971); and strong and weak orientations (Blackburn and Mann, 1979). Bennett has summarised much of this work, suggesting that orientations vary according to the priorities given to economic, personal or intrinsic, and relational or social rewards (1978).

Sabel (1982) argues that some workers see themselves as outside the permanent industrial workforce. These workers include farmers whose workforce participation fluctuates with the seasons; women who work for a short-time to supplement family income; immigrants who want to earn enough to return home as quickly as possible; and students working to support studying. These workers are not fully integrated into the industrial system, have no desire for promotion and sometimes prefer menial work even when more challenging work is available (1982: 99-109). Their status is derived outside of the work setting, and while they take no pride in their work, these workers do not see unskilled work as a source of shame. In support of Sabel's argument, research on the work orientations of women has suggested that for many women paid work is not of primary importance in achieving status or pride (Sobol, 1963; White, 1983). Similarly, research on small business people suggests that, in some times and places, the relatively high status of small business has ensured a supply of small business owners even when the economic returns on such activity are low (Crossick, 1977: 11-60; Bechhofer et al., 1979; Scase and Goffee, 1986). According to Sabel's analysis the implications of such work is that 'marginal' groups in the workforce are less likely to organise themselves to gain concessions, such as security of tenure, than are other workers.

Some feminist analyses have rejected notions of 'marginal' workers and the 'family wage' as underestimating the importance of employment to the people concerned, especially to women (c.f. Beechey and Perkins, 1987: 127-8). While it is undoubtedly true that many part-time and casual workers need to work in order to pay for essential goods and services, it is also true that for some part-time and casual workers this is not the case. Workers can be 'marginal' in the sense that they wish to be employed for a short time only, they can be marginal in the sense that they do not need to work for necessities, or they can be marginal in the sense that commitments outside of work render them unable to engage in collective activities (Wacjman, 1983). The term 'marginal workers' is used in this thesis to indicate that workers are difficult for unions to organise.

The 'marginality' of women workers is fostered in some cases by state regulation. For example, Rubery (1989: 68) argues that groups who are eligible for state income support in the U.K. are limited from involvement in precarious work by rules which restrict benefits to people involved in such work. For groups ineligible for such benefits such as married women and some students, no such opportunity cost exists. Thus married
women and students are disproportionately employed under such arrangements and are more likely therefore to be 'marginal' workers.

Worker orientation affects the decisions made by workers to offer their labour under certain conditions and not others, and government regulations impinge on such decisions. Orientations are re-created through experience of work and labour market situations and we know that factors such as sex, class and ethnicity affect orientations. Rather than conceiving the propensity of some groups to enter particular jobs, or types of work, as due to individual preferences, this model suggests that such preferences have a history and historical consequences. For example, people who enter into small business may have an individual preference for self-employment, but this individual preference should be seen in the context of the alternatives open to people in the region, and in the context of community labour market histories (Brusco, 1986; Bamford, 1987; Boisseyvain and Grotenbreg, 1987; Ward, 1987; Nowikowski, 1984; Ladbury, 1984; Bourgois, 1988; Mars and Ward, 1984). Cultural structures emerge which exist independently of the individual, but which constrain the preferences and abilities of individual workers.

Links between general work orientations and individual preference for particular forms of tenure are by no means clear. Some writers referred to above, such as Goldthorpe, tend to emphasise collective orientations to understand decision-making processes, while others, such as Sobol, emphasise individual preference.

Broader ideologies, as well as orientations to work, are implicated in the 'preferences' individual workers express. Feminists have acknowledged that the ideologies of motherhood and fatherhood mean that men have a greater likelihood of having to support dependents. This means that men have tended to fight for higher wages and better conditions more consistently than women have. At the same time employers in industries where the demand for unskilled and semi-skilled labour is high have tended to employ women at rates below those necessary for reproduction of a family. This in turn reinforces the pressure on working class men to fight for high wages and to exclude those groups which they can exclude from competition for higher-paid jobs (Power, 1980; Craig et. al. 1985).

Summary
In summary, the three approaches discussed above, the pluralist, radical and historical materialist, emphasise different factors and processes as important in generating particular labour market and job structures. In doing so they describe how different parts of the overall model of job tenure operate and they suggest hypotheses regarding how
labour markets will adjust to specific changes. Empirical data supports the pluralists and, in particular, the institutional economists' suggestion that certain industries and occupations within them will be characterised by greater degrees of tenure than others. As skill structures and product demand change so patterns of job tenure will change. Within each industry patterns of job tenure will depend on the particular organisation of the labour process adopted by each firm and the availability of new technologies. However, empirical evidence also suggests that patterns of tenure are not similar across countries, across industries with similar labour processes or across groups of workers with similar skill characteristics.

The radicals' approach goes some way to explaining these variations by suggesting that structures of patriarchy and other structures of domination, as manifested in ideological and legal frameworks, will result in variations in patterns of tenure across countries. These structures will also be manifested in variations between social groups regarding access to job tenure and other preferred conditions. The radical economists point to management strategies and firm size as determinants of job tenure. In the 1980s and 1990s managers have been increasingly constrained in their ability to impose preferred employment strategies by competitive pressures. Thus, managers preferences may be seen as constraints to adjustment rather than determinants as postulated by radical economists.

The historical materialist position identifies the economic cycle and secular consequences of capital accumulation as key elements in determining patterns of job tenure. This view provides an explanation for the uniformity in trends towards increasingly precarious patterns of job tenure while at the same time allowing for the cyclical changes and lack of uniformity in patterns of tenure. The lack of uniformity in patterns of job tenure is explained by the differential ability of workers to act collectively. It implies that job tenure emerges in different regions according to the world division of labour. The ability of some workers to secure job tenure through the establishment of internal labour markets will result in different occupations, industries and groups of workers being characterised by different patterns of job tenure. Firm size and particularly internationalisation of firms threatens workers' conditions, such as job tenure, by reducing the ability of workers to act collectively. However, at the same time it creates the conditions under which key workers gain access to secure jobs.

The model presented in this chapter posits a role for a variety of social processes and factors in shaping patterns of job tenure. The literature, treated above, discusses a range of processes which are implicated in job tenure. These include processes of job search, recruitment and exclusion, adjustment of employment strategies by managers, adjustment...
of worker expectations, lobbying and processes of government intervention and the effort bargain. The precise nature of the links between each process and the emergent patterns of job tenure are far from clear. It has not been possible, from the existing literature, to elucidate the dynamic nature of the processes concerned and the nature of the relationships between them. A fuller understanding requires closer attention to the particular circumstances which shape relationships between the different parts of the model. In Chapter 2 trends in job-tenure in Australia in the 1980s are outlined and the legal framework within which these trends have occurred is described. The Australian labour market is discussed with emphasis on each of the explanatory factors and processes identified in Diagram 1.1 and discussed in Chapter 1.

1 The notion of the effort bargain as articulated by Baldamus (1961) refers largely to wages and working conditions. In this thesis I have used the term to refer to all employment conditions including job tenure.
The Australian Labour Market: Its Legal, Economic, Social and Political Characteristics and the Implications of these for Changing Patterns of Job Tenure

The model elaborated in Chapter 1 identifies economic, political and social factors and processes which shape job tenure at any one place and time. In this chapter each of the factors and processes identified will be discussed as they pertain to Australia in the 1980s and early 1990s. The chapter describes the de jure distinctions which determine the rights of workers with respect to job tenure. The trends in the labour market with respect to job tenure are then summarised. Explanations for the trends are presented with the discussion focusing on the institutional framework of industrial relations and government policies which directly affect the morphology of the labour market.

The Legal Framework of Job Tenure in Australia

The industrial relations system in Australia is characterised by a unique legal and institutional structure. Australia is a federation of states and the dual nature of a federal system has created a complicated two-tier system of industrial relations (DIR, 1980). Australian unions are highly regulated as are employer groups and the disputes between unions and employers. Each of the federal and state governments has set up a commission for determining industrial awards. These awards set out the conditions under which people may be employed. The provisions which are most closely related to tenure include the length of notice to be given by employers and employees to terminate the relationship, the conditions under which workers can be sacked or made redundant, and redundancy payments for workers with long periods of service.

The aim of the commissions is to prevent and settle industrial disputes by agreement or by arbitration. Agreements can be registered or incorporated into an award. In many cases agreement is not reached and arbitration is required. The system relies on registration of unions and employer representatives who are entitled to represent a specified group of workers or employers at commission hearings. When registered, unions and employer organisations obtain corporate status which exempts them from certain common law constraints. In practice the arbitration system can only work if unions and employer bodies are registered and participate in the operations of the various tribunals (DIR, 1980).

As well as the awards made by industrial tribunals there are three other sources of regulation in Australia with respect to employment. These are common law; direct
government legislation; and specific terms agreed by parties to a particular contract. Legislation imposes limitations on the ability of organisations to make agreements and awards and, in turn, awards and agreements impose legal limitations on the ability of individuals to contract freely. Since specific terms agreed between the parties do not have general significance these will not be discussed in this chapter. The other three levels will be discussed before discussing the trends in job tenure in Australia and possible explanations for these trends.

The direct legislation by governments in relation to job tenure has not been extensive. The most extensive statutory limitations exist in NSW. Under the Employment Protection Act 1982, a NSW employer is required to pay severance payments, according to a specified scale, or to serve a notice of intention to terminate an employee’s employment. The notice is served to the Industrial Registrar, and is only required when the employee has served for more than a year, where the employee is not casual or temporary, where the employee is not dismissed for misconduct, and where the employee is not covered by an award which makes provision for severance payments. The Act does not apply where an employer employs fewer than 15 people or where a contract of employment is regulated by a Federal award. An amendment to the Industrial Arbitration Act in 1986 gives the NSW Industrial Commission jurisdiction to insert employment protection provisions into awards or industrial agreements (Mallesons Stephen Jaques, 1991: 15-17, 15-18).

In South Australia, under the Industrial Conciliation and Arbitration Act 1972, any dismissed employee may apply to the South Australian Industrial Relations Commission for reinstatement, or compensation, on the basis that the dismissal was harsh, unjust or unreasonable. The Act encourages the parties to settle a disagreement outside of the Commission since the Commission can order a party who acts unreasonably, in failing to settle the matter before it reaches arbitration, to pay costs. An application for reinstatement must be lodged within twenty-one days of termination of employment (Mallesons Stephen Jaques, 1991: 15-25 to 15-27).

In Victoria, under the Industrial Relations Act 1979 an employee may apply to the Industrial Relations Commission of Victoria for reinstatement on the basis that the dismissal was harsh, unjust or unreasonable. However, the dismissed employee can only do this when the dismissal is related to an industrial dispute. That is, it must have some implication for employees collectively (Mallesons Stephen Jaques, 1991: 15-23).

Federal and state laws exist which, while not specifically aimed at employment protection, have implications for job tenure of workers. One such set of laws are the

In practice the dismissed employee is unlikely to be able to provide evidence that the dismissal was for the reasons proscribed under the relevant Act. In order for a dismissed employee to show that s/he has been unlawfully discriminated against, the employee must prove that the reason for the dismissal were proscribed, or in some cases that the conscious reason for dismissal was one of the proscribed grounds (Mallesons Stephen Jaques, 1991: 8-28 to 8-33). In at least one case [*Ansett Transport Industries (Operations) Pty Ltd. v. Wardley* (1979-80) 142 CLR 237; 28 ALR 449] reinstatement has been ordered on anti-discrimination grounds. In addition to these laws, the state and Commonwealth industrial arbitration statutes contain provisions aimed at preventing employers from dismissing employees, especially union delegates, because of their industrial activities (1990 ALLR 47-254 to 47-255).

Since 1920 the Federal industrial tribunal has adopted a policy of prescribing weekly hiring in awards wherever this is possible (*Australian Timber Workers Union v. John Sharpe and Sons Ltd.* (1920) 14 C.A.R. 887). In Queensland employers are given statutory authority to stand-down weekly employees in some circumstances. In other states some awards have stand-down clauses. A stand-down clause enables an employer to stop paying wages in circumstances where there is no useful work to be done due to circumstances beyond the employer's control. In general, a shortage of supplies, a break-down in machinery, or a strike by ancillary workers will enable the employer to take advantage of this clause. A downturn in demand for the firm's product does not (Arup, 1978: 463-477). Where there is no stand-down provision in an award, and it is not explicitly stated in an employment contract, it is unlikely that an implied contractual term could be used to justify lay-off (McCallum, 1989:222).

Prior to the *Termination Change and Redundancy Case* in 1984, where weekly contracts were entered into, most awards contained notice provisions which permitted either party to give a week’s notice at any time. The employer could dismiss without notice for misconduct (Mallesons, Stephen, Jaques 1991). Since 1984 termination clauses, based
on the *Termination Change and Redundancy Case*, have been inserted into some awards.

The *Termination, Change and Redundancy Case 1984 [(1985) CAR 35-97]* established that employers are prohibited from dismissing an employee 'harshly, unjustly or unreasonably'; employers are required to give a period of notice of termination, or payment in lieu of notice, based on length of service and the age of the employee concerned; employees are required to give the same amount of notice on resignation (but not age-related notice); a dismissed employee is entitled to one day's leave on full pay to look for alternative work; disputes concerning unfair dismissals may be settled between the employer and the union, or may be referred to the arbitration commission; employers must provide employees on request with a written statement of their employment record. This decision has been inserted into some awards. In particular awards severance pay is stipulated which relates to the period of continuous service of an employee [c.f. Metals Industry Award (1985) 27 AILR ¶1].

Redundancy is distinguished from ordinary turnover of labour. Redundancy is generally the result of technological change, company restructuring and economic recession. If the termination is classified as a redundancy then the employee will be entitled to benefits in addition to the usual notice provisions. These include extra payments and tax concessions. The specific benefits will vary according to the state and the award which the employee is covered by.

In most states (not South Australia) and in awards of the federal commission, the *Termination, Change and Redundancy Case* is not applicable to employers with fewer than fifteen employees, who are exempted from the sliding scale of severance pay in cases of redundancy. Employers are automatically exempted where job terminations are due to the ordinary and customary turnover of labour. Employers also have the right to argue incapacity to pay, or to offset payments under company superannuation schemes against final redundancy payments [(1985) CAR 74-5]. The state tribunals have followed the federal commission's guidelines, in most respects, in setting out termination and redundancy guidelines for use in state awards [c.f. (1987) 29 AILR ¶261].

The *Termination Change and Redundancy* provisions are not applicable to casual employees. It has increased the job security of covered weekly employees by increasing the cost to the employer of retrenchment. As such it adds incentive for employers to convert employees to contractors and to employ casual and temporary workers.
The force of the policy to encourage weekly hiring is also limited by a caveat which allows temporary work in industries where the nature of the industry requires it. This is seen to apply, for example, in the pastoral industry where seasonal engagement is common and in the building industry (ACTU, 1990: 24). Indeed most rural awards pertain largely to casual employment. Some awards impose quotas on the numbers of casuals and temporaries that can be employed in the industry, providing for registration procedures of such workers. (Anderson, 1929: 481-509; Macken, n.d.). This caveat means that in practice the awards reflect historical practice in an industry rather than determining that practice. When casual employment is allowed under an award, a loading, usually 15-20% of the hourly rate of pay, is specified. The loading is levied to compensate the employee for lack of normal employment benefits.

The role of historical practice is illustrated by relief teachers in New South Wales, who in addition to the casual loading, are eligible for pro-rata payments of sick leave, long service leave, and progression up scales when they work more than 99 days per year [1986] 11 IASCR 196-200]. Thus historical practice determines not just whether casuals can be employed but also the benefits they receive.

In some cases the de facto practices are so well entrenched that they are taken into account in commission determinations. In New South Wales [Orange City Bowling Club Ltd. v. Federated Liquor and Allied Industries Employee’s Union NSW Branch (1979) IR 90; 1979 AILR ¶97]; Victoria [Appeal by the Licensed Clubs Association of Victoria 1988 AILR ¶497]; and South Australia [Bridgeway Hotel v. FLAIEU 1980 AILR ¶231; Berwick v. San Remo Macaroni Company Pty Ltd. 1986 AILR ¶515]; judgements have been made which suggest that where a casual employee is a ‘regular’ casual employee s/he can be dismissed from employment and that the Industrial Commissions can therefore order re-employment or payments in lieu of long service leave.

Under common law the direct employment relationship, in which an employee supplies labour in return for wages, is called a contract of service relationship. Within this contract of service relationship a distinction is drawn at law between casual and non-casual employment. Non-casual employment is typically characterised by weekly hire and as such it represents greater de jure employment tenure. Weekly employment requires at least one week’s notice to be given by either the employee or employer upon termination of the contract. The period of notice required in any particular case will depend on custom or what is considered ‘reasonable’. What is ‘reasonable’ extends to six months for some professional employees (1986 ALLR 47-100). In practice, however, such employment is expected to last indefinitely unless otherwise specified.
There is, therefore, an expectation on the part of both parties that the relationship will continue. In contrast, casuals can usually be dismissed without notice (Brooks, 1985). It is implicit in most casual employment contracts that employment will be temporary (ACTU 1990: 24-30).

Under common law an employer can dismiss an employee for behaviour such as misconduct, insubordination, commission of a crime, major neglect of duties, major incompetence and other instances where the employees work is not being performed satisfactorily. The extent of incompetence and inefficiency required before summary dismissal is possible is argued in each case. The damages which can be claimed as a result of wrongful dismissal are usually small, since they relate to the period of notice, often one week, which should be given (1990 ALLR 47-103).

Outside of the contract of service a variety of agreements are recognised by the law as ways of getting work done. These include: partnership, bailment, tenancy, independent contract, agency, charity, social obligation, office at pleasure and filial duty. The law applies different rules to each relationship, and different consequences flow for the parties concerned (see Macken 1984: Ch. 2). Legally the above arrangements are usually conducted as contract for service arrangements, often implying a temporary relationship between the parties.

Cases regularly come before the courts in which the dispute focuses around whether the relationship is one of contract of service or contract for service. This is because the type of contract must be determined before the rights and duties of the parties can be assessed. The major practical distinction between contracts of and for service is that under a contract for service the party getting work done for them, i.e. the employer or contractee, is not liable for 'on-costs' such as annual leave, workers compensation, pay-roll tax, sick leave, public holidays, long service leave, annual leave loading and superannuation payments. The contract for service implies a much weaker relationship in which \textit{de jure} and \textit{de facto} tenure are usually short. Generally, the independent contractor supplies his/her own equipment and tools and works without direction from the employer. Indeed, if the degree and nature of control exercised over the contractor, by the person for whom work is performed, is consistent with a master-servant relationship, then a contract of service exists and \textit{de jure} tenure is implied. In some cases a master-servant relationship has also been found to exist when a contractor works for only one employer, or when the work performed is 'integral' to the organisation [\textit{Australian Timber Workers Union v Monaro Sawmills Pty. Ltd.} (1980) 22 AILR ¶B63)].
Temporary work is performed by people who supply only their labour and who work under direction as employees. Employment agencies are often used by employers to acquire such labour. There are 250 registered employment agencies in Queensland alone [(1989) 12 QGIG 817-825] most of which supply temporary labour. People employed through such arrangements are employees of the agency and may have the entitlements of weekly employees.

Temporary work is also performed under bailment and agency agreements. A bailment agreement exists when a person (bailee) used equipment of another person (bailor) to earn a living. A common example is the leasing out of a taxi during the hours when the owner is not working in it. No *de jure* employment tenure is implied in such an arrangement. The relationship of principal and agent is similar. No employment tenure is implied when a person is authorised to act for another as their agent (Macken, n.d. 7-10).

In contrast, work undertaken under a franchise relationship cannot be said to be temporary; yet no *de jure* tenure exists for franchisees. A franchise is an on-going commercial relationship which incorporates a contractual licence enabling the franchisee to use a name, idea, process, image and the goodwill associated with these. The agreement will entitle the franchisor to exercise continuing control over the franchisee in operation of his business (Terry and Gallagher 1983: 161-2; or Pengilley,1982 or 1983). The law relating to franchise is very limited (Pengilley 1982, 1983). A major issue in relation to tenure in franchising regards termination of the franchise arrangement. There is currently no minimum period of tenure nor any compensation for non-renewal of tenure. In some cases this means that franchisees are left with unsaleable stock or premises that are useless without the goods sold under the franchise. In others the franchisor may be entitled to buy up the franchisee's assets at reduced valuation (Terry and Gallagher, 1983: footnote 35). The lack of *de jure* job tenure is shown most easily in the existence of 'bad boy' clauses. These permit the termination of franchises at any time for a range of ill-defined offences (Pengilley 1982: 13). For example, an offence might be the failure to keep premises clean accompanied by a clause which states that the franchisor's assessment of 'clean' cannot be challenged (Pengilley 1982: 13).

In the late 1970s changes in the petrol industry resulted in the termination of a large number of petrol station franchises at only 30 days notice. Lack of compensation led to re-assessment of the law by the Australian Government. As a result the Petroleum Retailing Marketing Franchise Act 1980 now gives some protection to franchisees in the petroleum industry (Terry and Gallagher 1983: 159-186). This Act is the only
legislation in Australia specifically relating to franchising (Terry and Gallagher 1983: 169). Under this Act "a court may reverse any termination if it is of the view that the termination is not just and equitable in all circumstances" (Pengilley 1983:347).

Another type of contractual arrangement in which job tenure is legally ambiguous, is outwork. As in other employment arrangements the distinction between contract of service and contract for service is crucial in determining the entitlements of outworkers. Outworkers employed under a contract of service must obtain a permit for outwork. In this permit the outworker must show their need to pursue outwork (e.g. health or domestic responsibilities). One outworker is permitted for every ten factory workers employed, with a maximum of five outworkers per employer. The maximum number can be waived at the discretion of the registrar (Illawarra Migrant Resource Centre [IMRC] Report, 1985: 23-7). The outwork permit entitles the worker to the same de jure rights to retain their job as those of a weekly employee.

In practice many outworkers work without the required permit thus reducing the effectiveness of legal protection available to them (Illawarra Migrant Resource Centre Report, 1985: 32-3). Indeed recent estimates suggest that the outwork labour force may exceed the size of the officially recorded factory-based manufacturing workforce (Peck, 1991: 308-9). While many outworkers are de facto employees a contract of service has not been easily demonstrated for outworkers. For example, in the Cocks' case, [1968]12 FLR 138] the Federal Industrial Court found that Cocks was an independent contractor not an employee. The reasons for this were that Cocks performed work different from that carried out by her employer (she repaired garments for a dry-cleaner). She set the prices for her own work, supplied the materials she required and collected and delivered her own work (IMRC, 1985: 25). The Cocks' case did not find that all outworkers are independent contractors, merely that in that particular case the worker was. The effect of the decision has been to encourage the belief in the industry that outworkers are independent contractors (IMRC 1985).

Since the Cocks case, in 1987, amendments were made to the 1982 Clothing Trades Award, which established the right for outworkers to be covered by the award. The Commissioner explicitly stated in his decision that outworkers are employees not independent contractors (ACAC, 1987:31-37). The effective policing of the award provisions rests with the Clothing and Allied Trades Union which has acknowledged that it has inadequate resources for such a task (CATU, 1987).

In summary, two basic distinctions exist under common law which determine rights to job tenure. The first is the distinction between non-casual and casual employees. The
second is the distinction between contract of service and contract for service. The legal distinctions are not always reflected in the benefits that workers actually receive. For example, part-time employees or outworkers employed on a weekly basis often refer to themselves as casuals, and expect to be treated as such with regard to such things as termination of employment (Anderson, 1985).

The legal framework acts to formally regulate relationships between unions and employers. Rather than providing an impetus for change, the legal framework has tended to reinforce practices and arrangements which have historically pertained in each industry. Precedent is accepted as an argument in support of the cases presented by the parties. It thus can not be seen as an initiator of the trends in job tenure. The industrial relations commissions are, however, responsive to arguments put to it by governments and by employer and union groups. The relative strengths of employer and union groups will affect the decisions made by the commissioners.

Within the legal structure outlined above the trends in the labour market which will indicate trends in *de jure* job tenure are trends relating to rates of self-employment, franchising and agency relationships, independent contract and trends relating to casual employment.

**Trends in the Australian Labour Market**

Despite regulation which protects the job security of many workers in Australia, the Australian labour market has on average been among the more flexible of OECD labour markets in terms of labour turnover (DEET, 1988: 8-11). One explanation for this is that internal labour markets are not well developed. In particular, the flat life-time earnings profiles of tradespeople suggest that, at least for this group of workers, job ladders typical of internal labour markets do not exist. Careers in internal labour markets are restricted to public sector employees, professionals and managers (Blandy and Covick, 1984: 6; Broom et. al. 1978; Norris, 1983: 91-3).

Unfortunately, the statistics available on trends in the labour market are neither collected according to the distinctions made in law, nor to the distinctions made by labour market theorists. Data are available on self-employment and on full-time and part-time employment. Little data is available on casual employment, outwork, franchising or independent contracts. In practice, however, the relationship between self-employment and independent contracting is fairly close. While some people who describe themselves as 'self-employed' may not perform work on a contract for service basis, most would do so. Similarly, while there is no identity between part-time and casual employment there
is a great deal of overlap between the two categories. Trends in part-time employment can be used to indicate trends in casual employment in the absence of other data.

Most of the data presented in this section are from statistical collections made by the Australian Bureau of Statistics (ABS). The ABS collects data on the labour force in a monthly Labour Force Survey (LFS). The LFS uses a sample of 2/3 of 1% of dwellings. The sample includes persons over the age of 14 since 15 is the age at which children can legally leave school. It excludes diplomatic personnel, members of permanent defence forces, overseas residents of Australia and members of non-Australian defence forces resident in Australia and their dependents. Data from the LFS are published monthly, as The Labour Force Australia and are collated into Labour Statistics publications periodically. These include time-series which show trends in the labour market. Supplementary surveys are conducted in areas of special interest such as the April 1989 survey: Persons Employed at Home.

Two supplementary surveys which are of relevance to the overall pattern of job tenure in Australia are the 1982 and 1986 supplementary surveys into alternative working arrangements. Some information is also available from a supplementary survey conducted, by the ABS in South Australia, on part-time work. The information on rates of casual employment in Australia is limited to these surveys. Because of the time of year of the surveys, the exclusion of people working less than ten hours per week in 1982 but not in 1986, and the small period of time between the national surveys, time series cannot be constructed from the survey data. However, some indication of trends can be made by using unpublished data, on people working 10 hours or more per week, from the later survey. While seasonal effects remain, the size of the increase between 1982 and 1986 suggests that there has been a significant increase in the proportion of workers employed on a casual basis: In March to May 1982, 10% of wage and salary earners working for more than ten hours per week were casual. In September to October 1986, the figure was 15.7% (Table 2.1).
### Table 2.1

Wage and Salary Earners Working More than Ten Hours per Week: Casual Employment.

<table>
<thead>
<tr>
<th>Hours Worked per Week</th>
<th>10-19</th>
<th>20-29</th>
<th>30-34</th>
<th>35+</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1982 (March - May)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total ('000)</td>
<td>206</td>
<td>214</td>
<td>170</td>
<td>4408</td>
<td>4999</td>
</tr>
<tr>
<td>Casual ('000)</td>
<td>146</td>
<td>111</td>
<td>45</td>
<td>197</td>
<td>499</td>
</tr>
<tr>
<td>Casual % of Total</td>
<td>71.0</td>
<td>51.9</td>
<td>26.3</td>
<td>4.5</td>
<td>10.0</td>
</tr>
<tr>
<td><strong>1986 (Sept. - Oct)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total ('000)</td>
<td>369</td>
<td>356</td>
<td>162</td>
<td>4822</td>
<td>5709</td>
</tr>
<tr>
<td>Casual ('000)</td>
<td>270</td>
<td>204</td>
<td>69</td>
<td>354</td>
<td>897</td>
</tr>
<tr>
<td>Casual % of Total</td>
<td>73.2</td>
<td>57.2</td>
<td>42.4</td>
<td>7.3</td>
<td>15.7</td>
</tr>
</tbody>
</table>

Source: ABS Alternative Working Arrangements Survey, 1986 unpublished data; 1982 Table 3. N.B. Some of the difference between 1982 and 1986 figures is accounted for by seasonal variation in employment of casuals. The number of workers employed for less than ten hours in 1982 was 316,000 of whom 93% were employed casually.

In 1986, most (70%) casual employees worked part-time. 47% of casual employees worked up to 19 hours and 23% worked 20-34 hours. 30% of casual employees worked 35 or more hours a week (6341.0, 1986: 10). In South Australia in 1984 a survey of part-time employment found that four out of five part-time workers are casual (6203.4: 8). This suggests, in the absence of time series data on casual employment, that trends in part-time work can be used to indicate trends in casual employment. However, such a measure will not reflect all casual employment since over a third of casual employees work more than thirty-five hours per week (Table 2.2).
Table 2.2

Casual Wage and Salary Earners Working More than Ten Hours per Week.

<table>
<thead>
<tr>
<th>Hours Worked per Week</th>
<th>10-19</th>
<th>20-29</th>
<th>30-34</th>
<th>35+</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1982 (March - May)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Casual ('000)</td>
<td>146</td>
<td>111</td>
<td>45</td>
<td>197</td>
<td>499</td>
</tr>
<tr>
<td>% working given hours</td>
<td>29.4</td>
<td>22.3</td>
<td>8.9</td>
<td>39.4</td>
<td>100</td>
</tr>
<tr>
<td><strong>1986 (Sept. - Oct)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Casual ('000)</td>
<td>270</td>
<td>204</td>
<td>69</td>
<td>354</td>
<td>897</td>
</tr>
<tr>
<td>% working given hours</td>
<td>30.1</td>
<td>22.7</td>
<td>7.7</td>
<td>39.5</td>
<td>100.0</td>
</tr>
</tbody>
</table>


Between 1977 and 1986 there was a 45% increase in part-time employment. In Australia, between 1973 and 1983, the growth of part-time workers as a proportion of the workforce and the low levels of superannuation received by part-time workers suggests that casual employment was increasing (6101.0, 1983: Table 3.5). In 1986/1987 almost 3 out of 4 new jobs were part-time (Sharp and Broomhill, 1988: 83). Throughout the 1980s the numbers of full-time jobs continued to fall as a proportion of the total (Table 2.3).

Table 2.3

Full-time Jobs as a Proportion of All Jobs.

<table>
<thead>
<tr>
<th></th>
<th>Full-time '000</th>
<th>All Jobs '000</th>
<th>Full-time as % of All Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984</td>
<td>5,371</td>
<td>6,500</td>
<td>82</td>
</tr>
<tr>
<td>1985</td>
<td>5,497</td>
<td>6,685</td>
<td>82</td>
</tr>
<tr>
<td>1986</td>
<td>5,582</td>
<td>6,886</td>
<td>81</td>
</tr>
<tr>
<td>1987</td>
<td>5,656</td>
<td>7,073</td>
<td>80</td>
</tr>
<tr>
<td>1988</td>
<td>5,856</td>
<td>7,330</td>
<td>80</td>
</tr>
<tr>
<td>1989</td>
<td>6,108</td>
<td>7,728</td>
<td>79</td>
</tr>
<tr>
<td>1990</td>
<td>6,159</td>
<td>7,825</td>
<td>78</td>
</tr>
</tbody>
</table>

(Source: ABS 6203.0 August 1984 -1990)
In at least some industries, within contract of service relations, temporary employment is increasing. An increase in employment of temporary workers has been reported in clerical fields, especially secretarial workers (Milton, 1976), and in the hotel industry (Rohl, 1978: 126 - 7).

As well as casual and temporary work becoming more common various forms of contract for service are also becoming more prevalent. There was a trend in Australia in the 1970s for both self-employment and independent contracting to increase. During the 1970s the proportion of the workforce classified as self-employed increased from under 8% of the workforce to about 10% (ABS 6203.0, 1983: 45). During the 1980s and early 1990s the proportion remained stable at around 10% of the workforce (Table 2.4).

At an industry level, both textile and building industries have been shown to have increased rates of sub-contracting in recent years (TNC, 1985). In the building industry the rate of subcontracting trebled between 1950 and the late 1970s. In the housing sector in particular the workforce is predominantly sub-contract with up to 90% of the work being done under sub-contract arrangements (Cummings, 1986: 39-49).

Table 2.4

<table>
<thead>
<tr>
<th>Year</th>
<th>Self-employed '000</th>
<th>Self-employed % of total labour force</th>
</tr>
</thead>
<tbody>
<tr>
<td>1974</td>
<td>482</td>
<td>8.2</td>
</tr>
<tr>
<td>1976</td>
<td>548</td>
<td>9.3</td>
</tr>
<tr>
<td>1978</td>
<td>596</td>
<td>9.9</td>
</tr>
<tr>
<td>1980</td>
<td>648</td>
<td>10.3</td>
</tr>
<tr>
<td>1982</td>
<td>647</td>
<td>10.1</td>
</tr>
<tr>
<td>1984</td>
<td>683</td>
<td>10.6</td>
</tr>
<tr>
<td>1986</td>
<td>749</td>
<td>10.8</td>
</tr>
<tr>
<td>1988</td>
<td>745</td>
<td>10.1</td>
</tr>
<tr>
<td>1990</td>
<td>786</td>
<td>10.1</td>
</tr>
</tbody>
</table>

(Source: constructed from ABS 6203.0, August of the years included)

Anecdotal evidence supports the existence of a trend towards hiring on a contract for service basis in the 1970s and 1980s. Rydges in 1982 reported a "rapid expansion in the availability of contract labour. Experienced professionals such as managers,
engineers, accountants, computer programmers and draughtsmen can all be hired for short term assignments" (Rydges, 1982, June: 119).

Franchising has also increased in recent years in Australia. While the exact rate of increase is not documented the number of franchisors has risen from a negligible number in the 1960s to more than 600 firms in 1989 (SMH 8 Feb 1989). This represents more than 20,000 outlets (McCosker, 1987:3). Mercer and Maher (1986:32) estimated that 20% of all retail sales in Australia were made through franchised outlets in 1986.

The proportion of employees working in small firms (less than 100 workers) rose slightly between 1969 and 1983 from 38.5% to 42%. The number of workers employed in firms of over 1000 workers fell from 17% to 12.6% (Table 2.5). While statistics are restricted to manufacturing firms with more than four employees, the statistical trends in Australia are similar to those found in other OECD countries. That is, the largest firms appear to be decreasing their share of employment. This could indicate restructuring of jobs in large firms and an increase in sub-contracting of the type described by Atkinson (see Chapter 1).

Table 2.5
Change in Employment Rates in Manufacturing Firms of Different Sizes.

<table>
<thead>
<tr>
<th>Firm Size (employees)</th>
<th>1969 - 70</th>
<th>1983 - 84</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-10</td>
<td>7.0</td>
<td>8.0</td>
</tr>
<tr>
<td>10-19</td>
<td>7.2</td>
<td>8.0</td>
</tr>
<tr>
<td>20-49</td>
<td>12.5</td>
<td>13.0</td>
</tr>
<tr>
<td>50-99</td>
<td>11.8</td>
<td>13.0</td>
</tr>
<tr>
<td>100-999</td>
<td>44.4</td>
<td>44.9</td>
</tr>
<tr>
<td>1000+</td>
<td>17.0</td>
<td>12.6</td>
</tr>
<tr>
<td>Total</td>
<td>99.9</td>
<td>99.5</td>
</tr>
</tbody>
</table>

(Source: ABS 8204.0, includes all manufacturing establishments with more than three employees. Percentages do not add up to 100 due to rounding errors)

The informal economy has also increased as a proportion of the total economy. The statistical evidence is scant, but Fisher in 1983 has shown, from discrepancies in official data on multiple job holding and data obtained by private and public agencies, that the informal economy is likely to have grown for farmers, young male workers and construction workers. While such evidence is restricted to a few industries it is
consistent with other trends in the economy which suggest that job tenure is declining. Another indication that the informal sector has grown is that the numbers of illegal immigrants grew from an estimated 74,000 people on 31 January 1988 to an estimated 90,000 people on 30 April 1990 (Joint Standing Committee on Migration Regulations; 1990). Illegal immigrants tend to work in the informal economy since by paying tax they risk detection and deportation.

Outwork also appears to have spread to a wider range of industries in recent years. While trends towards white collar outwork appear to be greater in other OECD countries, Cummings has listed a range of accounting and clerical services performed by homeworkers in Australia (Cummings, 1986: 18-29). The supplementary survey of April 1989: Persons Employed at Home (ABS 6275.0), estimated that 23% of workers worked at least some hours at home and 3.5% were employed predominantly at home (6275.0: Table 1). Of those employed predominantly at home, 65% are paid in kind, are self-employed, or are employers (ABS 6275.0: Table 11). Of the employees 60% are casual (ABS 6275.0: Table 12). Thus nearly all of the homeworkers surveyed by the ABS have a low degree of *de jure* tenure. In the textile industry estimates indicate that the number of outworkers has risen from between 10,000 and 30,000 in 1981 to more than 60,000 in 1986-7. If these estimates are correct, then outwork jobs exceed the number of in-factory employees in manufacturing by 10,000 (c.f. Peck, 1991: 307-9).

In summary, types of work arrangements associated with low *de jure* job tenure: casual employment, independent contract, agency and franchise arrangements, outwork, and illegal employment, have all increased in recent years in Australia. While the data is patchy, and the extent of the trend appears to be variable, all the indications are that there has been a trend away from high levels of *de jure* job tenure. The increase in the proportion of workers in low tenure contracts is not likely to increase indefinitely. For example, the increase in the self-employed has abated leaving a high but not increasing proportion of workers self-employed in the 1990s.

**Explanations for Trends in Job Tenure in Australia**

In Chapter 1 a model was presented summarising factors implicated in trends in job tenure in OECD countries. I sought to explain trends by discussing how the factors implicated interact together to produce particular outcomes. In particular, economic and socio-political pressures, resulting in demand for labour, and in labour supply, were presented as interacting within specific institutional frameworks to generate effort bargains. To the extent that such effort bargains are formal they specify conditions of *de jure* job tenure. To the extent that they are informal they imply *de facto* job tenure of
workers. The rest of this chapter discusses the factors identified in the model as they are manifest in Australia in 1990.

a. Demand for labour

On the demand side of the model, the Australian job structure currently consists of approximately six million full-time jobs. The economy is dominated by service and primary industries, but is characterised by small firms in the manufacturing sector (Table 2.5). The industrial structure has resulted in a concentration of demand for workers in the cities. Despite large mining and agricultural sectors 85.4% of all jobs are located in urban areas (A.B.S.: 6101.0, 1986 Table 3.8). Over the last twenty years the demand for white collar workers has increased and the demand for manual workers has declined. Demand for service sector workers particularly those in community services has grown most. Demand in construction has fluctuated greatly whilst demand in manufacturing has declined (ABS 6101.0 1988: 45).

In 1986 20% of jobs were casual (Table 2.6). The industries with the highest rates of weekly (as opposed to casual) employment were mining, electricity, gas and water, manufacturing and transport (other than road transport). The industries with high rates of casual employment are agriculture, forestry, fishing and hunting; construction; wholesale and retail. Recreation, personal and other services have the highest rates of casual employment at (44%) (Table 2.6).
Table 2.6
Industry by Casual and Permanent Jobs.

<table>
<thead>
<tr>
<th>Industry</th>
<th>Permanent '000</th>
<th>Casual '000</th>
<th>Casual %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ag., forestry, fishing and hunting</td>
<td>76</td>
<td>57</td>
<td>42.7</td>
</tr>
<tr>
<td>Mining</td>
<td>91</td>
<td>-</td>
<td>0.0</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>976</td>
<td>110</td>
<td>10.1</td>
</tr>
<tr>
<td>Elect. gas &amp; water</td>
<td>138</td>
<td>-</td>
<td>0.0</td>
</tr>
<tr>
<td>Construction</td>
<td>230</td>
<td>65</td>
<td>22.1</td>
</tr>
<tr>
<td>Wholesale and retail</td>
<td>836</td>
<td>357</td>
<td>29.9</td>
</tr>
<tr>
<td>Transport and storage</td>
<td>304</td>
<td>41</td>
<td>12.0</td>
</tr>
<tr>
<td>Communication</td>
<td>137</td>
<td>-</td>
<td>0.0</td>
</tr>
<tr>
<td>Finance, property and business services</td>
<td>489</td>
<td>117</td>
<td>19.3</td>
</tr>
<tr>
<td>Pub. Admin. &amp; defence</td>
<td>377</td>
<td>39</td>
<td>9.4</td>
</tr>
<tr>
<td>Community services</td>
<td>962</td>
<td>223</td>
<td>18.8</td>
</tr>
<tr>
<td>Recreational, personal and other services</td>
<td>215</td>
<td>170</td>
<td>44.2</td>
</tr>
<tr>
<td>Total*</td>
<td>4834</td>
<td>1192*</td>
<td>19.8</td>
</tr>
</tbody>
</table>

(Source: 6341.0 Table 3, Sept.-Nov 1986. * includes approx. 12,000 in mining, communication, electricity, gas and water. Totals larger than aggregate of column figures due to rounding.)
As could be expected from the distribution of casual work by industry, occupations with high rates of casual labour are sales and labourers and related workers, while occupations with lower rates are para-professionals, teachers and clerks (Table 2.7).

Table 2.7
Occupation by Permanent and Casual Jobs.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Permanent '000</th>
<th>Casual '000</th>
<th>Casual %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management and administration</td>
<td>364</td>
<td>54</td>
<td>12.9</td>
</tr>
<tr>
<td>Professional</td>
<td>626</td>
<td>103</td>
<td>14.2</td>
</tr>
<tr>
<td>Paraprofessional</td>
<td>388</td>
<td>32</td>
<td>7.6</td>
</tr>
<tr>
<td>Trades</td>
<td>847</td>
<td>100</td>
<td>10.6</td>
</tr>
<tr>
<td>Clerical</td>
<td>968</td>
<td>197</td>
<td>16.9</td>
</tr>
<tr>
<td>Sales and personal service</td>
<td>514</td>
<td>334</td>
<td>39.4</td>
</tr>
<tr>
<td>Plant and machine operation and driving</td>
<td>428</td>
<td>57</td>
<td>11.8</td>
</tr>
<tr>
<td>Labouring and related</td>
<td>698</td>
<td>313</td>
<td>31.0</td>
</tr>
<tr>
<td>Total*</td>
<td>4834</td>
<td>1192</td>
<td>19.8</td>
</tr>
</tbody>
</table>

(Source: 6341.0 Table 4, Sept.-Nov 1986.
*Totals larger than aggregate of column figures due to rounding.)

Robertson (1989) has shown, in an econometric analysis, that the increasing size of sectors which have high rates of part-time employment has caused part-time employment to rise. The increase in the share of employment of these sectors, however, is not a significant factor in explaining the rise of part-time employment relative to full-time employment. He argues that while the growth of the service sector has not caused the rise in part-time employment the service sector industries appear to be adopting part-time employment faster than other sectors.

The increase in part-time and associated casual employment within industries are at least partly due to changes in managers' attitudes and practices. Changes in managers' practices have occurred, fostered by changed attitudes regarding 'best practice' in recruitment. In particular the ideas of the 'New Right', or radical liberalism, have influenced governments and managers throughout the OECD (Green, 1987).
In Australia, programs such as the Centre for Independent Studies, and the Institute for Policy Research have disseminated the ideas of the New Right. The corporate sponsorship of these programs suggests that some managers share the ideas of the New Right, and the programs have specifically targeted other managers in 'tree tops' campaigns to spread their ideas (Carey, 1987). The ideas disseminated by the New Right groups in Australia, that are likely to affect the labour market, include a belief that the effort bargain should be made between employees and employers without the intervention of unions or centralised arbitration (c.f. Spry, 1986: 121-2). The abolition of awards and reversion to contract law as the only regulator of employment conditions would have direct implications for patterns of *de jure* job tenure.

The *de jure* rights and duties specified in awards affects the willingness of both employers and employees to enter particular employment relationships. For example, casual loadings, paid in lieu of other benefits, may discourage firms which would prefer to employ casuals from doing so. Australian managements have, since the mid-1970s, been investigating ways of improving flexibility in their labour forces. Attempts to increase numerical flexibility include a wide variety of working time experiments (Beveridge, 1978). However, because of the enterprise based nature of such experiments they have not been systematically documented.

One change in recruitment strategy has been for employers to convert employees to independent contractors. Employers have benefitted from this by the reduction in on-costs payable. Employees benefit by not paying as much income tax. Job Watch, in a survey of independent contractors and their employers, documented the practice of employing people as independent contractors, who are in fact under considerable supervision by their employers (Job Watch 1986 unpubl.). On contacting employers, who had advertised in the newspaper for staff to sell goods direct to customers, Job Watch found that most of the employers attempted to avoid awards by employing people as independent contractors. The people hired brought only their labour to the job and were under a considerable degree of supervision. Other notable experiments in converting employees to independent contractors have been the conversion of employees to independent contractors by the Queensland Electricity Board in 1985 (*Fin. Review* 8.10.85: 7; *SMH* 13.2.86: 2) and a similar conversion of employees to independent contractors at the Mudginberri abattoir (*The Australian* 22.7.86: 1,4; 1.1.86: 7).
Some companies are even hiring managers on contract to cut costs. An accountant told a Business Review Weekly reporter in 1983 that:

"virtually any employer-employee relationship can be converted [to a contract for service relationship], if appropriate paperwork is done. The owner can save about 8 per cent on worker's compensation premiums, payroll tax of 5 per cent, and holiday pay and leave loadings which, with other add-ons, usually total about 30 per cent. On quotes he can also omit his mark-up of 30 per cent, and underbid an orthodox rival by up to 40 per cent on labour costs." (BRW 14-20 May 1983).

Incentive for companies to change their employment strategies was fostered by a profit squeeze in the 1980s. Between 1984 and 1987 the amount of net interest paid on loans by companies increased fourfold. Over the same period their profits declined markedly (Figure 2.1). Other incentives include the rising on-costs associated with employees. These on-costs include long service leave, increasing award provisions for superannuation payments, and Government training requirements.

![Figure 2.1 Company Profits and Net Interest Paid](source: ABS 5651.0 Table 1)

Incentive to employ independent contractors was further increased by the preferred treatment, by lending institutions, accorded to businesses which do so. Even in the public sector major banks have, in some instances, tied loans for government projects to the employment of contractors rather than employees (TNC, Bulletin 3, 1984; Powe 1986). Banks also favour franchisees over other people intending to establish a small business. Three of the major banks (The Commonwealth Bank, The National Australia
Bank and Westpac) have developed specialised loan packages with lower interest rates and with lower security requirements for franchisees (Sampson, 1990).

Franchisors argue that franchising is likely to increase in 'bad times' since it frees up capital and enables business expansion without the cost of opening up self-managed outlets (Sampson, 1990). Essentially it transfers the risk of opening a new outlet to a franchisee by minimising overheads, such as interest payments, payable by the parent company.

Managers preference for flexibility in the employment of labour is illustrated by Lever-Tracy (1986) who cites crane drivers employed for five months (the maximum for casuals) then sacked and re-employed after three weeks to do the same work. In this case the employer is willing to pay casual loadings, and suffer the inconvenience of periodic shortage of labour and re-hiring of staff, to reduce the on-costs associated with *de jure* weekly employment.

The reverse of this practice exists in part-time employment in some industries. At law part-time workers receive pro-rata the same benefits as full-time weekly workers and are employed on a regular weekly basis. Part-time workers' pro-rata benefits mean that they are not entitled to a casual loading. Such part-time work is linked with low *de facto* employment tenure. For example, Johnson and Rutnam (1981) have shown that some banks structure part-time jobs in such a way that high turnover of staff is encouraged. In particular, managers reduce incentive for part-time workers to remain in their jobs for extended periods by separating part-time jobs from career chains and promotion opportunities. In this way numerical flexibility is obtained without the need to pay casual loadings.

In aggregate, demand side factors have promoted the trend towards increased numerical flexibility in the labour market. There has been a desire on the part of managers to increase numerical flexibility of their workforces. The desire has been expressed in a variety of strategies, including the conversion of employees to contractors. Institutional constraints have restricted managers in their desire to achieve greater numerical flexibility. Where such institutional barriers exist some employers have attempted strategies to by-pass the barriers; employing regular workers as casuals or increasing the turnover of *de jure* weekly employees. The change in attitudes of managers to favour numerical flexibility has been paralleled by an increase in the employment share of industries which have historically been characterised by high numerical flexibility. At the same time pressures to cut costs and reduce risk resulted from net interest paid on loans by companies rising faster than profits.
b. Supply of labour

On the supply-side of the model: the supply of labour is largely determined by the size and composition of the population, the skills available within that population, the mobility of people to regions with high demand for labour, and the history of the participation of various social groups in the labour market. Since 1975 there has been an over-supply of labour with unemployment rates climbing from 5% in 1975 to 10% in 1983 (ABS 6101.0: 66). Between 1983 and 1990 the unemployment rate fluctuated between 8% and 10% (6101.0 1990). In the early months of 1991, the rate remained between 9% and 10% (6203.0, January, February, March 1991). Despite the high unemployment rate throughout the 1980s there have been labour shortages in some regions. This has been reported particularly in unskilled and junior positions (DEET, 1988b: 4).

In Australia the process of immigration has shaped the characteristics of the labour force. It has done this by spreading European and other cultural norms and expectations to Australia with the movement of labour. It has also affected the requirements of workers for permanent employment and the ability of unions to gain the support of workers. A government policy of assisted immigration has generated and sustained the in-flow of workers (Gibson, 1982: 235-243). Over the last two centuries people have come to Australia from a wide variety of countries, although the largest group has come from the United Kingdom. Immigrants from different countries have arrived in waves and been segmented into different parts of the labour market.

Immigrants to Australia have brought with them not only skills and labour, but also orientations and expectations with respect to paid work. Immigrants from the U.K. have tended to be industrially sophisticated, have joined trade unions and to have had high expectations regarding conditions of work. In contrast immigrants from Southern Europe have often had less industrial experience since they have tended to work in agriculture. The model presented in Chapter 1 generates expectations that these different groups would seek out different employment relations. Some groups, for example, would be expected to engage in full-time employment as a means of generating capital for future self-employment. Others may seek to maximise income by earning high hourly rates in irregular jobs. Indeed the process of migration may itself tend to generate an orientation that wages are more important than other conditions such as job tenure.

People born in different places experience different amounts of permanent, casual, and self-employment, and have different preferences regarding these forms of employment. However the differences with respect to birthplace are not sufficiently large in Australia.
to affect the supply of labour. The group expressing the greatest preference for permanent employment are those born outside Australia in non-English speaking countries (Table 2.8).

Table 2.8
Preference for Permanent or Casual Employment by Birthplace.

<table>
<thead>
<tr>
<th></th>
<th>Prefer permanent</th>
<th>Prefer casual</th>
<th>No pref.</th>
<th>Total '000</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Males</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Born in Australia</td>
<td>88</td>
<td>9</td>
<td>3</td>
<td>2,646</td>
<td>100</td>
</tr>
<tr>
<td>Born outside Aust</td>
<td>87</td>
<td>10</td>
<td>3</td>
<td>918</td>
<td>100</td>
</tr>
<tr>
<td>Born MES* countries</td>
<td>85</td>
<td>12</td>
<td>3</td>
<td>435</td>
<td>100</td>
</tr>
<tr>
<td>Born other countries</td>
<td>89</td>
<td>8</td>
<td>3</td>
<td>483</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>88</td>
<td>9</td>
<td>3</td>
<td>3,564</td>
<td>100</td>
</tr>
<tr>
<td><strong>Females</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Born in Australia</td>
<td>73</td>
<td>24</td>
<td>3</td>
<td>1,897</td>
<td>100</td>
</tr>
<tr>
<td>Born outside Aust</td>
<td>75</td>
<td>21</td>
<td>3</td>
<td>564</td>
<td>99</td>
</tr>
<tr>
<td>Born MES countries</td>
<td>71</td>
<td>25</td>
<td>4</td>
<td>294</td>
<td>100</td>
</tr>
<tr>
<td>Born other countries</td>
<td>80</td>
<td>18</td>
<td>2</td>
<td>269</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>74</td>
<td>23</td>
<td>3</td>
<td>2,461</td>
<td>100</td>
</tr>
<tr>
<td><strong>Persons</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Born in Australia</td>
<td>82</td>
<td>15</td>
<td>3</td>
<td>4,543</td>
<td>100</td>
</tr>
<tr>
<td>Born outside Aust</td>
<td>83</td>
<td>14</td>
<td>3</td>
<td>1,482</td>
<td>100</td>
</tr>
<tr>
<td>Born MES countries</td>
<td>79</td>
<td>17</td>
<td>4</td>
<td>730</td>
<td>100</td>
</tr>
<tr>
<td>Born other countries</td>
<td>86</td>
<td>12</td>
<td>2</td>
<td>752</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>82</td>
<td>15</td>
<td>3</td>
<td>6,025</td>
<td>100</td>
</tr>
</tbody>
</table>

* MES: Main English Speaking Countries.

Overall marginally fewer people born outside of Australia ‘prefer’ casual employment. Despite this, 5% of those born outside of Australia work at home, many of whom are paid in kind, compared with 3.5% of the population as a whole (ABS 6275.0: Table 3). Home-work is characterised by low levels of job tenure, but preference regarding job tenure seems to make little difference. Those from ‘Main English Speaking’ countries
and those from 'other' countries have a similar rate of employment at home (Table 2.9), despite different preferences regarding job tenure (Table 2.8).

Table 2.9
Comparison of Homeworkers and Other Employees: Sex, Tenure and Birthplace.

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Homeworkers (%)</th>
<th>Total Employees (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sex</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>30.1</td>
<td>59.4</td>
</tr>
<tr>
<td>Female</td>
<td>69.8</td>
<td>40.6</td>
</tr>
<tr>
<td>Total</td>
<td>99.9</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Job tenure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent*</td>
<td>40</td>
<td>80</td>
</tr>
<tr>
<td>Casual</td>
<td>60</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td><strong>Birthplace</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australian Born</td>
<td>71.0</td>
<td>74.1</td>
</tr>
<tr>
<td>Born in a MES country</td>
<td>15.2</td>
<td>13.4</td>
</tr>
<tr>
<td>Born in an other country</td>
<td>13.8</td>
<td>12.5</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

(Source: ABS 6275.0 Table 12; and unpub Alternative Working Arrangements Survey, 1986.
* Not exactly comparable since the homeworkers survey was published in 1989 and the Alternative Working Arrangements Survey in 1986)

A survey of 224 outworkers in NSW found that 48% were immigrants, mainly from non-English speaking countries (Women's Directorate, 1987). This compared to about 26% of the Australian labour force who were immigrants at the time of the survey (ABS 6203.0 August 1985: 18). The wide range of Asian and European countries from which the outworkers came suggests that it is the immigration process, rather than cultural orientation, which increases the tendency for immigrants to be employed in these types of arrangements.
There has not been significant entry of guest workers into Australia. Guest workers are workers who are given short term visas to enter a country for the purpose of obtaining work. Such workers are common in Northern Europe, especially in the Scandinavian countries and Switzerland (Cohen, 1987). By definition guest workers are employed temporarily since their visas are limited and they are not permitted to remain in the host country after their visa has expired. In order to reduce the likelihood of such workers 'overstaying' their families are not permitted entry to the host country. Such guest workers have provided a source of temporary labour in many OECD countries.

There is in Australia, however, a population of illegal immigrants who work and who have no *de jure* job tenure by virtue of their illegal status. The number of such workers has been estimated at between 90,000 and 150,000 people on 30 April 1990 (Joint Standing Committee on Migration Regulations, September 1990). It can be assumed that most of these people are in the labour force since they have no access to welfare payments. It is unlikely that they have capital from which they can live since this would entitle them to legal immigrant status. Assuming that most illegal immigrants are looking for or performing, paid work, the proportion of the labour force which has illegal status could be as high as 2%. While in terms of the overall supply of labour this group of workers is insignificant such workers would be largely confined to jobs where people move frequently, such as agricultural labourers, or to occupations where the payment of tax can be avoided. They may form a significant proportion of the workforce in such jobs. Indeed studies of such occupations in other countries have noted the large proportion of illegal aliens in them (e.g. Portes and Sassen-Koob, 1987 and Portes and Stepick, 1985).
Domestic responsibilities of men and women are significant in determining preferences with respect to job tenure. We know that women do more domestic labour than men in most households and that women's domestic responsibilities affect their participation in paid work (Baxter, Gibson and Lynch-Blosse, 1990). Women's role in the domestic division of labour often precludes them from full-time, regular work, while men's role of providing financial stability often precludes them from irregular or part-time work. This means that women and men have different preferences regarding job tenure. As indicated earlier, women are more likely to express a preference for casual employment (Table 2.8). Women are less likely than men to choose part-time work for 'economic' or 'personal' reasons and are more likely to choose part-time work for 'family' reasons (Table 2.10).

Table 2.10

Employees Working 10-29 Hours: Main Reason for Working Less than 30 Hours.

<table>
<thead>
<tr>
<th>Reason</th>
<th>Males %</th>
<th>Females %</th>
<th>Persons '000</th>
<th>Persons %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>only such work available</td>
<td>24.3</td>
<td>15.3</td>
<td>70</td>
<td>16.6</td>
</tr>
<tr>
<td>hours req. for wanted job</td>
<td>29.1</td>
<td>30.7</td>
<td>128</td>
<td>30.5</td>
</tr>
<tr>
<td>Personal</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>own health</td>
<td>-</td>
<td>2.0</td>
<td>8</td>
<td>1.9</td>
</tr>
<tr>
<td>wanted/needed limited income</td>
<td>13.6</td>
<td>12.0</td>
<td>51</td>
<td>12.1</td>
</tr>
<tr>
<td>time for study</td>
<td>20.0</td>
<td>2.7</td>
<td>20</td>
<td>4.8</td>
</tr>
<tr>
<td>wanted to meet people</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>unable to find more child care</td>
<td>-</td>
<td>1.7</td>
<td>6</td>
<td>1.5</td>
</tr>
<tr>
<td>needed time for housework etc</td>
<td>-</td>
<td>12.7</td>
<td>47</td>
<td>11.1</td>
</tr>
<tr>
<td>more time for interests</td>
<td>-</td>
<td>20.6</td>
<td>76</td>
<td>18.1</td>
</tr>
<tr>
<td>Other</td>
<td>9.1</td>
<td>1.8</td>
<td>12</td>
<td>2.8</td>
</tr>
<tr>
<td>Total</td>
<td>96.1</td>
<td>99.5</td>
<td>420</td>
<td>100.0</td>
</tr>
</tbody>
</table>

(Source: ABS 6341.0 Sept. to Nov. 1986 Table 3.

n.b. numbers do not add to 100 due to elimination by ABS of small cells and due to rounding.)
The differences in preference are very small between Australian and overseas born workers, but the differences are slightly greater for female workers (Table 2.8). More female workers born in English speaking countries prefer casual employment. In this case preferences are reflected in outcomes, with more English speaking female immigrants employed in casual jobs than are immigrants from non-English speaking countries (Table 2.11).

**Table 2.11**

*Permanent or Casual Employment by Birthplace and Sex.*

<table>
<thead>
<tr>
<th></th>
<th>Permanent</th>
<th>Casual</th>
<th>Total '000</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Males</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Born in Australia</td>
<td>88</td>
<td>12</td>
<td>2646</td>
<td>100</td>
</tr>
<tr>
<td>Born outside Aust</td>
<td>88</td>
<td>12</td>
<td>918</td>
<td>100</td>
</tr>
<tr>
<td>Born MES countries</td>
<td>88</td>
<td>12</td>
<td>435</td>
<td>100</td>
</tr>
<tr>
<td>Born other countries</td>
<td>87</td>
<td>13</td>
<td>483</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>88</td>
<td>12</td>
<td>3564</td>
<td>100</td>
</tr>
<tr>
<td><strong>Females</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Born in Australia</td>
<td>68</td>
<td>32</td>
<td>1897</td>
<td>100</td>
</tr>
<tr>
<td>Born outside Aust</td>
<td>74</td>
<td>26</td>
<td>564</td>
<td>100</td>
</tr>
<tr>
<td>Born MES countries</td>
<td>70</td>
<td>30</td>
<td>294</td>
<td>100</td>
</tr>
<tr>
<td>Born other countries</td>
<td>78</td>
<td>22</td>
<td>269</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>70</td>
<td>31</td>
<td>2461</td>
<td>100</td>
</tr>
</tbody>
</table>

Length of residence in Australia is not significant in the preferences of male immigrants for casual or permanent jobs. However, for females length of residence does appear to be very significant. Only one fifth of female immigrants who arrived in Australia prior to 1961 prefer permanent employment, compared to two fifths of those arriving after 1961 (Table 2.12).

Table 2.12
Preference for Permanent or Casual Employment by Year of Arrival in Australia.

<table>
<thead>
<tr>
<th></th>
<th>Prefer permanent</th>
<th>No pref.</th>
<th>Total o/s born.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td></td>
<td>o/s born.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Males</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arrived before 1961</td>
<td>87</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Arrived 1961-1970</td>
<td>87</td>
<td>11</td>
<td>3</td>
</tr>
<tr>
<td>Arrived 1971-1980</td>
<td>87</td>
<td>10</td>
<td>2</td>
</tr>
<tr>
<td>Arrived 1981-1986</td>
<td>85</td>
<td>13</td>
<td>1</td>
</tr>
<tr>
<td><strong>Females</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arrived before 1961</td>
<td>60</td>
<td>34</td>
<td>6</td>
</tr>
<tr>
<td>Arrived 1961-1970</td>
<td>81</td>
<td>17</td>
<td>2</td>
</tr>
<tr>
<td>Arrived 1971-1980</td>
<td>76</td>
<td>21</td>
<td>3</td>
</tr>
<tr>
<td>Arrived 1981-1986</td>
<td>80</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td><strong>Persons</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arrived before 1961</td>
<td>79</td>
<td>16</td>
<td>5</td>
</tr>
<tr>
<td>Arrived 1961-1970</td>
<td>85</td>
<td>13</td>
<td>2</td>
</tr>
<tr>
<td>Arrived 1971-1980</td>
<td>83</td>
<td>15</td>
<td>3</td>
</tr>
<tr>
<td>Arrived 1981-1986</td>
<td>83</td>
<td>14</td>
<td>2</td>
</tr>
</tbody>
</table>


This supports the notion that family employment strategies will vary according to the economic pressures. In particular the financial insecurities which result from immigration create a greater likelihood of married women wanting to work in permanent jobs. The entry of married women refugees into the workforce for the first time on arrival in Australia has been documented in relation to Vietnamese immigrants by Lewins (1985:68). Lewins notes that of his sample of 50 females only 14 had worked in paid
jobs in Vietnam, the remaining 36 all entered the workforce for the first time on entering Australia. A report to an OECD conference on the future of immigration in Australia notes that "...there is an early realisation among migrants that one (usually low) income earner is insufficient for survival during the early settlement period." (DEET, 1986:3). Given the restriction of non-English speaking migrants and especially refugees to the lowest paid segments of the workforce (DEET, 1986), it is not surprising that job security is preferred by this group.

The extent of the difference between men and women varies according to life-cycle stage. Married women in the child-bearing and rearing age-group (25-44 years) are most likely to express a preference for casual employment. This is the period in which ideologies of motherhood and fatherhood reinforce the ideologies of femininity and masculinity with respect to paid work (Wearing, 1984). At this time women are most 'marginal' in their attachment to the paid workforce. In contrast men are most marginally attached during their early working life (Table 2.13). Many of these men work less than 30 hours to enable them to participate in formal education (Table 2.10). Predictably, women are more likely to give 'family' reasons for working less than 30 hours per week (Table 2.10).
<table>
<thead>
<tr>
<th>Permanent or casual work</th>
<th>Males</th>
<th>Females</th>
<th>Persons '000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>&lt; 25 yrs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent</td>
<td>91.8</td>
<td>88.0</td>
<td>1259 90.1</td>
</tr>
<tr>
<td>Casual</td>
<td>8.2</td>
<td>12.0</td>
<td>138 9.8</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
<td>1396 100.0</td>
</tr>
<tr>
<td><strong>25-44yrs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent</td>
<td>94.4</td>
<td>79.2</td>
<td>2129 88.9</td>
</tr>
<tr>
<td>Casual</td>
<td>5.6</td>
<td>20.8</td>
<td>264 11.1</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
<td>2393 100.0</td>
</tr>
<tr>
<td><strong>&gt;44yrs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent</td>
<td>96.0</td>
<td>82.8</td>
<td>1112 92.0</td>
</tr>
<tr>
<td>Casual</td>
<td>4.0</td>
<td>17.2</td>
<td>97 8.0</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
<td>1209 100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent</td>
<td>94.2</td>
<td>83.0</td>
<td>4500 90.0</td>
</tr>
<tr>
<td>Casual</td>
<td>5.8</td>
<td>17.0</td>
<td>499 10.0</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
<td>4999 100.0</td>
</tr>
</tbody>
</table>

(Source: ABS 6341.0 March to May 1982, Table 2).
The argument that women are most marginal in their attachment to the workforce when they have children is supported by the homeworkers survey which shows that women of child-bearing age and older are most likely to be working at home. However, the proportions of women working at home increases from 25 years onwards, suggesting that once attained the 'marginality' is a permanent characteristic of these workers, not one which changes as preferences regarding job tenure change in later life. The group of men who would be expected to be most highly represented as homeworkers are young students. This group (age 15-24) has a particularly low rate of employment at home. This again suggests that preference regarding job tenure is not an explanation for the different rates of *de jure* job tenure among social groups (Table 2.14).

### Table 2.14
Proportions of Men and Women Working at Home by Age.

<table>
<thead>
<tr>
<th>Age (years)</th>
<th>Males (%)</th>
<th>Females (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-24</td>
<td>0.5</td>
<td>0.9</td>
</tr>
<tr>
<td>25-34</td>
<td>1.0</td>
<td>6.9</td>
</tr>
<tr>
<td>35-44</td>
<td>2.3</td>
<td>7.6</td>
</tr>
<tr>
<td>45-54</td>
<td>2.2</td>
<td>7.7</td>
</tr>
<tr>
<td>55-65</td>
<td>3.2</td>
<td>11.1</td>
</tr>
<tr>
<td>65+</td>
<td>7.9</td>
<td>25.0</td>
</tr>
</tbody>
</table>

(Source: ABS 6275.0 Table 12)
Nearly half of workers employed between ten and thirty hours give 'economic' reasons for working less than thirty hours. This means that for both men and women who wish to work full-time jobs are not available at all or are not available in their chosen industry or occupations. Many of these people are casual workers who would prefer permanent full-time employment. Thus while a large proportion of casual workers are satisfied with their job tenure arrangements, nearly half would have preferred a permanent job. In contrast very few (8%) permanent workers would prefer casual employment (Table 2.15). This suggests that there is an under supply of full-time permanent jobs compared to casual jobs.

Table 2.15
Preference for Casual or Permanent Employment: Sex and Employment Status.

<table>
<thead>
<tr>
<th>Preference for permanent or casual work</th>
<th>Males</th>
<th>Females</th>
<th>Persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent worker</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preferred permanent</td>
<td>93.3</td>
<td>90.0</td>
<td>4454</td>
</tr>
<tr>
<td>Preferred casual</td>
<td>6.7</td>
<td>10.0</td>
<td>300</td>
</tr>
<tr>
<td>Total*</td>
<td>100.0</td>
<td>100.0</td>
<td>4834</td>
</tr>
<tr>
<td>Casual worker</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preferred permanent</td>
<td>48.9</td>
<td>37.4</td>
<td>496</td>
</tr>
<tr>
<td>Preferred casual</td>
<td>51.1</td>
<td>62.6</td>
<td>603</td>
</tr>
<tr>
<td>Total*</td>
<td>100.0</td>
<td>100.0</td>
<td>1192</td>
</tr>
</tbody>
</table>

(Source: ABS 6341.0 Sept. to Nov. 1986, Table 3.
* Totals include 'undecided' responses.)
More casually employed males than females would prefer weekly employment (Table 2.15). Preference varies by age, with women aged 25 -44 and men aged less than 25 stating preference for casual employment in higher numbers (Table 2.16).

Table 2. 16
Preference for Permanent or Casual Employment: Marital Status, Sex and Age.

<table>
<thead>
<tr>
<th>Preference for</th>
<th>Males</th>
<th></th>
<th></th>
<th>Females</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Married</td>
<td>Not married</td>
<td>Married</td>
<td>Not married</td>
<td></td>
<td></td>
</tr>
<tr>
<td>permanent or casual work</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 25 yrs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preferred permanent</td>
<td>85</td>
<td>84</td>
<td>86</td>
<td>88</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preferred casual</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>99</td>
<td>98</td>
<td>100</td>
<td>98</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25-44 yrs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preferred permanent</td>
<td>88</td>
<td>83</td>
<td>81</td>
<td>87</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preferred casual</td>
<td>10</td>
<td>15</td>
<td>16</td>
<td>11</td>
<td></td>
<td></td>
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<tr>
<td>Total</td>
<td>98</td>
<td>98</td>
<td>97</td>
<td>98</td>
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<tr>
<td>45+ yrs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preferred permanent</td>
<td>91</td>
<td>87</td>
<td>83</td>
<td>86</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preferred casual</td>
<td>6</td>
<td>8</td>
<td>13</td>
<td>7</td>
<td></td>
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<td>Preferred permanent</td>
<td>89</td>
<td>84</td>
<td>82</td>
<td>87</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preferred casual</td>
<td>9</td>
<td>14</td>
<td>15</td>
<td>10</td>
<td></td>
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<tr>
<td>Total</td>
<td>98</td>
<td>98</td>
<td>97</td>
<td>97</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Source: ABS 6341.0 March to May, 1982 Table 2.

n.b. percentages do not add to 100 due to 'undecided' responses and rounding)

While preference for casual employment appears to be linked to life-cycle factors (as indicated by marital status and age), actual casual employment is not greater for men in the age group which expresses greater preference for it (Table 2.17). This is not true for women for whom the age group in which more people express interest in casual employment is characterised by a higher rate of such employment (Table 2.17). Comparing the number of men expressing an interest in casual employment (Table 2.16)
Table 2.17
Permanent or Casual Employment: Sex, Age and Marital Status.

<table>
<thead>
<tr>
<th>Permanent or casual work</th>
<th>Males</th>
<th></th>
<th></th>
<th>Females</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Married</td>
<td>Unmarried</td>
<td>Married</td>
<td>Unmarried</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>&lt; 25 yrs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent ('000)</td>
<td>130</td>
<td>586</td>
<td>147</td>
<td>395</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Casual ('000)</td>
<td>9</td>
<td>55</td>
<td>30</td>
<td>44</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>139</td>
<td>642</td>
<td>177</td>
<td>439</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Casual</td>
<td>6.3</td>
<td>8.6</td>
<td>17.0</td>
<td>10.0</td>
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<td></td>
</tr>
<tr>
<td><strong>25-44 yrs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent ('000)</td>
<td>1169</td>
<td>280</td>
<td>485</td>
<td>194</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Casual ('000)</td>
<td>57</td>
<td>28</td>
<td>153</td>
<td>26</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1226</td>
<td>309</td>
<td>638</td>
<td>220</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Casual</td>
<td>4.7</td>
<td>9.2</td>
<td>23.9</td>
<td>11.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>&gt; 44 yrs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent ('000)</td>
<td>709</td>
<td>101</td>
<td>218</td>
<td>84</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Casual ('000)</td>
<td>28</td>
<td>6</td>
<td>57</td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>737</td>
<td>107</td>
<td>275</td>
<td>90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Casual</td>
<td>2.8</td>
<td>5.2</td>
<td>20.6</td>
<td>6.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent ('000)</td>
<td>2008</td>
<td>968</td>
<td>850</td>
<td>674</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Casual ('000)</td>
<td>94</td>
<td>89</td>
<td>239</td>
<td>76</td>
<td></td>
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</tr>
<tr>
<td>Total</td>
<td>2102</td>
<td>1057</td>
<td>1090</td>
<td>750</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Casual</td>
<td>4.5</td>
<td>8.4</td>
<td>22.0</td>
<td>10.1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Source: ABS 6341.0 March to May 1982, Table 2.)

As women's employment has increased the proportion of younger and older workers has decreased as people have retired earlier and ended full-time education later (Treasury Economic Paper 1979). Teenage and young adult male employment rates have consistently fallen since 1966 although part-time work has risen for this group. Between 1965 and 1980 the absolute numbers of young people in the full-time labour force declined due to increasing retention rates in secondary and tertiary education. The trend to increased retention reversed for boys in the 1970s but continued to increase for girls through the 1980s (ABS 4221.0, 1989: 52).
Higher retention rates have generated an increased supply of unskilled part-time and casual labour (Nolan and Hagan, 1989; Peterson and Mackay, 1986). Substantial occupational concentration exists for youth. The industries which employ the largest proportions of young people are: entertainment, recreation and personal services, finance and investment, retail, construction, wood and furniture making and agriculture. With the exception of wood and furniture making, these are all industries which employ a high proportion of independent contract and casual labour. In no case however, is the employment of people under 25 years of age greater than 2% of the total workforce of the industry (Paterson and Mackay, 1986: 4-16). So, while the supply of part-time youth may be advantageous to employers in some industries it is unlikely to be essential.

The high rate of home ownership in Australia and the regionally isolated nature of mining and agricultural production has meant that housing has provided barriers to geographic mobility of labour. In isolated regions, where labour shortages are expected, state governments have attempted to increase geographic mobility by providing housing (Perkins, 1985). Casual and temporary employment in isolated enterprises is taken disproportionately by people from Aboriginal communities. Research in some Aboriginal communities suggests that while many casual and temporary workers would prefer permanent employment the limited jobs available close to established communities tend to be casual and temporary in nature (O'Faircheallaigh, 1985; Mewett, 1985; Anderson, 1983; Morris, 1983).

In summary, a plentiful supply of labour is available in Australia for both casual and permanent jobs. While more casual workers would prefer permanent jobs there is no pressure from this source for employers to structure jobs to attract workers who prefer casual employment. Under-employment (involuntary part-time labour) surged in 1982 and has remained high. Econometric analysis (Robertson, 1989) has shown that this surge occurred at the same time as a surge in unemployment and a rise in the number of part-time jobs. While there was a growing demand from married women for part-time jobs during the 1980s the main cause of the increase in the proportion of part-time employment was the lack of full-time jobs. The high rate of unemployment, increased participation of women and students in the labour force and patterns of immigration have generated a situation in which employers can structure jobs to suit their own demands rather than to suit the preferences of particular groups of workers.
The effect of a plentiful supply of labour on conditions of employment, such as job tenure, implied in the effort bargain is mediated through unions. The centralised industrial relations system in Australia implies an encouragement of workers to enter into organisations so that they may be represented in the Commissions. Indeed unions are registered under the *Industrial Relations Act* 1988 (Cth) so that they may participate in the system.

A peak union body - the ACTU, coordinates the activities of unions and funds activities, such as test cases, which benefit all unions. One activity which has affected the direction of the union movement in the late 1980s and 1990s was a trade union mission to Western Europe. In the mid-1980s the mission presented a report to the Union movement in Australia entitled *Australia Reconstructed* (ACTU, 1987). This report outlines the future strategies to be pursued by the union movement. The recommendations made by the report include the development of national objectives to be agreed between Government, unions, community and business groups; establishment of a national development fund; extension of superannuation coverage of workers; and reduction in the number of unions.

Except for a short period industrial relations in Australia have been centralised out of individual establishments. Partly because of the need for workers to be represented in court Australian union membership has historically been high. In 1980 about 60% of the workforce belonged to a trade union (DIR, 1980: 16). The proportion of workers belonging to trade unions has decreased as low tenure forms of employment has increased. Membership declined in the 1980s to 42% in August 1988 (6101.0, 1988: 129).

The industries with the highest rates of casual employment are those with the lowest rates of union membership: agriculture (13%); wholesale and retail (23%); finance, property and business services (28%) and recreation, personal and other services (26%). The industries with high rates of union membership are: electricity, gas and water (80%); communications (76%); public administration and defence (61%) and mining (63%) (ABS 6101.0: 129).

Social groups have different rates of union membership. Women have lower rates of union membership than men. In 1988 35% of females were members and 46% of men. Casuals had a low 20% rate of union membership compared with 47% for weekly employees (ABS 6101.0: 129). Birthplace is also related to union membership: people born in English speaking countries other than the U.K. and Ireland have the lowest rates
of union membership (30%); while those from Yugoslavia have the highest (63%) (ABS 6101.0:129).

The decline in rates of union membership is linked with increases in contract for service and outwork arrangements. Unions are entitled to enrol independent contractors at the federal level but many independent contractors and outworkers negotiate their employment contracts directly with their employers (Cummings, 1986: 1-5). Further, even though unions are entitled to enrol casual employees they find it very difficult to maintain a high level of union membership because of the fast turnover of people employed (Anderson, 1985).

The union movement opposes the reduction of job tenure in the labour market. The ACTU has adopted a policy of 'new realism' or 'strategic' unionism in countering the erosion of working conditions (Kyloh, 1989). While a decline in union membership has been associated with a decline in job tenure the connection is not a causal one. It would appear that the decline in union membership is due to an increase in the proportion of jobs in sectors which have not had high levels of union membership. However, the decline, along with high rates of unemployment, indicates a potential weakening of the union movement. While the union movement is attempting to attract members from the expanding sectors of the economy it has not succeeded in doing so. The failure of unions to strengthen their role in the newly expanding sectors, especially in 'women's' sectors of the economy, means that security of job tenure in these sectors is unlikely to increase in the face of demand pressures in the opposite direction (c.f. O'Donnell and Hall, 1988).

d. Government policy
The government in Australia can affect patterns of job tenure through its incomes and industrial relations policies. Income and industrial relations policies of the current government have reflected the commitment to restructuring of Australian industry to facilitate the growth of export oriented industries. In particular the manpower policy is aimed at increasing labour market flexibility through training, changes in the union structure, and award restructuring (Committee of Inquiry into Labour Market Programs, 1985; BLMR 1985; NLCC 1987; Willis, 1988). In their focus on increasing flexibility the policies of the Australian government are similar to those currently being pursued by other OECD governments (as outlined in Chapter 1). But while the government's policies are similar to those of other OECD governments, with respect to industrial and labour market restructuring, the Australian government is constrained by the peculiarities of the industrial relations system.
In Australia the dependence on the global economy and terms of trade for export of raw materials means that government policies have limited scope in creation of demand. Historically governments have attempted to affect the demand for labour by borrowing money to fund infrastructural development, by applying protectionist policies to stimulate manufacturing investment and by imposing corporate taxes. These policies have redistributed the demand for labour to manufacturing industries (Study Group on Structural Adjustment 1978). Given that Australia, as a small exporter, is a price taker not a price maker the ability of the Australian government to affect terms of trade is slight. Current attempts to influence the policies of our major trading partners include ambassadorial representation in Washington and membership of the 'Cairns group' of nations. The Cairns group represents small trading nations which are disadvantaged by the protectionism of large trading nations (Higgott, 1987: 35-58).

The limited scope for the government to affect terms of trade has resulted in government attention being directed inward, at the restructuring of the Australian economy. Policy measures directed at encouraging investment have included de-regulation of the financial system; taxation changes; and reductions in restrictions on foreign investment (Commonwealth Govt. 1988a). Until 1980 the policy of the federal government was to impose high tariffs on manufactured goods in an attempt to protect the Australian manufacturing sector from import competition. Industry has been assisted through direct financial grants, import restrictions, pricing agreements, government purchasing preference to local industry, taxation concessions and state government payroll and land tax rebates. The state governments have also made loans, facilities and services available to industry at concessional rates (Raskall, 1983; Rattigan, 1986; Warhurst, 1980).

Since 1983 government policies have been designed to reduce protection of domestic industry and specific programs have been developed to assist the highly protected industries to adjust to lower levels of protection. In 1987 the government announced further reductions in assistance to manufacturing and primary industries and a reduction in tariffs (OECD 1988: 48-54). In the place of such protection export incentives and assistance to increase the value-added component of current exports have been introduced (Higgott, 1987; Dept of Trade, 1983). In particular, tourism, tertiary education services, banking and finance, medical services and bio-technology have been targeted.

The increased support for some industries and decreased support for others affects patterns of job tenure, since these patterns vary by industry. For example, withdrawal
of protection from manufacturing has reduced employment in car manufacturing and
textiles (Bagwell, 1989; Hooper, 1989; Mackenzie, 1990; 1991). These industries have
been characterised by relatively high proportions of permanent jobs.

In contrast the industries targeted for assistance are characterised by low or decreasing
levels of full-time, weekly employment. The tourist industry has historically been
characterised by high levels of casual employment. A union survey in 1983 estimated
that 69% of hospitality industry employees worked less than full-time and most of these
work in casual jobs (FLAIEU, 1989: 115). The ABS categorises tourism in the 'recreation, personal and other services' category, which has the highest rate of casual
employment of any major industrial classification at 44% (ABS 6341.0, 1986, Table 3).

The banking and financial sectors of the economy have been characterised by high rates
of permanent full-time jobs. The ABS survey reported 19% casual employment in the
financial sector - higher than manufacturing but lower than other service sectors.
Recently, part-time and temporary jobs have become more common in banks
(Biddington et al. 1989; ABEU, 1985: 3). In addition to casual employment agency
arrangements have traditionally been common in the financial sector. In 1980 20% of
workers in the insurance industry were self-employed agents or brokers. (Law Reform
Commission, 1980: xiii). In 1991 5,800 people reported to the ABS that they were self-
employed insurance agents compared with 14,300 salary earners in the industry (i.e.
figures are not directly comparable they do indicate that agency arrangements are
common in the financial sector and that they have been common for at least ten years. In
addition, during the 1980s, franchising emerged in the banking industry (ABEU

Both tertiary education and medical services are included in the major industry category
'community services'. This category has a casual employment rate of 19% (ABS
6341.0, 1986, Table 3). The casual employment rate is not a good indication of de jure
tenure in tertiary education. Where jobs are not full-time and permanent they are often
fixed term rather than casual. In 1989 higher education institutions in Australia
employed 28,830 academic staff and 37,751 non-academic staff. Of the total staff two-
thirds (64%) were in permanent or tenurable jobs; 9% were employed casually and
22.5% were employed in fixed term positions (DEET Selected Higher Education Stats,
1989:65). Given that tertiary education institutions are experiencing budget cuts the
proportion of fixed-term contracts might be expected to increase. Further, some
institutions have begun to achieve cost cutting by contracting out services, such as
catering and cleaning, which were previously performed by employees (c.f. Tertiary
Education Commission Report for the 1988-90 Trienium). While tertiary education does not have a high rate of casual employment it cannot be said to be characterised by a high degree of *de jure* job tenure.

The medical services and bio-technology areas incorporate a wide range of employers. Government funding has been used to establish research centres which employ scientists on temporary contracts (c.f. Molecular Biology and Bio-technology Special Research Centre Annual Report 1990; Harvey and Runciman, 1991). The sector also comprises private companies about which there is very limited information with respect to job tenure.

The government has attempted to facilitate industrial restructuring through changes to corporate taxation as well as through incentives and the removal of trade barriers. The corporate tax structure affects domestic investment in Australia, the investment of domestic capital overseas and foreign investment in Australia. The tax structure has, during the 1980s, favoured investment in some industries more than in others. For example, in 1987 the Bureau of Industry Economics noted that investment in plant and equipment was treated more favourably by depreciation allowances than investment in building (BIE, 1987: 91). This favoured investment in manufacturing (overall characterised by high levels of job tenure) over investment in the service sector (overall characterised by low levels of job tenure). Since 1988 the government has attempted to even out corporate taxation to encourage investment in productive areas, rather than in areas which generate greatest tax concessions (Keating, 1988: 2).

As well as policies affecting industry structure, patterns of employment tenure are likely to be affected by policies affecting firm size. In Australia in the 1980s the large firms lost part of their share of employment to medium sized firms. The share of small firms remained constant. The Commonwealth and State governments have actively fostered the growth of small and medium sized firms, characterised by lower job tenure, and has facilitated links between Australian and overseas firms (BIE 1989a: 1-75). The latter will have some affect on job tenure as managers try out overseas employment practices in Australian firms. Given the wide range of employment practices used in firms overseas, the uncertainty regarding managers' desire to try these in Australia and the likelihood of variable success if they are tried, the consequences of adopting overseas practices are not at all clear.

While the Parliament in Australia cannot directly regulate terms and conditions of employment by legislation governments inevitably attempt to indirectly influence the outcomes of Commission hearings. The Commissions in turn base their decisions on
both the 'economic reality' as presented by the government and its own perceptions of the industrial relations consequences of particular decisions (Walker, 1984: 11). The current wages policy, known as the 'Accord' has formalised this process. The 'Accord' was initially a bipartite agreement through which the ACTU gained access to government decision making processes on matters relating to social wage justice and industrial policy, in return for industrial harmony. The consequences of the 'Accord' until 1988 were falling inflation rates, a rise in employment rates and a decline in real wages (OECD, 1988:11).

The basic principles of the 'Accord' were articulated and accepted by the parties in the September 1983 National Wage Case. The Accord explicitly attempts to link the operations of the Arbitration system with wider government economic and social policies. Initially it did this by incorporating a principle of wage indexation with real wage increases tied to increases in productivity, as assessed by the Commission, and the provision of a 'social wage' for people not in paid employment. It has continued to link changes in wages to the measures designed to facilitate industrial restructuring, including taxation policy. The process of award restructuring is part of the Accord. It has opened up questions of hours and tenure to scrutiny in all awards and has created a framework in which change can be expected.

Early attempts at award restructuring resulted in cost cutting and the reduction in conditions such as security of job tenure, in return for wage increases (Morris, 1989). The subsequent minister for industrial relations (Peter Morris) stressed the development of new career structures with opportunities for personal advancement, provision of on-the-job and entry-level training and opportunities for workers to use skills acquired off the job (Morris, 1989).

In the National Wage Cases of August 1988 and 1989 the Industrial Relations Commission adopted the goals of the government. The Commission stressed the importance of multi-skilling and the development of career structures in demonstrating productivity improvements (Maddern 1988; 1989). If these principles were followed the effects would be likely to include an increase in job tenure. As firms invest more in training their employees and as worker's wages are tied to completing such training labour turnover could be expected to diminish.

In the 1990-91 National Wage Cases, however, the ACTU, the employers and the Commonwealth Government sought approval from the Commission to enter into enterprise negotiations. In the April 1991 National Wage Decision the Commission expressed reservations about the enterprise bargaining proposals that had been put to it.
In its decision the Commission asked the parties to inform the Commission of their views regarding the role of future National Wage Cases. The fate of the incomplete award reform process was also canvassed. How enterprise bargaining will develop is unclear at the time of writing. However, it might be expected that if the principles of the Commission are replaced with enterprise specific bargains then the importance of the bargaining strength of the parties in determining conditions such as job tenure will increase.

As well as affecting job tenure with policies designed to assist industry restructuring the government also affects policies aimed at the supply-side of the labour market. In the 1950s and 1960s, low-skilled immigrants were sought to provide labour for new manufacturing ventures. Since the rise of unemployment in the mid-1970s immigration has been used to increase the supply of workers in areas where skill shortages exist such as in the electrical and electronic trades and in computing. Immigrants bringing capital have also been encouraged to immigrate in the 1980s and 1990s (Aust Business 4 July 1990: 17-20). Political pressure to allow the entry of migrants for family re-union programs and refugees has tended to swell the numbers of unskilled immigrants entering the labour market. Despite pressures for increasing immigration, for compassionate reasons, the net immigration rate declined in the 1970s as rates of domestic unemployment rose. The low population, affluence and seemingly endless supply of intending immigrants, in combination with geographical isolation, have meant that successive governments have been able to manipulate the rate of immigration to ameliorate the pressures of boom and recession on the labour market. (Perkins, 1985: 150-154; Norris, 1983: 25-7; Dawkins and Duncan, 1989)

The large scale immigration of tradespeople, during periods of labour shortage, and the leakage of tradespeople into higher paying occupations with better working conditions, have together created some difficulty in estimating the numbers of tradespeople required. Overall there appears to be little evidence that there has been a sustained shortage of tradespeople in the last twenty years. The importance of the immigration policy to ensuring a supply of skilled workers has been discussed in an earlier section. The provision of education and training in Australia also affects the skills available in the labour market and has indirect effects on labour available as increased retention rates generate a supply of part-time labour.

The apprenticeship scheme, which is responsible for providing trade-level training, has been the responsibility of state level Apprenticeship Directorates. In some industries, however, the structure of the workforce has mitigated against the training of skilled workers. In particular, in the building industry, the subcontracting system results in a
shortage of skilled workers since fewer young people are directly employed by large firms (which have tended to engage apprentices in the past). Governments have responded to such industry specific shortages by providing incentives for employers to take on apprentices, such as reduced payroll tax and workers compensation subsidies (Perkins, 1985: 123-148). The current program of industry restructuring has resulted in a change in emphasis with respect to training from the targeting of particular groups for assistance to re-training of workers to meet industry needs (Commonwealth Government, 1988a; Committee of Inquiry into Labour Market Programs, 1985).

As well as apprenticeships, state governments sponsor non-trade training courses and re-training through the Technical and Further Education system. Other tertiary institutions provide degree and diploma courses. The education sector also provides regionally specific programs to meet the needs of industry in particular regions (Perkins, 1985). It also provides training programs directed at groups whose participation in the labour market is inadequate. While the level of public expenditure on education is similar to that of other OECD countries privately funded training and education is lower. In particular on-the-job training is not common in Australia. This, in conjunction with inadequate levels of initial schooling in some groups, has meant that retraining of workers is limited (OECD, 1988: 73-8).

The Commonwealth Government has introduced schemes in the 1980s to train young people and to re-train retrenched workers. These include the Australian Traineeship System which is designed to provide broad based training for young people entering non-trade occupations. There are also schemes aimed at increasing the on-the-job training provided by employers (Dawkins, 1988). The effect of schemes on job tenure in retailing is discussed in subsequent chapters.

The rise in the participation rate of women has been linked to a number of government interventions. The most important was the introduction of equal pay legislation. The female wage rates determined by the tribunals in awards, were in the first half of the century, lower than the male wage rates. The NSW state government was the first to pass equal pay legislation in 1958. Other states followed suit over the next ten years with the Federal Commission handing down an equal pay decisions in 1969 and 1972. While the earlier awards did reduce the discrepancies between male and female earnings the 1972 determination instituted 'equal pay for work of equal value'. The minimum wage was extended to women in stages during the 1970s (Treasury Economic Paper 1979: 47-9). Other government initiatives which have encouraged women's participation in the workforce have included funding of child care places and the establishment of bodies such as the Women's Bureau and the Affirmative Action.
Agency. Among other activities these latter two bodies have sponsored educational programs to encourage young women to enter non-traditional occupations. While the entrance of girls into apprenticeships has been very slow, there are some girls training in non-traditional areas (c.f. various issues of *Women and Work*).

It is generally agreed that the demand for child care places exceeds supply suggesting that childcare has been a major impediment to women's participation in full-time employment (DEET 1988-9:19-21; Biggs, 1991). Indeed the proportion of children under five with access to childcare is around 60% (Census of Child Care Services 1991). Where care is available it is often for short periods each week. Government preschool programs take 3-5 year old children, in most states, for four hours each day. The primary care-giver of children who do attend the programs are able to work outside the home for less than four hours daily unless they can find alternative arrangements for transport and child care for the remainder of each day.

The high rate of home ownership in Australia has a dual effect on the shape of the labour market. The lack of public housing in urban areas, in combination with an ideology which favours home ownership, has resulted in a high rate of dual earner households in Australia. This, in combination with the ideology of motherhood, the commitment of many women to the domestic sphere, and limited child care, provides part of the explanation for the high preference of married women with young children for part-time and casual employment.

Other ways in which the government affects the supply of labour in the market include the provision of health and welfare services. In particular the provision of old-age pensions has affected the retirement rate of workers. Women are eligible for the pension at 60 years and men at 65 years. In addition to state funding of pensions many workers are part of compulsory superannuation schemes which fund their retirement. The current federal government is attempting to extend compulsory superannuation to all workers (Commonwealth Government, 1988: Exhibit 13). One aspect of welfare payments which are likely to affect the supply of casual and part-time workers is the disincentive attaching to part-time work for the recipients of such benefits. Beneficiaries of single parent, unemployment and sickness benefits lose entitlements to part or all of their welfare payments on engagement in part-time work (Watts and Rich, 1991).

The policies of the Australian government, both prior to and under the Accord, are similar to those which have been adopted by other OECD countries. In Australia, as in other countries, there has been an emphasis on maintaining industrial relations harmony while providing an environment in which profits may be maximised. It appears, from
the above, that the government has pursued a policy of negotiated de-regulation which is consistent with policies in other OECD countries. In particular, in relation to job tenure, flexibility has been sought. In this situation a distinction is difficult to make between the effects of economic pressures and the effects of the government policies designed to deal with those pressures. In Australia, because of the centralised industrial relations system, in order to pursue its policies the government has had to introduce the process of award restructuring. Awards are different in different industries and the changes in awards in each industry may be documented. The effects of award restructuring in the retail industry will be described in Chapter 6. This will demonstrate some of the constraints faced by the government in implementing its policy.

Discussion: Constraints on Job Tenure in Australia

The trends in employment relations in Australia, which emerge from the above discussion are very similar to trends typical of other OECD economies. Australia has experienced increased employment in small business and self-employment; employment in manufacturing industries is decreasing; contract and temporary employment has increased; part-time employment has increased; the labour force is becoming feminised; and rates of trade union participation are falling. While the move towards self-employment and independent contracting appears to be common to all OECD countries, in Australia it is particularly significant because it represents a move away from award coverage. It thus offers employers a chance to restructure employment strategies outside of the award system.

The constraints on job tenure in Australia, in the 1980s and early 1990s are represented in Diagram 2.1.
Diagram 2.1: Constraints on Job Tenure in Australia

**Government Policy and Regulation: The Accord.**

- New realism, unions and pressure groups.
- Immigration, social welfare, women's policies, education and training, child-care.
- Illegal employment and franchising increasing.
- De-reg, financial system, concessional interest rates for loans, small business services.
- Tariff reduction, tax concessions.
- Lobbying: New right, industry associations.

**Industry Restructuring and Assistance:**

- Incomes policy: productivity based wage increases.
- Demand for labour: increase in demand in industries characterised by low job tenure. High demand for sub-contract labour, franchisees, casuals.

**Industry Structure:**

- Increased demand in services; decrease in manufact.
- Managers' attitudes: stress reduced labour market regulation.

**Managers' Attitudes:**

- Legal constraints on the labour market:
  - Centralised IR system: weekly employment preferred by tribus; regulation of job tenure dependent on nature of industry and precedent which determine agreements and awards.
  - Contract of employment: contract of fixed and for service. TCR provisions add to costs of weekly employment. Legislation.

**Legal Constraints:**

- Labour market:
  - Full-time and weekly employment decreasing; Regional, industrial and occupational segmentation by social characteristics. Weak unions.

**Labour Market:**

- Effort bargain

**Patterns of Job Tenure**

Trend to reduced job tenure including increasing casual employment, increasing self-employment/contract for service and increasing employment in small firms. Illegal employment and franchising increasing.
Only a small part of the trend towards casual employment may be explained by industrial restructuring. Managerial attitudes, the plentiful supply of labour and economic pressures on firms are also implicated as patterns of job tenure change within industries. The economic and attitudinal trends, which have been typical of the 1980s in Australia, have also been typical of other western economies. The similarity of labour market trends in Australia and other OECD countries thus appears to reflect pressures towards economic restructuring common to OECD countries.

In Australia, during the 1970s and 1980s, the success of managerial strategies to increase flexibility has been enhanced by the weakening of the union movement and taxation loopholes which encouraged workers to become independent contractors. In an attempt to by-pass the restrictions imposed by the centralised system it appears that employers have recruited marginal workers, such as women, in jobs where the protection afforded by the system is most limited.

In this context, the Labor government, in accord with the union movement, has tried to reduce the increasing numerical flexibility by encouraging increased flexibility through multi-skilling and training. But the pattern of casualisation which appears to be occurring in Australia seems to allow government policy and institutional constraints a limited role. Some authors have argued that the arbitration system does not exercise a high degree of autonomy. For example, Hancock (1984: 183-199) argues that arbitrators who respond to the cases presented by employers and unions respond largely to market realities. This view is borne out by the apparent lack of protection of job tenure the centralised system has offered to the workforce in a situation of excess labour supply and weak unions. The system has protected individual workers from retrenchment or forced change in status but has been unable to maintain a high level of job tenure in the labour market as a whole.

While the centralised industrial relations system appears to have had limited overall effect on tendencies in job tenure it may affect how the tendencies are manifest in specific industries. The remainder of this thesis describes the outcomes of these forces with respect to patterns of job tenure within the retail industry. The retail industry has been chosen because it is characterised by trends which are typical for the economy as a whole: trends towards part-time jobs and increasing feminisation. It is part of the service sector, which is a growing sector, and is growing itself as an employer. The retail industry is also an appropriate one to study because it is geographically dispersed and therefore employment occurs in all states and regions in this industry.
In earlier chapters, I have argued that firm characteristics and the production process were the two major factors which result in differences, between industries, in patterns of employment tenure. It was suggested that these, and other factors, operate in the context of legal and other institutional constraints to generate an overall pattern of employment tenure in an economy. In Chapter 3 the industry specific characteristics of retailing, which are likely to affect job tenure are outlined. Aspects of the industry discussed are the morphology and trends in organisational structures, technological change, and worker characteristics and the supply of labour and government interventions.

1^Provision was made, by Commissioner Bain, in the case of a number of awards for the TCR provisions to apply to casual workers. In his decision to include casuals in the benefits provided by the TCR, Bain argued that they formed a substantial part of all employees in the industry. The ruling was overturned, by the full bench, on appeal in December 1988 (AILR 1988 Vol. 30 (25) ¶489).

2^The two industries with high rates of part-time employment recorded in the South Australian survey were distribution and community services. In these two industries the relationship between casual and part-time work appears to be different. In the former part-time workers are employed as regular casuals; while the latter is characterised by a larger proportion of permanent part-time workers (6203.4: 11). Thus while overall trends in part-time work indicate trends in tenure, in particular industries the relationship will be different. In some industries (such as banking) increasing part-time employment will represent de-facto tenure reduction and in others it may not.

3. Since the research for this thesis was completed superannuation legislation has been implemented which gives all employees legal entitlement to superannuation payments regardless of job tenure and length of employment.
Chapter 3

The Morphology and Tendencies in Retailing: Implications for Job Tenure

Just as there are institutional constraints on the structuring of jobs, which affect the patterns of job tenure found in particular countries, so there are constraints associated with particular industries. The model presented in Chapter 1 indicates the importance of industry characteristics in shaping the patterns of job tenure which emerge in a given place and time. This chapter outlines the overall trends and characteristics of the retail industry. It attempts to indicate uniformities and differences across OECD nations. In doing so, it provides a picture against which the Australian retail industry can be compared and discussed.

The data from which the following discussion is generated is partial. The literature surveyed relates to a wide variety of OECD countries. The data is limited because some material is not accessible in English. In some cases trends are difficult to discern because of definitional differences between authors referring to particular 'trades' (areas of main business), shop sizes or functions. This is often a reflection of the fact that, the official statistics collected in different countries are not comparable. In the U.K., for example, multiples are distinguished from independent proprietorships when a chain is larger than ten outlets. In the United States the comparable figure is four outlets. Even within one country statistics vary. For example, Brodie (1986, 187) notes that in 1971 there were at least four estimates of the number of retail employees in the U.K. with a discrepancy between the highest and lowest of 300,000 people. Further, firms are generally categorised into 'trades' according to their own assessment of what their 'main business' is.

Another aspect of the literature is the uneven focus on specific forms of retailing. For example, detailed information is available on the emergence of supermarkets and franchising in the United States but little is available on travelling retailers in that country. European literature outlines the emergence of the department store and multiple shop enterprises, but says less about the emergence of supermarkets and franchises or direct selling organisations. The literature on hawking and peddling is largely from third world countries even though these forms are in existence in most countries and may be growing in western economies as the informal sector expands. The above limitations in the data mean that the picture presented is a broad-brush one which outlines general trends. Because of the lack of data which can be used to generate detailed international comparisons subsequent chapters focus exclusively on retailing in Australia.
According to the model presented in earlier chapters, patterns of demand, firm size and characteristics, the nature of the labour process, technological change, the supply of labour and government intervention are important in the structuration of job tenure in a particular industry (See Diagram 3.1).

Diagram 3.1:

**Constraints on Job Tenure in a Single Industry**

Whereas in Chapter 2 the supply of labour, demand patterns and government intervention were discussed in respect to the Australian Labour market, in this chapter these will be discussed in relation to the retail industry. The focus of the chapter is on the characteristics of the retail industry itself: the structure of its organisations and the labour process which is found in them. Tendencies in the industry are described, and
where information is available on the implications of these tendencies for job tenure, it is presented.

The picture which is presented with respect to international trends in the retail industry will be used, in conjunction with the material presented in Chapter 2 on constraints on job tenure in Australia, to structure discussion in subsequent chapters on tendencies in retailing in Australia. It will be used to ascertain which tendencies are common to other OECD countries and which are unique to Australia.

Changing Patterns of Demand for Retail Services
The importance of demand for job tenure in retailing is two-fold. The absolute level of demand determines the bargaining power of unions and workers for improved conditions, including job tenure. The patterns of demand with respect to market segment will determine the intensity of the service desired thus affecting the type of labour required, the effort bargain reached and the tenure attached to jobs.

As far as the absolute level of demand is concerned, it would appear that retail workers are protected from steep fluctuations in demand which are characteristic of some industries. For instance, official statistics record the unemployment rate for both men and women in retail in 1930 in the U.S. as 3.7% - significantly lower than the 7.1% average for all occupations (Milkman, 1976: 77). Similarly, in the high unemployment period of 1890-1900, Porter-Benson (1986) found that shop workers had greater de facto security of tenure than workers in other industries in the United States.

However it is widely recognised that weekly and seasonal fluctuations in demand have had an important effect on demand for labour in the industry. For example, the Distributive Trades Economic Development Committee in the U.K. notes:
"The use of part-time labour is a key feature of efficient manpower utilisation in an industry (retailing) where trading hours extend beyond a normal working week and where wide fluctuations of trade at different times in the week are a permanent fact of life." (Distributive 'trades' EDC, 1982)

The continued survival of large numbers of small firms in the industry has often been explained in terms of the long hours which proprietors and their families are willing to work (Alexander, 1970: 193-7, Bolton, 1971). Not surprisingly, given the daily fluctuations in demand in most OECD countries part-time work in the industry has historically been more prevalent than part-time work in other industries. However the rate has fluctuated both over time and between countries (Hallaire, 1968).
The market for retail services is segmented along a number of dimensions. Segmentation in the market reflects demographic patterns, lifestyles, tastes and economic conditions. Since the 1970s birthrates have fallen in all OECD countries, the most dramatic fall being in Japan. In conjunction with low birth rates and high levels of unemployment in the 1980s most governments discouraged immigration. This has led to slow rates of population growth and an ageing of the population. The demographic and economic patterns have meant that demand for retail services has tended to be low. In the 1970s (US) and 1980s (Europe) declining demand led to increased 'rationalisation' in the retail industry (Burt, 1989).

Both competition and potential customers are geographically bounded for retail firms. This means that local variations in factors such as birth-rates and unemployment rates will affect retail firms more directly than they do manufacturers in the same regions. Competitiveness will vary from region to region depending on factors such as availability of transport to potentially competitive centres, and the size of the population per square foot of retail space. The increased access of customers to both public and private transport has increased competition between shops in adjoining town centres in the last thirty years. Increasing competition has resulted in some retailers cutting costs, while in other situations it results in intensification of the service provided (Rosenbloom, 1980; McCammon, Kasulis, Lesser, 1980; Burt, 1989).

These strategies have quite different implications for patterns of job tenure. An historical comparison of career structures in two American firms suggests that different employment strategies can be pursued by management depending on the level of service staff are required to provide. Where firms wish to maintain their high standard of service different structures will be preferred by management than where a regular and reliable, but not highly motivated, workforce is required. Carter and Carter (1985) demonstrate that higher pay linked to the level of sales achieved by staff was used where a high level of service was required. In contrast lower pay and higher levels of job security were typical of the firm which required a regular and reliable, but not particularly enthusiastic, workforce (Carter and Carter, 1985). Thus the overall pattern of job tenure will be affected by the market niche of the retailer as well as by the overall demand for labour.

Which strategy is adopted will depend in part on market segmentation. Trends such as women entering the labour force and changing family structures can lead to a general segmentation of the market. The two major segments which emerged in the 1970s and 1980s consisted of increased numbers of households with limited disposable income,
which created demand for cheap essentials, and affluent dual or multi-income households, which created demand for 'designer' and other high status products (Burt, 1989: 1-22; Segal-Horn 1987; JETRO, 1979; LIBER, 1989:8). Within each of these major groups are sub-groups, such as the elderly who have low disposable incomes but who require services such as delivery.

Segmentation has led to the emergence of 'lifestyle' retailing: that is the stocking of goods according to image and customer profiles rather than to traditional demarcations between 'trades'. For instance, some outlets of fashion clothes include hair dresser’s where a customer can obtain a hair cut to suit the style of clothes sold by the outlet. Such outlets may also stock shoes and matching leather-goods. Others have targeted a post-war baby-boom generation who now have high incomes. They sell wall paper, fabrics, furniture and other household goods which match each other and together create an image of a particular lifestyle. A whole range of things that can be bought for a house can be designed to coordinate together, binding consumers to a range of products (Totterdill, 1989). Newly profitable consumers are the 25-45 year old working woman; and the 30-40 year old upwardly mobile couples and families (Segal-Horn, 1987: 16).

Shops catering to the middle class, which has remained affluent, have suffered less from recession than those catering to the less affluent whose disposable income has been reduced (Blackwell and Talarzyk, 1983). In particular the increased demand for time-saving services has led to the growth of fast food outlets (e.g. Haugen, 1986). In association with this there has been a trend to shopping outside of 'normal' working hours and to shopping for goods which can replace time-expensive services (Gershuny, 1987: 121).

Patterns of demand indirectly affect patterns of job tenure in an industry by affecting the overall demand for labour and by affecting the types of firms which are successful. In the retail industry market segmentation in particular influences the characteristics of retail firms. Low overall levels of demand and segmentation of the market has led to growth of some types of firms at the expense of others. The characteristics of the remaining firms have a direct impact on patterns of job tenure in the industry. In the next section the changes in firm characteristics are described in more detail and the implications for job tenure is discussed.
The Characteristics of Retail Firms

Retail operations can be characterised as of two types. Those which operate in shops and those which do not. Some operations rely on face-to-face contact between sales people and customers and others do not. Those which do not are referred to as non-personal retailers, and include operations such as mail-order and automatic vending machines. There is also a diversity in size within each type of retail enterprise. Whether firms rely on personal contact, whether the operation is shop based, and its size will all affect structures of jobs and job tenure.

a. Shop-based retail firms

Shop retailing consists of two major sectors: a large number of small enterprises operating one or two outlets, and a small number of large outlets operating hundreds of outlets. To illustrate this pattern: in the U.K. in the 1980s a very small number of firms (around 1%) owned 20% of shops, employed nearly half of all retail employees, to sell more than half of the goods sold. These firms spent 70% of the capital which was invested in retailing. In contrast, the smallest 88% of the firms owned 57% of the outlets, employed just over one third of all employees and spent only 18% of capital invested in the industry (Brodie, 1986: 177).

The composition of the industry in terms of large and small firms is important in shaping employment in it since the structure of jobs changes as both shop and enterprise size increases. For example, in the U.K. large shops employ a greater proportion of clerical and administrative staff than small shops (Brodie, 1986: 189). This is also true in Australia (Alexander and Dawson, 1979: 417-8). In the Netherlands the concentration of retailing in large shops has been accompanied by a growth in numbers of people employed in retailing but a decline in hours worked. Part-time and casual jobs have increased at the expense of proprietorships and unpaid family assistance (LIBER, 1989: 19-21).

The history of large scale retailing demonstrates the importance of the economic cycles in determining the structure of the industry. Increased demand initially made mass retailing possible. Subsequent reductions in demand have spurred large retailers on to capture larger segments of the markets through such activities as discounting and market segmentation. Large scale retailers are often divided into three groups for analytical purposes. These are department stores, multiple retailers and discount stores (including supermarkets). What all three have in common is that they depend on selling a large volume of goods. This is particularly true for the latter two groups who compete on the basis of low margins. In all cases large scale retailing relies on mass production of
goods, good transport systems for both goods and customers and an affluent population. Large scale retailing is characterised by fixed prices, sale of branded items, high capital intensity (compared with small retailers), high turnover and systematic accounting and stock control.

Large retailers are characterised by different labour processes and social relations than are small ones. One reason for this is that small firms are often staffed by family members or friends. One characteristic of large scale retailing which significantly affects the labour process is that the goods sold are largely pre-packaged and branded. Mass advertising disseminates positive information about the product to potential customers. On entering the shop, the customer has often already decided which product to buy. More information, if required, is often available on the package in which the product is sold. Such standardisation and advertising leaves sales staff with little expertise or information regarding the product which customers do not have themselves. Further tasks such as ordering and display, undertaken by most staff in small firms, are restricted to specialists in the larger firms (Davis, 1966, Ch12; Jefferys, 1954: 36-8; Alexander, 1970: 189-99, 173).

Patterns of employment in large scale retail enterprises vary by 'trade'. In the U.K. in 1980 Brodie (1986: 189) found that in supermarkets about 88% of staff were employed in sales positions while 6% were employed in administrative positions. In contrast in department and variety stores only 57% of staff were employed in sales positions and 16% were employed in administrative positions.

The larger enterprises have personnel departments to hire and train staff. These centralised departments set job descriptions and determine promotions, transfers and lay-off policies. Many schemes have been operated by such departments to improve industrial relations (Zimmerman, 1955: 280-85). The responsibility for hiring of staff varies with the size of the firm and the branch. In some cases hiring and firing is centralised but in many cases branch managers are authorised to hire and fire particularly in relation to casual and part-time staff. It has been usual for female sales assistants to be hired by store managers since sales girls have not been seen as management potential, and a high turnover is expected (Hayward and White, 1928: 239, 249). In contrast the procedure for hiring male sales staff (trainee managers) has often involved evaluation of characteristics such as general personality, domestic situation, education, physical attributes and work experience (Hayward and White, 1928: 243).

There are indications that security of tenure for internal labour market employees has historically been quite high. In contrast casuals employed to work during busy times
have low *de facto* and *de jure* tenure. In the U.K. some firms offer contracts of 15 hours per week to casual staff with a stipulation that they must be available for up to 19 hours extra. In other cases 'zero hour' contracts specify no minimum hours but demand their 'employees' be on call at short notice on pain of dismissal (Totterdill, 1989: 5).

In sales terms, firms with multiple small outlets been even more successful than the department store in the twentieth century. This has been made possible by an increase in the income of the mass of the population. Multiples are characterised by cheap goods, standardised presentation and buying procedure, a greater variety of goods, greater self service and lack of pressure to buy. Unskilled and low paid labour is employed in greater quantities than in the independent retailers.

In contrast to the growth of multiple chains comprising small stores another trend is towards increasingly large discount stores. The discounter is typified by the supermarket and more recently by 'showrooms' selling bulky goods from low rental premises. The discounter is a large retailer which competes by offering a low level of service or customer comfort in return for lower prices. The large scale operations mean that a much greater division of labour is possible which reduces the cost of wages. The first step in this trend is the generation of economies through self-service and by increasing the scale of operations. The 1980s has seen developments in the large discount sector with the emergence of the hypermarket (known in the UK as the superstore). Hypermarkets emerged first in France and have since spread in both OECD and non-OECD economies. Hypermarkets are built on large areas of land and sell a variety of goods (Dawson, Findlay and Sparks, 1988). In the U.K. a study was conducted in 1980 into the employment consequences of hypermarkets (Sparks, 1983). In this study Sparks found that the typical hypermarket in Britain consisted of about 3000 square metres of selling space and employed between 201 and 207 workers. Of these between 140 and 145 would be women and between 107 and 111 of all workers would be full-time (Sparks, 1983: 44).

Within the hypermarkets studied, Sparks found that the proportion of the workforce which was female rose with the size of the store, as did the proportion of part-time workers. Part-time sales workers outnumbered full-time sales workers in all hypermarkets, ranging from 53.5% to 58.3% of the sales force. The proportion of women and part-time workers varied in different firms: between 70 and 79.5% of the salesforce were women, and between 36.2 and 52.8% of the sales jobs were part-time (1982a, 1982b). A more recent paper suggests that the hypermarket chain with the highest proportion of full-time male employees in 1980 has since restructured its
workforce to include more part-time workers (Dawson et. al. 1988). An earlier study of employment in supermarkets in the U.S. in the 1950s also showed that the proportion of part-time employees increased as outlets became larger (Zimmerman, 1955: 177).

A shortage of in-town sites at reasonable prices means that hypermarkets tend to be located on out-of-town sites. This changes the pool of labour which is available. Dawson, Findlay and Sparks (1988) suggest that out-of-town hypermarkets tend to employ people for shorter shifts on average. There are more employees working for between eight and thirty hours, than there are in the in-town stores. This is probably due to employee ease of access. Further, such out of town stores tend to employ more married women and fewer school-leavers (Dawson, Findlay and Sparks, 1988). Another study in the UK suggests that hypermarkets employ more workers in non-sales capacities, such as in food processing, thus altering the occupational structure of employment in retailing (Cole, 1983).

Despite the growth of large scale retailing, the small scale retailing sector has persisted in most countries. In some industries the impetus to increased size comes from the ability to achieve mass production when the unit of production increases. In the retail industry this is not so. While large retailers can reap benefits by gaining favourable terms when buying, the actual unit through which distribution takes place can remain small. This is due to the nature of the industry, which is to distribute goods to convenient places for customers to buy them. Thus it is possible for concentration in the retail industry to result in no change to the number or size of outlets at all. This means that small retailers can successfully compete with large retailers by forming voluntary chains and combined buying groups. In practice the size of the retail unit has increased. Yet even with the emergence of large scale retailing and a shake-out of small firms in the 1980s, small shops survive and many of these remain 'independently' owned.

The important aspect of small scale retailing in relation to tenure is that small scale retailing is not characterised by de jure tenure and internal labour markets. Rather it is characterised by proprietors and their assistants. In the past such assistants tended to be kin to the proprietor or to be employed as apprentices thereby experiencing a high level of de facto tenure. It is not clear to what extent this type of employment relationship is typical of the small business sector now.

The 1973 OECD report argued that small retail shops had been able to keep going largely as a result of voluntary buying organisations, which had offset some of the comparative advantages of large firms (OECD, 1973a: 27). Despite this the share of the sector is
falling. In 1950 in the U.K. there were 450,000 independent retail shops, by 1980 there were less than half of this number: 220,000. (Ward, 1987a: 275).

As in other times of uncertain demand, the 1980s have favoured larger retailers who can ride out a sharp fall in income in the short term. Tactics of large retailers in the 1980s to expand market share in a contracting market include large building programs, refurbishment and the introduction of new services such as delivery. The large retailers have also attempted to cut operating costs through the introduction of information technology and through the use of part-time labour (Brodie, 1986: 181-5). In the latter part of the 1980s takeovers and mergers increased further concentrating the industry (Totterdill, 1989). As well as domestic takeovers, internationalisation of retailing has occurred in the latter half of this century, expanding large scale retailing still further (Salmon and Tordjman 1989; Burt, 1986; Hollander, 1970).

Small retailers may be able to coordinate their operations to take advantage of the need for flexibility in retailing. One way in which they can do this is through the formation of Value Adding Partnerships (VAPs) (Johnston and Lawrence, 1988: 94-95). VAPs are chains of independent shops which act collectively in matters where larger buying power is in their interests. They can engage in exercises which benefit them but which would be too expensive for any one of the firms on their own. Developments in information technology have facilitated the growth of network firms in a number of industries including retailing (Antonelli, 1988: 13-26). Information is collected about products sold by members and about competitors or potential competitors. At one level such partnerships enhance the ability of the small retailer to compete with larger firms and so must be seen as the reverse of large-scale retailing. However, the strength of the Value Adding Partnership is that firms cooperate to ensure that each partner operates profitably. Firms do not compete for custom, indeed, the information available to small retailers through Value Adding Partnerships may include information on where to site a shop so that competition is not entered into with other members of the Partnership. VAPs are therefore not unambiguously an instance of small scale retailing and can not be seen as 'independent' in a competitive sense.

Another development which is a hybrid of small and large scale retailing is franchising. Franchising is a system of distribution which involves the granting of a right, or series of rights, by one party (the franchisor) to another (the franchisee). This right governs the freedom of the franchisee to sell a product or service, or use a brand name or process developed by the franchisor. Each particular relationship between a franchisor and franchisee is formalised by a written contract which specifies the rights and duties of each party to the contract. The two aspects of the franchise relationship which
distinguish it from a licence or agency arrangement are the continuing nature of the relationship and the standardisation of operations and image (Rosenberg and Bedell, 1969: 41; Fels, 1969: 4-5).

Franchising was, until the 1960's, associated with the United States and by 1987 franchised operations accounted for an estimated 33% of all retail sales in the U.S. (McCosker, 1987: 7). In the 1950s franchising spread to a wide range of industries, which had previously not been characterised by franchising. Expansion of franchising has also occurred in Canada (where sales represent 33% of all retail sales) and in Europe (Kaynak, 1988: 45-9). Research conducted for the British Franchise Association suggests that by 1985 there were 12,700 franchised businesses in the UK employing 110,000 workers (Labour Research Aug. 1986). The growth of the franchise sector is particularly significant in the light of the high numbers of bankruptcies in the independent retail sector (Kaynak, 1988: 49).

Three main forms of franchising have emerged: the franchising of the entire business operation, with specific decor and trademark and a blueprint of how to conduct the business, often referred to as 'business format franchising'; the franchising of a product, often to already established businesses, where an exclusive right to sell the product in a particular market is sold; and manufacturing franchising, where technical information and or ingredients are sold to manufacturers who are then able to use a trade name on their product (Mendelsohn, 1985: 1-11). An example of manufacturing franchising is Pepsi Cola. (McCosker, 1989: 4). Business format franchising is the form most suited to retailing, and is the type expanding most rapidly in that industry. One of the characteristics of this form is that each of the outlets carries the same identity, and operational control is exerted to ensure that the the identity is not threatened. Each particular relationship between a franchisor and franchisee is formalised by a contract. New information technologies allows for the emergence of networks and franchise chains in most types of retail operations. Franchising is most suited to operations where face-to-face contact with customers is important, where the product sold is service intensive (such as fast food and hairdressing) or where relationships with suppliers require involved personnel on site. Under these conditions internationalisation in retailing is likely to take the form of franchising or other agency relationships.

One manifestation of the increase in franchising is that 'shops-within-shops' have re-emerged in recent years. Shops-within-shops are areas of department and variety stores which have been leased to franchise chains (Burt, 1989: 40). The lessee operates independently of the host shop in matters such as hiring of staff and stocking of goods.
Often the lessee is a manufacturer which seeks to establish a chain of outlets for its products without taking the risk of establishing their own chain of shops.

b. Non-shop retailing
Recent technological changes may lead to an increase in non-personal non-shop retailing in OECD countries, with the associated result of decreasing sales staff and increasing clerical and delivery staff. Downswings in the economy, or high rates of immigration, which cause an increase in levels of unemployment also periodically increase hawking because of its low barriers to entry (Alexander, 1970; Mai and Buchholt, 1987: 108; McGee, 1973: 175; Greensberg et. al. 1980). Non-shop retailing is labour intensive, involves irregular hours of work, does not generate regular wages, involves considerable skills in negotiating prices with both suppliers and customers, involves credit management using personal networks and requires negligible capital or advertising (McGee, 1973: 7; PPAJ, undated: 1152-3). By definition peddling and hawking are casual and intermittent activities.

There is little published material on either the incidence or labour process of non-shop retailing. While comprehensive data are not available, non-shop retailing in OECD economies appears to be increasing its market share. The growth appears to be greatest in the form of network retailing practiced by such companies as Amway, Tupperware and Avon. But mail order sales are also booming (Dalley, 1982: 62-67). Much of the work involved in network retailing is concerned with the maintenance of a large network of social relations, since selling is usually done to friends and friends of friends (Roberts, 1978: 128; Taylor 1978; Biggart, 1989). Network selling appears to have gained impetus from information technology, which has enabled central management to operate a larger network than was possible previously (Antonelli, 1988: 13-26).

The importance of network retailing is indicated by figures from the U.S. which show that 5% of the American labour force were members of direct selling networks in 1984. More than 25% of households were involved in direct selling during that year (Biggart, 1989: 2-3). Many people employed in networks have no de jure job tenure. An example is provided by the Amway corporation. This company began in the United States in 1959. By 1990 it had one million distributors working world-wide selling Amway products. These distributors operate as agents outside of an employment relationship. As well as agents Amway employs 8,000 people directly world-wide. This includes technical managers in each country where the company operates. These managers monitor quality and supervise distribution and administrative staff. Amway also employs 200 research and development staff, in the United States, who develop...
new Amway products. Another network in which *de jure* job tenure is low is Home Interiors and Gifts, which in 1984 had 30,000 distributors but only 35 managers (Biggart, 1989: 5).

While the rate of turnover of distributors is very high, dismissal is infrequent. In Amway, the qualifications to become an 'independent' distributor (and to remain one) are to buy a kit of literature, forms and information, to purchase products from Amway for re-sale and to abide by the 'Code of Ethics' and the 'Rules of Conduct'. Experienced distributors who have introduced a number of new distributors to the firm, and who continue to sell a minimum quantity of products in a year, are given training and responsibilities for new distributors. These distributors are treated as if an extended relationship with the firm is anticipated. The level of investment by the company in these higher level sales people indicates that the *de facto* tenure for successful distributors may be quite high (Amway 1990; Green and D'Aiuto, 1977).

In a survey conducted by Johnston in 1987, of Amway distributors in the U.S. it was noted that nearly half had been with the firm for more than five years. Many of the distributors, however, had other full-time jobs and sold Amway products intermittently (Johnston, 1987: 148). Ironically, the looseness of the connection between distributors and the organisation leads some distributors to feel that employment in direct selling offers a great deal of security. Quotes from two direct selling employees illustrates the point:

"I don't ever want to think of something like losing my husband or my house or my finances, but if you were to strip me of everything that I have and put me on the street, I could survive. That is what Mary Kay has done for me, and to me that is priceless." (quoted in Biggart, 1989: 63).

"I have bought a division under Avacare for my daughter and have it on ice because she's only twenty. But I figured when she gets older she will have that division. I have sponsored my son into another multi-level marketing company, and I'm helping him develop that business....What I'm doing with my children is much more than earning money [for them]. Its teaching them. They will be totally self-sufficient by the time they get married. They will never go on welfare. That would just break my heart." (quoted in Biggart, 1989: 83).

The fact that these two interviewees are women is no accident. It is probably true that: "(t)he greatest threat to direct selling is the improvement of working conditions for women in firms" (direct selling company executive quoted in Biggart, 1989: 11). The lack of security for many women in formal employment in the labour market in conjunction with the feeling that the distributors express that they can control their own
incomes leads to a perception that network selling provides a guarantee of paid work. In the United States, 80% of direct selling distributors are women¹.

Factors which appear to be contributing to an increase in non-store retailing in OECD economies include increasing costs of fixed shop retailing (and hence increased barriers to entry), large scale immigration from areas with non-shop trading traditions and rising unemployment (Greenberg et. al. 1980). These factors have led to a growth in the numbers of people engaging in hawking activities but they are also leading to other forms of non-shop retailing such as automatic vending machines and mail-order retailing. These types of non-shop retailing are quite different from the highly personal types of non-shop retailing discussed above since they are non-personal. Both vending machines and mail order have increased in OECD economies in the latter half of this century. In these operations people are employed in advertising, maintenance of data bases, transmission of orders and physical delivery of goods rather than in personal interaction with customers (Katzenstein and Sachs 1986: 4-12, Hill, 1966: 113).

The growth of non-personal retailing has been attributed to a number of factors. As well as those listed above for personal non-shop retailing, improvements in technology have facilitated processing of orders and targeting of advertising, while changing labour force composition has reduced the time available to families to shop. In particular technology now enables computer checking and compilation of lists for selling a particular product. Data bases include information on customers' age, sex, marital status, income, home ownership, education, job and life-style. Credit cards have facilitated payment, reducing the cost of bad debts which plagued direct selling in the past (Katzenstein and Sachs 1986: 16-29, 286; Hill, 1966: 105-118; COI,1966: 14-16). New developments in information technology have increased the potential for shopping from home using video display units to enable customers to choose goods and telephones to order them.

It appears that cultural differences affect demand for different types of non-shop retailing. While personal forms of direct selling have taken off in America and Asian countries, they have not spread as rapidly in Europe. Biggart claims that executives have re-directed attempts to expand operations away from Europe and towards Asia and Pacific countries because of customer resistance in Europe (1989 171-4). German customers in particular appear to prefer non-personal forms such as mail order (Mårtenson, 1988:26).

A number of researchers in the U.S. have predicted that most consumers will do some of their shopping from home by the end of this century (McNair and May, 1978; Rosenberg and Hirschman, 1980; Roizen, 1980; Johnston and Lawrence, 1988). The
technology which will make this possible "represents a communications medium through which users can interact with a data base on demand to request product information and execute transactions" (Urbany and Talarzyk, 1983: 77). It appears to be most likely that such a system of non-shop retailing will emerge first for standardised items such as groceries (Sharma et. al., 1983). In such areas the distinction between mail-order and other forms of shopping may disappear as remote-access delivery systems emerge (Bloom, 1978; Blackwell and Talarzyk, 1983; Segal-Horn, 1987).

Tele-shopping has not spread as fast as was expected. This is partly because the integration of households into an information technology infrastructure has proceeded slowly. Impediments have included lack of infrastructure, lack of coding of products (except food), slow developments of computerised warehouses and stock-keeping and the lack of standardisation of networks. A considerable amount of time is required for this infrastructure to emerge (Hilbig and Monse, 1988: 227 - 231). In the meantime telephone shopping has taken off in areas such as fast food.

A development which is likely to promote tele-shopping in the long run is in-shop computer assisted selling. This provides customers with computer advice on such things as home decoration. One advantage of this technology is that it facilitates flexible specialisation of orders. A customer can order a particular colour, style, quality, size and the product ordered can be produced on receipt of the order (Hilbig and Monse, 1988: 236 - 7). Once customers are familiar with computer assisted selling within stores, and the infrastructure is available, there is little to stop computer assisted sales from home.

Non-shop retailing implies a differently structured workforce than is found in shop-based retailing. One U.K. study, conducted in 1987, has demonstrated the mail-order industry to be characterised by a high rate of temporary employment. In the plant he studied, Collinson found temporary workers to be divided into three groups: 'priority girls', 're-employables' and 'blacklist'. The de facto tenure of the employees varies. That of the 'priority girls' is greatest, since they are hired whenever possible (Collinson, 1987). The existence of such a grading system suggests that some skill is involved in the assembly and packing of orders. While de jure tenure is clearly low for these employees, the study indicates that de facto tenure is high for some of them.

Many sales personnel in non-shop retailing may work outside of an employment relationship, under the terms of company specific contracts. Such contracts will probably operate outside of statutory job tenure provisions. The Amway example suggests that this is so. Indeed one study of network selling of this type in the U.K.
described a situation in which the labour process was sufficiently inter-twined with the on-going social processes within which agents lived their lives that the two were difficult to distinguish (Taylor, 1978). A formal contract which specified an hourly rate of pay, or attendance times, under such conditions would be difficult to produce and would undermine the advantages of this form of selling for the employer.

Another type of non-personal retailing is automatic vending. Automatic vending was widely tipped to take off in the 1960s. It has not been as successful as was anticipated. However, vending machines which dispense drinks and small packages have become common in sites where traffic flow is high such as at stations and in shopping centres. The major advantage of vending machines is the lack of need for sales staff. In some countries 'automatic shops' dispense a wide range of products twenty four hours per day (Hill, 1966: 119-123). Again automatic vending has implications for job tenure since the job of refilling the machines is often done by agents. However there has been no quantification of this.

In summary, diversification of types of retail enterprise is well established. The implications of this diversification for job tenure is unclear. It is, however, likely that the labour processes which characterise each type of organisational structure will be linked to patterns of job tenure. Indeed part of the impetus for developing non-shop retailing may be the ability to reduce the constraints imposed by standard employment relations.

**Technological Change and the Labour Process**

The retail industry has been seen as particularly prone to casual employment because of fluctuating demand according to time of day, week and year. This view is widely held (c.f. Forrester, 1976), it implies that fluctuations in demand will inevitably lead to demand for casual and part-time employment. The link is not as simple as this, however, fluctuations in demand are made costly to the employer only under certain types of division of labour and segmentation of the labour market. Where less extreme divisions of labour occur the periods of low demand can be used by staff to process and arrange goods, to train younger staff and to complete book-keeping tasks. It is only in a situation where sales staff are restricted to the role of a cashier, that periods when the cash register is not ringing are costly to employer. Casual employment is therefore not intrinsic to the industry but rather to the type of division of labour which currently characterises it.

Technological change in the latter half of the twentieth century has had an enormous impact on the organisation of work in shops, on the relationship between shops and their
suppliers and on the characteristics of firms in the industry. Self service was the innovation in retailing which had the most impact on numbers of sales workers employed in retailing prior to the recent introduction of micro-electronic technology. One of the least controllable aspects of retailing is that work is dependent on the timing of the customer's entry to the shop. Self-service allows the shifting of work from sales to packaging and processing which fluctuates less (Charvat, 1961: 104). Self service has been complemented by mechanisation. This has been especially true in the food outlets with innovations such as meat-slicers, wrapping machines, automatic weighing and printing machines and the centralisation of food preparation and packaging (Smith and Hitchens, 1985: 73). These innovations have enabled supermarkets to expand into areas which have been the province of specialist retailers, such as delicatessens, and fresh meat preparation (Walsh, 1989). It has enabled the de-skilling of specialist work such as meat processing by facilitating an increase the division of labour both horizontally and vertically.

The technology which has affected the labour process in retailing most in recent years is information technology. There appear to be three ways in which information technology may affect tenure in the industry: by blurring boundaries between different industries and thus by introducing retail workers to new functions; by influencing patterns of concentration and the proportions of large and small firms and by affecting the labour process within particular occupations in the industry. The influence of each of these three will vary according to the type of operation and the type of product sold. The important aspect of technological revolutions for my purposes is that each embodies a different set of 'best practices' for management due to the changes engendered in production functions.

Information technology which is applied directly in customer transactions (called 'front-end' technology), such as cash registers, has increased the speed of each transaction. It has also increased the amount of information available to managers. Warehousing technology (called 'back-end' technology) has rationalised both the internal dynamics of warehouses and the speed and frequency of deliveries. This has changed the nature of the relationship between retailers and their suppliers. The introduction of computers to increase management access to information has streamlined management and administrative tasks. Finally, information technology has presented the possibility of home shopping.

Front-end technology includes electronic cash registers, point of sale terminals and scanners. Electronic cash registers speed up transactions and record information regarding the transaction which has occurred. Electronic point of sale [EPOS] terminals,
which combine the electronic cash register with a computer, were developed in the 1970s. These greatly expanded the information which could be recorded from each transaction. Initially point of sale terminals were linked to in-store mini-computers which restricted them to the larger stores. Now micro-computers can be used which are affordable by most small retailers. In addition EPOS systems can now be connected to scanners which read the price and other information automatically. Scanners eliminate the need for data entry at the check-out and the need for individual pricing of items within the shop.

Electronic funds transfers (EFT) is another element of front-end technology. This is the ability of shoppers to use a plastic card to transfer funds directly from a customer's bank account to a shop's bank account. This process is advantageous for the banks because electronic payments are cheap for them to process. It creates the potential for customers to use the shop as a bank and essentially means that shop assistants perform the work of the bank free of charge (Marti and Zeilinger, 1982: 74-6). Retailers rent the EFT terminals which remain the property of the bank. The use of EFT further speeds up retail transactions. Because the account numbers used identify individual customers potentially allows a store to construct customer profiles on expenditure, age, sex, income and tastes. Such profiles can cheapen the cost of advertising and increase its success rate by allowing for much more carefully targeted campaigns. While such profiles are currently available to large department stores, with their own in-house credit cards, the EFTPOS technology has the potential to generate profiles on all customers for all stores (LIBER 1989a; European Foundation 1985).

EFTPOS allows retailers to diversify into banking functions. Retailers can become the agents of banks or can franchise a bank name and logo and can provide customers with financial facilities with the back-up of a financial institution (Frazer, 1985: 188-206). Retailers can then compete directly with other financial institutions for customers. The information networks in the U.S. have also enabled large retailers such as Sears Roebuck to sell stocks and bonds and real estate as well as providing financial advice. The transfer of employment from an industry characterised by a high level of tenure (banking) to one which is characterised by a low level of tenure (retailing) is an aspect of changing patterns of tenure which is not considered in detail in the literature surveyed in Chapter 1. This transfer is clearly of significance in explaining tendencies in job tenure in a society as a whole, although whether it is likely to result in a change in job tenure within the retail industry is unclear.

Back-end technology affects the handling of goods in warehouses. Computers have made improvements in stock control. This has meant that deliveries can be more
frequent. Computers of the retail stores can compile orders over-night from the information made available from the point of sale terminals, the orders can then be automatically transmitted to the warehouse and the warehouse can automatically assemble them for delivery in the morning. Wholesalers can access sales volumes of each major customer and can predict the orders which are likely to be required even before the order has been made. Invoice preparation is also done by computer (Distributive 'trades' EDC, 1982). In the Netherlands, the time period which elapses between ordering and delivery has been reduced to an average of two and a half hours for distribution chains using computer systems to order and process goods (LIBER, 1989: 17).

The changes in warehousing affect the demand for labour in retail outlets. For example, if deliveries are tied to sales and no stocks are held on site, shelf-stackers in retail outlets will have to be on hand to unpack stock when it arrives. In the past stocks were held in the store and could be unpacked when the shop was quiet.

One of the key benefits of both back-end and front-end technologies for retailers is that they improve information available to managers. The introduction of computer technology appears to centralise authority as information from a wide range of areas is transmitted instantly to central offices. At the same time lower management positions may become more challenging, since information is also available to them in greater quantity and quality (Sawer, 1985: 121 - 125).

The combination of pre-packaging, self-service, electronic cash registers and point of sale systems have made sales assistants relatively inter-changeable since they require very little on-the-job training. This inter-changeability explains why managers are not concerned about the very high turnover of staff in the industry which, for example, is 25% in Britain (Brodie, 1986). Accompanying technological change there appears to be a polarisation of jobs as sales and clerical work is de-skilled. One indication of de-skilling is that the new technologies have reduced the need for supervisory staff (Sparks, 1987; Bluestone and Stevenson, 1981). At the same time technological change appears to have left the internal labour markets of managers and administrative staff intact, there are still a very high proportion of promotions to senior and middle management made from inside the industry (Segal-Horn, 1987).

New technologies have the potential to intensify the labour process as it enables management to employ staff for only those times when they will be fully occupied. In Germany department stores, supermarkets and chain stores are using a system called KAPOVAZ (capacity oriented variable working time). This system is used to predict
demand according to time of day, day of week, and season, and to match a staff roster to it. Staff are rostered on only for periods when there is work to do (Dombois and Osterland, 1987).

Other effects of the technology on the labour process include increased speed of work, reduction in the variety of tasks done by sales personnel, rendering of communication between staff unnecessary, reduction of cash management tasks by cashiers and increased variety in office jobs (FIET 1982). As far as management is concerned the manipulation of information has been made easier by programs which systematise management of shelf-space, estimate direct product profits, and scan data from checkouts automatically. Computer programs assist store level managers in pricing, in determining shelf-height and appropriate stock levels and in advertising (Crouch and Shaw, 1989). Whether this increases or decreases the complexity of the store-level managers job is not clear, it has been suggested that within stores the management function has been down-graded by automation of cash management and inventory control (Rajan, 1985). It would appear that where technological change has not resulted in de-skilling it has resulted in job enlargement rather than job enrichment. That is, jobs have been expanded to include a greater variety of tasks but none of the tasks require a higher level of expertise. This is particularly the case in clerical and administrative jobs (Rajan, 1985:32-3).

Research conducted in Europe (Kuipers, 1983; IKG 1985; Angersnap, et.al. 1983) suggests that technological change allows and facilitates both part-time employment and de-centralisation of control of the labour process to the store level, without causing either. It suggests that the introduction of new information technology has affected store level managers adversely in some instances. Store level managers are required to make more decisions than they did in the past, but also they are required to refer to head office when they make these decisions. For cashiers full information technology systems can increase stress because of the expected increase in the speed of customer transactions, which is not always matched by the capacity of the new systems. Further, tighter deployment of staff results in the elimination of rest breaks between customer transactions.

Information technology has acted in manufacturing to facilitate the emergence of flexible specialisation by reducing storage, re-tooling, set-up and production times. In the service sector information technology has facilitated a similar process. Large companies are enabled to expand chains of small shops, keeping control over information and thus over strategic decisions. This has facilitated the internationalisation of retail chains as information can be collected from geographically diverse outlets (Soete and Miozzo,
This creates new relationships between retailers and their suppliers which will have significant implications for employment and job structures. One outcome is the growth of franchising.

In summary, the ways in which firms have met the reduction and segmentation of the demand for retail services have included direct cost cutting with respect to labour and the funding of technological and organisational changes. Both of these strategies have increased the conditions likely for reductions in job tenure in the industry. Whether the types of information technology introduced reflect an intentional desire by managers to reduce the need for honest, informed and capable staff is unclear. The result has been to create the conditions under which staff with very little experience or commitment are able to function as sales assistants in mass retailing outlets.

At the same time the new information technologies have improved the competitive position of franchises and other networks of smaller outlets in comparison with independent retailers. In a situation of capital shortage; where the pool of people seeking self-employment is large; and where an affluent segment of the market seeks improved specialised services franchising has flourished. It is unclear whether franchising implies a reduction in the numbers of primary jobs associated with internal labour markets in the industry. Since many management tasks are de-centralised to franchisees this may be the case.

Finally, information technologies have improved the competitive position of direct selling and mail-order firms. The technologies facilitate the processing of information regarding potential targets of advertising campaigns; it improves the service which such firms can offer; and it meets the needs of dual income households who have limited shopping time. Again this development is unlikely to promote job security in the industry.

The Supply of Labour
The supply of labour to retailing has tended to be plentiful. This has partly been due to the lack of qualifications required. In most OECD countries shop assistants are not trained in an apprenticeship system. One exception is in West Germany\(^2\), where the largest apprenticeship category is that of 'shop assistant' (Sweet, 1990: 228). Retailing also has high status compared with other jobs which employ young people and women with low qualifications. Similarly, the low barriers to entry in proprietorship have resulted in a plentiful supply of small shopkeepers. For women, in particular those with limited formal qualifications, retailing has provided a source of work which was relatively respectable compared with other unskilled work such as factory and domestic
work. As discussed above, direct selling organisations appear to be replacing small family businesses as a source of income for such women. As well as people excluded from the higher status and better paid jobs in the labour market the retail sector provides employment for people in economic recession (Yoshino, 1972; Evely 1955).

The self-image of shop proprietors as members of the middle class in Europe at the turn of the century has been well documented (Crossick, 1977; Crossick and Haupt, 1984, Blackbourn, 1984; Barber, 1955). That the importance of cultural respectability attracted a plentiful supply of labour is also attested to by Porter-Benson (1986) in her discussion of American department stores at the turn of the century. Historically, the status of shop assistants was raised due to the need for assistants to be both able and trustworthy with respect to handling money. Basic arithmetic and honesty were therefore required in staff which partly explains the relatively high status of shop work.

Modern cash registers have rendered these characteristics superfluous. The cash register computes change required and also manages cash. Scanners ensure that assistants do not under-ring the goods purchased by their friends. Theft by assistants is also more easily detected. While the status of the shop assistant cannot currently be considered high, especially that of supermarket check-out operators, it may still be higher than other unskilled jobs such as cleaning and process work. Contemporary information on shop keepers is scarce because of the dispersed nature of the industry. But one study of 398 shopkeepers in Edinburgh confirmed that there shop keeping is still considered a higher status occupation than are similarly skilled manual occupations. Bechhofer et. al. (1979) found that despite low levels of remuneration and in many cases a negative income the shop was regarded as an important part of status in the community.

In attracting staff retailing has the great advantage of being decentralised in areas of high population density and having a local labour supply to draw from. The characteristics of employees have changed with decentralisation and the emergence of superstores. Though the changes are complex, and the data which is available is limited, one study indicates that in new superstores employees are largely women in their 30s and 40s, and that these women are replacing teenagers who tend to work in smaller stores (Dawson et. al., 1988).

Segmentation has occurred both between and within product areas. Historically such segmentation has occurred by sex, race and age (Miller, 1981: 60-78; Porter-Benson, 1986: 24,178-9,209; Twyman 1954: 71-9; Hower,1946: 199; Ferry, 1960: 24). Segmentation by race and sex continues in the 1980s, although in more subtle forms. For example, in the U.S. Becker has found racial segregation to be high in sales
occupations (Becker, 1980). Sparks has found a continued under-representation of women in management and trainee positions in the UK (Sparks, 1982b), as have Bluestone and Stevenson in the US (1981) and the LIBER team in the Netherlands (1989: 22). Studies of street peddlers invariably are studies of marginal groups such as recent immigrants, or retired or disabled people (Jones, 1988; McHenry, 1979a; McHenry, 1979b; Stephens, 1974). Men have been over-represented in employment in the skilled retail areas (such as butchery) but with reductions in the skills required women are entering into traditionally male areas (for example as meat processors). There is a corresponding over-representation of women in part-time and casual employment (e.g. LIBER, 1989: 22-3).

Research in a mail order company in 1987 in the United States found a highly sex segregate operation in which women worked in the non-mechanised departments where they packed by hand. In contrast the mechanised sections in which packaging, addressing and despatching were performed mechanically were staffed by men. Home workers were also employed in periods of high demand. Clerical and sales staff tended to be women (Batten, 1987: 122-133; 355).

In both the United States and Europe historically women have been found as proprietors in all product areas (Pinchbeck, 1930: 282-301; Dexter, 1972: 139-161) and as employees in larger retailing firms. The proportion of women working in the industry has however varied according to time and place. One instance of such variation was the gradual restriction of women's proprietorship to millinery, corsetry and dress making (that is to areas which were connected with female customer's bodies) in the eighteenth century in the U.K. (Adburgham, 1982:26-7; Bechhofer et. al. 1974: 103-128).

While the job of sales assistant is widely regarded as entailing few skills some studies have pointed to the different level of inter-personal skills required in different types of shops. Bowen et al (1985) argue that the behaviour of sales assistants is important to the image of a retail enterprise. They also argue that one problem with mail order retailing is that information, which is relayed by sales assistants in shop retailing, is not available to managers of mail-order firms. This means that mail-order firms are required to conduct expensive postal surveys. Bowen et. al. (1985) argue that high-service shops require staff who have inter-personal skills and who exhibit a high degree of empathy. Similar findings by Tansik (1985) and Fiebelkorn (1985) show that customers respond not only to verbal skills of sales staff but also to non-verbal communication and staff speed and competence. Cross cultural studies have not been conducted to compare the importance of these factors in different social contexts.
Studies of service sector workers have demonstrated that service workers often feel antipathy to their clients (Gold, 1952; Ware, 1977; Davis, 1959; Becker, 1951; Donovan, 1920). In retailing, managers have not yet overcome this problem (Czepiel and Solomon, 1985). Indeed the nature of the service encounter is such that selection of employees and monitoring of the inter-personal aspects of their performance is problematic (Packer, 1983). In the U.K. managers of retail enterprises have been reported as rating inter-personal skills as of greater importance than other job related skills in lower level management (O'Connor and Davies, 1989). While not much evidence exists on this matter it would appear that it is the difficulty of measuring such skills and/or of formulating teaching programs to improve them which reduces their importance in the hiring process rather than their scarcity. That is, employers test their staff by trial and error rather than screening them prior to entry, or establishing training programs.

The 'unskilled' label which attaches to shop work has been bolstered by the weakness of the shop workers' unions. Unionisation in retailing follows the patterns found in other industries: many more employees belonging to large firms than to small ones are unionised. In an industry in which a large proportion of employment occurs in small firms this exacerbates low rates of unionism. In the United States, in 1950, 88% of employees in supermarkets operating with sales over $40 million were unionised, compared with only 22% of employees of supermarkets selling less than $1 million annually (Zimmerman, 1955: 285). Similarly in the U.K. unionisation has been strongest in large firms with multiple outlets (Robinson and Wallace, 1976: 67-70).

Despite attempts by various unions to improve them pay and conditions of shop workers have historically been poor. In the U.K. unions have been active but ineffectual. During the last 150 years unions have engaged in campaigns regarding shop hours, the requirement that trainee assistants live in accommodation provided by the employer, conditions in the work-place, wages and training (Hoffman, 1969). These campaigns have involved them in research and presentation of evidence to government inquiries, lobbying of M.P.s, publicity campaigns, use of popular culture such as production of plays, picketing and occasionally strikes (Hoffman, 1969; Holcombe, 1973). Many of the campaigns waged by shop workers unions, such as those concerning working hours, have been successful only after similar campaigns have been won in other industries.

The reason for the weakness of unions are threefold. Firstly the nature of shop assistants and their work mitigates against strong union membership. The most important factor here is that employees are isolated in small outlets (Robinson and
Wallace, 1976). In addition, in the past many employees have seen themselves as potential future employers rather than as current employees. Even when this was not the case, retailing has in the past been seen as a 'respectable' occupation engaged in by people who considered it beneath their dignity to engage in militant activity (Hoffman, 1969: 8-15, 161). The high rate of employment of women and children has meant that many employees see themselves as in the industry only temporarily, and the high turnover rate has made organisation difficult. In the past, because the conditions were so poor, discipline was strict and shop workers often had no alternative employment many workers were afraid to engage in union activity.

Secondly, the high incidence of family labour in conjunction with the different skills required in different 'trades' has made the standardisation of wages impossible. This lack of standardisation has meant that workers in different 'trades' have not always had the same interests (Holcombe, 1973: 117-8). Wives and children in particular have often contributed unpaid labour and in the U.K. family domestic servants have also been required to do shop work within the duties of their role as a domestic servant (Alexander, 1970: 193-7).

Finally, when legislation has been enacted regarding working conditions in shops, the dispersion of premises means that enforcement has not been feasible. Generally enforcement has relied on assistants themselves monitoring conditions. This requires both knowledge regarding the pertinent regulations, high union membership and willingness on the part of assistants to endanger their employment. These three conditions have not generally pertained (Holcombe, 1973: 125, Hoffman, 1969).

OECD shop workers' unions are currently members of FIET (International Federation of Commercial, Clerical, Professional and Technical Employees). In the 1980s FIET has focused its attention on achieving worker control over the introduction of new technology, restriction of part-time and casual employment, prevention of extension of shopping hours, improved wages and improved training (FIET, 1986). The particular attention paid to technological change (FIET 1982 and 1983) in the industry indicates the importance of this to future changes in the labour process and the structure and distribution of jobs.

In summary, the supply of labour to retailing has tended to be plentiful. This is partly due to the low barriers to entry, the relatively high status of retail employment and the lack of formal qualifications sought by employers. The pool of suitable workers has been increased by changes in information technology which have reduced the need for honesty and product knowledge in shop workers. Shop workers' unions have tended to
be weak, due to fragmentation of workers, and workers' characteristics. This has resulted in lack of opposition to new technologies which have further increased the potential for division of labour in the industry. A number of social and cultural factors have been identified which have affected the supply of labour to the retail industry. In particular sex segmentation of the salesforce, the status of retailing and attitudes towards direct selling have all shaped the retail labour force at various times and places.

New information technology introduced into retailing cannot be seen as completely responsible for de-skilling retail work. The move to self-service, electronic advertising and pre-packaging of products all contributed to the de-skilling of shop work earlier in the century. Recent developments in information technology have re-inforced this process. As in other service sector industries, managers in retailing have found it difficult to find ways of selecting personnel with the inter-personal skills which improve customer service. The solution of shop level managers has often been to employ large numbers of casual staff and then to select junior managers from this pool. At the senior management level solutions have tended to focus on technological changes which further increase the division of labour and reduce the need for skills or experience. These strategies have proved successful partly because of the changing patterns in demand for retail services, partly because of the large supply of labour and partly because of the weakness of the unions.

**Government Intervention in Retailing**

The tendencies in retailing, noted above, are occurring in a context of de-regulation of the labour market in most OECD countries (see Chapter 1). The 1980s have seen a concomitant increase in the use of non-standard employment forms in OECD countries. The employment trends in retailing, noted above, suggest that retailing employment has been affected by the environment of de-regulation.

Dawson (1979: 325-348) has compared government intervention in marketing across a wide variety of countries. He argues that government intervention is of two types: intervention to achieve efficiency, and intervention to achieve equity. He argues that these two goals are often in conflict and that they have been in conflict in recent years. This conflict is engendered by unequal patterns of demand. Efficient systems are directed towards a small group: the middle class 'full-nest' high consuming public. However, a growing proportion of the population is not in this category and an efficient system would not necessarily cater to the less affluent segments of the market. Government policies for encouraging rationalisation in the industry include manpower and training assistance (Belgium and Canada), maintenance of shops within easy reach.
of the population (Norway and France), aid for new equipment (UK and Norway), assistance with modernisation of older firms (UK, Norway, and Belgium) and policies to mitigate the social effects of rationalisation including pensions (France, Japan, Netherlands) (OECD, 1973a: 29-39).

Policies aimed at increasing efficiency and those aimed at equity have both tended to affect the size of the retail firm. For example, legislation which prohibits price discrimination between those who buy in bulk and those who do not encourages small retailers. In contrast legislation prohibiting resale price maintenance has favoured larger retailers. The high failure rates of retail companies have resulted in many governments trying to restrict entry, which in both Japan and Italy has reduced the ability of large retailers to spread. This legislation has protected smaller retailers. In other countries (France and the Netherlands) exit promotion schemes have sped up rationalisation (OECD 1973a). Land-use policy can also affect the size composition of the retail sector (Dawson, 1979: 326-337). In particular the spread of hypermarkets may have been severely curtailed by such legislation. In Britain the control of hypermarket development has been strong (Dawson, 1979: 337-342). While, land-use restrictions can and have delayed developments it is unclear that they have affected the shape of the developments which have occurred.

Policies aimed at equity in the main try to protect consumers and to restrict entry to the industry controlling market power of the largest retailers. Government legislation of this type prevents monopoly. Legislation exists in all OECD countries to restrict merger activity and may prevent chains from having more than one shop in a given locality. Given the highly fragmented nature of the retail industry in most countries the largest firms in the industry would have to expand greatly before their activities were restricted by the legislation (OECD, 1973a; Burt, 1989).

Revenue raising measures or improvements to infrastructures may also affect the composition of the industry by imposing heavier costs on some sections than on others or by supporting particular groups. In the United States in the 1930s discriminatory taxes were levied on chain stores. These taxes increased the amount payable as the number of outlets increased (Yamey, 1954: 40). By affecting the characteristics of retail firms such regulations may affect the patterns of employment which emerge in the industry in different countries. Regulation which requires administrative competence may discriminate against small retailers (Alexander, 1966: 42-59; Dawson, 1979; Bennison and Davies, 1980; Dawson and Lord, 1985), while the provision of assistance to businesses in the form of advice, training facilities or low interest loans discriminates in their favour.
While all of the above interventions by governments affect the size of units in the retail industry, the Japanese retail industry is unusual in that it has been subject to a coherent and co-ordinated government policy to foster the small retail sector. Since the 1950s Japanese government has attempted to foster the small business sector and limit the growth of large-scale retailing. Initially this was done by restricting trading times of large retailers and by requiring permits for new retail developments. This policy was replaced by one which improved efficiency by encouraging co-operative merging and the formation of buying groups among small retailers. In the late 1970s new policies encouraged small businesses to adopt computer technologies, by making credit available to them, and by rationalisation of the wholesale sector. While multiples have emerged in Japan, the rate of growth of multiples has been reduced by the government intervention (Kirby, 1984; Yoshino, 1972).

The coherence and co-ordination of Japanese policy has been unusual but the support for small business has not. In both the OECD and outside of it (EISSB, 1981: 448-485; Morgan, 1987) small business has received considerable assistance throughout the 1980s. Regulations over the establishment of new businesses tend to affect retailing more than other industries due to the large numbers of new businesses each year in the industry. Assistance has included tax concessions, financial assistance, training, information and technology transfer. In the U.K. a policy of providing an environment in which small business was not discriminated against emerged after the Bolton Report in 1971 and support has increased over time (Beesley and Wilson, 1982: 181-199). Again, however, the effect of such programs is unclear since support appears to have followed an upswing in the stock of small businesses rather than preceding it (Stanworth, 1986: 6).

As well as fostering small business the impetus for in-home access to data via terminals has come from the public sector. In the U.K. the idea was pioneered by a BBC director interested in transmitting sub-titles selectively to the deaf through telephone lines (McIntyre, 1980: 23 - 56). The British post office was instrumental in the linking of telephones with televisions to produce computer terminals and the governments of other countries such as France, Japan and Canada have also played a prominent role in developing the infrastructure. In other countries such as the U.S. private enterprise has been encouraged to develop the infrastructure (Wilkinson, 1980: 57 - 86; Sigal, 1980: 87 - 111).

Legislation pertaining to employment conditions, and hours has tended to vary between firms, between sectors of the industry, and between countries. In Europe and the
United States retail employees have been less protected by regulations than manufacturing employees have been (see Davis, 1966: 260; Alexander, 1970: 191-2). The lack of direct regulation of working hours has been offset by regulations restricting the hours of opening of shops. Currently closing hours are regulated in most OECD countries (OECD, 1973a: 30-32). Where they exist they generally serve to protect small business since often the small business sector is exempted from trading hours restrictions. Another body of legislation which may have affected job tenure in retailing is that relating to equal opportunities for women. In the United States, retailers have been the subject of protracted court battles with respect to the promotion of women (Milkman, 1986; Kessler-Harris, 1987).

In summary, government intervention affects the characteristics of organisations in retail industry as well as directly regulating the employment options available to employers. Regulations of employment in the retail industry has tended to lag behind that pertaining to other industries because of the weak unions in the industry. Regulations which do directly affect employment include the opening hours of shops and those prohibiting discrimination in employment with respect to social groups.

While common patterns of government intervention seem to occur across OECD countries, the precise interventions are affected by social structures in the country concerned. This is illustrated by the greater protection of small businesses afforded by intervention in Japan than in other countries. The importance of small business to Japan's social structure is that retirement from employment tends to occur at 55 years of age. Partly because of the lower access to welfare and negative attitudes towards welfare receipt retirees often enter small business (Rob, 1983). The intervention to prevent the decline in the small business sector of the retail industry in Japan can be understood as a response to the welfare implications of such a decline which would not occur in other countries.

A tension is likely to exist in interventions in all industries between those promoting equity and those promoting efficiency. In a recession, when economic recovery is dependent on rationalisation and increased competitiveness in overseas markets, the emphasis is likely to swing towards efficiency. The retail industry is unusual, however, in that competition occurs at the local not the international level. Thus interventions in retailing could be expected to be directed at equity outcomes more often than interventions in other industries. Such interventions are likely to reflect the relative strengths of various groups in the political process. For example, they may be directed at customer service (product quality or access to outlets in remote areas), rather than employment per se, if consumer groups are well organised. The impact of specific
interventions on job tenure will then depend on the relative strengths of different employers within the industry and on the strength of employers compared with employee groups.

Summary and Discussion: Trends in Employment in the Retail Industry

From the above review of the morphology and tendencies in retailing, two organisational trends emerge which are likely to affect patterns of job tenure in retailing. The first is the trend towards new forms of organisation. The not-so-independent proprietor of a franchising outlet, and the distributor of a direct selling organisation, both imply increased ambiguity in job tenure. The second is the growth of large scale retailing.

A summary of the industry-linked constraints on job tenure in retailing is presented in Diagram 3.2.
Diagram 3.2: 
Industry-linked Constraints on Job Tenure in Retailing 

Industry characteristics: 2 
The labour process and technological change. DOL greatest in largest outlets. Information tech. reduces need for honest staff. Advertising pre-sells goods. Automation of functions and speed-up of work. Improved management of information.

Patterns of demand: low population growth + recession means low demand. But market segmentation generates demand for low-cost labour in mass merchandise shops. Service-intensive shops still require some staff able to provide personal service. Demand for longer hours.

Industry characteristics: 1 
Organisational size increasing, and outlet size increasing. Discount stores becoming more prevalent. Small firms remain, but independents fewer, increase in franchises and VAPs. Internationalisation and concentration of ownership. Non-shop retailing increasing. Links with banking/warehousing.

Government Intervention: de-regulation, use of non-standard employment forms. Tension between policies to achieve equity and those to achieve efficiency. Tendency to protect smaller retailers and restrict larger retailers. Infrastructural developments. Trading hours restrictions.

Demand for low skilled, female and p-t labour increasing. Married women employed in de-centralised areas. Direct selling employees sought, and clerical and packaging staff.

Supply of labour: Few qualifications demanded. Relatively high status, esp. for women. Ease of entry into self-employment. Inter-personal skills required of junior managers, chosen from those already employed. Weak unions.

Retail Labour market: ILMs well developed, but restricted to certain groups in largest firms. High degree of segmentation.

Effort bargain

PATTERNS OF JOB TENURE IN RETAIL
New forms of employment relationship: franchising and agency. Increasing part-time and casual employment. But potential for counter-tendencies as links with banking are increased. For those in ILMs job tenure is high.
In Chapter 2 it was argued that while some institutional constraints exist in Australia which could be expected to slow the reduction in job tenure in the labour market, these constraints have not been sufficiently strong to stop the trend. The material presented in Chapter 3 discusses the demand patterns for retail goods, organisational structures, technological and labour process changes, government interventions and the supply of labour. These are the factors identified in earlier chapters as those which, given external constraints, will shape the pattern of job tenure in a particular industry. In none of these has it been possible to identify trends which are likely to promote increased job tenure.

Retailing has always required a flexible labour force to meet the irregular pattern of demand much of which occurs outside of normal working hours. Historically this need for flexibility has been met by unpaid family help and by extremely long working hours of employees. These forms of flexibility in labour supply have been replaced with the employment of part-time and casual staff in the last thirty years. Such changes, in combination with the different rates of part-time and casual employment in the industry in different countries indicate that specific patterns of job tenure are not endemic to the industry. Rather a requirement for labour flexibility is mediated by the political and social environment at any one time.

Poor demand structures, weak unions and plentiful supplies of labour in conjunction with policies in most OECD countries which encourage reduction of de jure tenure all point to the likelihood of reduced job tenure in the future. The competitive pressures generated by a shrinking market have been met by increased investment in information technologies as the larger retailers have sought to improve their service and increase market share.

Outcomes of the new information technologies include a reduction in the need for honest staff who can accurately and quickly give change and wrap goods. It has also enabled successful small firms which operate on principles of direct control to expand their number of outlets. The importance of information has increased the competitiveness of franchises and networks of shops vis-a-vis independent retailers. These technological developments have altered the relative bargaining positions of employers and employees. In particular the costs of training and labour turnover have been reduced and the scope for employees to make costly errors has been reduced.

While the technology cannot be seen as a cause of reduced job tenure in the industry, it allows employers greater flexibility in how they structure jobs, and has increased the potential for increasing the number of low-tenure jobs. Where greater numbers of teenagers are employed, it would seem likely that managers will increasingly be unable
to rely on staff having inter-personal skills. This in turn could be expected to generate a new wave of technological changes designed to increase the division of labour in retailing still further.

The influx of low-skilled and part-time labour is likely to further reduce the strength of unions in the retail industry. Unions in the industry have traditionally been weak. They have been unable to prevent the translation of the changing patterns of demand, and organisational and technological changes into loss or fragmentation of jobs. The outcome is likely to mean a further weakening of the unions as more 'marginal' workers are employed in the industry.

The new forms of organisational structure which have emerged indicate that there are a number of possible solutions to current managers' problems of falling demand for retail services. Franchising, for example, may be an example of 'distancing' strategies by which internal labour market jobs are replaced by less expensive types of relationship. This form may be particularly suitable for retail enterprises since they have historically found great difficulty in re-locating their operations to more profitable areas. Franchising reduces the cost of such relocation, since the fixed costs of setting up a new outlet are borne largely by the franchisee who pays for the building. In contrast the emergence of ever larger outlets, culminating in hypermarkets, represents an entirely different strategy. This strategy is designed to cut costs to the consumer in the long-run but requires higher capital investment in the shorter-term.

Some of the new forms of organisation imply abandoning any notion of \textit{de jure} job tenure. Indeed the impetus for network selling may have been, at least partly, to gain flexibility and to by-pass some of the costs of regular employment relationships. On the other hand, the workers themselves appear to feel a good deal of security in their relationship with the parent firm. Paradoxically the looseness of the relationship seems to allow people to feel that they can control both their hours of work and the intensity with which they work. This provides a type of security which a tighter relationship cannot. That is the security of not being fired. If a minimum income is not perceived as an intrinsic part of job tenure, then such an arrangement could be characterised as offering secure employment. This example highlights an aspects of job tenure which has not been considered earlier: that job tenure implies maintenance of a wage as well as access to employment. The lack of secure minimum income in conjunction with the high turnover rate of direct selling distributors implies in my view a low level of both \textit{de facto} and \textit{de jure} job tenure.
The specific strategy adopted by managers will depend on the political environment within which they are operating. One aspect of this environment will be government regulations designed to protect particular types of operations. Another will be the structures of welfare provisions and child-care which facilitate or hinder the employment of specific groups such as married women. A deeper understanding of the way in which patterns of demand, technological and organisational change, and labour supply factors interact with job tenure requires more detailed information. In the remainder of this thesis the links between these factors are discussed with respect to the Australian retail industry.

1A survey of Amway distributors in the United States (Johnston, 1987) found that the average income of Amway distributors was $US 379.57 per month. In order for a distributor to make an average wage s/he has to introduce six new distributors to the firm. Each of these must in turn introduce 4 distributors, and each of these 24 must introduce two more. If all of these new distributors sell one hundred dollars worth of products per week the original distributor will earn approximately the average US income.

2This was written before the wall between East and West Germany was removed.
Chapter 4

The Morphology and Tendencies of Australian Retailing

This chapter presents the available data on the structure and history of the retail industry in Australia. The material presented in this chapter provides a social, economic and historical context within which the patterns of tenure in the retail industry, which are discussed later in the thesis, can be understood. The retail labour market is affected on the demand side by patterns of demand for goods; by the labour process and technologies used in shops; by the structure of retail organisations; the relationship of the industry to other industries, particularly banking; and by government intervention. Each of these is discussed in this chapter and a diagrammatic summary is presented in the concluding section.

Unfortunately, little data is available on the morphology or trends of the labour market in the industry. Because of the limited nature of the data the discussion in this chapter of employment in the retail industry is confined to outlining the basic shape and trends in employment. The links between each of the factors which affect the demand for labour and the shape of the labour market are not spelt out because data are not available. Certain of these links are explored in greater detail in later chapters of the thesis. In particular the effect of government interventions on patterns of employment in the industry are discussed in Chapter 6.

Changing Patterns of Demand for Goods

As indicated in the previous chapter the characteristics of the retailing sector are influenced by wider societal characteristics. In particular, patterns of urbanisation, transportation and industrialisation are important, as are the disposable income of the population and the size of the population. Australia is one of the most urbanised countries in the world (Butlin, 1964: 181). Lack of internal rivers for transport and climate has restricted large scale settlements to the coast resulting in a concentrated population.

Urbanisation in Australia has coincided with economic prosperity and high rates of immigration (McFarlane, 1972 :32-42; Rowley, 1972: 265-271). The ability of the population to consume at a relatively high level has been enhanced by the opening of hire-purchase companies. The first of these opened in the 1920s but they did not expand dramatically until after the second world war. By the end of the 1960s hire purchase companies were the largest financial institutions in the country (Perkin, 1976: 30). Hire
purchase boosted the retail industry unevenly. It stimulated car sales in particular and to a lesser extent the sale of expensive consumer durables. The Waltons company was particularly active in hire purchase selling establishing an army of door-to-door salesmen who acted as tally-men (Rydes May 1980:55-6).

The viability of a large distinct retailing sector in the economy is dependent on the transportation and distribution of goods. In Australia transportation between centres improved sufficiently to allow interstate trade in the early twentieth century (Cochrane, 1980: 37). Public transport continued to become cheaper and more extensive throughout the 1950s and 1960s facilitating suburbanisation. This was intensified as private cars became more prevalent (Rowley, 1972: 273).

The Australian economy is heavily dominated by foreign companies but until recently there had been little penetration by foreign capital into the retail industry. One of the historical consequences of foreign capital inflow is that it induces an element of instability into the economy and fluctuations in demand for retail goods. The reason for this instability is that capital inflow tends to be invested in mining and other export-oriented industries the profitability of which is dependent on prices of the raw materials. Such prices can fluctuate sharply, causing layoffs. Such fluctuations also affect the availability of capital to retail enterprises and the interest rates charged on existing loans.

Currently in Australia the market for retail goods has fragmented, as it has in other countries, into a specialist sector catering to those with high levels of disposable income and mass retailers catering to those with less disposable income. The fastest growing sector has been fast and other processed food outlets. These cater to the dual income family in which both parents work full-time.

Writers in retail and business magazines have noted a growth in numbers of specialists taking advantage of the high rate of household formation in the early 1980s. Specialists which flourished in the 1980s included nursery/garden centres, shops selling cheap furniture and outlets for baby products such as prams (e.g. Retail Trader March 1985 monthly update; Aust. Business 17.12.1981: 43-8). Recession, in conjunction with a still high rate of household formation, fostered large scale retailers emphasizing cheap goods in the late 1980s with a boom in decentralised showroom types of developments (Weekend Australian June 5, 1989: 1,16).

As in other OECD countries, the overall polarisation and fragmentation of the market has occurred in a situation of economic slump. The small overall size of the Australian market has ameliorated trends towards fragmentation. The small overall size of the
market means that some market niches which exist in larger countries cannot profitably be exploited in Australia because the numbers of people do not exist. This means that fragmentation is reduced as shops try to cater for groups of people with wider ranges of characteristics.

Predictions made in the 1960s that the Australian population would exceed twenty million by the year 2,000 led large retailers to expand their capacity in anticipation of increased demand. In fact, the population is unlikely to reach this figure. The smaller than expected population in conjunction with economic slump put many small shopkeepers out of business in the early 1980s. Retailers were particularly affected by rising interest rates (Rosewarne, 1983: 25; Game and Pringle, 1983: 132).

The smaller retailers were disproportionately affected since larger retailers were able to cut prices to increase their share of the shrinking market and rationalise their property holdings to reduce interest payments (Rosewarne 1983: 26; Game and Pringle, 1983: 132). Rationalisation continued in the industry in the late 1980s with further mergers and closures. The difficulties experienced by retailers appear to have muted trends towards flexible specialisation and only a few manufacturers have established their own retail outlets for their products. The trend rather, has been for such manufacturers to lease space within department stores (Inside Retailing 1989, March 20: 8,9,16).

The consequences of changes in the pattern of demand for employment tenure in the retail industry are not clear from the available macro data on employment. However we do know that in the past changes in demand have led to changes in the morphology of the retail labour market. For example, casual and part-time labour grew in the industry as the economy came out of the depression after 1933 (Nolan, 1989: 270-271).

Technological Change in Australian Retailing

The fragmentation of demand in the 1980s has been accompanied by technological change. As in other OECD countries this has mainly involved the introduction of information technology.

The first Australian EFTPOS terminals were introduced in Whyalla in 1983. These enable shoppers to pay for goods electronically by accessing their bank accounts and transferring money to the shop's account. In Australia the impetus for EFTPOS appears to have been from outside the industry. Both business equipment manufacturers and banks wanted the system introduced. The period prior to its introduction witnessed a tailoring of the system to suit retailers and gain their support (The Australian 28-29.9.85: 20; The Age 9.10.84: 33; The Sydney Morning Herald 17.4.86: 19).
In 1985 a number of financial institutions linked their networks. This was beneficial for retailers who had previously needed separate machines for each bank. Domestic users also became part of the EFTPOS system as home-banking and shopping facilities were opened. In order to facilitate the potential growth of the system Telecom committed itself to the introduction of a new infrastructure by 1987 to cater to the expected demand. A further impetus to EFTPOS implementation was the entrance of the foreign banks after de-regulation of the banking industry. Only three months after the announcement that foreign banks would be entering Australia, Westpac signed up fee-paying retailers for commercial EFTPOS services (ASTEC, 1986: 66 - 70).

One of the key benefits of information technology for retailers is that it improves information available to managers. The introduction of computer technology centralises information from a wide range of areas in central offices. This promotes a centralisation of supervision. The Coles-Myer group, for example, has connected all 1600 of its outlets with a voice-data network (Inside Retailing Feb. 13, 1989:1). Employee performance can be monitored directly by upper managers, reducing the need for supervisors (ASTEC, 1986: 102). At the same time lower management positions may become more challenging since information is also available to them in greater quantity and quality (Rydges April, 1980: 30 - 32). Since patterns of demand can be predicted in advance, rosters can be drawn up which cater for those patterns and reduce the need for store level managers to rely on casual labour. This has meant that a reduction in casual jobs can occur in some stores (Lewis, 1990: 62-7).

An illustration of the change in the relationship between shop level and central management is illustrated in the following example: at David Jones a comprehensive computer system was installed in the early 1980s. The managing director has since then been able to access information pertaining to sales of any line of goods in any David Jones store in Australia. In one case, where the computer showed a downturn in television sales in a particular outlet, the shop manager was contacted for an explanation. The explanation was that two sales staff were ill. The managing director was then able to direct personnel to send extra staff to prevent further loss of sales (Rydges, Dec. 1983: 22 - 24). The above example demonstrates both a significant simplification of procedures and a concomitant reduction in the ability of store level managers to avoid interference by higher level managers. A similar situation in a small chain (Rydges, March 1982: 81 - 83) indicates that the new technology provides an opportunity for owners of small firms to revert to simple control strategies.
Home-shopping technology is also likely to have a significant impact on the industry in the next decade. While the technology is available for shops to be replaced by direct retailing of products from warehouses to customers at home tele-shopping (that is, shopping from home using information technology) has not spread as fast as was expected. This is partly because the integration of households into an information technology infrastructure has proceeded slowly. Australia is one of seventeen countries which provides public support for a public access videotex system (ASTEC, 1983: xi; Rydges, Aug. 1978 : 26 - 8; 125; Baker, 1982 : 13 - 16). The videotex system would permit shoppers to view items on a screen, order them and pay electronically. The system is not yet widely used for retailing purposes but if tele-shopping takes off it is likely to increase jobs in the delivery of goods. In particular Australia Post is likely to expand (ASTEC, 1983 : 74 - 5).

While EFT is an example of technology in the banking sector influencing retailing, retailing has also been affected by technological change in other industries. In particular this has been documented in the motor retail industry (NRMITC, 1979). In this industry changes in technology used in the production of cars has significantly changed the skills required to sell and service vehicles. Mechanics are now required to possess considerable electronic as well as mechanical skills. Car retailers and service centres must be equipped with machinery to test the performance of electronic parts. In conjunction with computer office technology and automatic fuel pumps the technological change in the manufacture of cars has resulted in a greater capital intensity in the retailing of them. Interestingly, the changes have led to an increase in labour costs in the sales and service areas as they have reduced them in the manufacture of cars (NRMITC, 1979 : 28 - 30).

As in other OECD countries, then, technological change in retailing has taken the form of introduction of information technology. This has changed the relationship between the banks and retailers; between retailers and their suppliers; and between upper and lower management. The introduction of information technologies appears to be proceeding slowly.

The Structure of Retailing in Australia
As in other OECD countries, the retail industry in Australia consists of a wide range of shop types and sizes. It includes a growing non-shop component and the largest retailers are growing larger.

Direct selling is an established part of Australian retailing, partly due to the geographic isolation of segments of the population. More recently, however, mail order retailing
appears to have expanded. Mail order shopping has increased with non-profit organisations such as the Australian National Gallery, aid organisations and various social and environmental organisations selling goods by mail. As yet such enterprises comprise a very small segment of the retail market. Home ordering and delivery of fast food spread in the 1980s. Credit card firms have made extensive use of direct selling. Some large retailers such as Grace Bros. and John Martin have expanded their mail order departments. They sell directly through catalogues using data collected from credit card sales to generate customer profiles which assist in targeting specific groups (Retail Review Jan 1989:13; Dalley, 1982: 66). Job Watch estimates that about 100,000 people were employed in direct selling in Australia in 1986. This represents about 10% of all sales and personal service workers. Most were employed outside of the award system on an independent contract basis (Job Watch, 1986). Many of these are employed in personal network selling organisations such as Amway.

The concentration of ownership in the retail industry in Australia is high (Game and Pringle,1983: 64; O'Donnell 1984: 132; NBMS Dec 1980: 7). Concentration of buying power of the largest retailers has continued to increase in the 1980s, culminating in an increased market share of the largest retailers: Coles-Myer now accounts for 20% of all retail sales in Australia and Woolworths- Safeway has 27% of the total food sales. Coles and Woolworths between them account for over 50% of food sales (Aust. Business Nov. 18: 1987: 82). On a sales per head of population basis, Coles-Myer is now the largest retailer in the world, with Woolworths (Australia) the fourth largest (AFR 31.5.88: 17).

Concentration of ownership has been accompanied by diversification into other distribution areas, into manufacturing and into non-retailing activities. For example, Coles-Myer has its own financial network: Australian Retail Financial Network Ltd. On the release of its 1988 annual report, it had six food chains: Coles New World, Liquorland; Discount Food Stores; Red Rooster; Food Service (operates Holly's Restaurants); Sandhurst Foods (meat and dairy suppliers). Coles-Myer also owns seven discount chains: K mart; Super K. mart; K mart Auto; Target; Katies; Specialty Footwear and Fosseys. It owns two department store chains: Myer and Grace Bros. It also owns retailing interests in New Zealand. In total Coles-Myer had 33 subsidiaries listed in its 1988 annual report, many of which have subsidiaries themselves (1988: 77-9). On the release of its 1988 annual report, David Jones, a much smaller concern and part of Adelaide Steamship, had 'a substantial share' in National Australia Bank; Buffums Inc. (a retail chain in the U.S.); and a 43.73% interest in Tooth and Co. Limited, which has its own subsidiaries including Penfolds, Kaiser Stuhl, Wynns, Seaview, Tulloch, Killawarra, and Tollana (David Jones Limited Annual Report, 1988:...

As an example of diversification within existing stores in the 1980s, Coles-Myer attempted to increase its market share in the fresh meat category:

"We spend more money than anyone else in this country promoting meat - in fact in 1979 and 1980 meat advertising in our company cost us more than $2 million." (Arnfield 1981: 5).

Indeed, Coles invested in the "most modern meat preparation rooms in the world" and began to make use of computers to analyse gross profit and predict consumer demand in this area. They extended the selling area for meat at this time.

Until the 1980s, retailers were uninterested in expansion outside of Australia. David Jones has an established American chain in Buffums (Annual Report, 1988). Burns Philp is active throughout the Pacific region (AFR 29.5.83: 12-3). Both Woolworths and Coles-Myer have substantial shares in the New Zealand retail market: Woolworths in Burns retail chain, and Coles Myer in Progressive Enterprises Limited which accounts for 13% of the New Zealand retail market (AFR 31.5.88: 17). Some retailers have entered into joint ventures with American retailers: Coles expanded in the late 1970s by joining the American company S.S. Kresge in establishing its Kmart chain. Coles-Kmart was 20% owned by U.S interests prior to its take-over of Myer. Coles-Kmart in turn owned 10% of Woolworths which, now that it has merged with Safeway, is 20% owned by Safeway (Age 7.8.85: 1; 10.9.85: 1).

Other overseas companies have attempted to compete with Australian retailers directly. This approach has been taken by large Japanese retailers, Daimaru, which opened an outlet in Melbourne in 1991, and Sogo which is constructing a store in Sydney. Apart from plans of Daimaru to build five more stores, competing Japanese retail groups also have plans to set up retail chains in Australia (BRW 10 June, 1988: 58-60; Inside Retailing Feb 20, 1989: 5).

Franchising is another area in which overseas companies are investing in Australian retailing. By 1980 there were 195 Kentucky Fried Chicken outlets; 98 Pizza Huts and 116 McDonalds in Australia (Game and Pringle 1983: 65). There is also transnational

The expansion of the largest retailers has been accompanied by changing corporate structures. The largest retailers have diversified into specialty retailing and manufacturing. These diversified structures have then divisionalised. For example, Woolworths divisionalised in 1984 creating five divisions: food, general merchandise; specialty stores; electronics and manufacturing. A corporate services group operates outside of this structure to service the divisions. Each division has its own board and chief executive (Rydelges March, 1984: 41). In conjunction with diversification and divisionalisation the range of house brands has grown (AFR 31.12.82: 3) and selling space of shops has increased enormously. Thus Coles 'Extra' stores now stock everything, with shoe stores, bakeries, fishmongers, garden centres within one store.

While the consequences of such changes are not clear we do know that, in the past, structural change of this sort in the retail industry has significantly affected employment conditions in the industry (Nolan, 1989: 285-291). One change which has been noted in response to recent changes is that the in store management structures are flatter with a store manager and department heads replacing a ladder of managerial staff (Aust. Business 18.11.1987: 85).

As the discounters have obtained a larger share of the market management has become more centralised. Discounters operate on strict formulae which determine everything down to the colour of the hangers. Every store is designed to the same specifications according to 'planograms' (Aust. Business 29.6.1983: 46-50). One manifestation of this is that department stores are beginning to centralise buying to compete with the centralised buying of discounters (BRW May 26-June 1, 1984: 29-33). However, Myer in particular seemed to experience difficulty in setting up centralised buying systems (Nat. Times May 23-29, 1986: 9,10). In this case rationalisation of operations appears to have been hindered by unwillingness, on the part of store level managers, to make full use of the technology introduced to facilitate centralised buying.

The increasing size of the largest retailers has been accompanied by a change in the relationship between finance companies and retailers. Many of the large retailers have in the past provided credit to customers. The advantage of the large retailers in offering credit is threatened by Bankcard and other credit cards. The big upturn for Bankcard occurred in the Christmas of 1982 when Bankcard transactions rose from $58m in Dec. 1981 to $75m in Dec 1982 (Aust. Business Dec. 23, 1982: 16-7). These cards gave ready access to credit for shoppers in many stores, not solely the largest chains. By
1985 the large banks were attempting to establish their own credit and debit cards independently of both Bankcard and the retailer's cards. The ANZ Bank, among other banks, was offering to take over the credit arrangements of some retailers and to set up special card arrangements for groups. One way in which banking organisations have attempted to take over credit facilities is by setting up cards which can be used in any shop in a particular shopping centre: such as the Centrecard issued by ANZ for the AMP shopping Centre in Sydney. Another way is to remove automatic teller machines so that credit becomes more convenient for shoppers than cash (The Retail Trader, Sept. 1987: 1).

In association with the proliferation of both credit and debit cards has been the introduction of EFTPOS as discussed above. The POS technology blurs the distinction between retail and bank employees since the customer is able to obtain cash or credit at the point of sale, thus eliminating the need to use bank outlets (ABEU Newsbrief Vol. 5, No. 13). In 1983 for example, Westpac linked 1,000 retail outlets including BP service stations, Woolworths supermarkets and Food Plus stores, into a network through which Westpac's customers could obtain cash (The Age 6.12.83: 34).

As well as provision of credit the large retailers have often considerable investment in financial institutions. David Jones has interests in National Australia Bank Ltd.; Westpac Banking Corporation; Australia and New Zealand Banking Group Limited and Commercial Union Assurance Company PLC in the U.K. (Annual Report 1988). Myer has a history of investment in finance companies including the Australian Bank and HFC Financial Services Ltd (which before 1982 was owned by David Jones).

The changing relationship between the retail and banking industries is likely to have profound effects on the structure of the retail industry itself. The extension of credit is likely to favour smaller retailers. However, banks are also more important in financing both new enterprises and capital programs of existing enterprises. The banks are likely to favour the more established (therefore lower risk) operations. The overall effects of these two countervailing pressures is unclear. In addition, just as the retailers have interests in various financial institutions, so are the banks expanding their interests in retailing. One example is the Commonwealth Bank's extension into retailing through their customer magazine Expressions. The banks are likely to see retailing chains with large numbers of dispersed outlets as a way of extending customer service without the cost of building and staffing large numbers of outlets. As an example, in 1989 it became possible for intending customers of Citibank to open a bank account at any Soul Pattinson pharmacy (Canberra Times 3.6.1989:10).
The effect of the inter-linking of banking and retailing on various sectors of the retail industry will depend on profit trends within retailing. Little (1979) has shown, in her historical analysis of retailing in Australia, that different 'trades' respond to different economic conditions in different ways. The 1970s was the first time that increased sales did not automatically mean increased profits. This was because of the entrance of discounters into retailing in Australia which pushed margins lower. The large retailers (for whom data on profits are available from annual reports) experienced the 1970s and 1980s differently. While margins were continuously low, the discount stores: Target, Kmart and Big W all performed well. In contrast the traditional department stores such as Waltons, Grace Bros, David Jones and the Myer chain were hardest hit.

Poor profit performance in the 1980s resulted in rationalisation in some enterprises. For example Target pulled out of grocery retailing in 1982. Others consolidated geographically: Myer pulled out retailing in Sydney and Grace Bros pulled out of Melbourne (AFR 27.5.83: 12-3). The poor performance of large retailers with sizeable assets in the form of property paved the way for corporate raiders to enter retailing and two of the worst performers were taken over: Adelaide Steamship took over David Jones and Bond took over Waltons. This resulted in a change in corporate strategies. Rationalisation which had occurred in the early 1980s occurred again in the late 1980s. In 1988 retail turnover fell as interest rates rose, suggesting that increased interest rates diverts spending away from retail sales (BIE, 1989:11). Many chains went into receivership as did one whole shopping complex (Victorian Retailer 1988: Dec: 1-3). In 1989 rent increases and other cost increases forced more retailers to sell out. Increased interest rates forced the Hooker Corporation to sell its retailing assets to generate cash to service debts (Inside Retailing June, 5, 1989: 1,16).

The largest retailers have tried to increase market share by refurbishing existing stores. This has meant that as profits have declined money has been borrowed for expensive refurbishment programs aimed at increasing market share. David Jones and Myer have been typical of this trend. In order to achieve this they initially borrowed. However as interest rates rose and profits were further eroded by the need to service debt repayments, they sold property holdings generating cash for building but also for paying off debts. Others such as Coles and Woolworths, the good performers, have extended into new markets generally by take-over. Those chains which have sold property subsequently showed improved profits partly due to reduced interest payments on borrowings (AFR 27.9.84: 1,8; The Age 15.3.85: 19; Annual Reports David Jones and Coles-Myer 1988). Interestingly, this expansion of building programs in a period of low consumer demand mirrors the nineteen thirties when the Myer company re-built the Bourke Street store (Marshall, 1961: 147).
Throughout the 1980s margins have remained low so retailers have depended on consumer confidence to raise the quantity of sales. But the 1980s have also seen a change in the relationship between retailers and their suppliers. The retail sector in general is highly dependent on the wholesale sector which is characterised by a few large multinational firms and a small number of Australian firms (Committee of Inquiry into Technological Change in Australia, 1980: 297). This dependence is particularly detrimental for small retailers who are unable to buy in bulk directly from the manufacturers. During the 1980s the largest retailers, particularly food retailers such as Coles and Woolworths, have extended their interests into manufacturing. This has resulted in the appearance of generics and the advancement of Home brands.

The monopsony of the largest retailers in Australia has increased their ability to squeeze suppliers. The 1960s saw the largest retailers reducing the amount of stock they carried and transferring the risk of stock carrying to their suppliers. In the 1980s the largest retailers have begun to offset poor trading periods with profits gained on the short term money market by deferring payments to suppliers. This discovery of such 'cash management' practices coincided with the entry of Bond and Spalvins (Adelaide Steamship) into retailing. The advantage to the large retailers was greatest in 1982 when further reduction in stock holding meant that 3-4 weeks of sales were invested in the short term money market at considerable profit. The risk of holding of stock has now been passed onto the suppliers (Aust. Business 8.7.82: 22-3; AFR 31.12.82: 3).

Increased concentration of ownership has been accompanied by changed relations between large and small business. A clearer picture of the most recent trends can be drawn by distinguishing between the different product areas (ABS 8622.0, 1985-6; 8625.0, 1979-80). Between 1979-80 and 1985-6 in some areas the specialists increased their market shares and the number of specialist stores expanded. In others the specialists declined both in terms of store numbers and market share.

The most notable example of the specialist retailer on the decline in the 1980s was the butcher. In 1979-80 70% of all fresh meat and poultry was sold by specialist butcher shops; in 1985-6 this had fallen to 57% (ABS 8622.0, 1985-6 Table 8; 8625.0, 1979-80, Table 2). The huge decline began in the late 1960s (ABS 8621.0, Table 2) and was matched by a corresponding increase in market share held by grocers. So, the supermarkets' attempts to diversify succeeded in this area. The number of specialist butcher shops fell by 5.5% in the same period and the total dollar value of sales increased less over the period than they did for other commodities. While this appears to be partly at least a result of aggressive marketing by large stores, such as Coles-Myer, it
has been accompanied by further de-regulation of trading hours. Until the 1980s trading hours remained tighter for fresh meat than for other commodities thereby protecting the specialist retailer.

A decline in the market shares of specialists also occurred in photographic equipment sales; watches, jewellery, clocks and silverware; footwear; cosmetics; nursery products and records and cassettes. In most cases the decline in market share indicates a poor performance by specialist retailers. However, the nursery/garden centre area was an exception. While the specialist garden centres obtained a much smaller market share, the size (measured in dollars) of total sales increased to such an extent that the number of specialist shops increased by 157% even though much of the 'trade' was done by large retailers. In contrast, while market share was not down for green grocers, the number of specialist stores fell by 21% and the numbers of employees relative to proprietors in this area also rose (ABS 8622.0 1985-6; 8625.0, 1979-80).

The areas in which the specialist retailers gained most were fabrics; furniture; floor coverings; and kitchenware, china and glassware (hardware stores). However in none of these areas had the value of sales increased greatly. The best performer was fabrics where the specialist retailers' share of the market rose from 40 to 46%, and where $ sales increased more than in other 'trades' (ABS 8622.0 1985-6; 8625.0, 1979-80).

The picture gained by comparisons of market share is limited. It appears to be areas in which specialist retailers are not in competition with large retailers which are growing fastest. Thus in the medicines area, where they are not in competition with the large retailers (in contrast to cosmetics), the pharmacies are hanging on to the vast bulk of trade (8622.0, 1985-6: 23). An expanding area for specialists is the fast food area. While the market share of the specialists marginally decreased (it is unclear who gained since the large retailers did not) the absolute value of $ sales increased faster than in any other area. A similar pattern emerges for motor vehicle, petrol and motor part sales, where the $ value of sales also increased in value more than other 'trades'. Thus, small business thrived in the 1980s in areas where it could serve or complement larger enterprises rather than in areas where it was competing. The importance of factors internal to particular product areas is unclear. It appears that service intensive areas such as fast food and hairdressing are less likely to be in competition with large retailers, however, the large retailers have shown a capacity to routinise specialist tasks and incorporate them into their operations. They appear to do this after an upward trend has been established by the specialists. Likely areas of expansion in the near future would appear to be plants and garden supplies and fast food.
Some resistance to the increasing shares of the market acquired by the largest firms has occurred. One manifestation of such resistance is the formation of voluntary groups. Mitre 10 is the largest: a cooperative company of 406 hardware stores whose owners make decisions and instruct an executive to carry them out. The organisation enables bulk purchasing and also provides resources for group advertising and the provision of market research (Ryidges Feb. 1980: 150-1).

The two forms of organisational change noted in Chapter 3 which are likely to affect patterns of tenure are the emergence of franchising and other non-employment forms and the growth of the largest retailers. Franchising is the retail industry's version of subcontracting. As subcontracting has become more prevalent in other industries in Australia, so have franchising and hawking become widespread in the retail industry. Indications that hawking is expanding include an increase in the numbers of licences sought and obtained and increasing numbers of complaints from shop-based retailers about the activities of hawkers (Retail Trader, March 1988:1).

The lack of research data on franchisees has meant that there is a concomitant lack of information on either employment within franchised stores or on the career prospects of either franchisees or their employees. Information on the nature and extent of franchising in Australia is scarce, estimates range from 200-500 franchisors. McCosker estimates that at least 450 franchisors exist with 20,000 outlets (1987: 3). This estimate is supported by the Australian Franchise Opportunities Handbook which listed 600 franchisors in 1989 (SMH 8 Feb. 1989). There is no doubt however, that franchising is increasing and will continue to do so. Mercer and Maher (1986: 32) estimated that 20% of all retail sales in Australia were made through franchised outlets in 1986, and Padden (1987) estimated that 24% of retail sales were accounted for by franchising in 1987.

The information which has been collected has tended to originate from franchisors rather than franchisees. This is because the difficulty of obtaining information from widely dispersed and numerous franchisees. Much of the research which has been done overseas has been funded by franchisors. In Australia, the Bureau of Industry Economics conducted a study of franchising in the retail industry in 1989. This study was based on franchisor interviews due to the difficulty of obtaining information from franchisees. This survey showed that franchising was concentrated into a few product areas. It estimated that 60% of franchises were accounted for by retail, restaurants and take-away food, automobile products and services industries (BIE, 1989a: 10). Overall the numbers of business format franchises (those most prevalent in retailing) rose by 10% between 1987 and 1988 (BIE, 1989a: 12). Almost half of the total employment in franchised outlets is in the fast food and restaurant 'trade' which is labour intensive.
These outlets are staffed 80% by part-time employees. While the proportions of part-time employees in other types of franchises are much lower, the size of the fast food sector as an employer results in a high rate of part-time employment overall for franchising (BIE, 1989a: 15-16).

One tendency which has been documented is that franchisees are more likely to survive the first few years of operation than independent small businesses. A survey conducted between 1973 and 1985 found that nearly 80% of franchisees survived compared with 45% of independent small businesses (Williams, 1986:219). This difference may be a result of franchisor intervention in transference of ownership of failing outlets. It may be reduced as the established franchisors become less concerned to create an image of stability around franchising. One survey of franchisees in the oil business, in Australia, found franchisees to have personal characteristics typical of other small entrepreneurs. They worked long hours (an average of 66 per week) and few had formal qualifications above technical college level. Many had been in their present business for 14 years or more indicating a high degree of tenure. It appears that while the franchisee appears to work long hours, supply is not restricted by high qualifications or skill requirements (Hunt and Mukhi, 1986: 73-93).

Many franchising arrangements are made because of a shortage of capital. On the franchisor's part a shortage of capital prevents established companies from expanding as fast as they would like. Australian banks encourage franchising by giving better terms on loans to franchisees, approved by accepted franchisors, than to independent small business starters (McCosker, 1989: 11). Banks in Australia have recognised the advantages of lending to franchisees in established chains and have targeted advertisements to such potential debtors (The Australian 24.5.90 : 29ff; BIE 1989a: 21-3). In other cases potential small business people have capital but no experience in the business world. A franchise often offers management and organisation back-up as well as economies of scale in purchasing, market research, and advertising.

As indicated in Chapter 2, the legal status of the franchise relationship in Australia is still somewhat confused. In Australia, contracts are usually of short duration. five years is common in comparison with 20 years in the United States (McCosker, 1989). There is currently no minimum period of tenure, nor are there legal requirements for compensation for non-renewal of tenure. The exception is in the petroleum industry. The Petroleum Retailing Marketing Franchise Act 1980 guarantees petrol station franchisees nine years tenure and goodwill payments on termination of a franchise contract (Vic Retailer Sept. 1988: 4).
Franchising is not restricted to the small business sector, it also affects the operation of large chains and large stores. David Jones provides an example: in the 1970s the hairdressing salons in David Jones were let to a well known overseas franchise organisation. The advantage of this to David Jones was that they could avoid responsibility for apprentices, whose engagement and training was time-consuming for administrative and personnel staff. The leasing of the hairdressing salons to a franchisor was successful for David Jones and, as a result, many other departments have now become operated by franchisors. China departments are leased to franchisors to cut down on costs associated with breakages; jewellers are leased to franchisors to cut down on security requirements; Sheridan sheets are operated on a franchise arrangement to ensure regular supply; cosmetics stands and departments selling particular brands of clothes, such as Country Road and Weiss, are also leased by franchisors. Thus many of the staff working in a David Jones Store are not David Jones employees. They are franchisees of the lessee of the space provided by David Jones (McGovern, 1988).

From the manufacturer's point of view the shop-within-a-shop structure enables them to display their merchandise as they wish, to train and use their own staff, ensure that the corporate identity of the supplier/manufacturer is maintained, while not having to finance real estate acquisitions. While some manufacturers have set up their own chains operating outside of the largest retailers these have tended to be taken over by the large retail groups more rapidly than they are overseas (Aust. Business 17.12.1981: 82-3; Marketing World 1(4) July-Sept. 1984: 19-20).

The employment consequences of this shop-within-a-shop structure are two-fold. One of the major impetuses for the franchising arrangement is that a large store is able to divest itself of responsibility for training. This is most obvious in the case of apprenticeships which in the hair salons are then the responsibility of the franchisee. However, in a less dramatic form it also occurs in other areas. For example, in the cosmetics area, particular franchisors take on the task of training franchisees in one particular product. This means that training is restricted to one particular brand rather than an employee obtaining experience with a wide range of brands. Thus a broad general training may be replaced with a specialised and specific training. The extent to which such a process occurs has not yet been documented. The compartmentalisation of sales staff into one department appears to have increased throughout large stores and is not restricted to the franchised areas (Blanthorn, 1989).

In summary, trends in the Australian retail industry in the 1980s which are likely to affect job tenure in the 1990s are: the introduction of information technologies, including scanners; changes in the nature and strength of links between banks and retailers;
emergence of new organisational structures, including franchising and cooperative networks; diversification of large retailers into specialist retail areas and into non-retail areas; internationalisation of companies; expansion of specialist retailers in some service intensive areas; low margins and overall poor profit performance.

The Retail Labour Market
As indicated in Chapter 2, there was a plentiful supply of labour in the Australian labour market in the 1980s. The overview of the retail industry presented in Chapter 3, indicated that casualisation of employment is occurring in the retail industry in most OECD countries. Indications that this is so include increasing numbers of part-time jobs and the changing organisational structure of firms in the industry. Similar trends appear to be occurring in Australian retail employment.

The following section presents the available data on trends in the Australian retail labour market. Since 1988, the ABS has published data annually on casual employment in their publication: Weekly Earnings of Employees (Distribution) Australia (Cat. No 6310.0). This will provide data for analysing trends in the future, but at the time of writing only three years of data had been collected and published. The data presented in the chapter are from the ABS retail censuses. The census was conducted in 1979 and 1985. Some information on casual employment in the industry is also presented from the Alternative working Arrangements Survey of 1986. Aspects of the retail labour market discussed below are sex segmentation; trends in employment according to firm size, occupation and 'trade'; and trends in the hours of work and employment status of retail employees.

In June 1986 there were 160,000 retail establishments operating in Australia, employing 928,500 people. Between June 1985 and June 1985 there was an increase of 17.4% in the number of people employed in the retail industry (ABS 8622.0, 1985-6: 1). The numbers of jobs in the industry, particularly part-time and casual jobs, varies seasonally. From April to September employment remains fairly steady. But employment in retailing rises from October to December. In 1987 jobs rose by 5.5% during this period. Employment in retailing falls in January, February and March, and tends to increase again in April (Figure 4.1).
A variety of different types of labour are employed by retail enterprises. As far as large enterprises are concerned, jobs are structured such that stores require a large flexible group of unskilled employees prepared to work part-time in sales or back-of-shop activities. These jobs are filled by teenagers, married women and adult men working second jobs. There appears to be no shortage of people to fill these jobs. ABS surveys suggest that there is a plentiful supply of people who would like to work part-time, partly due to an increase in the number of school children taking on part-time jobs (Lewis, 1990: 14, 35).

Job structures in large enterprises also include managerial, administrative, clerical and professional posts. Clerical labour has been abundant in Australia, partly due to the shortage of jobs available for women in other industries. Managerial and administrative positions have traditionally been filled from internal labour markets in retailing (McGovern, 1988; Blanthorn, 1989).

As far as small scale retailing is concerned, the job structure consists of proprietorships, agencies and franchises, which require personnel with capital, small business and low level accounting skills; and unskilled support jobs. There seems to be a shortage of
neither of these types of labour. As for larger retailers teenagers have boosted the supply of casual and part-time workers to fill support roles. Despite economic recession there appears to be a plentiful supply of people willing to enter into franchises. Indeed franchising increases the potential pool of proprietors since they require no previous small business experience (McCosker, 1989).

The retail industry employs more women than other industries do (Table 4.1). The labour market in the retail industry has traditionally been highly sex-segmented (Game and Pringle, 1983 : 61). Sex segregation by department has declined with the advent of supermarkets and the advent of equal pay legislation. But sex segmentation by function is still widespread. Women and girls tend to be employed as cashiers and boys as shelf-fillers and bag packers.

| Table 4.1 |
|---|---|---|---|---|---|
| **Female Employment Share in the Wholesale and Retail Industry.** |
| Wholesale and Retail | % of employees |
| Females as a | 42 | 42 | 43 | 43 | 50 |
| % of employees in wholesale and retail |
| Females as a | 31 | 35 | 37 | 39 | 38.5 |
| % of employees in all Industries |

(Source: ABS 6203.0 August)

Women are concentrated in sales and clerical areas of the retail industry whereas men are concentrated in the 'other' category. That is in 'trades', processing and production, transport and labouring. Men are over-represented in the administrative and managerial jobs and in professional activities. However, in the last ten years women have made small gains in these areas. The proportion of women in clerical jobs has fallen since 1977 while the proportion in administrative and professional jobs has risen (Table 4.2).
Table 4.2

Occupations of Workers in the Wholesale and Retail Industry.

<table>
<thead>
<tr>
<th></th>
<th>1977</th>
<th></th>
<th>1987</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Professional &amp; Technical (incl para-prof)</td>
<td>3.8</td>
<td>1.5</td>
<td>5.3</td>
<td>2.0</td>
</tr>
<tr>
<td>Administrative executive &amp; managerial</td>
<td>18.8</td>
<td>4.2</td>
<td>19.5</td>
<td>8.5</td>
</tr>
<tr>
<td>Clerical</td>
<td>4.9</td>
<td>32.9</td>
<td>4.4</td>
<td>23.1</td>
</tr>
<tr>
<td>Sales#</td>
<td>27.2</td>
<td>53.7</td>
<td>26.2</td>
<td>55.1</td>
</tr>
<tr>
<td>Other*</td>
<td>45.2</td>
<td>7.7</td>
<td>44.5</td>
<td>11.3</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

(Source: ABS, 6203.0)

* 'Other' includes production and process workers, tradespeople, labourers, farmers and transport workers.
# 'Sales', includes 'service, sport and recreation'.

Changes in the occupational profile of the industry reflects changes in the nature of work done by staff. As in other OECD countries sales staff now have little chance to assist customers since personalised selling has been replaced by advertising done by specialists. Thus the selling function has been polarised into two parts: highly skilled selling work done by professional advertisers and low-skilled cashier operations done by casuals and other non-career workers. Technological change appears to be having the predicted effect on employment in retailing. Between 1977 and 1987, the proportion of retail workers employed in sales occupations remained static. In contrast, the proportion employed in the clerical area fell dramatically while the proportion in management and professional jobs rose (Table 4.2). This affected women more than men due to the over-representation of women in clerical jobs.
The management structure of large establishments is pyramidal but with a broad base. This means that a large majority of workers having limited access to promotions. The lack of career opportunities is indicated by high turnover rates (Table 4.3). In February 1987, 32% of all wholesale and retail workers had worked for less than one year compared to 25% in all industries.

Table 4.3

**Duration of Current Job: Wholesale and Retail Industry and All Industries.**

<table>
<thead>
<tr>
<th>Time in current job:</th>
<th>Wholesale and Retail (%)</th>
<th>All Industries (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than 1 year</td>
<td>32</td>
<td>25</td>
</tr>
<tr>
<td>1-5 years</td>
<td>39</td>
<td>33</td>
</tr>
<tr>
<td>5-10 years</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>more than 10 years</td>
<td>14</td>
<td>24</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

(Source: ABS 6209.0, Feb. 1987)

The increasing market share of the largest retailers over the century has concentrated employees into the large companies. By 1979-80 (ABS Cat. 8627.0, Table 1) 24% of employees worked for the twelve largest companies. The largest four employers employed 131,165 people between them. This suggests that there is the potential for extended internal labour markets to operate. Data available in Australia, for the first time, from the 1985-6 retail census (ABS 8622.0, Table 4), shows that the product areas with the largest companies have high levels of casual employment (Figure 4.2).
Figure 4.2

Casual Employment in Various 'Trades' and Concentration of Ownership

Legend: 'trades' ordered by extent of concentration of ownership:
1. Department and general stores (most highly concentrated).
2. Food stores.
3. Household appliance and hardware stores
4. Motor vehicle dealers.
6. Take-away food shops and milk bars (least highly concentrated).

42% of staff in Department and General stores are casual. On the other hand some of the areas characterised by a high proportion of specialist retailers also show high rates of casual employment. For example, 49% of the staff in take-away food shops and milk bars are casual, as are 45% of staff in pharmacies (Figure 4.1).

In conjunction with concentration of employment into large firms recent increases in employment occurred in the sectors of the industry characterised by smaller stores and lower concentration of ownership. Between the 1979-80 and 1985-6 retail censuses, fish shops, take-away food stores and milk bars increased their share of employment by 67.4%. Employment also increased in most sectors of the clothing, fabric and footwear industry; in household appliance and hardware stores; in the motor vehicles industries, and in the 'other' category. In contrast, over the same period, employment in department stores rose slightly and employment in the 'general store' category dropped by 33% (ABS 8622.0). Though specialisation appears to be profitable in some 'trades' the extent to which small specialist stores are operated by independent proprietors is
unclear. Working proprietors account for about 18% of total retail employment. This has not changed significantly in the last decade (ABS 8622.0). Trends in the structure of the retail industry discussed in the previous section indicate that the nature of independent proprietorship has changed with the emergence of franchising and voluntary chains.

The proportion of the workforce in the retail and wholesale sectors which is employed part-time has risen dramatically since 1970. The proportion of employees working full-time at the time of the 1968-9 retail census was 81%. In 1979-80 it was 67% and by 1985-6 full-time employment had fallen to 63%. An absolute drop in full-time employment occurred between 1968-9 and 1979-80, while part-time employment increased. The trend appears to have levelled off in the 1980s, with an increase in both full and part-time employment in the industry (Table 4.4).

Table 4.4

Trends in Full-time Employment as a Proportion of all Retail Employment.

<table>
<thead>
<tr>
<th>'Trade'</th>
<th>1968-9 (%)</th>
<th>1979-80 (%)</th>
<th>1985-6 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department Stores</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>92.97</td>
<td>75.45</td>
<td>64.21</td>
</tr>
<tr>
<td>Female</td>
<td>85.51</td>
<td>55.14</td>
<td>43.56</td>
</tr>
<tr>
<td>Persons</td>
<td>88.12</td>
<td>61.37</td>
<td>49.05</td>
</tr>
<tr>
<td>Food Stores</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>82.90</td>
<td>62.27</td>
<td>66.23</td>
</tr>
<tr>
<td>Female</td>
<td>64.63</td>
<td>43.33</td>
<td>44.13</td>
</tr>
<tr>
<td>Persons</td>
<td>72.14</td>
<td>50.54</td>
<td>53.54</td>
</tr>
<tr>
<td>Total Retail Est.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>86.69</td>
<td>80.75</td>
<td>78.58</td>
</tr>
<tr>
<td>Female</td>
<td>75.35</td>
<td>55.19</td>
<td>49.05</td>
</tr>
<tr>
<td>Persons</td>
<td>81.19</td>
<td>67.15</td>
<td>63.19</td>
</tr>
</tbody>
</table>

(Source: ABS 8622.0 Retail Industry: Details of Operations Australia, 1979-80 and 1985-6; 8621.0 Retail Establishments and selected service establishments, details of operations by Industry Class, Australia 1968/9.)
It is clear from the 1985-6 census that nearly all casual workers are part-time and most part-time workers are casual (Table 4.5). The exceptions are the take-away food area and the motor vehicle sector. In the take-away food area, which has a high proportion of casuals, 14% of full-time staff are casual. In the motor vehicle sector, which has a very low proportion of casuals, 26% of casual employees are full-time.

Table 4.5

Full-time Employment in Retail 'Trades' by Job Tenure.

<table>
<thead>
<tr>
<th>'Trade'</th>
<th>Permanent employees</th>
<th>Casual employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% Full-time</td>
<td>% Full-time</td>
</tr>
<tr>
<td>Department Stores</td>
<td>88</td>
<td>1</td>
</tr>
<tr>
<td>General Stores</td>
<td>98</td>
<td>1</td>
</tr>
<tr>
<td>Clothing, fabric and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>furniture stores</td>
<td>88</td>
<td>8</td>
</tr>
<tr>
<td>Household appliances and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>hardware</td>
<td>90</td>
<td>9</td>
</tr>
<tr>
<td>Service Stations</td>
<td>93</td>
<td>5</td>
</tr>
<tr>
<td>Motor vehicle$^1$</td>
<td>96</td>
<td>26</td>
</tr>
<tr>
<td>Grocers$^2$</td>
<td>90</td>
<td>4</td>
</tr>
<tr>
<td>Butchers</td>
<td>94</td>
<td>14</td>
</tr>
<tr>
<td>Take-away food$^3$</td>
<td>76</td>
<td>6</td>
</tr>
<tr>
<td>Second hand goods dealers</td>
<td>84</td>
<td>9</td>
</tr>
<tr>
<td>Nurserymen and florists</td>
<td>86</td>
<td>11</td>
</tr>
<tr>
<td>retailers nec$^4$</td>
<td>86</td>
<td>10</td>
</tr>
<tr>
<td>Total retail ind.</td>
<td>90</td>
<td>7</td>
</tr>
</tbody>
</table>

(Source: ABS 8622.0 Retail Industry: Details of Operations Australia 1985-6)

1 includes car, boat and motor cycle dealers, tyre and battery retailers and smash repairers
2 includes confectioners and tobacconists
3 includes milk bars, fish shops
4 includes other food, newsagents, sports and toys pharmacies, photographic and retailers nec.
The proportions of casual and part-time workers employed varies across 'trades'. The largest proportion of both casual and permanent part-time workers are found in fast-food enterprises (Table 4.6). While a very small number of employees are casual in the motor dealers area, it should be noted that workers in this 'trade' work on commission, so that a worker's income is not guaranteed even when employment is 'permanent'. Lower proportions of casual employment are found in the skilled 'trades' such as butchers and hardware suggesting that some labour process considerations may affect rates of employment of casual workers. Unfortunately data is not available to compare rates of casual employment in any one sector over time.

Table 4.6

Type of Employment by Retail 'Trade'.

<table>
<thead>
<tr>
<th>'Trade'</th>
<th>Proprietors</th>
<th>Permanent employees</th>
<th>Casual employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department Stores</td>
<td>0</td>
<td>58</td>
<td>42</td>
</tr>
<tr>
<td>General Stores</td>
<td>1</td>
<td>60</td>
<td>39</td>
</tr>
<tr>
<td>Clothing, fabric and</td>
<td>0</td>
<td>66</td>
<td>34</td>
</tr>
<tr>
<td>furniture stores</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Household appliances</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and hardware</td>
<td>21</td>
<td>58</td>
<td>21</td>
</tr>
<tr>
<td>Service stations</td>
<td>19</td>
<td>46</td>
<td>34</td>
</tr>
<tr>
<td>Motor vehicle1</td>
<td>16</td>
<td>78</td>
<td>5</td>
</tr>
<tr>
<td>Grocers2</td>
<td>12</td>
<td>45</td>
<td>43</td>
</tr>
<tr>
<td>Butchers</td>
<td>33</td>
<td>52</td>
<td>15</td>
</tr>
<tr>
<td>Take-away food3</td>
<td>30</td>
<td>21</td>
<td>49</td>
</tr>
<tr>
<td>Second hand goods dealers</td>
<td>52</td>
<td>29</td>
<td>18</td>
</tr>
<tr>
<td>Nurserymen and florists</td>
<td>38</td>
<td>39</td>
<td>23</td>
</tr>
<tr>
<td>retailers nec4</td>
<td>26</td>
<td>43</td>
<td>31</td>
</tr>
<tr>
<td>Total retail ind.</td>
<td>18</td>
<td>51</td>
<td>31</td>
</tr>
</tbody>
</table>

(Source: ABS 8622.0 Retail Industry: Details of Operations Australia 1985-6, Table 4)
1 includes car, boat and motor cycle dealers, tyre and battery retailers and smash repairers
2 includes confectioners and tobacconists
3 includes milk bars, fish shops
4 includes other food, newsagents, sports and toys pharmacies, photographic and retailers nec.)
Retailing has high rates of casual employment compared to other industries (Table 4.7). In March-May 1982, 17.4% of retail workers, working more than 10 hours per week, were casual. This compares with a figure for the labour force as a whole of 10.0%. Of women employed in the industry 27.5% were casual compared with 17.1% of women in all industries.

Table 4.7

Casual Employment in the Retail Industry Compared to All Industries.

<table>
<thead>
<tr>
<th></th>
<th>Males (%)</th>
<th>Females (%)</th>
<th>Persons (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Retail</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent</td>
<td>92</td>
<td>73</td>
<td>83</td>
</tr>
<tr>
<td>Casual</td>
<td>8</td>
<td>27</td>
<td>17</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td><strong>All Industries</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent</td>
<td>94</td>
<td>83</td>
<td>90</td>
</tr>
<tr>
<td>Casual</td>
<td>6</td>
<td>17</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

The extent of casual employment appears to be increasing rapidly and by 1986 the proportions of casuals in the workforce as a whole had risen. For people working in the retail industry for ten or more hours per week, casual employment had risen to 26.6%. For males it had more than doubled to reach 17%, while 36.8% of females were employed on a casual basis. These figures under-estimate the proportion of casuals in the industry. In 1986, if workers working fewer than ten hours per week are included, then casual employment in the retail industry was 37.3% overall and 49% for women (Table 4.8).

Table 4.8

<table>
<thead>
<tr>
<th>Trends in Casual Retail Employment by Sex.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>-----------------------------------------</td>
</tr>
<tr>
<td><strong>March - May 1982 (10+ hours/wk)</strong></td>
</tr>
<tr>
<td>Permanent</td>
</tr>
<tr>
<td>Casual</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td><strong>Sept - Nov. 1986 (10+ hours/ wk)</strong></td>
</tr>
<tr>
<td>Permanent</td>
</tr>
<tr>
<td>Casual</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td><strong>All Retail Workers 1986</strong></td>
</tr>
<tr>
<td>Permanent</td>
</tr>
<tr>
<td>Casual</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

(Source: ABS Alternative Working Arrangements Survey, unpublished data. Some of the difference between 1982 and 1986 figures is accounted for by seasonal variation in employment of casuals: which is higher in Sept-Nov. than March-May. The seasonal variation is likely to inflate the number of casuals employed by between 3% and 6%, see Figure 2 and 6248.0).

In summary, the retail labour market fluctuates seasonally. It is characterised by high rates of female employment and high levels of labour turnover. The increased market share of the largest retailers described in the previous section was not reflected by increased employment share in the 1980s. Instead a few specialist retail areas increased their employment share. There was a change in the occupational profile in the industry.
with a reduction in the numbers of clerical jobs. There has also been a reduction in full-
time jobs and a growth in part-time and casual jobs. These trends reflect the trends in
other sectors of the Australian labour market described in Chapter 2. They also reflect
trends in retail labour markets in other OECD countries.

**Government Intervention**

Dixon (1972) provides an historical account of government regulation of the retail
industry in Australia. In summary, this regulation includes licensing laws for the sale of
selected products such as liquor, medicines and milk. Hawkers and peddlers require a
licence. Trading hours are regulated in each state, as is the quality of goods sold,
especially the quality of food. Advertising and marketing strategies are subject to
regulation. Hire Purchase agreements are restricted and sellers who sell on hire
purchase must be registered. There are statutory controls on the pricing of some goods,
generally food. Restrictions on foreign nationals or firms selling goods are similarly
few. Of these regulations, those affecting employment directly are those pertaining to
trading hours; while those affecting it indirectly are those which affect the structure of
the industry, such as those pertaining to competition. As well as these regulations
government intervention affects retailing through support for small business,
infrastructure, training provisions and zoning policies.

With respect to trading hours, a survey of the *Australian Industrial Law Reports* (AILR)
shows continued activity in the 1960s and 1970s with prosecutions for breaches of
trading hour regulations in most states. In particular pharmacists and discounters were
prosecuted most often for infringements. While pharmacists were challenging the laws
only in so far as pharmacists were forced to close, discounters challenged the whole
principle of trading hour restrictions. As well as challenges by particular types of
retailers, the Retail Trade Associations in various states also mounted area-based legal
challenges. In Queensland, for example, a series of area based cases were mounted in
an attempt to re-zone some retail areas as 'tourist' areas and hence subject to fewer
restrictions on opening times [(1967) AILR ¶344; (1968) AILR ¶408; ¶506; (1978)
AILR ¶33; (1979) AILR ¶230; (1983) AILR ¶33].

The 1980s was characterised by new entrants to the opening hours debates: the large
retailers such as Coles and Myer became involved (*The Mercury* 13.9.1980: 3; *The Age*
13.10.83: 1). Coles-Myer for example, argued that their 'trade' was being curtailed by
limited trading hours. In particular Coles-Myer campaigned to lengthen the trading
hours for fresh meat the sale of which was subject to stricter hours in some states. As
one part of their strategy they lobbied the beef producers: "Our chicken, fish and
prepared food sales are far greater in the States where we are not allowed to sell meat during late night trading hours." (Arnfield, 1981: 5. Coles' representative at the Cattlemen's Union Conference).

Another strategy which retailers can use to by-pass the trading hours restrictions is to obtain classifications other than that of 'shop'. Thus Venus sex shops obtained classification as 'libraries' enabling them to trade 7 days per week (AFR July, 19, 1980: 1,10). This was probably not a strategy open to many shops, however.

A series of parliamentary committees in various states were set up to make recommendations regarding hours of opening of retail stores. In New South Wales for example the Macken Report was presented in 1983. This recommended some extension to shopping hours. Subsequently the Shop Distributive and Allied Workers Union (SDA) negotiated agreements with the largest retailers in New South Wales which traded off longer opening hours for additional penalty rates and a minimum of 50% of employees being full-time and a phasing out of casual employees. In 1986 inquiries in both Victoria and Brisbane recommended de-regulation (The Age 9.1.86: 1,10; Courier Mail 8.12.86: 5). Further de-regulation of hours appears to be likely: in 1988 the Westfield shopping centre was allowed a trial period of opening for 24 hours per day to assess the effect of complete de-regulation of trading hours (The Retail Trader May/June 1988: 1).

Zoning restrictions have acted to protect small retailers in a similar way. Local councils (the composition of which often includes small retailers) have attempted to prevent the spread of franchised 'convenience' stores into the suburbs of Australia. These stores differ from the established milk bars in that they are larger and they stay open for longer hours. In Victoria, the process has been documented by Mercer and Maher (1986) who argue that the local councils, despite state government policy to restrict opening hours, have failed to prevent the spread of convenience stores in Victoria. The process of failure to have land re-zoned and appeals to those decisions has clearly slowed the spread of these stores. The slow spread of the stores in other states indicates that state regulations are having an inhibitory, if not arresting, effect.

Historically, concentration in the retail industry has also been affected by Resale Price Maintenance (RPM). In Australia there has been a history of legislation relating to competition and the restriction of monopoly practices which is related to RPM (Rosewarne, 1984: 85). As in other countries, RPM has operated in Australia to support the small independent retailer. It did this by preventing larger retailers, who could reduce profit margins and maximise profits by selling a large number of items,
from doing so. It emerged here, as elsewhere, with the branding of goods and has thus not affected certain 'trades' such as fresh food and clothing where branding is not of central importance (The Australian 24.3.71: 13; Davidson and Stewardson, 1974: 210-227).

In the 1960s the practice of RPM came under significant attack both legislatively and through successful attempts by retailers to undercut the price maintained (Davidson and Stewardson, 1974: 216; Rosewarne, 1984: 86; Briggs and Smyth, 1967: 144-6). 'Collective' RPM involving agreements among manufacturers or among retailers to sell particular goods at a particular price was made illegal in 1965 by the Trade Practices Act. Since then the issue has been whether manufacturers have a right to restrict the sale of their goods to retailers who will sell them for a minimum specified price. This issue was resolved in 1971 when it was ruled unlawful to refuse to sell goods to a retailer on the basis that the retailer would resell them too cheaply and undercut the image of the product. From this time RPM became unlawful.

While it is difficult to assess the relationship between extended trading hours, the demise of RPM and concentration in the retail industry, they appear to have proceeded apace in Australia in the last thirty years: to the disadvantage of the traditional independent retailer and the advantage of discounters and specialist chains. To the extent that large scale retailing has benefited patterns of tenure will be affected indirectly by such regulation.

Another aspect of regulation which has affected firm size and concentration is quotas. Until the 1980s large retailers have been permitted to purchase only a small proportion of their stock from overseas. Since the restrictions have been lifted the largest retailers, who tend to have better buying networks overseas, have been able to import from overseas more easily than many smaller enterprises (Aust. Bus 15.4.1982: 34-41).

Government support for franchising has been extensive in the United States and Europe as a way of stimulating employment. The U.S. Small Business Administration provides both financial aid and advice to potential franchisees. It also sponsors specific programs to target socially and economically disadvantaged groups for assistance in becoming franchisees. In Australia such assistance is very limited. While private consultants are available there are no publicly funded programs or courses to aid potential franchisees. Indeed there are few services directed at supporting small business in the service sector at all. The government initiatives which do affect small business tend to be directed at export oriented industries and at the development of high technology products (BIE, 1987: 111-130). Even the Centres for Entrepreneurs, which provide 'training, advice and assistance' (BIE, 1987: 126) to entrepreneurs, tend to encourage small business in
areas where innovative ideas suggest a high growth potential. The NEIS (National Enterprise Incentive Scheme) scheme, which provides training and income support for welfare recipients who wish to start small businesses, specifically excludes franchisees. Some government support for franchising exists for aboriginal people: The Aboriginal Enterprise Incentive Scheme does not exclude franchisees. The Aboriginal Development Commission has also investigated the possibility of establishing aboriginal franchisees in New South Wales funded by loans from the Commission (Guillaume, 1989).

Government interventions also occur through education and training provision. In Australia, public education institutions\(^1\) provide basic education, courses for sales staff, training for small business people (AGPS, 1989; DITAC 1985, 1989) and for overseas managers wanting to enter the Australian market. The latter introduce overseas managers to the Australian institutional framework, and culture (Inside Retailing, Jan 30 1989: 7).

The Government has also assisted retailers by providing basic infrastructural support. For example, the government set up a working group to assess the likely impact of EFTPOS technology and to assist banks and retailers to establish systems which would minimise the costs to all parties (Wells, 1986: 166-211).

Bank regulation and de-regulation may have affected retailing more generally. Prior to the early 1980s, banks in Australia were highly regulated. Some of these regulations were removed in 1984 and 1985. Until de-regulation, stringent financial regulations excluded foreign ownership of banks and stipulated that no one entity could own more than 50% of a bank in extraordinary circumstances or 15% in ordinary circumstances (consortium banking). Following a series of reports on financial de-regulation in the early 1980s the government removed deposit maturity controls which had prevented trading banks from paying interest on short term deposits. This put the major trading banks back into competition with the merchant banks which had grown rapidly in the 1960s and 1970s precisely because they were not so restricted. In 1985 the government granted 16 new trading bank licences to both foreign and domestic groups, the legal maximum interest rate for housing loans was lifted and 45 new merchant bank licences were granted. In 1985 in Australia, there were about 20 licenced trading banks, 500 credit unions, 300 finance companies and 100 foreign banks operating in some capacity (Peat-Marwick, 1985; N.T. 26.7.85: 40). The increased competition and subsequent restructuring in the banking industry may have been one of the factors which has facilitated the introduction of EFTPOS technology. It has led banks to investigate various means of cutting costs, and may have facilitated the emergence of an open (joint), rather than a closed, EFTPOS network.
Industrial relations in the retail industry is the province of the state industrial tribunals, not of the Commonwealth. This means that provisions relating to tenure can, in theory, vary across the states. In practice however, although the precise timing of changes in the relevant awards vary, trends observable in one state over time tend to be typical of all states. There are three types of provisions in the awards which affect tenure in the retail industry. The first are those which indirectly affect demand for labour. These include trading hours provisions, normal hours provisions, rosters, hours restrictions on part-time jobs and penalty payments for casual work and overtime. The second type of provisions are those restricting the types of jobs offered and the types of workers who can be employed in those jobs. These include proportions of senior and junior staff, proportions of casual and weekly staff, sex and age restrictions on part-time employees and preference for union members. The third type of provisions are those which affect the labour process and thereby affect skill requirements in the industry. Such provisions include training provisions and those which restrict the introduction of new technologies.

The awards pertaining to shop workers differs between 'trades' as well as between states. For example, the chemists, butchers and bakers awards are different from the general shop-workers awards in each state. In this section I will discuss the general shop awards for each state, with some reference to special awards such as the chemists award. In all cases three types of workers are distinguished in the awards: weekly employees, casual employees and proprietors. In the latter case no provision regarding pay and conditions are specified. Formal conditions of tenure are clearly specified in the case of weekly employees who have been employed for more than one month. For these employees a period of one or two weeks notice is required by either the employer or the employee for the contract to be terminated. In the case of casual employees termination can occur on the spot, subject to some restrictions concerning minimum hours to be worked and paid for in each shift.

The 1984 Termination, Change and Redundancy Case increased job protection for workers employed under Commonwealth awards. This protection has not been extended to employees working under state awards, of which the shop award is one. This is despite attempts by various unions to have the provisions of the case extended to state awards. Indeed the Retail 'trades' Award in Tasmania was used as a test case in 1985 for this purpose but failed [(1985) 2 IR Digest 379].
While the *Termination, Change and Redundancy* Case does not cover shop employees, state provisions do exist which protect weekly employees. In one case [(1984-5) 11 IR 201] when the Myer company rationalised their operations several hundred retrenchments were made in New South Wales. Justices Cahill and Macken argued that under the *Employment Protection Act 1982 (NSW)* retrenched employees should be divided into three groups, according to the cause of retrenchment, when deciding termination payments. These three groups were those retrenched due to recession, technological change and company reconstruction. They argued that when employees were retrenched due to company reconstruction, as in the Myer case, or to merger or takeover, severance pay should be more generous than when retrenchment is due to recession. The reason given for this decision was that in the latter case the company is unlikely to be able to pay extensive severance payments.

Demand for labour is determined in the retail industry to a large extent by the hours which shops are allowed to 'trade'. These, in conjunction with the 'normal hours' of weekly employees and the permitted rosters, determine the extent to which part-time and casual labour is sought. When shopping hours extend beyond 'normal working hours' those hours outside of the normal hours are both difficult to staff with weekly employees and busy in terms of customer demand.

For the purpose of regulating trading hours, shops are divided into 'special shops' which are exempt from trading hours provisions and 'general shops' which are not. While the states vary in terms of which shops are included in most states most specialist retailers are included. Differences are such that South Australia for example includes antique, aquarium, art and baker shops which are not included in New South Wales but not vehicle shops which are included in New South Wales. Goods are also categorised for the purposes of restricting trading hours. The list of goods which are exempt is growing in all states. General guide-lines exist in each state. For example, in South Australia, the list of exempt goods includes any item which may be required in an emergency, other essentials which may have been overlooked by customers shopping during the week and non-essentials which may be used in hobbies and leisure pursuits.

In most states shop trading hours are determined in the Factories, Shop and Industry Acts. By changing legislation pertaining to trading hours in these Acts governments can, in some circumstances, indirectly influence certain employment practices without going through the industrial relations system. In New South Wales, the Australian Capital Territory, and Queensland, however, trading hours are seen as an industrial matter and are determined within the relevant awards. The reason for this is that trading hours have implications for staffing.
A survey of the *Australian Industrial Law Reports* indicates that during the latter half of the 1960s a wide variety of specialist retailers attempted to extend trading hours by opening outlets when the relevant Acts stipulated that they should not. These included large discounters and specialists such as pharmacists and petrol proprietors. Throughout the 1970s hours of work were extended for specialists and late night trading was extended in most states leading to negotiations between unions and employers regarding staffing. In New South Wales negotiations culminated in a three week roster system in general stores [(1972) AILR ¶353].

In the 1980s large retailers began pressing for extended hours as well. By 1980 shops in areas designated as 'tourist' areas had gained unrestricted hours in Queensland, New South Wales and Victoria. In 1983 [(1983) AILR ¶48] the Myer company was granted the right to 'trade' at weekends in Victoria, subject to working hours prescriptions. In the Australian Capital Territory in 1982 an extension of trading hours occurred to permit any shop to 'trade' at any time with the exception of stores employing 100 people or more which are not permitted to open on Sunday (*Retail and Wholesale Shop Employees (ACT) Award* 1983). South Australia has similar restrictions (*Shop Trading Hours Amendment Act* 1986). In Victoria, the *Shop Trading Act* 1987 permits trading from midnight on Sunday through to 5.00 p.m. on the following Saturday, with exemptions for specialist and small shops and shops in specified areas. Queensland still has shopping hours restricted to one late night, and Saturday afternoon until 4.00.

The cost of different sorts of labour is another factor which restricts the pattern of demand for labour. Weekly rates exist for different age groups, jobs and hours. In addition, on-costs such as employer contributions to superannuation schemes and sickness and holiday benefits affects the cost of weekly labour. In each state the award stipulates that penalty payments be made to casuals. The rates range from 15% to 25% above the standard hourly rate for day-time sales staff and up to 40% extra for night-time shelf-fillers. The penalty payments are paid in lieu of holidays and sickness benefits and are not designed to dissuade employers from employing casual staff [(1977) 3 IR 66-72]. In some awards overtime payments apply to casuals and in some they do not. Overtime is payable according to a roster system. In general three or four week rosters pertain, facilitating the staffing of late-night and Saturday shopping. Such rosters were introduced largely to decrease the demand for casual employees in the industry (Macken, 1983).

Restrictions on part-time hours may also affect the demand for casual labour. Western Australia has a (unique) proportions clause restricting part-time labour to less than 1/3 of
the workforce. In other states such provisions have been deleted from awards in recent years. In other states, part-time workers are restricted to a maximum and minimum number of hours and a specified number of days work per week. In New South Wales there is a proportions clause specifying a maximum of 25% hours to be worked by casual employees.

As well as restricting types of jobs, the awards restrict types of workers. For example, the number of juniors that can be employed has been restricted in most awards to no more than the number of seniors employed in the same outlet. Another example of restrictions on who may be employed is that under most awards union members must get preference over non-members when jobs become available. This provision is unlikely to affect tenure.

While formal award provisions imply considerable restrictions on the patterns of employment tenure which are likely to emerge in retailing in Australia, there are a number of ways in which employers can by-pass the provisions. These are most successfully pursued by franchises. Many franchisees employ non-union labour. The SDA have very low membership rates in franchises, even in the largest chains such as McDonalds. As a result adherence to the Award is not strict and wages and conditions in franchises can be reduced below those specified in the relevant Award. A further saving is achieved due to the size and classification of shops. The Award in New South Wales for example, stipulates that shops employing more than 13 people must have no more than 25% of hours worked by casuals. Franchised outlets tend to employ fewer than 13 people each, although in aggregate the outlets of a particular franchisor employ many more than 13 people. Many franchises operate in areas not covered by the provision relating to casuals. That is, they tend to be classified as 'special' rather than 'general' stores. For these reasons rates of casual employment are very high in franchised stores (Casey, 1989).

The final aspect of award provisions which may affect tenure in the retail industry are those which affect the labour process and hence the requirement for personnel. They include training provisions and provisions for consultation regarding technological change.
Discussion: Similarities and Differences - Retailing in Australia and in other OECD Countries

The pattern of change in the retail industry of OECD countries is largely mirrored in Australia. Growth of the largest firms, the emergence of franchise and value-added partnerships, the introduction of information technologies, fragmentation of the market and increasing rates of part-time employment are characteristic of the retail industry in Australia, as they are of other OECD countries. In Australia, low levels of demand in the 1980s and intense competition, in conjunction with technological changes, have influenced the morphology of the retail industry and patterns of job tenure in it. Changes in job tenure include increasing rates of casual and part-time employment and increasing importance of franchise and agency relationships.

The morphology and tendencies in the retail industry, as discussed above, can be seen as representing constraints on job tenure in the industry. The constraints on employment tenure in Australia in the 1980s are represented in Diagram 4.1.
Diagram 4.1:

Constraints on Job Tenure in Retailing in Australia in the 1980s.

Market for goods:
Low demand;
Polarisation of households into dual income and unemployed. Lower profit margins.

Government Policy and Regulation:
Zoning, trading hours, bank de-reg, communications and transport infrastructure, education and training. Accord.

Fragmentation of the retail industry:
Franchises increase, most specialists in decline. Changed relp. with banks. Internatio-
alisation, corporate takeovers. Probable inc. in non-shop retailing.

Award structure and employment regulation:
Direct regulation of proportions of casual and part-time employees, indirect restrictions, general employment standards re. termination and redundancy.

Technological change:
Information technology; linking banks with retailers; centralisation of information access; link betn warehouses and shops.

Structure of jobs:
fewer clerical jobs;
changed nature of lower management jobs; increased numbers of casual and part time sales jobs; increased numbers of professional jobs; increased numbers of franchisors. and probably of independent direct sales distributors.

Supply of labour:
high rates of unemployment; plentiful supply of female and teenage labour.

Effort bargain

PATTERNS OF JOB TENURE
incidence of casual and part-time employment, and self-employment, increasing
New forms of agency/franchise relationship.
As in other OECD countries, areas of government regulation include trading hours restrictions, prohibition of RPM and support for small business. However de-regulation of banking appears to have had an impact on the morphology of retailing, and possibly on the labour process, as banks have sought to become linked with major retailers. The implications of these trends for employment in the retail industry appear to be similar across OECD countries. The same trends in increasing rates of franchising, casual and part-time employment and independent contracting have been observed.

The Award system in Australia restricts the employment of workers in Australian retailing both directly and indirectly. The nature of the restrictions is such that they could be expected to affect patterns of employment tenure. They would seem to do this by restricting hours of opening and normal hours, thereby requiring the employment of casual or part-time workers to staff all of the opening hours. They also impose different costs on different types of employment and restrict the types of people who can be employed. As well as the retail awards, there are more general principles of employment, and termination and redundancy which affect the costs to employers of terminating employment contracts.

Given the similarity of trends in retailing and retail employment in OECD countries it appears that the differences in government policies have affected the industry little. In particular it suggests that the award structure, which is peculiar to Australia, has had little affect on employment practices. However, the complexity of relationship between policies, provisions and industry structures is such that the regulatory structure may have effects which are manifest indirectly and in ways which are not easily measured. Further, effects of regulation on specific firms and 'trades' may not be apparent in the aggregate data. Attention to micro-economic reform, by the Australian government in the 1980s, in conjunction with writers claims that such reforms are essential for Australian competitiveness to increase, suggest that institutional constraints such as awards, have been affecting the speed of adjustment to a flexible labour force (see Chapter 2). In the Chapter 6, the process of award restructuring and government efforts to stimulate on-the-job training will be discussed as they have affected retailing.

This chapter has presented a picture of the trends in job tenure in the retail industry in Australia and has described the factors which constrain job tenure. Chapter 5 will elaborate on the picture of job tenure by relating patterns of job tenure to firm characteristics. Interviews with managers and staff of specific firms are then used to identify some of the conditions under which the different patterns of job tenure emerge.
Government provisions may well affect the shape of the labour market in indirect ways. This is illustrated by the Education Acts of the late nineteenth and early twentieth centuries in Australia (C.F. Maclaine, 1974: 19-34). These are likely to have affected the structure of jobs in retailing considerably, but this was an entirely unintended consequence of the Acts. A large number of juniors were employed in the late nineteenth century as 'cash-runners' delivery boys and in other functions (c.f. Farmer and Co. Ltd. 'blue cards'; Grace Bros Archives). Employment of all staff involved a low degree of de jure tenure. For example, at Farmer and Co. Ltd. (a Department Store operating in NSW) employees signed a 'blue card' stating: "the said engagement and salary shall terminate at a moment's notice given by either party". However the period of employment of many staff was quite long. In a document on duration of employment lodged in the Farmer and Co. Ltd. archives it is noted that "most staff have worked for the company for more than twenty years". Thus de facto tenure was probably quite high.

Prior to 11 October 1882, juniors were employed in the company on a yearly salary and were paid monthly. This was typical of most employees. After 11 October 1882, the juniors were paid a weekly wage. This may have been due to the NSW Education Act of 1880 (c.f. Maclaine, 1974: 27), which required children to attend primary school. The numbers of cash runners and other juniors declined in the 1880s. While the archives are far from complete, the reduction in junior's jobs and change in system of payment indicates that the Act may have resulted in a restructuring of jobs and a severing of junior's jobs from the internal labour market of the firm. In this indirect way the Education Acts are implicated in the emergence of the first casual jobs in the industry.

Indeed McDonalds has a policy of not hiring anyone who is a member of a union, or anyone whose close kin (such as parents) are active members of unions (Macken, 1989).

While it is formally the case that penalty rates are intended to compensate employees for lost holiday and sickness benefits, a deterrence component has been built into some awards in practice. In the retail industry in Australia this has not happened largely because the Unions have not been sufficiently strong to obtain such penalty rates.
Job Tenure in Retail Firms in Australia

This chapter uses data from Australian retail firms to identify the factors which are associated with patterns of job tenure within the retail industry. Once these factors are identified the chapter discusses how and why these factors are related to patterns of job tenure. Data enabling identification of salient factors was obtained from public reports submitted by employers to the Affirmative Action Agency. This is the only source of data on rates of casual employment by firm. Data is available from the Retail Census 1985-6 (ABS 8622.0) on casual employment in each 'trade' and this is used to evaluate the reliability of the AAA data where possible. However this attempt at triangulation of data is limited in that ABS statistics are not available on employment patterns in specific firms. The following discussion of how and why the identified factors are important in shaping patterns of job tenure is based on interviews with store managers and employees.

Identifying some Firm Characteristics which Shape Job Tenure in the Retail Industry:
Methodology

Profiles of job tenure in retail firms in Australia were constructed from the public reports held by the Affirmative Action Agency (AAA). The Affirmative Action Agency was set up after the Affirmative Action Act was introduced by the Commonwealth Government in October 1986. The agency's aim is to facilitate the removal of barriers to women in employment and promotion. The legislation requires that companies and organisations with 100 employees or more develop an affirmative action program and that they report on it annually. In the retail sector this covers the employers of nearly 20% of the retail workforce (ABS 8622.0: Table 2, 1979-80). In 1987 all private sector organisations with more than 1,000 employees were required to develop programs and report on them. In 1988 private sector organisations of between 500 and 999 employees were required to report; and in 1989 private sector organisations with between 100 and 499 employees reported for the first time. The short history of the Agency means that trend data is not yet available from this source.

To assist employers in completing the required reports, the AAA sends reporting units blank schedules which can be filled in by the employers. Two forms are sent to each employer. The first is a public report schedule which asks for background information such as details of numbers of employees, their occupations, employment status and sex. The second is a confidential report schedule for employers who feel that public release of
details of their affirmative action program would disadvantage them. The public reports are the source of the AAA data discussed below.

The public report schedule includes items on firm structure (independent or part of a larger organisation); nationality of ownership of parent company; the proportion of the firm's staff employed in major occupations; the proportion of staff employed in casual, part-time, full-time weekly, contract and other employment relationships. It also includes items on the position of women in the company and the attempts by the firms to construct and implement affirmative action strategies.

From a complete list of returns to the AAA I was able to compile a list of all the returns in the distributive 'trades'. There were 99 files from which I was able to obtain data. This represented all but 19 on the original list of firms in the distributive 'trades'. Seven of the 19 unavailable schedules had not yet been returned to the AAA, three were excluded because they had very limited retail or wholesale function, six were unavailable because AAA staff were processing or working with the files and three firms had not included the data I required on their returns. One of these had recorded casual and full-time employment as "full-time equivalents" rather than actual numbers of employees. This firm therefore appeared to have far fewer part-time and casual employees than other firms and was excluded to avoid confusion. Since the unavailable files appeared to be randomly distributed with respect to 'trade' I did not make extra-ordinary efforts to access these files at a later date.

The available files included 17 franchises of one fast food company. In analysing the data I aggregated these to one firm since I did not want the 17 to have a disproportionate impact on the analysis. Other firms with a similar numbers of outlets had aggregated the information in one return themselves and, while franchises can be seen as quite different from company owned outlets in some ways, for the purposes of analysis here they are treated in the same way.

I thus ended up with 82 firms on which I had comparable data on employment strategy, 'trade' and company structure (listed in Appendix B). I then categorised these firms into 'trades' for comparative purposes. The 'trades' are: wholesalers and importers/distributors (11 firms); department stores (7 firms); clothing retailers (6 firms); automotive sales, including earth-moving equipment (11 firms); electrical, scientific equipment and chemical products (11 firms); computers and software (8 firms); fast food (5 firms); music: equipment, sheet and record (2 firms); hardware (4 firms); books and stationary (3 firms); homewares (2 firms); supermarkets (4 firms) and other/ misc. (8 firms) including cosmetics, confectionery, liquor, duty free, handbags and jewellery.
These categories were generated by the respondents themselves who categorised their firms in an open-ended question asking the respondent to describe the main business of the company. It can be seen that there are some absences from the 'trade' list. Notable absences include pharmacists and butchers: presumably because there are none which employ more than 100 people and they are not organised into chains which are targeted by the reporting criteria.

The firms were divided into three groups: Bands 1, 2, and 3. Firms with 1,000 or more employees are in Band 1; those with 500-999 are in Band 2 and those with 100-499 are in Band 3. This did not mean that the reporting unit employed this number of staff. In many cases the reporting units were smaller than Band 2 and 3 firms. For example, MacDonalds franchises each reported separately and were included as Band 1 when in total all 17 stores employed 3,071 people, an average of only 43 per outlet. Similarly, Automotive retailers were often part of large organisations such as Honda or Mitsubishi and hence categorised as Band 1 but each reporting unit (outlet) employed a small number of people.

The firms were also divided into those with links to overseas companies and those without. Again the distinction was generally made on the basis of self-reports by the person who completed the questionnaire. The answers were cross checked against the Who's Who of Australian Business listing to ensure that the self-reporting was accurate. While not all reporting units were listed in the Who's Who, of the 47 which were, all but two of the entries agreed with the self-reported categorisation. Of these two both were Australian firms (and reported as such) which were linked to overseas companies through holding companies. I re-classified these as having overseas links.

With data on only 92 reporting units, the statistical analysis which could be done was fairly limited. Some firms had less than 10% of their staff in sales and some had no casual employees. Thus any attempt to cross tabulate rates of casual employment by 'trade' with other variables, such as proportion in sales, was likely to provide little useful information. The patterns which emerged from the analysis are thus more suggestive of possible relationships than a clear demonstration of those relationships.
A Profile of Job Tenure in Eighty-two Retail Firms

A number of factors operating within industries were identified in Chapter 1 as likely to be significant in shaping patterns of job tenure. Factors include: firm size, social characteristics of the workforce (in particular sex), managers' attitudes, skill, the organisational structure of the firm, patterns of demand and occupations of workers. Where possible, each of these is considered in relation to the data available from the AAA. Managers' attitudes and skill cannot be determined from the AAA data and are treated in the subsequent section.

Patterns of demand are assumed, for the purposes of this analysis, to be similar in all 'trades'. There is no data concerning the fluctuation in demand for retail goods on a weekly or daily basis which distinguishes between the different 'trades'. Unpublished ABS data from the Labour Force Survey (Figure 5.1) indicates that the size and pattern of seasonal fluctuations in demand for labour does vary somewhat between different 'trades'. However, it has not been possible to determine the importance of this in the following analysis of factors affecting job tenure.

Figure 5.1

Seasonal Variation in Retail Employment by 'Trade'.

Legend ABS categories:
Dept. and Ge: department and general stores.
CFF: clothing, fabric and furnishings.
Hardware: hardware and household appliances.
Auto: new and used motor vehicle dealers.
Food: grocers confectioners and tobacconists, fish shops, take away food and milk bars.
The remaining identified factors: firm size, sex, occupations, organisational structure are treated below. This section is designed to show whether a relationship exists between each of these factors and rates of casual employment.

Identifying firm size from the AAA data is not straightforward. Data collected by the Agency is categorised, as noted above, according to the size of the reporting firm. The Bands therefore can be used to approximate firm size. Firms in Band 1 have a higher rate of employment of casuals. A sharp decline in the average proportion of casuals in each firm occurs between Bands 2 and 3 (Figure 5.2).

Unfortunately the small number of cases and enormous range in numbers employed (from less than 10 to more than 40,000) means that little can be determined about the relationship between firm size and proportion of casuals employed. It can be seen from the presentation below, (Figure 5.3) which re-codes numbers employed in each reporting unit into eight categories, that the ranges of rates of casual employment are higher for the larger firms. There does appear to be a tendency for firms with more than 2,000 employees to employ a larger proportion of casuals than those with fewer than 2,000 employees. The proportion of casual employees does not, however, rise uniformly as the number of employees in the reporting unit rises.
Given that firm size may be a factor in determining rates of casual employment, and that organisational structure has also been identified in Chapter 2 as important, then links to overseas companies may also be expected to be important. In most instances the largest firms are also international and few of these are Australian owned. It might be expected that the employment strategies of managements of such companies may be affected by expectations generated overseas. The data indicates that this is not the case; whether a firm is linked to overseas companies or not appears to have no relationship to rates of casual employment (Figure 5.4).
Occupation is another factor identified in the model in Chapter 2. In the retail industry occupational differences could be expected to exist within 'trades' between sales and other staff and between 'trades'. Some 'trades' are characterised by high rates of casual employment and others are not. Those with low proportions of casuals are Automotive sales; Electrical, Scientific and Chemicals; Wholesaling and Hardware. All of these have high proportions of technical and 'trades' employees. Clothing; Department Stores; Supermarkets and Fast Food; all are characterised by high proportions of casual employment. Thus it appears that 'trades' can be divided in 'high tenure' and 'low tenure' 'trades' (Figure 5.5).
Figure 5.5:

Proportion of Employees in Each 'Trade' who are Casual

Legend Retail 'trades':
1. Music (n=2)
2. Electrical and scientific equipment (n=11)
3. Computers (n=8)
4. Hardware (n=4)
5. Cars, trucks and earth-moving equipment (n=11)
6. Wholesalers, importers and distributors (n=11)
7. Homewares (n=2)
8. Books (n=3)
9. Supermarkets (n=4)
10. Department stores (n=7)
11. Clothing retailers (n=7)
12. Fast food chains (n=5)
13. Miscellaneous- liquor, jewellery, confectionary, cosmetics, duty free (n=8)
As noted in Chapter 4, the link between 'trade' and casual employment is also reflected in data from the Retail Census (1985-6):

**Figure 5.6**

AAA and ABS Data on Casual Employment in Various 'Trades'

The two data sets do not record exactly the same rates of casual employment because they were collected in different years and because the Affirmative Action Agency data is a subset of the ABS data. Nevertheless, the ABS data does indicate that the distribution of casuals among various 'trades' found in the AAA data are similar to those found in the ABS data. The comparison indicates that where most firms in a particular sector are targeted by AAA criteria then the AAA data are similar to the ABS data. Department stores, because of their large size, are the clearest example. Where not many of the firms in a particular sector are targeted by AAA criteria, then ABS and AAA data show some differences. The fast food sector firms are a case in point, clearly those which send in returns (that is the largest chains) are not representative of firms in that sector with respect to job tenure.

Since 'trade' and size are associated, that is highly casualised firms are both larger and concentrated in particular 'trades', it is unclear whether only one or both are implicated in job tenure. The firms in Band 1 of the AAA data set are disproportionately (20 out of
33) Fast Food; Department Stores; Clothing; Supermarkets and Miscellaneous; that is 'trades' with high rates of casual employment. The firms in Band three are disproportionately (23 of 29) Automotive; Electrical; Wholesale; Computing and Hardware; that is 'trades' characterised by low rates of casual employment.

The 'miscellaneous' category (Figure 5.4) is located between the two types of 'trades'. This location is misleading. Rather than the 'trades' included in 'miscellaneous' each employing a medium proportion of casuals, 'trades' within this group are polarised. Some 'trades' in this group (cosmetics, jewellery, confectionery) have high rates of casual employment, and other 'trades' have low rates (music and homewares). The three book retailers have 2% casual employment; 30% casual employment and 94% casual employment. The latter figure is for a distributor of encyclopaedias which employs are large number of door to door sales people, who because of their lack of de jure tenure I categorised as 'casual'.

Unfortunately there are insufficient firms to ascertain whether firm size affects the rate of casual employment within each 'trade'. The 'trades' for which there are more than ten firms in the AAA data are automotive and electrical sales. Figure 5.7 indicates that there is no relationship between number of employees and rates of full-time employment.

Figure 5.7

*Full-time Employment by Numbers of Employees in Two Retail 'Trades'*
This of course doesn't discount the possibility of such a relationship existing in other 'trades' if the numbers were large enough to test for it.

As the proportion of casuals rises so does the proportion of women employed in any particular firm (Figure 5.8).

**Figure 5.8**

![Casual Employment by Sex](chart)

If a firm has a high proportion of its staff employed in sales jobs, it is also likely to have a high proportion of casual employees (Figure 5.9).
In all reporting units casuals are over-represented in sales positions. There are 34 firms with sufficient casuals and full-time employees to permit comparisons. Of these all firms had a higher proportion of casuals in sales than they had full-time staff in sales. The average in each 'trade' is shown in Figure 5.10. Those 'trades' with employ a larger proportion of their full-time staff in sales positions are: homewares, books, clothing, jewellery and liquor. Those which employ a smaller proportion of their full-time staff in sales positions are: hardware, department stores, fast-food, cosmetics, handbags and duty-free. That is, the 'trades' which employ a high proportion of casuals overall. In all 'trades' all firms employ more than 70 per cent of their casual staff in sales positions.
The data available from the AAA allows comparison of management strategies between outlets in the same firm in only one case. That of MacDonalds franchises. There are 17 reports from MacDonalds franchises as well as a report which presents data from self-managed MacDonalds outlets. The proportion of casual employees in the self-managed outlets is 86.5%. In the franchised outlets the proportion of casual employees ranges from 78% to 93.5%. The proportion of full-time weekly employees ranges from 5% to 20%. The difference between the highest and lowest is quite substantial indicating a degree of management autonomy. Whether this difference occurs in managed rather than franchised outlets and in different 'trades' cannot be ascertained from this data.
In summary then, the above analysis shows 'trade', occupation (sales vs non-sales), sex and firm size to be associated in some way with the proportions of casuals employed. The difference between AAA and ABS data, however, suggests that the difference between 'trades' may in at least one instance be due to the specific characteristics of the firms included in the AAA data set. In particular the extremely high rate of casual employment reported in fast food may reflect the organisational structure of the fast food firms included rather than the work process in that 'trade'.

Surprisingly, links with overseas companies seem, from the limited data available, to have little bearing on rates of casual employment. Any further analysis would require data on the types of links, and in particular, the degree of management autonomy in the host country.

**Why and How Identified Factors Have an Impact on Job Tenure In the Retail Industry: Methodology**

In addition to a statistical discussion of the data I have used material from interviews with store managers and employees to describe particular firms and their employment strategies in some detail. This in-depth description of particular firms is designed to highlight the conditions under which casual employment is likely to be high or low. It suggests potential conditions for changes in patterns of casual employment (see Appendix C for interview schedules). While I was able in most cases to interview store level managers in Canberra and Brisbane in some cases I was refused permission. In these cases I interviewed a senior State level personnel manager.

Initially I attempted to obtain interviews with store managers in all firms for which data had been available through the AAA and which operated primarily in the retail side of distribution. The elimination of wholesalers and firms with less than 10% of staff in sales occupations resulted in a population of 58 firms. The population was further reduced when I excluded firms which did not operate in Queensland, when some personnel managers refused permission to conduct interviews and when others failed to respond to my telephone calls and letters. Finally I obtained 18 interviews mostly with firms for which I had AAA data but I included 3 firms which were not targeted by the AAA reporting criteria. These were a newly established fabric retail chain, a hardware store and a book retail chain. These were included both to fill gaps: that is, where I was unable to interview managers in AAA stores in a particular 'trade' and to provide a small amount of data on firms smaller than those targeted by the AAA.
Completed interviews from managers in the following 'trades' were obtained: one manager in automotive sales, two managers in department stores, one in a hardware outlet, two managers in discount department store outlets, one fast food chain personnel manager, one personnel manager in a jewellery chain, one store level supermarket manager, one manager from the central office of a supermarket chain, one manager from a fabric sales outlet, one manager from a book retail outlet, one from a music store, one from a confectionery store, two from clothing outlets and two sales people from scientific equipment suppliers. The major gaps were in the highly specialised fields of computer sales and electrical goods, scientific equipment and chemicals; and in groups based on commission selling by agents such as Amway. In the former group I interviewed only one manager, a manager in an independent company. This company is far from typical of scientific suppliers. In the latter group I failed to locate a firm with personnel in Brisbane who could provide the information I required. The companies I approached had only commission agents located in Brisbane and none of those whom I approached were willing to be interviewed.

The reason for interviewing store level managers was that previous attempts to interview central managements had resulted in little useful data. Central management were neither willing to provide overall statistics on casual employment nor able (or willing) to explain how the store level managers determined the proportions of casual staff. In contrast I hoped that store level managers would be able and willing to provide me with information on how they structured their workforces and how much autonomy they had in determining levels of casual employment. I was also interested in training programs in the stores and how the level of skill required by assistants was related to rates of casual employment.

In order to confirm the information on training received by individual store managers I administered a short questionnaire to 80 casual employees asking them to outline the type of training they had received in their employment as casuals in the retail industry. The respondents were obtained from a first year Anthropology class at the University of Queensland (40 students); children of my own acquaintances (6 people); my own acquaintances (14 people); and contacts I had made through my research in the previous four years (20 people). While these respondents were by no means representative of casual employees in the industry they were able to provide information on the routine induction and training received by all employees as a matter of course. They were employed in a wide range of 'trades', including all of those included in my AAA categories. They included respondents from 15 years old to 51 years old. They had worked in the retail industry for up to 23 years. The respondents from the University of Queensland were particularly useful since I was able to match the information gained
from them with information gained from store managers in the stores where they worked.

I have chosen to present data from specific firms, rather than attempting to summarise the characteristics of each 'trade', since in no case do I have sufficient material to generalise to all shops in a 'trade'. However, the case studies do suggest why some 'trades' are characterised by higher rates of casual employment than others. The factors identified in the model in Chapter 2 which are likely to be of importance in affecting patterns of job tenure which have not been discussed earlier in this chapter are: managers attitudes, skills and training needs and the organisational structure of the firm. Each of these are discussed below.

How Identified Factors Shape Patterns of Job Tenure: A Discussion of Recruitment, Induction and Training

The processes of recruitment, induction and training illustrate the ways in which managers' attitudes, skills and training needs, organisational structure and social characteristics of employees intersect, with the factors identified from the AAA data, to shape particular patterns of job tenure. It is clear from the interviews that the practices which are set up by managers both reflect and shape patterns of job tenure. That is, attitudes and expectations regarding how long employees will stay in a firm shape the recruitment and training processes. At the same time the recruitment and training processes are streamlined as much as possible to ensure that staff are inter-changeable and that maximum numerical flexibility can be achieved. The ways in which this is done is partly dependent on the organisational structure of the firm. In particular, large department stores structure recruitment and training in different ways from firms with large numbers of small outlets or from 'independent' firms. The material presented below, while focusing on recruitment, induction and training processes, shows that all of these factors intersect with the social characteristics of the workforce in the shaping of patterns of job tenure in any particular firm.

The largest stores have centralised training programs which they use to ensure that store managers are trained. In rapidly expanding chains this can result in rapid promotion for full-time employees who want to make a career in the industry. As one store manager said:

"In what other industry can someone with no formal qualifications be earning $50,000 a year and have a company car, and be able to move anywhere in Australia whenever they want a change, by the time they are thirty years old?" (Personnel Manager, discount department store).
People are trained both on the job and in centralised courses. However, such promotion opportunities and training programs are not endemic to the industry. In most chains there are two very distinct groups of employees: full-time weekly employees, who are trained for promotion and the casual staff, who remain working on the floor. 'Trades' with this type of job structure include department stores, fast food and supermarkets. These are all 'mass retailers' which require a limited degree of skill from their floor staff and limited product knowledge. As indicated earlier, the AAA data shows them to employ a large proportion of casuals in sales positions (between 76% and 100%). These staff are predominantly young and/or female and are trained in point of sale techniques only.

From the interviews of casual employees and managers, it is clear that the induction of shop assistants is a brief process. It ranges from an hour to a few days. It involves filling in tax forms, being shown the layout of the shop and where facilities such as toilets are located and being told what to wear and what not to wear. In some cases induction includes learning to use an electronic cash register (ECR), but ECR operation is more often taught on the job or in special training courses off the job. While a few managers interviewed said that shop assistants were competent immediately after induction, most said that it took some additional time even in work restricted to one department (Table 5.1).
### Table 5.1
Length of Training in Retail Stores

<table>
<thead>
<tr>
<th>Shop Type</th>
<th>Length of Induction</th>
<th>Time to Reach Competence</th>
<th>Regular Retraining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car sales</td>
<td>1-2 wks</td>
<td>6 months</td>
<td>3 hrs/wk+</td>
</tr>
<tr>
<td>Cosmetics</td>
<td>4 days</td>
<td>6 months</td>
<td>0.5 dys/6wks+</td>
</tr>
<tr>
<td>Jewellers</td>
<td>1 day</td>
<td>12 months</td>
<td>1 hr/wk</td>
</tr>
<tr>
<td>Supermarkets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(A)</td>
<td>4 hours</td>
<td>2 months</td>
<td>occas</td>
</tr>
<tr>
<td>(B)</td>
<td>0.5-1 hour</td>
<td>2 days</td>
<td>none</td>
</tr>
<tr>
<td>Discount Dept.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(A)</td>
<td>1 day</td>
<td>2 days</td>
<td>on-going</td>
</tr>
<tr>
<td>(B)</td>
<td>4-5 hours</td>
<td>3 months</td>
<td>on-going</td>
</tr>
<tr>
<td>(C)</td>
<td>0.5 -1 hour</td>
<td>2 years (all depts)</td>
<td>on-going</td>
</tr>
<tr>
<td>Department stores</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(A)</td>
<td>16 hours</td>
<td>1 month</td>
<td>40 hours in 1st month, on-going</td>
</tr>
<tr>
<td>(B)</td>
<td>1 day</td>
<td>6 months</td>
<td>series of courses</td>
</tr>
<tr>
<td>Fabric</td>
<td>4 days</td>
<td>1 week</td>
<td>none</td>
</tr>
<tr>
<td>Books</td>
<td>1 day</td>
<td>3 months</td>
<td>none</td>
</tr>
<tr>
<td>Music</td>
<td>5 hours</td>
<td>3 months</td>
<td>none</td>
</tr>
<tr>
<td>Clothes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(A)</td>
<td>0.5 days</td>
<td>1 day</td>
<td>seasonally</td>
</tr>
<tr>
<td>(B)</td>
<td>0.5-1 hour</td>
<td>1-3 days</td>
<td>on-going</td>
</tr>
<tr>
<td>(C)</td>
<td>0.5 day</td>
<td>1 months</td>
<td>0.5 days/wk +</td>
</tr>
<tr>
<td>Hardware</td>
<td>0.5 days</td>
<td>1-12 years</td>
<td>limited</td>
</tr>
<tr>
<td>Food</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(A)</td>
<td>2-3 hours</td>
<td>1 year</td>
<td>regular</td>
</tr>
<tr>
<td>(B)</td>
<td>2 hours</td>
<td>1 week</td>
<td>none.</td>
</tr>
<tr>
<td>Scientific</td>
<td>3 months (approx)</td>
<td>on-going</td>
<td>2 weeks+/year*</td>
</tr>
</tbody>
</table>

(Source: store and personnel manager interviews, estimates based on an ‘average’ recruit. * Employee not manager)

One of the most extensive and formalised training systems is that conducted by a fast food chain. The program was originally developed by the parent company in the United States of America, but has since been modified to suit local conditions. In each outlet the manager is responsible for most of the training received by new employees. This is
typical of shop assistant training in all firms. The outlet manager in this particular fast food firm (often a franchisee) is assisted in training their staff by training videos, leaflets and 'training for trainers' courses conducted by visiting managers.

The training program recognises that the availability of young people is determined by their own expectations regarding how many hours they can work without disrupting their performance at school and by their parents attitude to their employment. The firm's central management have gone to great lengths to convince parents that the employment of their children is not only not detrimental to their school performance but also that it enhances their social and emotional development. A casual job for two shifts per week is presented to parents as a stepping stone to better things because:

"When you hire a 15 or 16 year old, you hire their parents as well. They are the ones who determine whether the young person makes their shift or not, or whether they arrive on time. We always ring up the parents of any young person who applies and ask them whether they are aware of the application. Parents have to agree and be aware of the time commitment that the young person is making before we will take them on." (Queensland State Training Manager)

The parents of the employee are usually required to attend a training session with the young applicant. At this training session stress is laid on the commitment of the recruit to the job. The recruits and their parents are told that the employee must be available for any two shifts outside of school hours in any given week. They are also told that they will not be able to work more than two shifts in any week in case this interferes with their school work. Once uniforms have been issued and safety and security systems discussed, parents and the employee are required to sign a copy of the company policy "just to ensure that they have read it".

Arriving for the first time, a new employee is allocated a job and put through a one to three hour training program in which s/he learns that job. There are eighteen jobs in any one outlet. These include pouring coffee, mopping the floor and wiping tables. In each case a one to three hour training package ensures that the jobs are done in a standardised manner. For example, with mopping the floor the recruit will watch a video on how it should be done. S/he will then be shown by the outlet manager again. S/he will then do the job and show the trainer how it should be done. Matters such as how much water to use, the temperature of the water and the which parts of the floor to mop first are prescribed. As the new employee works more shifts they will acquire the skills to perform a larger number of the jobs until all the jobs have been learnt.

In most firms training is not specified in this manner. At the other extreme, a store manager of a fabric shop outlined the following training program:
"When we opened the first store in Canberra I was flown to Sydney to learn how other shops operated. I was there for a few days. I then came back and opened up the store here. Whenever a new store opens in Canberra I go in for two days prior to opening and show the girls what has to be done. Then I stay there for a week afterwards until they have the hang of it. We don't do any ordering or anything so it isn't very difficult really. I insisted that my daughters do a sewing course before they were allowed to work here, but that was just because I had control over them, I wouldn't do that for anyone else" (Store Manager, fabric shop).

This manager had no prior experience in the retail industry, has been employed casually in this firm for nearly ten years, is related by marriage to the owner of the chain and is the most senior of all the staff employed in the firm in Canberra. She is also a very competent seamstress and sales person who knows her customers, and her stock, and has been so successful that Canberra is one of the best profit centres for this chain. There are no employees other than casuals employed in this chain.

One way in which store managers attempt to reduce the need for product training is to hire their own customers. This occurs in both the up-market department stores and in some specialist shops. Managers of both hardware and fabric stores said that they chose people who were familiar with the stock already. The manager of the fabric store hires only people whom she has already trained through years of serving them as customers. She knows them well, knows that they are familiar with knitted fabrics and can offer advice to customers, and often they have paid to attend the sewing classes put on by the store. Similarly, the hardware store hires people who want to work on Friday and Saturday to boost their incomes. These people often work in the building or allied 'trades'. Others are employed full-time who have retired from the building industry. The staff of these stores are highly skilled in areas of product use but not in sales or retailing as such.

The personnel manager of the department store noted a similar strategy in hiring staff.

"It is more a comment on society than on our store really...we don't hire anyone who needs a job. Those people simply wouldn't appreciate the quality of our product. Nor could they establish rapport with our customers. We tend to hire the wives of professional people, many of whom spend most of their earnings in the store. They understand our merchandise and why a customer should buy (brand) furniture rather then a cheaper copy." (Personnel Manager, department store).

The same manager noted the difficulty that Myer stores in less affluent suburbs have in attracting the 'right sort' of staff.
One car sales manager noted that new and used car sales managers employ different strategies in this respect:

"In new cars we try to employ people with no previous experience. We teach them from scratch, then we don't have to belt the bad habits out of them. In contrast in the used car sales area they want people who are experienced in car sales. I don't know why there is a difference, I think that they should do as we do, but they won't hear of it..." (Car sales firm- Training Manager).

One reason for the difference is likely to be the availability of manufacturer training for new car sales personnel. As the manager said: "In the new car sales area we are over-trained." Manufacturers put on courses each time they release a new model. Staff have to attend after hours. This is quite a cost to staff who work a six day week anyway.

The extent to which manufacturers train sales people varies a lot from one 'trade' to another (Table 5.2). 'Trades' where manufacturer training is used to ensure product knowledge in sales staff are food, cosmetics, clothing and jewellery. The most extensive training is done in the cosmetics field, where staff who work in department stores are paid partially by the store and partially by the cosmetic company. A cosmetic sales assistant in a department store, for example, will typically attend a four day pre-service course, an in-service course for half a day every six weeks, and will also attend a four day refresher course each year (cosmetics trainer, Sydney). Similarly some clothes manufacturers train sales staff specifically to sell their product either in their own retail outlets or in department stores (Retail Trainer, clothes manufacturer).
### Table 5.2

**Product Training Provided by Manufacturers and Retailers**

<table>
<thead>
<tr>
<th>Shop type</th>
<th>Training provided.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car sales</td>
<td>Literature and training supplied regularly by manufacturers. Gen motors does five one-week live-in courses each year.</td>
</tr>
<tr>
<td>Cosmetics</td>
<td>Half day courses every six weeks, plus 4 days each year provided by manufacturer.</td>
</tr>
<tr>
<td>Jewellers</td>
<td>'Product evenings' put on by suppliers, all invited. Also special courses for store managers in gem and metals recognition.</td>
</tr>
<tr>
<td>Supermarkets</td>
<td>Department based courses, esp in bakery, butchery. Manufacturers 'launch' products.</td>
</tr>
<tr>
<td>Discount Dept.</td>
<td>No product related training.</td>
</tr>
<tr>
<td>Dept. stores</td>
<td>Manufacturers courses and demonstrations especially in cosmetics.</td>
</tr>
<tr>
<td>Fabric</td>
<td>Sewing classes.</td>
</tr>
<tr>
<td>Books</td>
<td>Occasional launch or literature by publishers.</td>
</tr>
<tr>
<td>Music</td>
<td>Very limited</td>
</tr>
<tr>
<td>Clothes</td>
<td>Fabric care, stock and accessories to sell with each item, done by up-market manufacturers.</td>
</tr>
<tr>
<td>Hardware</td>
<td>Lots of literature, videos and some displays. Mainly staff self-taught.</td>
</tr>
<tr>
<td>Fast Food</td>
<td>On going training in nutritional value of food, processing of food, new products.</td>
</tr>
<tr>
<td>Confectionery</td>
<td>None.</td>
</tr>
<tr>
<td>Scientific</td>
<td>Frequent and regular. Paid training courses and conferences in resorts. Both selling and communication skills and product knowledge*.</td>
</tr>
</tbody>
</table>

(Source: store and personnel manager interviews. * Employee interview.)

At the other extreme, supermarket staff and staff in discount department stores are expected to possess little product knowledge. Employees in the delicatessen department of one supermarket were particularly critical of their lack of training:

"People are really rude. When I first started I couldn't find anything, I didn't know what people were asking for whether it was cheese or sausage or what. They would get really impatient when they asked for some type of salami that I'd never heard of and I went to the cheese area....In training they tell us not to sell anything that we wouldn't eat ourselves. They tell us what we should look for, but the sausages (Frankfurters) go slimy we just wash them off and keep putting..."
A substantial part of the basic training of shop assistants in many types of shops relates to communications skills. The training includes elements such as greeting the customer, finding out what they want, selecting possible products to satisfy their wants, making suggestions regarding accessories to go with the goods chosen and finalising the sale. Some firms teach their staff set phrases for each step of the sale. So that cashiers at one supermarket ask each customer, as their shopping trolley reaches the start of the check-out counter "How are you today?". Some managers in a fast food chain still insist on "Thank-you very much sir/madam please come again" as customers leave. Though the chain has become more flexible regarding its monitoring of the use of such phrases recently.

The firms which use fixed phrases tend to be larger chains which hire young people. The introduction of such phrases in Australia met with a mixed response from both store managers and the public. A supermarket manager told me that head office had received some complaints from customers who don't like being asked how they are by young strangers. A discount department store manager I interviewed said: "We employ people not robots". He noted that while the company sent out stock phrases to the managers, they are used by them with discretion.

Firms with higher margins and which employ older people tend to adopt a more flexible approach to the use of set phrases. Trainers in higher margin firms tend to encourage staff to role play different responses and test out mixes of phrases in workshops (Personnel Manager, department store). While these strategies are more typical of up-market department stores with older staff, they are also used by larger fast food outlets. A fast food personnel manager was very proud of the training in communications which their staff received. In the past they have used stock phrases which were rigidly monitored, now store managers have more discretion:

"When a new crew member comes into a(n) outlet he or she is often an awkward teenager with no social skills. After twelve months with us they are transformed in confidence and sociability. They have the confidence to go up to someone who they don't know and ask them whether they are enjoying their meal. They have the confidence which comes from earning their own income and meeting people in the work environment." (State Training Manager, Queensland).

The same training manager acknowledged some of the difficulties in transferring a training package in communications from one culture to another:

"We used to get all the training videos from America, well, frankly, they were over the top. Just too much rah! rah! for us. We sent them back and told them..."
we would prefer to make our own. We did that and the parent company in the U.S. was quite impressed with them. They recognised the problems of transferring their material to a different cultural context. Managers in other places in the Pacific are really grateful to us, they hated them too." (State Training Manager, Queensland).

One of the goals of communications training is to create a particular image. This can however be accomplished through other means such as uniforms, which are adopted by the lower margin shops. In car sales and cosmetics sales image is particularly important. Much of the training of cosmetics sales staff is in their own presentation. While in car sales, managers try to achieve an 'honest' image by hiring honest looking people: "We have an image problem. We can't have people on the floor who look sleazy, dark glasses and smooth clothes are out." (Personnel Manager, automotive sales outlet).

Similarly the Department store personnel manager made the same point: "We couldn't hire a lot of people from Inala (a suburb with a high concentration of Aboriginal people) our customers just wouldn't relate to them". In the department and other clothes stores, sales staff are told what colour of clothing to wear, to wear panty-hose or stockings at all times and to ensure that these are hole free.

In the smaller boutiques sales staff often wear store clothes:

"I have sold ten of the same outfit in one afternoon then I'd change and sell eight of something else. You don't get paid for that modelling role, but it is really important in selling to look good in the store's clothes....My arse launched ...(brand)...shorts in Queensland....We all had to go to get our pictures taken modeling (shop name) clothes, the next thing my arse was plastered all over these magazine ads for the shop. They also used one of me sucking a lollipop, it was awful....they must have taken it in the break when we were sitting around. We didn't ever get paid extra for any of this, we just went along in our own time, in the evening, because otherwise we would have lost our jobs." (employee, small boutique).

As well as the (very limited) training for retail assistants all of the larger stores run training programs for management trainees. One department store provides a typical example of the way in which large stores choose management staff. In September young sales staff, between the ages of 19 and 25, are encouraged to apply for training through the store magazine. The people chosen attend formal classes and complete assignments as 'management trainees'. After twelve months, the trainees are appointed to positions within the organisation according to their performance in training sessions and assignments. In addition to the 'management trainees scheme', 'section head development courses' are run for staff, usually between 20 and 30 years old. These people are not trained for particular positions but may be promoted as a result of training performance. Professionals in the larger store are employed on the basis of their formal
skills in areas such as advertising or accountancy (Personnel Manager, 1988). With computerisation the openings for professionals are likely to increase, with concomitant reduction in sales staff recruited to management. This trend implies a polarisation of jobs in retailing into career jobs and non-career jobs.

The recruitment and training process in scientific equipment sales is quite different to that typical of other 'trades', as are the rewards. The proprietor of a small business in the scientific supply 'trade' is the founder of his own business. He is a science graduate and worked as a technician in a major hospital for ten years before entering into his own business. The business is to supply a carrier for radio-active particles to hospitals. The firm both produces and distributes the product.

The proprietor continues to work in the hospital and takes leave without pay to continue his business in busy periods. Through his work at the hospital he is continually re-trained and kept up to date in relevant techniques. He is often (once or twice yearly) able to present papers at conferences overseas since the hospital has a generous travel fund for such purposes. On these trips he ensures that he finds out about the latest equipment and potential competitors to his product. The proprietor admits that without his link to the hospital he could not keep up with the techniques required to produce to the necessary standard. The distribution of the product is also skilled. On a periodic visit to SE Queensland from Canberra, where the company is based, the scientific supplier said: "I could employ someone up here in Brisbane to sell the stuff for me. The problem is that they don't have the knowledge and enthusiasm. For example today I spent two hours with a technician who had a new piece of equipment. She had no idea how to use it. It had been dumped in the lab, it hasn't been operating properly since it arrived. I had time before my next appointment so I talked her through it. I demonstrated it using my carrier, she knows the principle of how it works now. There is probably no-one in Brisbane who knew how to operate it properly. She was so grateful. When I come up next time she will remember me. She knows that I know what I'm talking about. It's a small world up here, people get to know who is trying to provide a service and who is just after the money. If I employed someone they wouldn't have that sort of expertise." (scientific supplier, October 1990).

Because the business is expanding the family of this proprietor is learning to assist in the business. The children assist with the packaging, the wife does the despatching and invoicing. The proprietor hopes to train his wife in lab management skills. She is accompanying him to conferences overseas to begin to learn about radio-therapy and the use of radio-active substances in medicine. He has also recently employed a casual technician in the laboratory to assist with the production.
This example is presented as a contrast to the others. This is a very small firm. The division of labour is at a very low level. All the employees are highly trusted family members and friends whose work he has observed over many years. The skills required have been learnt on the job and are continually up-graded at little expense to the firm itself. The firm is undergoing a process of separation of the production and distribution functions. In this process, it is the face-to-face sales function in which the proprietor is finding it most difficult to replace his own skills. The job tenure of all members of the firm is highly dependent on the success of the firm. Despite this all members of the firm have a high degree of de facto tenure, since personal links between them make it unlikely that members will be retrenched short of the firm's collapse. None of the people working for the firm are dependent on it for their livelihood. All of the adults concerned have other sources of income and the level of risk involved in the firm is low. The children concerned are not paid a wage, instead the equivalent money is invested for their future tertiary education. Whether they can be seen as 'employed' is definitional. I assert that they are de facto employees with a high level of de facto tenure.

This can be contrasted to a typical retail firm in which the sales skills have be divided into face-to-face shop selling which has been de-skilled and advertising which remains highly skilled. A further level of division of labour is required to achieve the de-skilling of the face-to-face selling and this may result in the firm becoming less responsive to the user's needs as current equipment is replaced with new equipment with possibly different specifications.

In marked contrast to this fairly typical story of small business growth and low level differentiation of function, the sales staff in a large, international (U.S. based) supplier of scientific equipment have a highly differentiated sales function. My informant is employed by a supplier of chemicals and equipment to hospitals, research and tertiary teaching institutions. I sought him out as an interviewee because he had worked for the firm both in the United States and in Australia. This enabled me to obtain comparative information on job structures and training.

The scientific supplier employs about 80 people in Sydney, about 8 in Brisbane (where the interviewee worked); and a few in other cities. All of these people work full-time (part-time work "would be laughed at"). About 60% of sales staff are female. All of the sales staff have science degrees except for my informant. My informant was employed because he had worked for the firm in the United States and had excellent references. In Australia science graduates are recruited from a private labour market by sales people who find that, as technicians, they are unhappy with their promotions prospects in the public sector. These people are then recommended to the firm as potential recruits.
Thus the firm actively recruits sales staff from its customers. These people are already highly trained. The firm currently has no problems obtaining sufficient staff although it has had problems in the past.

In contrast, in the United States economics and business graduates are recruited by the firm when they leave University. These graduates are given three months intensive training in laboratory procedures and product use. Once they are able to demonstrate all the firm’s products they are assigned to a sales area. Staff in Australia are given at least two week’s paid training in sales techniques. The focus of this training is on "how to maintain relationships with troublesome people". Staff are also expected to attend conferences at resorts at which they learn to demonstrate the new equipment. Sales staff are young. "By the time you reach forty they are showing you the door". My informant felt that the lack of a science degree was not a great impediment to him as a sales person: "I seek information from journals on technical matters". However, he felt that the lack of a science degree reduced his credibility with some customers.

The hours of work are long. In the United States, the sales person was expected to cover their own region and maintain sales. They were not expected to be in at the office frequently. This meant that sales staff could distribute their work during the year as they wished, working 60 hours a week in some months and twenty in other months. In Australia that flexibility is not possible since managers insist that staff work in the office when they are not visiting customers. In Australia sales staff also attend more meetings and complete more paperwork. They are expected to work sixty hours per week.

Sales staff are paid a basic salary each month and are also expected to earn commission. My informant earnt 40% of his salary on commission. The staff are not unionised and are not covered by an award. Indeed the remuneration and conditions of employment are much higher than are stipulated in the potentially relevant awards (Van Salesmen and Commercial Travellers). Performance is rewarded at both the individual level and at the regional level. At the time of interview a diamond was "up for grabs" for the regional group with the best performance. The four best performers for the previous year in the Brisbane region were given an all-expenses paid resort holiday. In addition employees are "promoted" (given a pay rise) frequently to keep them in the company.

Once recruited, staff are inducted in Australia by working in a group of support personnel. These people answer telephone queries and letters from customers. Once a person has become competent to answer all the questions which arise then they are allocated a sales region. Sales work involves seeing customers in their labs. The sales person then makes suggestions regarding how the lab could be improved. My informant
told me that many of the labs he is responsible for are "very outdated". His role is to put together a package of goods which will "improve the efficiency of the lab". For example, he was working on a package for a doctor who wanted to connect all the testing runs to a computer so that human error could be minimised. The technician would be required only to load and start the run.

One of the major differences between these scientific sales people and other sales staff is that they perceive their work to be very important. Because the tests and equipment they sell are used to make diagnoses on illnesses such as HIV, cancer and hepatitis, they feel that they must sell the right thing. If the test doesn't work then the results could be disastrous for both individuals and the company.

Summary and Discussion: Firm Characteristics and Job Tenure

The type of work done in firms, the characteristics of a firm's workforce and the organisational structure of firms all affect job tenure. The AAA data presented in this chapter indicates that high rates of casual employment are associated with a high proportion of staff in sales functions, with female employees and with certain 'trades'. Some large firms are characterised by low rates of casual employment (under 50%), and some large firms are characterised by high rates of casual employment. In contrast, none of the small firms have more than 50% casual employment. From interviews with retail workers and managers it would seem that managers' attitudes to recruitment and training, the nature of the recruitment and training processes and the organisational structure of the firm intersect to create the associations noted between high rates of casual employment and 'trade', age, sex, and occupation.

The largest retail firms have centralised training programs which ensure that store level managers are trained. Sales staff are trained on-the-job and in centralised courses off-the-job. Staff of the large retail firms tend to be polarised into full-time staff with job tenure who are eligible for some training and casuals who are not. In the larger chains casuals are restricted largely to sales jobs and are not expected to take on management tasks.

Specialist retail firms have different staff structures and appear to use casual employees in less predictable ways. In some areas such as fabric and clothing casuals are employed who already possess the skills or characteristics required. These industries appear to be able to employ casuals not so much because the work is unskilled but because a plentiful supply of skilled labour (such as women who can sew) exists and because this labour is willing and able to work on a casual basis. The people concerned appear to have considerable de facto tenure since they are known to the employer prior to engagement.
and tend to remain in employment as long as they choose to do so. This is often until their children reach high school and they feel able to commit themselves to full-time work.

The small business supplying scientific equipment has similar employment characteristics. *De jure* tenure is extremely limited but *de facto* tenure is quite high. It is this *de facto* tenure (proprietorship in this case) which enables the small firm to operate skilled functions without high levels of *de jure* tenure. In contrast in the larger scientific sales firm, job and income security are both high. This security is for limited duration since at forty many people are retired out. However employees who have worked for the firm for a number of years do receive generous retirement packages to enable them to re-establish themselves in other work so that income security exceeds job security.

Where a high degree of product related knowledge is required such as car sales, computing, electrical goods, scientific equipment, but where a supply of skilled casual labour is not available, full-time weekly staff are employed. These staff are often paid commission, as well as a weekly wage, to encourage them to maximise sales. These 'trades' tend to employ more men. In the case of computing and scientific equipment they tend to employ graduates of both sexes. However, while the firms do conduct some training they rely on recruits to already possess considerable general knowledge of the product.

The two factors, other than 'trade', which are most closely linked to casual employment are age and sex. This is no surprise since they are linked to most indicators of labour market success. It would appear that casual employment is likely to increase where product knowledge required is low. Where workers are required to have a high level of product knowledge or specific personal characteristics (such as physical attributes) rates of casual employment are likely to be low. However, this trend is complicated because where the required product knowledge, or physical characteristics are found in groups which are characterised by poor labour market outcomes, then rates of casual employment are higher. Thus cultural factors which result in a high level of expertise, such as sewing, among women can combine with cultural expectations that women work part-time to create a casual female labour force in a specialised 'trade'.

A different process operates in fast food to create a highly casualised labour force in a specialised 'trade'. In the fast food area the available labour force has been consciously created by the large chains. The chains have done this by widespread advertising through the mass media designed to demonstrate that the workers of particular
companies are not disadvantaged at school. Indeed the typical MacDonalds worker is presented as a socially competent, clever and academically successful person whose studies are assisted by working at MacDonalds. This image is furthered by rules prohibiting young workers from working more than a certain amount of time in any week. It is also furthered by direct approaches to parents who are 'recruited' with their children. The company does everything in its power to ensure that the parents of school children who are employed at MacDonalds remain satisfied with the treatment of their children. Interestingly this includes ensuring that their wages remain low enough that the children remain dependent on their parents.

By this strategy the international fast food companies have generated a cheap labour force. In addition to this, however, their product is a specialised one requiring some skill to produce. To ensure that the cheap labour force is competent to perform the job adequately the work is divided into very simple components which can be learnt in modular form. This is assisted by ensuring that each restaurant is identical in respects which facilitate a training program suitable for all outlets. For example, a tap six feet from the kitchen entrance may be identified in a training module on floor washing.

The fast food area then, suggests that when companies are large enough to have centralised buying, planning, training and evaluation capacities, and when they have sufficient capital to build or convert premises to facilitate division of labour and routinisation of tasks, then specialised retail work can be rendered suitable for casual staff.

The trend in fast food indicates that as franchising takes off in a range of specialised retail 'trades' casual employment may grow in these 'trades'. This is particularly likely when casual labour is in plentiful supply such as in the current situation of high youth unemployment and raised expectations that high school children will have jobs.

The different rates of employment of casuals in different 'trades' suggests that the nature of the work to be done affects job structures and tenure. The extent of product knowledge required appears to be an important factor but supply side factors are also important. While some larger firms are able to manipulate the supply of labour most are not able to do so. Many firms are constrained to employ the types of people who can 'relate' to their customers. Thus males are employed in hardware stores, females in fabric stores, teenagers in fast food outlets and technicians working in the public sector are head-hunted by scientific sales firms. It seems to be the types of people who are associated with characteristics of job tenure rather than the type of work involved. Indeed it is the clear recognition of this association between types of people and job
tenure which has spurred the fast food chain discussed above to encourage entry of 
youth into the labour market.

1 The Public Report schedule is reproduced in Appendix A.
2 Because there is no clear statement regarding the confidentiality of the material collected by the agency, 
staff release as little information on individual firms publicly as possible, to prevent charges that they 
have breached confidentiality. A list of firm names with file numbers is not usually given out to 
researchers such as myself. I was given one due to a mistake on the part of my contact. It may be 
difficult to replicate the process by which all retail firms were selected because of this.
3 For reasons of confidentiality I have not used the names of the firms. When interviewing staff of firms 
I informed them that they and their firms would not be identified in print. If required by my examiners 
the firms and respondents can be identified. The firms are listed in Appendix A.
4 My observation of her at a sewing demonstration.
5 The age limits have been relaxed in many firms since my interview with the manager on which this 
information is based.
6 This person's performance was not worse than others with a science degree since he was the second-
highest seller in the Brisbane region in his first three months in the job.
Two Government Interventions: Constraints on Job Tenure Implied in Award Changes and Training Initiatives

Chapter 5 shows that a number of firm related characteristics affect patterns of job tenure in the retail industry. The social characteristics of workers in firms are associated with patterns of job tenure. In particular, patterns of job tenure are associated with the age and sex. Organisational and job structures are also important, particularly management strategies and 'trade'. While idiosyncratic knowledge, a factor identified from the literature in Chapter 1, seems to affect levels of productivity of workers in retailing, it does not always result in de jure job tenure for either sales assistants or managers.

The factors discussed in Chapter 5 are affected by government regulations which directly and indirectly affect patterns of job tenure. This chapter describes two relevant government interventions and discusses how they might affect patterns of job tenure. The two interventions are the restructuring of major retail awards and government sponsored training programs in the retail industry.

As noted in Chapter 2, in Australia a factor which should not be overlooked in discussions of patterns of job tenure is the award structure. The higher rates of full-time permanent (weekly) employment in large retail outlets, such as department stores, in Australia may reflect award provisions which prevent firms with large outlets from hiring more casual employees. Small firms and some franchises are exempt from these awards. The first half of this chapter explores the role of retail awards in shaping job tenure in retailing in Australia. It describes recent changes to the relevant awards under award restructuring and discusses the likely outcome of these changes for job tenure.

As well as affecting award provisions, government intervention in recent years has been aimed at fostering skill development and training in non-trade occupations such as retailing. These government sponsored training programs are discussed in the latter half of this chapter, as is their likely affects on the importance of idiosyncratic types of knowledge in the industry, and on job tenure.

Award Restructuring in the Retail Industry: Implications for Job Tenure

Awards affect pay and working conditions of employees who are covered by them. They have the potential to affect pay and working conditions more than they do. In many industries minimum pay and working conditions do not constrain employers who pay over-award wages and provide better than award conditions for their employees.
This generally occurs where there is a shortage of labour, for skill, social or geographical reasons. There are no such shortages of retail labour. In the retail industry over-award payments and conditions are unusual. The minimum standards stipulated in awards are a reflection of the wages paid and conditions under which most workers work. Indeed in retailing the award may represent maximum rather than minimum conditions. Established practices which are not technically provided for in the award, and the employment of people in franchising, direct network-selling arrangements and other out-of-award arrangements foster under-award employment conditions. Some retail employers create independent contractor arrangements in order to avoid award coverage of their workers (Job Watch 1986 unpub: 2-11). In addition, from employee interviews reported in Chapter 5, it would appear that many retail employees are unfamiliar with award entitlements. This is supported in the case of young employees by a survey of school children in employment (Nolan and Hagan, 1989: 27-35).

This chapter describes actual changes in awards and the kinds of consequences which could flow from these changes for retail employment. This is not to deny that factors identified in earlier chapters such as organisational structure, size, technologies or the inter-connections between industries will not affect employment tenure. Rather, it will be shown how the award changes have the potential to affect employment tenure, both directly by restricting employment practices and indirectly by affecting a range of factors which in turn may generate changes in tenure. I do not wish to deny that the award changes are themselves products of wider pressures on the government which have generated the micro-economic reforms of which award changes are a part. Or that the effects of the changes to the awards will vary according to these wider pressures on employers.

As discussed in Chapter 2, Australia's economic history has led to economic vulnerability to downturns in prices of its few export commodities (Boehm, 1971). The Australian government, in the face of predicted and real declines in terms of trade in the 1980s, and in accordance with policy advocates claiming competitiveness to be dependent on increased labour market flexibility (c.f. Bandy et. al. 1985), initiated a series of micro-economic reforms in an attempt to improve the competitiveness of Australian industry. These micro-economic reforms were tailored to operate in the centralised industrial relations system. Due to the unique characteristics of the industrial relations system, policy advocates in Australia in the 1980s have been concerned with advantages and dis-advantages of centralisation and the constraints of labour law on flexibility in utilising labour. Three reports were produced on the industrial relations system (Hancock, 1985; Hanger, 1988; and Niland, 1989) all advocating some changes to the system designed to increase flexibility. In particular, lack of flexibility in the
labour market, due to award structures, was perceived as hindering the adaptation of production processes to new economic conditions. Despite some criticisms levelled at award restructuring as a solution to perceived non-competitiveness (Bramble, 1989; Burgess and Macdonald, 1989; Horstman, 1988) award restructuring became a key part of the Government's strategy for restructuring Australian industry in the late 1980s.

The process of award restructuring provides us with an unusual opportunity to assess an attempt by government to ameliorate the consequences of global restructuring of capital for local labour markets. The government has attempted this by direct intervention in, and regulation of, employment conditions and wages. One interesting aspect of the award restructuring process is that it has the capacity to represent simultaneously de-regulation and re-regulation (Bolton, 1989), it has also, at certain stages, represented wage cutting.

These characteristics of award restructuring, namely pressure towards increasing flexibility, cost cutting and simultaneous re-regulation and de-regulation, have all been apparent in changes to retail awards. The resulting changes are likely to affect patterns of job tenure. In order to demonstrate this the general principles of award restructuring are outlined and a brief description of the relevant awards is presented before changes to the actual awards in each state are reported. The changes are discussed in the light of tendencies in the retail industry described in chapters 3, 4 and 5.

a. The principles of award restructuring under the Accord

The Hawke government came into office in 1983 in the context of pressure from the New Right for complete de-regulation of the industrial relations system; a recession in which unemployment reached 10%; and a union movement, at least parts of which were committed to a 'productivist logic' (Kyloh, 1989; Bramble, 1989). An Accord was subsequently articulated and accepted between unions, government and employers in the September 1983 National Wage Case. The Accord re-established centralised wage fixing and outlined principles on which cost-of-living adjustments should be awarded.

The Commission reviewed principles determining the granting of wage increases in December 1986 [1987 AILR ¶1]. In this review the Commission accepted that there should be a new principle drafted which placed more emphasis on work practices and organisational efficiency. All workers would be eligible for an increase to partially offset rises in the cost of living. Further increases to completely offset cost of living increases required unions to demonstrate productivity and efficiency gains.
Once the Commission had adopted the productivity and efficiency guide-lines, the role of the Commission and state tribunals became to assess the extent to which the agreements made between the parties would effectively lead to productivity and efficiency gains. The nature of the agreements reached under the award restructuring guide-lines included such things as reductions in non-productive working time; flexibility in the use of working time; demarcation agreements reducing the restrictions on the types of work done by each worker; reductions in the restrictions on part-time and casual employment, and on overtime and penalty rates; re-classification of jobs; and training (Commonwealth Government, 1988: Exhibit No 13). The Commission also assisted the Government in its objective of spreading superannuation to sectors of the workforce not previously covered.

In 1988, declining terms of trade and rising foreign debt (Bramble, 1989; Kyloh 1989) led to the government to attempt to shift "pressure on wage fixing from the labour market to the product market" (Morris, 1989). In August 1988, the Commission outlined a new set of principles of 'Structural Efficiency' which would determine future decisions. The principle of 'Structural Efficiency' was designed to encourage:

"parties to examine their awards with a view to:
• establishing skill-related career paths which provide an incentive for workers to continue to participate in skill formation;
• eliminating impediments to multi-skilling and broadening the range of tasks which a worker may be required to perform;
• creating appropriate relativities between different categories of workers within the award at enterprise level;
• ensuring that working patterns and arrangements enhance flexibility and meet the competitive requirements of the industry;
• including properly fixed minimum rates for classifications in awards, related appropriately to one another, with any amounts in excess of these properly fixed minimum rates being expressed as supplementary payments;
• updating and/or rationalising the list of respondents to awards;
• addressing any cases where award provisions discriminate against sections of the work-force." (Maddern et. al. 1988: 175).

The August 1989 National Wage Case Decision expanded on the 1988 Decision by suggesting specific changes to awards which would enhance flexibility and efficiency in industry. The new set of guide-lines were termed 'Restructuring and Efficiency' guide-lines. These included extending normal hours and agreeing to new rosters which reduced penalty rates and which could lead to a better matching of hours worked with labour requirements of industry.

Lower income workers have, in both 1988 and 1989, been eligible for supplementary payments. A "supplementary payment is a separate amount in a minimum rates award
which is in addition to the minimum rate and which, together with the minimum rate, becomes the award rate below which no employee may be paid" (Maddern, 1988: 180). In order to make a case to the Commission for supplementary benefits, a union must present their case in terms of the actual rates paid in the industry generally, not in terms of the award rate. There have been few applications for supplementary payments one reason being that information on actual rates of pay is not readily available. The requirement of presenting actual pay rates implies extensive research and few unions have sufficient resources to conduct that research.

It is clear that many of the suggestions made by the Commission for enhancing 'productivity' and 'efficiency' are aimed at increasing 'flexibility'. Indeed the three words are used almost interchangeably in the text of the Commission's Decisions. While the relationship between the three is open to question (Burgess and Macdonald, 1989), the perception of the link in both government submissions and Industrial Commission decisions has meant that job tenure has been a central concern of the decisions. Award restructuring, as articulated by government and commission decisions, has had the capacity to extend the use of non-standard forms of employment such as casual and contract employment. At the same time many of the guide-lines are directed at aspects of awards which pertain to weekly employees only. Award restructuring can be seen as having the potential to reduce the practical differences in employment relations of weekly and non weekly employees, through reviews of the hours of work, flexibility of annual leave and sickness benefits.

Throughout the Hawke Government's submissions to the Commission, and in the decisions of the Commission, it is recognised that those aspects of award restructuring which are most salient for some industries will be less so for others. By requiring each union to present a case for any increases in terms of efficiency, the guide-lines specifically encourage industry based decisions rather than general ones.

While the National Wage Cases do not automatically apply to awards which are under State tribunals in practice they generally do. The National Wage Cases between 1984 and 1989 were adopted by all State Industrial Commissions with minor variations [(1984-1989) AILR and WAIG]1.

The major ways in which award changes may affect job tenure are: by affecting the discrepancy between permitted rosters of weekly employees and the daily fluctuations in demand for labour; by affecting the relative costs of different types of staff; and by affecting the characteristics of staff. In the retail industry the first of these is very important. As noted in earlier chapters, trading hours regulations have affected the
demand for casual and part-time labour in the industry as extended trading hours leave slots which weekly employees cannot, or are not willing to, fill.

This mis-match is a focus of award restructuring in the retail industry. The productivity of workers depends on the ability of shops to hire workers when the demand for their services is at a peak. Extreme weekly fluctuations in demand makes this is a particular problem for managers in retail enterprises. There are three potential solutions to the problem of having too many staff at some periods and not enough at other times. One can increase the flexibility in hours of weekly employees; employ more casuals; or increase multi-skilling of the workforce. Multi-skilling allows retail staff to be redeployed to the back-end functions when demand is low. As I outlined in Chapters 4 and 5, while there is a variation between managers at the shop level with respect to how many casuals are hired, there has been a tendency for shop-level managers to employ larger numbers of part-time and casual workers in recent years. There has not been any tendency recorded of diversifying the functions each employee performs. Indeed the opposite appears to have occurred in larger shops, where employees have become more restricted to one department rather than being moved between departments.

The above solutions, to meeting fluctuations in demand, represent very different implications with respect to employment tenure. Variation to rosters and the number of casuals employed implies a reduction in security of tenure of workers, while variation to their tasks within the set hours of work does not. The specific award provisions which are likely to affect which strategy is adopted are: rosters, normal hours provisions, maximum and minimum hours requirements for part-time and casual staff, proportions clauses with respect to casual and part-time staff, relative costs of different types of staff, junior/senior proportions clauses and trading hours restrictions (in states where this is an award matter).

The History of Relevant Retail Award Provisions

Shop awards vary from state to state. Within these awards shop workers are divided into those working in General Shops, those working in Special Shops and those working in small shops. In addition some of the workers employed in specialist shops have separate awards such as those applying to fast food shops, motor vehicle shops, garages and service stations and hairdressers (see Appendices C and D). Despite the multiplicity of awards, many of the provisions are common, the greatest differences being those generated by the different opening hours of the different types of shops. Indeed the award was split up initially at the instigation of the Shop Assistants Union which wanted to prevent the spread of long opening hours, which were prevalent in specialist shops, to general shops (J. Casey, 1989).
The issue of hours of work has re-surfaced regularly in the Arbitration courts. This issue has been tied to shop trading hours. By early 1988 trading hours on Saturdays had been extended to afternoon trading to at least 4.00p.m. in most states (Vic, NSW, ACT, Qld, SA, WA, NT) (QGIC, 14 May 1988: 178-183). Evidence given in the Queensland Industrial Commission suggests that the extension of trading hours in many states legalised trading which had been occurring illegally. It also suggested that trading hours restrictions which applied to larger shops had resulted in the fictitious division of shops into sub-shops so that trading could occur. This suggests that the trading hours restrictions were constraining trading hours of some shops. The widespread opening of large stores on Saturday afternoons since trading hours restrictions have been relaxed supports this view. About 91% of shops were exempt from the restrictions in 1988 in most states (QCIC, 14 May 1988). However, the 9% constrained by the restrictions employ about 20% of retail workers (ABS 8627.0, 1979-80: Tables 2 and 3).

Part-time employment has historically been very restricted in shops in Australia. In the post-war period part-time employment was allowed only when employers could not obtain sufficient full-time labour. Such provisions remain in some awards (c.f. Retail and Wholesale Shop Employees (ACT) Award). In 1957, in NSW, a new category of casual employees was introduced, in the major shop awards, who were employed "as and when required". Part-time employment was restricted to employees working more than 20 hours per week (Macken, 1983: 88-89). But some of the specialist awards do not have provision for casual or part-time employment. Examples include the Commercial Travellers Award (State) and the Motor Vehicle Salesmen's Award (Appendix D).

After the granting of the five day week in NSW, in 1971, the numbers of part-time workers employed in the industry rose enormously. In particular, the larger stores, began to employ more casuals on Friday nights and Saturday mornings. The advantages of casual employment quickly became apparent to employers and casual work spread to week days. This trend has reduced the number of full time jobs in the industry (Macken, 1983: 89).

The proportions of part-time and full-time staff have been indirectly affected by senior-junior proportions clauses which in many states set minimum levels for the employment of juniors. The nature of the labour process in the industry is such that, even when shop assistants were expected to have both considerable knowledge of the goods which they were selling and skills in display and sales, the influx of juniors into the industry was feared by the unions. In an attempt to stem the influx of juniors the NSW Court of
Arbitration in 1938 divided shop assistants into two classes: those under 23 years of age, termed juniors, and those 23 years old or more, termed seniors. The award stipulated that the ratio of juniors to seniors would not exceed 1/1 (Macken, 1983: 85). This proportions clause remained in the award for nearly forty years and became common to awards in most states.

The employment of casuals in NSW was intensified after Commissioner Johnson ruled in the NSW Industrial Commission that the senior/junior proportions clause did not refer to casual employees. Johnson argued that once the five day week had been introduced, along with late night trading and Saturday morning trading, gaps were created which could most sensibly be filled by casuals. At the same time the Commission lowered the age at which juniors became seniors to 18 (Macken, 1983: 90-91). In combination these changes meant that the numbers of casuals who could be employed, under the major shop award in NSW, increased enormously since there was not at that time a casual/permanent proportions clause.

In the early 1980s fast food awards were created in most states. These were created because of the widespread disregard of proportions clauses in the Cafe, Restaurant and Catering Award, under which fast food employees had hitherto been employed [(1984) QGIG 889-892 c.f. Appendix C]. The Commissioners felt that juniors employed illegally under the Cafe Restaurant and Catering Award, award would not be well protected, and that an award which recognised the extensive employment of juniors in fast food outlets would protect the employees more. The new award, then, did not restrict the proportions of juniors that could be employed. In Queensland, home delivery outlets of fast food have also come under this award [(1987) QGIG 175-7]. This means that telephone operators who take orders and type them onto a computer are classified in the same way as counter attendants in sit-down/take away outlets. In neither case are there any restrictions regarding the proportions of casuals who may be employed.

Thus the pressure for increasing flexibility in hours of work had existed before the Accord began to operate. Sporadic attempts have been made to stem the tide of casual employment. One of these was an attempt by Justice Macken, in NSW, to introduce rosters which would facilitate the staffing of stores by part-time and full-time employees without requiring the employment of casuals.

In 1985, the first impact of the Accord began to be felt in the retail industry. In NSW an extensive review of the retail industry was conducted with particular emphasis on changes which had occurred as a result of extended trading hours [(1985) AILR ¶314].
The review reduced Saturday afternoon rates to time and a quarter from time and a half; it rejected the unions claim for a proportions clause for casuals; it somewhat ambiguously was "prepared to meet the RTA's plea for flexibility with respect to the proportions of classes of employees in general shops" while not actually removing the clause relating to this; it reduced the minimum hours for part-time workers from 20 to 16 per week for employees not working on Saturday and to 14 or 15 where employees do work on Saturday. The meal break was reduced from 1 hr to 30 minutes.

b. Award changes since 1986

These changes pre-empted the articulation by the Commission of the Productivity and Efficiency guide-lines in 1987. However, the guide-lines and subsequent principles have since had an impact on the award, which has significant implications for all of the major issues which have been raised regularly in the Commission. The major retail awards in operation in each state, and the changes to them made since the restructuring and efficiency principle are summarised in Table 6.1 below.

The major award in New South Wales is the Shop Employees' (State) Award. This replaced the 1985 Shop Employees' (Major Retailers) Agreement in 1986. Under the guide-lines provided by the restructuring and efficiency principle, the Industrial Commission in NSW abolished the senior-junior ratios in general stores in April 1988. This proportions clause was replaced with a clause regulating the operation of the Australian Traineeship system and with a clause limiting the numbers of casual hours worked in shops, which employ 13 or more staff, to 25% of hours worked. This restriction of 25% casual hours is confined to 'general' stores such as supermarkets and department stores; it does not cover 'special' shops which sell a small range of products. The SDA estimated that as a result of the 25% rule casual employment in some 'general' shops would decrease significantly, while permanent part-time employment would increase. However, the RTA and employers considered 25% to be well within their current level of casual staffing (Kempson, 1989; Ritchie, 1989). Small concessions were also granted by the union relating to the time during which lunch breaks could be taken and introduction of payment by electronic fund transfer. The minimum hours for part-time workers has been further reduced to 12. In the ACT a similar pattern is occurring: where some restrictions on part-time work have been removed, trading hours extended and the minimum hours for part-time employees is 12.
Table 6.1a Major Changes to Retail Awards in Each State, 1986 - 1991: Changes to existing provisions.

<table>
<thead>
<tr>
<th>Provisions</th>
<th>N.S.W.</th>
<th>Qld.</th>
<th>S.A.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Casual loading (%)</td>
<td>15+</td>
<td>15+</td>
<td>25</td>
</tr>
<tr>
<td>P-T min/wk</td>
<td>16</td>
<td>16</td>
<td>20</td>
</tr>
<tr>
<td>P-T min/day#</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>P-T max/wk</td>
<td>30</td>
<td>30</td>
<td>32</td>
</tr>
<tr>
<td>P-T: F-T</td>
<td>1:1</td>
<td>x</td>
<td>1:3</td>
</tr>
<tr>
<td>% Casual</td>
<td>15</td>
<td>25</td>
<td>x</td>
</tr>
<tr>
<td>Cas min/day</td>
<td>4</td>
<td>3-4#</td>
<td>4</td>
</tr>
<tr>
<td>Junior:Senior</td>
<td>1:1</td>
<td>1:1</td>
<td>1:1</td>
</tr>
<tr>
<td>Starting Time</td>
<td>7.00</td>
<td>7.00</td>
<td>A</td>
</tr>
<tr>
<td>Ceasing time</td>
<td>A</td>
<td>A</td>
<td>6.00</td>
</tr>
<tr>
<td>Not LNT</td>
<td>6.00</td>
<td>6.00</td>
<td>A</td>
</tr>
<tr>
<td>Late Night Trading</td>
<td>9.00</td>
<td>9.00</td>
<td>A</td>
</tr>
<tr>
<td>Saturday</td>
<td>4.00</td>
<td>5.00</td>
<td>A</td>
</tr>
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<table>
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<tr>
<th>Provisions</th>
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<th>Vic.</th>
<th>W.A.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Casual loading (%)</td>
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<td>20</td>
<td>33</td>
</tr>
<tr>
<td>P-T min/wk</td>
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<td>20</td>
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<tr>
<td>P-T min/day#</td>
<td>3</td>
<td>4</td>
<td>2-4</td>
</tr>
<tr>
<td>P-T max/wk</td>
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<td>38</td>
<td>38</td>
</tr>
<tr>
<td>P-T: F-T</td>
<td>x</td>
<td>x</td>
<td>1:1</td>
</tr>
<tr>
<td>% Casual</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Cas min/day</td>
<td>4</td>
<td>4</td>
<td>3-4</td>
</tr>
<tr>
<td>Junior:Senior</td>
<td>1:1</td>
<td>1:1</td>
<td>1:1</td>
</tr>
<tr>
<td>Starting Time</td>
<td>7.00</td>
<td>7.00</td>
<td>8.00</td>
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<tr>
<td>Ceasing time</td>
<td>A</td>
<td>A</td>
<td>6.00</td>
</tr>
<tr>
<td>Not LNT</td>
<td>6.00</td>
<td>6.30</td>
<td>5.45</td>
</tr>
<tr>
<td>Late Night Trading</td>
<td>6.00</td>
<td>9.30</td>
<td>9.00</td>
</tr>
<tr>
<td>Saturday</td>
<td>12.00</td>
<td>6.30</td>
<td>12.00</td>
</tr>
</tbody>
</table>

*in fact a minimum of 12 hours per fortnight and a maximum of 64 hours per fortnight.
^25% for less than a full day’s work, or 20% when a full day is worked.
# Where there is a range e.g.2-4 the lower number refers to a minimum number of hours outside of normal hours e.g. on Saturday or in the evening.
@ Outside Brisbane 2 juniors to 1, 2 or 3 seniors then 1:1; in Brisbane 2:3 after first five employees.
F 2:1 for males and 4:5 for females.
A: none for full-time weekly employees, though max hours are specified.
Comparison between awards in operation at Dec 1986 and August 1991; except Victoria (Award No 1 of 1987 was used).
In Queensland, the major awards are the *Shop Assistants (General) Award - Southern Division; Shop Assistants (Retail Stores) Award - Southern Division; Shop Assistants and Storemen and Packers in Retail Stores Award - Central Division; and Shop Assistants Award - Northern and Mackay Divisions*. These awards include different rates of pay for the various regions specified. Otherwise basically the same provisions are found in each award. Prior to 1987, one new part-time worker was allowed for every three full-time workers. Part-time workers were restricted to working between 20 and 32 hours per week. In March 1988 the 38 hour week case spread ordinary hours, increased maximum hours which could be worked by casuals each week, introduced EFT payments, introduced traineeships and extended the period during which the lunch break could be set. In March 1989 the minimum hours which could be worked by part-time employees were reduced from 20 to 15 and the full-time/part-time proportions clause was removed. The maximum hours per week which could be worked by casuals was increased from 26 to 30. Ordinary hours were extended from eight to eight and a half per day, and from 5.30 to 6.00 p.m. A disputes settlement procedure was added to the award. A 3% superannuation payment was granted to all workers who had been employed in the company for more than six months and who worked for more than 12 hours per week on average. Under the 'new work' principle, employees working in or with freezers have gained a pay increase, and the Queensland Industrial Tribunal encouraged the union to press for wage increases over and above the 4% second tier because of the great efficiency gains of extended trading hours. In Queensland, changes in the *Fast Food Industry Award* have been similar to those in the major awards. Part-time work has been extended with the minimum number of days which can be worked being reduced from 3 to 2 each week.
In South Australia, two major awards operate: the Retail Industry South Australia Award and the Delicatessen, Fruit and Vegetable and Confectionery Shops Etc. (Award). Prior to March 1987, part-time employees worked more than twenty and less than forty hours per week. Normal hours were 8.00 a.m. to 6.00 p.m. with a maximum of eight hours per day. Since then the part-time minimum has dropped to 12 hours per week. Maximum hours per day have risen to 11 on a late night shopping day and to 8.5 on other days. Normal hours have extended back to 7.00 am and forward to 6.30 p.m. on normal shopping days. Normal hours have been extended to 9.30 p.m. on late night shopping days. This means that overtime payments only apply after 6.30 p.m. on normal shopping days. The lack of any proportions clauses in the earlier awards meant the restructuring and efficiency negotiations have been concerned with rosters rather than with the elimination of proportions clauses.

In Victoria, the General Shops Award has been varied since March 1987 to increase the numbers of juniors permissible. However, a proportions clause remains allowing 4 juniors for the first two seniors and 1/1 thereafter, in place of a 1/1 proportion in 1987. Commencing and ceasing times have been replaced by a maximum number of hours per day creating greater flexibility in the 'normal' hours category. Wage increases have been obtained in return for ending opposition to Saturday afternoon trading.

In Western Australia, 'normal' hours in the Shop and Warehouse (Wholesale and Retail Establishments) Award have been extended by 10 hours per week. The second tier wage increase was obtained in return for Saturday afternoon trading. A clause stipulating that a maximum of 33.33% of all hours worked can be casual has replaced a clause stipulating proportions of seniors to juniors.

In Tasmania a clause specifically allowing the making of enterprise bargains has been included in the Retail Trades Award 1991. Part-time hours have not been greatly affected by award restructuring with minimum hours remaining 20 per week. The junior/senior employment ratio remains 1/1. Normal hours of work have been extended and a flexibility of work clause introduced. The award does not include Termination Change and Redundancy provisions.

In all states the 38 hour week has been introduced for staff in return for extended trading hours. In some cases trading hours have been almost completely de-regulated. In all states certain regions have de-regulated trading hours to accommodate tourism and to provide emergency services. The restrictions which remain apply only to the largest retailers and in some cases (such as the ACT) only to department stores.
The outcome of the 'trade-offs' between nominal wage increases and various work practices has been a fall in real wages for retail workers. The increase of 4% in December 1988 was well below the cost of living increase between March 1977 and December 1988 [(1988) AILR ¶38], as was the 1.5% increase to June 1990. This reduction in real wages is common to many employees who are paid award rates of pay. It has been exacerbated in the retail industry by delays in making of the agreements which have been required for a wage 'rise' to occur.

c. Supplementary payments:
In Queensland, Victoria, Western Australia and the A.C.T. wage 'increases' have been gained in the form of supplementary payments. These supplementary payments have been made on the basis that extended trading hours agreed to between 1988 and 1990 reflected a significant improvement in the efficiency of the industry which warranted an increase in excess of the 4% limit imposed in the second tier principle [cf (1990) 32 IR 428-434]. The Victorian branch of the union also conducted a survey of their members demonstrating that an average over-award payment of ten dollars per week applied in the state.

Negotiations continue to focus on rostering arrangements in a bid by employers to further increase flexibility in the use of weekly staff. In Queensland, the Queensland Retail Traders Association proposal for the restructuring of the award under the structural efficiency guide-lines (QIRT document) included the complete removal of maximum hours provisions for part-time and casual workers in the industry. If it had been accepted by the union this would have rendered the employment of full-time staff unnecessary. Part-time and casual staff could then have been employed on full-time rosters. This type of arrangement appears in fact to be common. For example the hours of casual juniors are increased during the school holidays, when adult employees with children take time off. Under current awards the casuals should be paid casual rates for the full-time hours and additional overtime pay. In practice, such employees are converted to full-time weekly rates for the duration of the period in which they work extended hours. This results in a significant loss of wages.2

d. Discussion: The implications of award changes for job tenure in the retail industry
The documented award changes appear to have provided the potential for improving the match between rosters of weekly retail employees and trading hours. They have done this by extending 'normal hours' of full-time weekly employees and by increasing the range of hours which part-time employees can work. Most importantly the ability of employers to employ more part-time staff for a shorter number of hours each week, has
increased the ability of managers to meet peak demand times, while reducing surplus staff at off-peak times. This, in conjunction with the elimination of the senior/junior proportions clauses enables stores to employ many more school children on part-time rates. While the trend towards increasing the divisibility of labour began in the 1970s and 1980s, award restructuring has increased markedly the potential for employment of part-time labour in the 1980s. While increased use of part-time labour can reduce the discrepancy between demand and supply of labour, it also has the capacity to lower wages significantly.

Award restructuring has removed the restrictions on the hiring of the cheapest form of labour, namely part-time juniors. The replacement of an adult by a 15 year old junior, then, means a saving of up to 60%. At the same time the replacement of a casual with a part-time employee can represent a further saving of up to 25% in casual penalty rates. Reduced restrictions on part-time employment means that division of labour can be increased such that the cheapest labour available at a given time can be employed. This means employing school children after 3.00 and in school holidays, employing young school leavers from 8.00 am to 3.00 p.m. and employing married women in supervisory positions. The employment of reduced numbers of casual employees is also encouraged by the extension of 'normal' hours. Extending 'normal' hours means that fewer overtime payments are earnt, making full-time and part-time workers cheaper than casuals during these extended times. So fewer casual workers are required to fill slots which full-time employees can now fill. The increased range of hours allowed under part-time employment provisions means that informal practices of extending part-time and casual workers' hours, when it suits the employer, are legitimated.

Overall the changes would point to a likelihood of increased security of de jure tenure in the industry. The reduction in proportional terms of casual employees does not however mean that de facto tenure in the industry has increased. There is a widely recognised, but not easily documented, practice in the retail industry of sacking juniors when they attain 17 years of age. The employment of school children often makes this unnecessary since most school children quit their part-time jobs on leaving school. An increase in junior part-time employment increases flexibility of staffing for employers by ensuring high turnover without the penalty of casual loadings.

The enterprise agreement recently reached between the SDA in Victoria and the Japanese firm Daimaru carries this trend further. The agreement reduces penalty payments, increases flexibility in full-time and part-time rosters and minimises casual employment.
Under current award restructuring, reduced restrictions on the use of part-time labour have in some states been linked to clauses restricting the use of casual employment. The restriction of casual hours in Western Australia and New South Wales is paradoxical given the rhetoric supporting 'flexibility' and given the trends towards greater casualisation in the labour market overall. However, by interpreting the changes as attempts to cut costs rather than in terms of flexibility, these restrictions become less inexplicable. Firstly, the interest employers have in employing casuals is reduced if the restrictions on employment of weekly employees are loosened. This is particularly the case when loadings on casual wages are between 15% and 25%. Secondly, the particular restrictions imposed are so high that most employers appear to fall within them anyway. Assuming that casual employees are working about 12 hours per week, the 25% of all hours which can be filled by casuals represents more than 80% of all sales personnel in a store.

Award restructuring has the capacity to alter the composition of the retail industry in terms of firm size. This is so as firms operating large outlets have historically worked under more award restrictions than those operating small outlets. Historically, those most advantaged by the award system would appear to have been the large chains, and franchise operations, which operate small outlets. These firms have had the advantages of the larger operations in regard to technology and relations with suppliers. As specialists they have been exempt from trading hours restrictions and also from award restrictions which have reduced the divisibility of labour in the largest stores. To the extent that award restructuring removes the restrictions on the largest stores, they will be advantaged vis-a-vis the smaller ones.

Another way in which the award restructuring exercise may affect the organisational structure of the industry is that the cheapening of labour may reduce the economic impetus for franchising and non-shop retailing. These forms have tended to either remove employees from the coverage of awards (network selling) or to re-locate them in awards without restrictions on junior or casual employment (fast food). To the extent that normal shop retailing is bolstered, more workers will come under the tenure provisions pertaining to retail workers. Overall security for retail employees may be increased even though for retail employees under the award it is reduced. As the wages of retail employees fall, manufacturers may be less likely to search for new and more efficient ways of distributing their goods which involve under-award payments.
In summary, changes in award provisions which have occurred in the restructuring process, may facilitate an increase in *de jure* tenure of employees. The changes enable casuals to be replaced with part-time workers and more retail workers may become covered under retail awards. The increase in *de jure* tenure may not be matched by an increase in *de facto* tenure if the part-time workers who are employed are juniors. However, as well as hours and cost factors, the restructuring guidelines have stressed the need to improve the training of workers in industry. As discussed in earlier chapters highly trained workers are likely to have higher *de facto* tenure than untrained workers.

Changes to training procedures have occurred in retailing with the establishment of training councils in most states, which construct and monitor retail training programs, and with the introduction of the Australian Traineeship System. These are presented below and possible consequences for *de facto* tenure in the industry are discussed.

**Government Initiatives in Training in the Retail Industry: Implications for Tenure.**

The first part of this chapter suggests that changes in award provisions which reduce the restrictions on hiring part-time and junior workers will be likely to increase *de jure* job tenure. Discussion of tenure in earlier chapters however, suggest that *de facto* tenure is related to labour supply factors and skill factors. In particular on-the-job training appears to increase *de facto* tenure. In this context it would appear that increasing the skills of the workforce can be seen as decreasing the flexibility of that workforce by increasing the costs involved in shedding labour and by generating job structures which require skilled personnel. Government programs which encourage or enforce training have implications both for employer perceptions regarding their need for a stable workforce and for the actual costs associated with labour turnover.

A wide variety of government initiatives are likely to affect the supply of labour to the retail industry. Such initiatives include affirmative action policies which deflect women away from traditional female occupations and policies which increase the retention of young people in secondary and tertiary education. While such policies change the characteristics of people seeking retail sector work in the long term, it would not be possible to assess the extent to which these wider policies directly and indirectly affect the structure of jobs in a particular industry. The discussion below is restricted to direct attempts by the government to influence the shape of careers and training in the retail industry.

Recent measures introduced by the federal government to encourage employers to invest more in training, include the training 'guarantee'. This requires employers with payrolls of more than $200,000 to spend 1% of the payroll on structured training. The training 'guarantee' is likely to affect retailers disproportionately because their training budgets
are low and their payroll is a high proportion of their total costs. It was too early at the
time of research to ascertain the effects of the training 'guarantee' on training programs.
The majority of managers interviewed felt that training was increasing in the industry
prior to the introduction of the 'guarantee'. The other major program which affects
retailers is the Australian Traineeship System (ATS). This was introduced into retail
awards in all states as part of the 4% second tier negotiations in 1988.

One of the problems with trying to separate out retail training from training in specific
trades is that some training which occurs in specific trades is closely linked to the
retailing function. Thus jewellers undertake training in jewellery repair and
manufacture, metals recognition, gemology and ancillary subjects which enable them to
establish themselves as jewellers. This type of training is not discussed in this chapter.
In many cases it is outside of government intervention. When governments do intervene
it is often to ensure standardisation of products such as pharmaceuticals. The skills
learnt in such courses are not retailing skills as such and the courses are not aimed
specifically at intending or actual retail employees. While trade-specific skills are often
necessary for a person to establish a small retail business, large retail employers have
systematically stripped themselves of the requirement for such skilled workers. They
have done this through the introduction of technologies such as 'cash and wrap'
systems, scanners and self-service. By doing so they have increased the division of
labour and separated out the (often skilled) processing tasks (such as butchery and
buying of merchandise) from sales work. It is training directed at sales work which will
be discussed here.

A problem with discussing the potential affect of training on job structures and tenure is
that expenditure on training may not reflect the value of that training to the employer. In
particular, when governments intervene to enforce or encourage training the nexus
between the value of training and the amount expended may be tenuous indeed.

This chapter will describe the training which sales assistants receive in a variety of types
of stores. It discusses the likely affect of the 'training guarantee' on job tenure in retail.
It presents available data on the firms which have participated in the Australian
Traineeship System, the numbers of trainees involved in the system and their
destinations. It will assess the extent to which this system is likely to affect the structure
of jobs in the industry.

In addition to exploring the Australian Traineeship System, the TRAC scheme (Training
in the Retail and Commercial Sectors) will also be described and its potential effect on
job tenure evaluated. The TRAC scheme is a local scheme operating in Newcastle and is
a joint employer/ state funded scheme. The TRAC scheme, while separate from the Australian Traineeship System, has been made possible by the federal government's focus on and support of training and restructuring initiatives. While it is not directly controlled by state managers it does rely on some government funding. The TRAC scheme provides an interesting comparison to Australian Traineeship System. It is an attempt to deal with one of the major criticisms levelled at the operation of Australian Traineeship System in the commercial sector: that no one enterprise can provide sufficient training to warrant a traineeship.

In short, the question addressed below is: do the training guarantee, Australian Traineeship System and TRAC enhance retail employees' ability to retain their jobs?

a. The training 'guarantee'

The training 'guarantee' was introduced in July 1990, requiring all firms with an annual payroll in excess of $200,000 to spend 1% of their payroll on structured training. Any shortfall of this 1% must be paid, as a levy, to the federal department of taxation and is earmarked for expenditure on training. Both on and off the job training can be included in the calculations each firm makes regarding the amount they have spent on training. Records must be kept and firms can be fined for failure to keep accurate records.

The responses of managers to my questions about the training guarantee are summarised in Table 6.2. The vast majority of managers interviewed reported that the training guarantee represented a spur to formalise their training programs and to keep more systematic records regarding training. In only one case did a manager report that a firm spent less than the required amount on training. This was reported by a manager in one part of a corporation (department store) who was discussing training in another part of the corporation (supermarket). This manager said that other chains in the corporate structure would be 'carrying' the supermarket in this respect until new training programs could be introduced.
### Table 6.2

**Response to the Training Guarantee**

<table>
<thead>
<tr>
<th>Shop type</th>
<th>Response to Training Guarantee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car sales</td>
<td>Not the government's business, but we do plenty to satisfy them.</td>
</tr>
<tr>
<td>Cosmetics</td>
<td>Spend much more than 1% already</td>
</tr>
<tr>
<td>Jewellers</td>
<td>Not a problem, but will mean more paper-work.</td>
</tr>
<tr>
<td>Supermarkets</td>
<td>(A) Came a bit late, new programs already in place.</td>
</tr>
<tr>
<td></td>
<td>(B) Need to develop recording systems, now that they are accountable.</td>
</tr>
<tr>
<td>Discount Dept.</td>
<td>(A) Already spend that much.</td>
</tr>
<tr>
<td></td>
<td>(B) Concerned about the paper work required.</td>
</tr>
<tr>
<td></td>
<td>(C) Training will need to be formalised.</td>
</tr>
<tr>
<td>Dept stores</td>
<td>(A) Program will be used to offset lack of training in other parts of the corporation</td>
</tr>
<tr>
<td></td>
<td>(B) No problem, but encourages us to be more systematic.</td>
</tr>
<tr>
<td>Fabric</td>
<td>No knowledge of this, not over $200,000 in this shop.</td>
</tr>
<tr>
<td>Books</td>
<td>A new program to be introduced this year, partly as a result of the levy.</td>
</tr>
<tr>
<td>Music</td>
<td>Not sure, store manager had no knowledge of the firm's response.</td>
</tr>
<tr>
<td>Clothes</td>
<td>(A) Need to formalise training.</td>
</tr>
<tr>
<td></td>
<td>(B) Need to construct more systematic records.</td>
</tr>
<tr>
<td></td>
<td>(C) New program this year, will need to formalise records.</td>
</tr>
<tr>
<td>Hardware</td>
<td>Not over $200,000 limit</td>
</tr>
<tr>
<td>Fast Food</td>
<td>No problem, training records organised in an appropriate way already.</td>
</tr>
<tr>
<td>Confectionery</td>
<td>Manager did not know.</td>
</tr>
</tbody>
</table>

(source: manager interviews)

**b. The Australian Traineeship System.**

The introduction of the Australian Traineeship System into retailing was championed by the commissioners in the various retail tribunals rather than by employers or unions in the industry. They were accepted by the parties in an attempt to demonstrate a commitment to the award restructuring process, rather than because of any acceptance that traineeships were appropriate to the industry.
The introduction of the scheme into the retail industry has been opposed by the retail unions in all states. In NSW and Queensland, representatives of the SDA argue against traineeships on the grounds that traineeships offered no potential for improving the employment prospects of the trainees after the cessation of the traineeship. Both the Queensland and NSW branches of the union agreed to the scheme as a trade-off for wage increases in 1988. In most other states union officials did not actively pursue their opposition to the scheme by arguing against it in their tribunals (J. Hogg, 1990; J. Casey, 1989).

Employer groups, while seeing little value in the Australian Traineeship System for retailing, did not oppose their inclusion into industrial agreements since the system imposed no costs on employers. However, they noted that a similar (training) scheme had been tried by Woolworths and Coles in 1987 with little success (Ritchie, 1989; Techritz, 1989).

The schemes are run jointly by the states and the Commonwealth and offer slightly different packages in each state. The schemes pay employers for each trainee taken on, the amount of this payment varies between $1,000 and $2,000 depending on the state and the characteristics of the trainee. The fee is paid to offset costs incurred in training. Employers are also eligible for rebates on pay-roll tax for each trainee and payments of workers compensation premiums are waived for trainees. The trainees are not guaranteed a job when they complete the training period. The TAFE system provides the formal off-the-job training course free of charge and trainees are not paid wages for the 13 weeks during which they are not on-the-job. Thus the benefit for the employer is that the schemes substantially reduce on-costs associated with hiring and induction of workers.

The lack of enthusiasm from the parties for traineeships in the retail industry stems from the nature of the industry. The Dawkins report (1988a) which outlined the scheme, suggested that the lack of training in Australian firms in general was due to factors such as a reliance on immigration to provide labour, award structures which discouraged training, high labour turnover and poaching of skilled staff. These problems, which Australian Traineeship System is designed to rectify, have not been of great detriment to the retail industry. A shortage of labour has not been a significant problem. While there is a very high rate of turnover this doesn't appear to have been due to poaching, but rather to the high proportion of casual jobs in the industry.

In each state a tripartite training authority has responsibility for monitoring the development and operation of the Australian Traineeship System in each industry. The
SDA has obtained government funding to enable it to employ someone to fulfil this responsibility. The training authorities have the brief of approving on and off the job training plans; assessing the ability of the off-the-job-training provider to carry out training; registering training agreements; and issuing certificates of satisfactory completion of the training plan (DEET, 1989).

The training agreement is a formal contract of training and employment signed by the employer and the trainee (or in some cases the trainee's guardian). In association with related legislation and industrial awards and agreements, the contract determines conditions of employment in the same way as an apprenticeship agreement does, but it pertains to non-trades occupations only. The agreement covers the terms of the traineeship and represents a commitment by the employer that appropriate training is provided, and by the trainee that s/he will carry out the tasks and endeavour to acquire skills diligently. It specifies the ways in which the agreement can be varied.

Eligibility for the system is generally restricted to people between the ages of sixteen and eighteen years. Fifteen or nineteen year olds who have 'suffered disadvantage in the labour market' can also apply (DEET, 1989). In some states (e.g. Victoria) preference is given to people sixteen and seventeen years old who have not completed year 12 at secondary school.

The minimum duration of traineeships is 52 weeks of which 13 is spent in off-the-job-training. This in effect guarantees the trainee one year's employment, at a rate of pay not less than $99.30 per week, adjusted at each National Wage Case. The employer receives $1,000 per trainee and an additional $1,000 for each 'disadvantaged' trainee. This payment is to cover on-the-job-training costs.

The traineeships in the retail industry have been developed in the areas of sales and customer contact. The qualification obtained is an accredited TAFE certificate. It is aimed at training people in the jobs of: sales assistant, stock hand, check-out operator and shelf-stacker. Each trainee is exposed to these four areas and achieves competency in three chosen areas of 'specialisation'. Under the training plans trainees are expected to develop skills in areas of: problem solving and planning; communication; stress management; literacy and numeracy. They are also trained in tasks requiring manual dexterity (c.f. Training Plan for Tasmania: Retail Sales; Industrial and Commercial Training Council of NSW: NSW Retail Operations (Sales), Training Plan; Victorian Australian Traineeship System - Retail Industry model and course outline). The specific topics of study under the traineeship include customer relations; stock control and movement; security and loss prevention; buying, pricing and promotion; information
technology; and the retail working environment. The latter includes modules on how unions and employer associations operate and the rights and responsibilities of parties as they are articulated in relevant awards and industrial agreements.

The TAFE course provides training in: selling, product knowledge, stock control, loss prevention and waste control, pricing and ticketing, problem solving, communications, occupational health and safety, personal work skills, customer servicing, point of sale systems, display and presentation, merchandising, planning, retail maths, industrial relations and career development (TAFE course handbooks 1990). The training is oriented to 4 jobs: general sales assistant, check-out operator, stock handler and shelf-stacker. The trainees learn such things as the level to which to fill refrigerators. At the end of the period of training (one year) trainees:

"should be able to perform base level retail sales tasks and to compete for positions in a variety of retail outlets, as well as continuing on to existing junior management programs" (Vic. Retailer Jan/Feb. 1989:3).

The numbers of trainees and registered employers participating in the Australian Traineeship System in 1989-90 are listed in Table 6.3.

Table 6.3

Australian Traineeship System: Registered Trainees and Employers by State

<table>
<thead>
<tr>
<th>State</th>
<th>Period</th>
<th>Trainees Registered</th>
<th>Employers Registered</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>Jan 1, 1989- Dec. 30 1989</td>
<td>853</td>
<td>854</td>
</tr>
<tr>
<td>Queensland</td>
<td>(no figures provided)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tasmania</td>
<td>April 1, 1989- March 30, 1990</td>
<td>103</td>
<td>103</td>
</tr>
<tr>
<td>S.A.</td>
<td>Jan. 1 1989- April 1, 1990</td>
<td>411</td>
<td>262</td>
</tr>
<tr>
<td>W.A.</td>
<td>Jan. 1, 1989- Dec. 30, 1989*</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

(Source: unpublished figures provided by State Departments of Employment and Training.
* WA had zero trainees to 1990 due to industrial disputes.)
The breakdown of the types of stores which employed trainees was not available from most states. It was however supplied by the Tasmanian Department of Employment and Training. This shows that a wide range of store types had participated in the Australian Traineeship System to that date (Table 6.4). In the absence of such data from other states I assume that this distribution of types of stores which have taken on trainees is similar across the country.

Table 6.4

**Australian Traineeship System: Trainees by 'Trade'**

<table>
<thead>
<tr>
<th>Trade</th>
<th>Number of Trainees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supermarkets</td>
<td>18</td>
</tr>
<tr>
<td>Department stores</td>
<td>1</td>
</tr>
<tr>
<td>Bookshops/stationers</td>
<td>12</td>
</tr>
<tr>
<td>Hardware</td>
<td>6</td>
</tr>
<tr>
<td>Shoe and clothing boutiques</td>
<td>10</td>
</tr>
<tr>
<td>Electronics and photography</td>
<td>3</td>
</tr>
<tr>
<td>Pharmacies</td>
<td>12</td>
</tr>
<tr>
<td>Furniture/lighting/office supplies</td>
<td>10</td>
</tr>
<tr>
<td>Car sales</td>
<td>2</td>
</tr>
<tr>
<td>Jewellers</td>
<td>3</td>
</tr>
<tr>
<td>Hairdressers</td>
<td>1</td>
</tr>
<tr>
<td>Delicatessens</td>
<td>1</td>
</tr>
<tr>
<td>Gift shops</td>
<td>5</td>
</tr>
<tr>
<td>Sports stores</td>
<td>1</td>
</tr>
<tr>
<td>Bakeries</td>
<td>1</td>
</tr>
<tr>
<td>Hire stores</td>
<td>2</td>
</tr>
<tr>
<td>Specialists NEC*</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>103</strong></td>
</tr>
</tbody>
</table>

(Source: Department of Employment and Training, unpublished figures, (April 1, 1989-March 30, 1990). *Includes five whose trade was unclear from the list provided)  

The most obvious pattern which can be seen is that trainees have been taken on disproportionately by the specialist firms rather than by generalists, which tend to be the large scale retailers. The department stores have taken fewer than expected: 1 out of 103 compared with their employment share of 10% of all retail employees (ABS 8622.0). Supermarkets have taken on more trainees than department stores have but they have taken on less than 20% of all the trainees compared with their employment share of 40% of all retail employees (ABS 8622.0). This data is consistent with data for other industries which shows that firms with fewer than 10 employees have been over-
represented in the system and firms with more than 200 employees have been under-
represented in the system (Sweet, 1990: 238). Anecdotal evidence suggests a similar
pattern occurs in other states. Some managers of large scale retail firms operating in
Queensland explained their lack of participation on the grounds that the quality of people
in such schemes was not sufficiently high (car sales and fast food chain). Others
claimed to have tried to participate but with limited success due to lack of enthusiasm by
the trainee or problems with the off-the-job training offered (bookshop chain, discount
clothing chain). Finally one manager of a smaller chain noted that such schemes were
not relevant to them because the chain is staffed entirely by casuals and the scheme
demands full-time employment.

Another explanation for the absence of trainees in large retail firms is that the largest
firms have established training systems. Woolworths for example supplies 80 video
tapes to each of their stores for in-store training (Ryidges April 1982: 76). The marginal
costs of inducting each new recruit are reduced when the system is streamlined in this
fashion. Some managers in large chains did report taking on trainees under the scheme.
One up-market department store manager reported that they had taken on people whom
they would not have hired otherwise and that this had been a success in some cases.
One such trainee had since obtained a cadetship. Other managers noted that they would
not take on trainees because the standard of person who would be interested in such a
scheme would be too low.

A final explanation, related to the notion that people eligible for traineeships would be of
poor standard, is that managers consider training a waste of time. Interviews with
managers, discussed in Chapter 5, on training and recruitment indicated that there is a
perception throughout management levels in the retail industry that training is more or
less a waste of time. This theme was reinforced in discussions with managers on multi-
skilling. On this topic one manager commented:

"We already have multi-skilling. People on the shop floor do all of the tasks; registers, sales, display and stock-taking. Our staff don't like it that way though. Some of them work hard in the back-room type of tasks- stock control and such like, while others are really keen on the customer contact aspects of the job. They seek out sales more aggressively. We call them (the two types of workers) camels and piranhas...."
In another company, a manager in a supermarket chain noted that there really are very few people at the sales level who are capable of performing supervisory or junior management functions. In other words: you can't train a piranha to be a camel or a camel to be a piranha. This view is reflected in the interviews with managers reported in Chapter 5.

In support of these managers' views, the Traineeships have not been an enormous success in the industry. Few trainees fail the Australian Traineeship System program but nearly half withdraw before completion (Table 6.5).

Table 6.5a

**Status of Victorian Trainees to April 1990**

<table>
<thead>
<tr>
<th></th>
<th>Recruited</th>
<th>In-training</th>
<th>With-drawn</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>562</td>
<td>239</td>
<td>153</td>
<td>170</td>
</tr>
<tr>
<td>All Industries</td>
<td>5964</td>
<td>1451</td>
<td>1563</td>
<td>2950</td>
</tr>
<tr>
<td>Retail as a % of all</td>
<td>9.4</td>
<td>16.5</td>
<td>9.7</td>
<td>5.8</td>
</tr>
</tbody>
</table>

Table 6.5b **Outcomes of Completed Traineeships**

<table>
<thead>
<tr>
<th></th>
<th>Successful</th>
<th>Failed: on-the-job</th>
<th>Failed: off-the-job</th>
<th>Failed: both on and off</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>164</td>
<td>1</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>All Industries</td>
<td>2648</td>
<td>64</td>
<td>204</td>
<td>34</td>
</tr>
<tr>
<td>Retail as a % of all</td>
<td>6.2</td>
<td>1.6</td>
<td>2.5</td>
<td>-</td>
</tr>
</tbody>
</table>

(Source: unpublished data, Victorian Department of Employment and Training.)
Data on the reasons for withdrawal are available for Victorian trainees. Reasons for withdrawal are varied but a much higher proportion withdrew in retailing than in other industries due to 'unsatisfactory work performance' (Table 6.6).

**Table 6.6**

**Reason for Withdrawal from Australian Traineeship System (Victoria)**

| Reason for withdrawal                          | Retail |  | | | | | | All Industries | # | % | # | % |
|-----------------------------------------------|--------|---|---|---|---|---|---|---|---|---|---|---|---|
| Returned to education                          | 14     | 9.2 | | | | | | 63 | 4.0 | |
| Obtained part-time employment                  | -      | -  | | | | | | 4  | .3  | |
| Obtained full-time employment:                 |        |    | | | | | |    |    |    | |
| in the same occupation                        | 20     | 13.1| | | | | | 259 | 16.6| |
| in different occupation                       | 18     | 11.8| | | | | | 172 | 11.0| |
| Dissatisfaction with:                         |        |    | | | | | |    |    |    |    |
| on-the-job training                           | 5      | 3.3 | | | | | | 72  | 4.6  | |
| off-the-job training                          | 3      | 2.0 | | | | | | 31  | 2.0  | |
| Inability to cope with                        |        |    | | | | | |    |    |    |    |
| off-the-job training                          | 3      | 2.0 | | | | | | 28  | 1.8  | |
| Unsatisfactory work performance*              | 40     | 26.1| | | | | | 179 | 11.5| |
| Personal reasons                              | 19     | 12.4| | | | | | 151 | 9.6  | |
| Dissatisfied with pay and conditions          | 5      | 3.3 | | | | | | 19  | 1.2  | |
| Closure of employers business                 | 0      | 0   | | | | | | 17  | 1.1  | |
| Departure from work area                      | 3      | 2.0 | | | | | | 43  | 2.8  | |
| Unknown/other                                 | 23     | 15.0| | | | | | 347 | 22.2| |

(Source: unpublished data, Victorian Department of Employment and Training.
* includes misconduct, incompatibility with employer.)

The response from employer representatives (RTA, NSW; QRTA, Qld) and SDA officials (Hogg, Qld, 1990; Casey, NSW, 1989) to the operation of Australian Traineeship System in retailing is that the results were predictable. They note that a few disadvantaged young people may have gained access to employment in specialist retail enterprises, when they would not otherwise have done so. They argue, though, that the structure of jobs in the industry has been unaffected.
Currently the Australian Traineeship System scheme is undergoing re-evaluation in the retail sector. Because of criticisms from trainees, from union representatives and from retail training council employees in various states, the scheme is being expanded to allow for group traineeships. The essential difference between the proposed and the existing traineeships is that a group of trainees would work in a number of specialist retail outlets. Each trainee would be trained by the manager of each store for a short period, and would then move on to another store. The trainee would then gain experience in a greater variety of types of retail store.

The TRAC scheme
The TRAC scheme is the forerunner of the group traineeship. The TRAC scheme (training in the retail and commercial sectors) is jointly employer and government funded. Three-quarters of the funding comes from corporate sponsors, while one quarter comes from the NSW Education and Training Foundation. Since mid 1989 the Dusseldorp Skills Forum has conducted the TRAC scheme. The scheme is a pilot skills development program in the retail, commercial and hospitality industries in the Hunter region of New South Wales (Sweet, 1990: 223-251).

TRAC began with the aim of adapting the notion of multi-skilling to service sector industries, which were perceived to have a tradition of developing skills on the job, rather than investing in formal training. The scheme attempts to identify a common pool of skills which are required across the commercial and hospitality industries. The group employment and training arrangement, in which a number of firms take on each trainee, means that students are able to acquire a wider range of competences and understanding than would be possible for a trainee who experiences only one of the firms. Australian Traineeship System wages are paid to trainees.

The training program consists of two phases. In the first phase school children enrolled in year 10 (15 and 16 year olds) attend school for four days per week and spend the fifth in a variety of commercial, retail and hospitality firms. In the second phase participants become employees, spending four days at work with one day spent in off-the-job training. In both phases the objectives of the scheme are to develop knowledge, understanding and personal qualities as well as occupational competence. Instead of stressing manual skills it attempts to develop 'skilled service industry workers'. An employee in each participating enterprise is assigned the role of training and assessing trainees. A record is made of the skills acquired and trainees who pass each phase are awarded a certificate by the Newcastle Chamber of Commerce and Industry.
In the first year of the TRAC scheme's operation forty students participated. Of these eighteen left the scheme to continue with their year 11 and 12 studies. Fourteen continued on to phase two of the program and eight left to take up apprenticeships or other types of further education. The On Trac newsletter (May, 1990: 2) notes "The students are really doing well with some of them already getting part-time job offers". This would seem to be a predictable rather than an encouraging outcome.

The scheme implicitly recognises the difficulty of implementing policies aimed at multi-skilling in industries with small skill bases and tries to overcome these difficulties by constructing a program across a range of similar industries. The problem with this approach is that trainees are not destined for specific jobs since, by definition, the skills required are not all required in any particular job. The training may benefit individual trainees by giving them skills which they can use in a variety of jobs but it is not a scheme which will have any impact on the structure of jobs provided. Nor will it increase the value of the trainee to particular employers each of whom will value only a portion of the skills learnt.

The Likely Effects of Award Restructuring and Training Initiatives on Job Tenure in the Retail Industry

The effects of recent government micro-economic policy on employment tenure in retailing have not, so far, been great. There are two reasons for this. The first is that the shop awards are simple. While other awards group workers into a number of categories retail awards include only one category of shop worker: the sales assistant. There are no demarcation restrictions between the various functions in a retail outlet. This has meant that changes under award restructuring have centred on hours of work provisions.

Secondly, negotiations between employers and unions have failed to generate proposals for multi-skilling in the industry. As the material presented in Chapters 5 and 6 indicates, there is an attitude among managers that the skills they require cannot be taught. This attitude is reflected in the lack of enthusiasm in the industry for traineeships or for improving in-house training of sales workers.

The award restructuring process and the training programs discussed above have the same origin. Both have been sponsored by a government keen to improve international competitiveness of exports while minimising any increases in unemployment which could result from sudden and total de-regulation of the labour market. The policies formulated have not been formulated with retailing in mind. The retail sector is only indirectly related to international competitiveness and its industrial relations history has

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not generated the restrictive work practices which award restructuring was designed to reduce.

Government rhetoric and exhortations in the industrial relations literature, to foster multi-skilling, sit uneasily in industries with no history of skill development and short career ladders. One way in which award restructuring could increase incentives to management to strengthen job tenure is through increasing the quality of labour. Writers have noted that inter-personal skills are necessary and lacking at all levels of retail operations (O'Connor and Davies, 1989: 17-30). In Australia such traineeships might be used to increase language skills for example, so that sales staff could converse with tourists and immigrants. In such a situation jobs may be restructured to include a greater amount of idiosyncratic skills implying a greater incentive to reduce turnover on the parts of both staff and employers.

A number of indicators suggest that in practice the traineeships have resulted in little change to jobs in the industry. A survey of the training course materials suggests that training received is fairly basic, there are certainly no provisions for learning languages, or the more difficult aspects of marketing, buying and communications skills. Trainees are not guaranteed a job at the end of their tenure as trainees, and trainees destinations are often not to employment in the industry. The possible destinations of trainees with group employers are limited to one specialist firm which will not use the range of skills acquired. On one hand, the group traineeships implicitly recognise the lack of general sales skills inherent in lower level retail jobs. On the other hand, group traineeships are not conducive to strengthening product related training. This is precisely the type of training which does appear to be useful in specialist firms.

Traineeships appear to be most useful to smaller retailers who are unable to fund training themselves. The advantage of traineeships to these firms is that trainees can go to off-the-job training during slow periods in the week. Since the company pays only 39/52 of the junior rate for trainees, the firm obtains a trainee cheaper than they can hire another employee. TAFE supplies off-the-job courses free, and the companies pay reduced on-costs.

Under these conditions, the possibility that training will affect patterns of tenure in the industry is slight. While, in principle, it might be expected that greater training would increase tenure by increasing the costs of hiring and inducting workers, in practice, the government interventions to increase training have divorced the cost of training from its benefits. While government funded training may increase the access of some
disadvantaged groups to employment by providing them with work experience it is unlikely to affect the structure of jobs in the industry.

It may be that increased expenditure on training may result in an increased division of labour, as training programs are formalised. This in turn could reduce the ability of employees to retain their jobs rather then enhancing it, since the costs of recruitment may be reduced. An alternative probability is that any additional funding which is put into training will be targeted at senior and middle managers. In particular at fostering computer skills among this group. It seems unlikely, given the changes to the awards and the trends in the industry identified in chapters 4 and 5, that training programs will increase de jure tenure in the industry.

1AILR: 1984 ¶149, ¶156, ¶169, ¶263, ¶275;
AILR: 1985 ¶199, ¶168, ¶141, ¶202, ¶317;
WAIR Vol.65 Part 1, 659; Part 2 1331; 1985 AILR: ¶293, ¶296, ¶300, ¶306, ¶312, ¶320, ¶376;
1985 AILR: ¶459, ¶468, ¶471, ¶473, ¶478;
1988 AILR: ¶134, ¶137, ¶166, ¶179, ¶201, ¶238;

This practice was brought to my attention by the daughter of a union official to whom it happened. From my discussions with employees, it appears to be widespread in firms of all sizes. Most employees did not realise that it contravened the award.

2This agreement was not yet ratified by the tribunal at the time of writing.
Summary and Conclusions

In the introduction to this thesis it was suggested that job tenure is important to the creation of patterns of advantage and disadvantage in modern societies. It was argued that while lack of job tenure has been acknowledged in many discussions of disadvantage it has not been placed at the centre of sociological analysis. Much research on disadvantage accruing to social groups through their labour market participation focuses on hours of work and labour market segmentation, rather than the ability of workers to retain their jobs. Yet recent analyses of bounded local labour markets, and historical analyses of the process of industrialisation, point to job tenure as significant in the formation of social and cultural structures.

One of the reasons for the lack of sociological research in this area is the problematic nature of the definition and the measurement of the ability of workers to retain their jobs. The major difficulty resides in the concept itself. A measure of job tenure would include both formal legal requirements relating to job tenure as well as the informal factors which by definition are not easily quantified. Even in relation to the formal aspects the difficulty is compounded by lack of data and, where data is available, by under-reporting of low-tenure jobs.

In order to compensate for these limitations, this thesis has focused on one industry in one country: the retail industry in Australia. It discusses various factors which have affected patterns of job tenure in that industry in the 1980s and early 1990s. The factors discussed are some of those identified in the labour market literature pertaining to job tenure. In Chapter 1 this literature is summarised and a model of constraints operating on job tenure is constructed. In the following discussion, I will elaborate on the model outlined in Chapter 1, in the light of material presented in this thesis.

A Revised Model of Job Tenure Based on the Labour Market Literature and Job Tenure in the Retail Industry

The constraints on job tenure outlined in the model presented in Chapter 1 of this thesis include: government policy and regulation; worker orientations and skills; the existing technological framework; socio-cultural context and community experience; historical patterns of job tenure; job structures and industrial and occupational structures; the global division of labour and firm characteristics.
The data presented in this thesis allows some of these constraints to be discussed in greater detail than others. It is clear from the material presented in Chapters 4 and 5 that global restructuring has affected the local factors operating in Australia. Global restructuring is manifest in new information technologies, the entry of foreign firms into Australia, and changes in the relationship between the banking and retail industries. These changes have affected managerial culture, household divisions of labour, economic constraints on firms and the structure of local firms.

Industry factors are important in shaping patterns of job tenure. In Chapter 3 trends identified as likely to be significant in shaping patterns of job tenure in OECD countries are: poor demand structures due to recession and polarisation of incomes; government interventions in the areas of employment regulation, zoning restrictions and opening hours; weak unions; high rates of unemployment; technological changes and increasing division of labour.

In the retail industry, seasonal and yearly levels of demand are largely determined by the disposable income of people in society. Disposable incomes have fallen in Australia over the last ten years due to falling real wages and increasing interest rates. The performance of the Australian economy in the 1980s was not good. Australia's reliance on a few export commodities to generate income, and the fall in prices for these commodities, suggests that its performance in the 1990s will not improve dramatically. Poor economic performance has resulted both in falling real wages and in increasing interest rates. This combination has meant reduced demand for retail goods as lower household incomes are stretched to pay increasing mortgages (for home purchasers) and increased rents (for the rest of the population). In addition retailers' costs have risen with higher interest rates. These pressures have not been spread evenly across all market niches. The larger retailers, in particular the department stores, have been most affected. In these sections of the industry managers have been forced to cut costs.

Since wages constitute a large part of retailing costs, and are relatively flexible (compared to rents, heating costs, interest rates, or costs of supplies), managers have reduced labour costs as a major way of meeting the required cuts in expenditure (Chapters 3 and 4). As discussed in Chapter 6, the attention to reducing labour costs has been enhanced and legitimated by government micro-economic policies aimed at improving labour productivity and efficiency. In Australia, award restructuring, especially the second-tier negotiations, provided a mechanism for managers to achieve the desired reductions in labour costs.
At the same time as Australia's poor economic performance has put pressure onto Australian retailers to cut costs, international firms have put pressure onto local retailers by competing for their market share. These new entrants have brought new organisational structures to Australian retailing. As discussed in Chapters 4 and 5, network selling and franchising have expanded dramatically as a result of the internationalisation of the industry. These forms have resulted in existing agreements between unions and Australian employers being undermined, as the international firms have not participated in such agreements. Changing patterns of tenure must therefore be seen in the context of these dual pressures on retailers to retain market share at the same time as cutting costs.

Demand has also been affected by demographic changes which, because of lower than expected population growth, have also increased competition. As discussed in Chapters 3 and 4, two management strategies have emerged to deal with the increased competition: cutting costs or increasing service provision. As a result, the retail market has become segmented. Shops selling cheap essentials and those selling expensive 'designer' products have replaced the more general retailer. Dual-earner households have increased demand for time-saving services, from fast-food outlets to late-night supermarkets.

In this environment a variety of firm types have flourished. These include large chains of large and small stores and smaller chains of specialist stores. Independent shops have been replaced by franchises and chains of semi-independent operators who group together to obtain information and buying concessions not available to independent operators. Non-shop retailing has also flourished. In particular, new technologies have facilitated mail-order retailing. Personal network retailing has also grown (Chapters 3 and 4).

The model outlined in Chapter 1 points to the potential for quite different trends in different countries according to government policy, specific institutional constraints and established industrial customs. There are a number of government policies which affect the labour market indirectly. Those which affect the labour supply include immigration, welfare, education and training, child care and women's policies. Those which affect demand for labour include industry restructuring and assistance, taxation and interest rate policies and services provided to businesses. Material presented in Chapter 2 shows that demand-side policies have affected strategies employed by managers in hiring staff. However, it is clear from the retail case study (presented in Chapter 4) that policies which affect the types of employment adopted overall will manifest themselves differently in different industries. In particular, policies which led to increases in
independent contract relations appear to have been associated with the growth of franchising in the retail industry.

On the supply side, education, child-care provision and lack of public housing all affect the supply of labour to the retail industry. The lack of public housing, in conjunction with high interest rates has increased the pressure on married women to find jobs. At the same time lack of full-time child care prevents them from working full-time. This inflates the pool of workers available for part-time jobs. The data presented in Chapter 2 indicates that once women are employed in casual jobs, they do not move to full-time weekly employment once their children have become older. While no quantitative data is available which would confirm this, it is supported in interviews with shop assistants presented in Chapter 5, some of whom have been casually employed in the industry for decades.

With respect to more direct government interventions: the Australian industrial relations system was characterised by a unique system of legal and institutional structures. The highly centralised nature of the system means that job tenure is often specified in a formal way in industrial awards. There are four sources of formal regulation of job tenure in Australia: common law, direct government legislation, specific terms agreed to by parties and awards specified in the industrial tribunals.

Direct legislation by governments in relation to job tenure has not been extensive in Australia. In theory, federal and state laws which are not specifically aimed at job tenure, such as Anti-Discrimination Acts, provide protection from dismissal in some circumstances. In practice, as indicated in Chapter 5, the recruitment procedures of retail firms are so informal as to render the Acts irrelevant.

In practice it has been the industrial tribunals which have been most influential in establishing the rights of workers in relation to job tenure. The framework for a high level of job tenure in most industries has been set by the insertion of termination, change and redundancy clauses into many awards since 1984. In addition the tribunals have held a policy of fostering weekly hiring where possible and have established specific award provisions restricting casual and part-time employment.

Despite the peculiarity of the Australian industrial system, current trends in patterns of job tenure in Australia mirror those in other OECD countries. As with data for other countries, Australian trends have to be imputed from labour market indicators. During the period under study, part-time employment has increased dramatically, in Australia, as has self-employment. Temporary employment has increased at least in some
industries. Self employment has increased in the forms of contract employment, illegal employment and franchising. Outworking appears to have spread to a wider range of industries.

As discussed in Chapter 6, the Australian government has pursued a policy of 'negotiated de-regulation' similar to that pursued by other OECD governments in the 1980s and early 1990s. Policy measures which have been adopted are de-regulation of the financial system, taxation changes and reductions in restrictions of foreign investment. Restructuring of industry assistance has reduced labour demand in manufacturing industries. Industries targeted for assistance are characterised by low levels of full-time weekly employment: tourism, financial services, tertiary education and medical technology. Government policy has also been directed at fostering the growth of small firms.

In an attempt to minimise the social costs of increased flexibility micro-economic policies have been pursued. These have included fostering a process of award restructuring aimed at increased training of workers. This is aimed at increasing flexibility in the labour market through increasing skills and interchangeability of workers rather than through loss of job security.

The award restructuring process, which began in 1985, has occurred within the context of these wider institutional constraints. The process has involved two parts: the changing of award provisions to facilitate numerical flexibility in firms and the fostering of training to promote flexibility in transfer of workers within firms. As the process of award restructuring is not complete, the ultimate consequences are not yet apparent. However some preliminary outcomes to 1991 have been explored in Chapter 6.

The consequences of negotiations to date in the retail industry are likely to be increased part-time employment rather than casual employment. This does not necessarily imply greater de facto tenure. The ability of people to retain their jobs is partly determined by formally constituted rights and duties. However, the informal expectations which are linked to the nature of the job and the characteristics of the employee appear to be more important in determining de facto job tenure. Practices which divorce part-time and casual jobs from the internal labour market of a firm reduce the ability of employees to gain job tenure. Thus some firms require those part-time employees who wish to become full-time weekly employees to resign their part-time jobs and apply in the external labour market for a full-time job. Since people with different characteristics are employed in full-time and part-time jobs, the transition is by no means automatic.
Under the award restructuring process, the linking of training and award restructuring to wages policy has created an artificial situation. Material presented in Chapter 6 indicates that, for both retailers and the SDA, award restructuring appears to have been either irrelevant or costly. The process has represented de-regulation of employment in the industry: with longer 'normal' hours and more flexible rosters. It has also represented re-regulation to the extent that superannuation, training provisions and new casual proportions clauses have been introduced. The re-regulation aspects are small compared to the de-regulation aspects of the process.

Negotiations regarding multi-skilling in the retail industry have foundered in all states. Employers have little idea how they could multi-skill retail workers, and unions have been unable to make any suggestions. Unions accepted the introduction of the Australian Traineeship System into the award under duress from the industrial tribunals. The system has not had a high level of participation by the larger generalist firms, which find it more cost-effective to run their own training program. Traineeships do offer potential for training in the long term in specialist areas, especially where firms are too small to run their own training programs. They do not, however, offer any likelihood that jobs will be restructured and more weekly employees taken on. Indeed smaller firms which hire only casuals noted that they had no trainees because the system requires people to be employed full-time.

In essence, the award restructuring process has been an ingenious attempt by the government to operationalise policies which it holds in common with other OECD governments, but in a uniquely centralised context. Award restructuring is the most important process which has occurred in industrial relations in the last five years. In the retail industry, this process appears to have had little effect on the shape of job tenure in the industry. While it is possible that it will result in increased part-time employment and reduced casual employment, the consequences of this distinction for the employees concerned seem slight. Thus even when the centralised system results in increased *de jure* tenure it is not clear that *de facto* job tenure increases.

This does not mean that centralisation of industrial relations in Australia has not protected the employment conditions of retail workers in the past. In particular it does appear to have prevented the large scale employment of juniors in short-term positions, which are not part of career ladders, and to have slowed down the trends towards juniorisation of employment and *de facto* casualisation of employment in the industry. Despite this it would seem that the industrial relations framework and government micro-economic policies cannot be seen as a major part of an explanation for changes in patterns of job tenure.
In contrast, socio-cultural aspects of the model treated in this thesis do appear to be important parts of an explanation. The literature discussed in Chapter 2 indicates that even where legal protection for job tenure exists there are three ways in which socio-cultural factors affect its operation in practice. First, not all workers know that they are covered by awards. Second, where they are aware that they are covered by awards many workers do not know what their rights are with respect to job tenure. Finally, the formal awards are created and changed in the light of expectation and precedent in each industry.

Two of the major socio-cultural aspects which have affected job tenure in the retail industry are corporate strategy and management culture. The material presented in Chapter 5 does lend support to the radical economists notions that the managements of larger firms have considerable ability to shape labour markets. The greatest impact that corporate strategies have on job tenure is through organisational structure and technological innovation. Through strategies such as franchising and introduction of information technologies, corporate strategies since the 1970s have tended to reduce job tenure in the retail industry. The clearest example of the differential effects of corporate strategy is that presented in the contrast between a franchised chain and a chain of self-managed outlets. In the latter case an internal labour market exists in which a variety of different types of workers are employed. Internal labour market employees include shop assistants, clerks, store managers, personnel staff and central management staff. Staff in internal labour markets generally have *de facto* security of job tenure which extends beyond that formalised in their awards, and they often have some promotion opportunities. In the case of a franchised chain all managerial functions are carried out by franchisees. Under these circumstances the internal labour market almost ceases to exist. Indeed one of the major benefits of these changes to corporate managers is that the cost of middle management is eliminated.

The changes have been accelerated by the entry into Australian retailing of foreign firms. The clearest examples are the importance of foreign firms in the establishment of the fast food award, which enables fast food outlets to hire only young casual and part-time workers. This has been accompanied by recruitment and advertising campaigns aimed at the supply side of the labour market. Thus, the largest fast food chains have constructed a recruitment and advertising campaign specifically designed to encourage school children, who would not have been in the labour market a decade ago, to join the labour market in a part-time capacity.
It should be stressed however, that attempts by senior management to completely routinise the labour process have been resisted in a number of ways. Material presented in Chapter 5 indicates that attempts by firms to determine what each sales person should say and when, have led to resistance by store level managers who enforce such directives at their own discretion. When firms have attempted to shape the sales interaction by imposing certain phrases on their staff, customers have complained at what they have interpreted as inappropriate use of language in the sales interaction. Thus senior managers have not been free to routinise the labour process to the extent to which they have sought. Managers are also constrained by external agents. An example is the bank’s preference for lending money to franchisees rather than to independent proprietors.

The impact of corporate strategies on job tenure in the retail industry has been bolstered by attitudes of managers towards recruitment and training in the industry. Management culture in the Australian retail industry, as described in Chapter 5, does not seem to recognise the need to train workers in general inter-personal skills (as opposed to the set phrases mentioned above) or product knowledge. Even firms in the scientific supplies area rely on pre-employment training of staff. While I have only one case to indicate this, it would appear that the same firm in the US adopts a more pro-active training role. Perhaps this indicates that in Australia firms do not expect to train workers to the extent that firms do in other countries. Thus managers in all types of outlets and in all 'trades' hire people who have the characteristics required by the store and who already possess required skills and product knowledge. This strategy does not in itself foster casual employment. However, in a context of cost cutting, it means that the barriers to transforming full-time weekly workers into a casual workforce, which protect weekly workers in other industries, are not present in the retail industry.

As discussed in Chapter 6, the major retail union has been unable to resist increased rates of casual, junior and part-time employment in the industry. The unions have used the award system in the past to restrict both part-time and casual employment. Their capacity to maintain the restrictions was clearly very limited in the 1980s. Officials of the SDA blame their inability to maintain the restrictions on lack of support from both the ACTU, which supported the award restructuring principles, and from their members. Union officials have difficulty keeping track of the increasingly large numbers of short term employees to enrol them in the union. They have few resources to mount educational campaigns with respect to wider issues of job tenure. One can only suppose that as larger numbers of marginal employees enter the industry, and as more workers are employed in non-union sectors such as direct selling, unions will find collective action increasingly difficult to organise. The lack of opposition to the introduction of
information technology and extended opening hours in the retail industry in all OECD countries (Chapters 3 and 4), supports this conclusion.

In addition to these factors which have been outside the control of the union, current SDA members do accept some responsibility on the part of the union for increasing casualisation and juniorisation. As discussed in Chapter 6, union officials, while opposed to extended trading hours in the 1960s and 1970s, failed to recognise the effects that extended hours would have on job structures in the industry. Thus unions initially traded off extended opening hours for increased penalty rates and the five day working week. Later extensions to trading hours were traded off for a minimum employment of 50% full-time employees and replacement of casual staff with part-time employees working more than twenty hours each week. This agreement applied to the five largest chains in New South Wales. Ultimately the unions failed to enforce the agreement, as the five chains bound by it argued that they were disadvantaged in competition with other retailers. They argued this on the grounds that the numbers of shops exempted from the trading hours restrictions had increased, as had the numbers of shops trading illegally.

Employer strength and unanimity has also been important in increasing both junior and casual employment in the industry. Prior to both the creation of the fast food award, and the extension of trading hours in the 1970s and early 1980s, there was widespread disregard of provisions by employers. In the case of the fast food award, the change also coincided with the entrance into Australia of international chains which pressed particularly actively for the establishment of the new award (Macken, 1979). The entrance of the Japanese firm Daimaru into Australian retailing also resulted in a rapid change in employment conditions. It would appear then that while tendencies in Australian firms with respect to employment conditions follows those adopted in other countries, the entrance of foreign firms into Australia has the potential to speed up changes in patterns of job tenure. It does this by altering the balance of power between employers and unions.

The weakness of the unions is fostered by the oversupply of labour. Without large numbers of people willing to work for low wages in jobs with little security of tenure, employers would need to restructure their employment strategies. As in other OECD countries, there has been a plentiful supply of casual and part-time labour in the retail industry. This reinforces claims by writers such as Beechey and Perkins (1987) that we require analyses of the links between processes and structures operating within households and the labour force participation of household members. The material presented, in Chapter 5 of this thesis, indicates that we require analysis both of
household processes and structures and of how company strategies directly and indirectly affect those processes and structures.

The comparison between car and cosmetics sales jobs, made in Chapter 5, reinforces the importance of the links between paid and unpaid work in understanding labour market structures and processes. While the historical processes through which exclusionary strategies have been created and maintained can be located in the labour process, the division of labour and the privileging of certain types of skill; it is the labour market where these are converted to disadvantage for particular social groups. For example, while technological change and increasing division of labour appears to have been associated with a growth in casual employment, it is for reasons outside of the workplace that these changes have not been opposed.

Some employers deliberately structure job requirements to exclude many women, such as by scheduling training after hours and on week-ends. But, while unpaid domestic labour may restrict the hours women work, the association between fewer hours and lower job tenure is not a necessary one. The relationship between job tenure and hours worked is one which has emerged according to social norms which have perceived a link between hours worked and commitment to work. Indeed the comparison supports Beechey and Perkins contention that:

"Where the labour force is female(...) employers use part-time workers as a means of attaining flexibility. On the other hand, where men are employed, other methods of attaining flexibility are used." (Beechey and Perkins: 1987: 8).

The phenomenon of using part-time work to gain flexibility is not restricted to firms employing women workers. The material presented here suggests that other groups of employees such as young workers are treated in the same manner, although the links between supply and demand factors may be different. While members of both groups desire to engage in paid work, most students and school children desire to engage in such work for a few hours each week for a restricted duration (i.e. until they have finished studying). Similarly, some married women work in the industry for a short time until their children grow up or until the household is able to manage on a single income.

The consequences of part-time employment, on the one hand, and casual employment, on the other, are quite different for people who are committed to the industry in which they work. Where people work in a part-time or a casual capacity in the short-term, security of tenure and the separation of secondary jobs from career ladders is not a problem. For employees who have worked in part-time or casual positions for a number
of years, and who are committed to the industry despite being unable to work full-time, it is a problem. In the former case few skills can be brought to bear by the employee, in the latter case often considerable skills are employed, though not paid for.

One of the difficulties which sociologists face in linking patterns of job tenure to changing social divisions and distributional patterns is that class and labour market literature is still couched in individualistic terms. In this respect, Runciman’s typology of class (1990) maintains the Goldthorpe/Weber tradition. Feminist and some urban studies literature has stressed the importance of household units in mediating social divisions and distributional patterns. My data also points in this direction. Clearly part-time and casual employment can represent advantage or disadvantage depending on the circumstances of the people employed. These circumstances include cumulative household income, life-cycle stage and personal characteristics. In this circumstance, any analysis or policy which treats casual and part-time workers as homogenous will be inadequate. Casual and poorly paid jobs are not necessarily held by people in poverty or on the margins of society.

The supposed links between hours of work, social characteristics of workers, commitment to a job, and job tenure are well established in the minds of the managers whose interviews were presented in Chapter 5. The connections which they suppose obtain, helps them to justify the homosocial reproduction of the workforce which occurs in the 'trades' still characterised by full-time employment and high levels of job tenure.

The relationship between job tenure and labour market segmentation in the case of retailing, has two dimensions: skills and social characteristics. Where skills are required which tend to be possessed by men, job tenure tends to be high. Where skills are required which tend to be possessed by women, job tenure tends to be lower. In many areas of retailing, there are women seeking work who have both the preference to work part-time and have specific skills. Because there is a shortage of part-time jobs, many of these women work casually. Because there is a shortage of jobs in general, and many of the skills they possess are not formally recognised, they are not paid extra for their skills. Because of the plentiful supply of skilled female labour, people who require full-time jobs and secure wages are likely to be excluded from fabric, confectionery or supermarket outlets. People employed in these trades are often marginal workers who 'prefer' part-time and casual jobs.

This picture fits only partially with the notion that workers and management struggle over employment conditions, with stronger groups of workers gaining more
concessions and excluding the less well organised marginal workers. In the 'male' trades women are excluded because they have not got the required product knowledge or cannot work the required hours. In this case the male workers are able to exclude female workers. However, this appears to be more because of the role of junior (shop level) managers in recruitment. Rather than industrial organisation on the part of employees the process seems to involve homosocial reproduction by managers. The managers' attitudes are influenced by a corporate culture regarding the characteristics of a good employee.

In the 'female' trades, women who want to work on a part-time or casual basis exclude women who want to work in full-time internal labour markets by undercutting them in terms of wage rates. Again, there is little evidence that casual and part-time workers are 'organised' in an industrial sense, they are able to displace full-time workers because their emphasis on working shorter hours over high wages is consistent with management desires to cut costs and increase flexibility.

The existence of private labour markets (in which people are employed by word of mouth) in both small and large firms means that social groups with large numbers already employed in them will continue to gain access to employment in these firms. Thus, there will be a degree of homosocial reproduction which may further reduce the likelihood of people who want full-time work obtaining jobs in the industry. In turn this means that there is little likelihood of workers in the industry organising collective action to change the conditions of employment.

The pattern of segmentation found in the retail industry contradicts that which would be expected from the human capital argument. The human capital argument is that people who invest more in skills outside of the workplace will be more valuable to employers and will therefore be able to secure preferred conditions of employment. Comparisons, made in Chapter 5, between training intensive trades (cosmetics and automotive sales) with less training intensive trades (supermarkets, department stores), suggest that training is not a determinant of patterns of job tenure in these areas at all. Characteristics of the workforce seem to be more important than skills or training in determining job tenure.

For managerial staff, the relationship between skill and job tenure does not appear to be mediated by social characteristics of the incumbents to the extent that it is for other sales staff. Managers employed in the industry do tend to be employed in internal labour markets associated with high levels of de jure job tenure. These managers possess idiosyncratic knowledge and skills to the extent that they are familiar with the procedures
of the firm. Such knowledge is not always attached to a high level of de jure job tenure, casual managers and franchisees illustrate the point. In practice however, the casual managers whom I interviewed had a high degree of de facto job tenure. The sex of the managers required seems to be an important determinant of the de jure relationship entered into, but other factors such as the willingness of banks to fund franchised expansion rather than owner run outlets may replace sex as a primary determinant of de jure job tenure for managers.

The skills required by workers, then, seem to be linked to job tenure, but not to be a strong determinant of it in the retail industry. This may be due to the labour process and structuring of work. New information technologies have been important in structuring jobs in the industry and thus affecting patterns of tenure. Two trends in retailing, noted in Chapter 4, which have been fostered by information technology are implicated in changes in patterns of job tenure. These trends are centralisation of management tasks and increasing division of labour.

The centralisation of management tasks is important because it changes how decisions are made with respect to hiring of casual staff. In the 1980s, branch managers in many organisations employed full-time and part-time staff at their discretion. My interviews, reported in Chapter 5, indicate that store level managers were often encouraged to employ as few staff as they could on a weekly basis. They were then able to meet day to day shortfalls by hiring casual staff. The rostering of full-time and part-time staff to meet peak demands is a complicated process; it is often easier to hire fewer of them and to hire large numbers of casual staff as required. In some firms managers noted that the budgets for the two types of staff have been separate. The casual staff budget was centralised and not accounted against particular stores. In this case the managers who hired the more expensive casual staff often appeared to have performed better than those hiring cheaper weekly staff. Thus the information flows in firms can influence the patterns of job tenure found in an industry.

As technology has centralised information regarding hiring of staff, inefficient use of casuals seems to have been reduced. Decisions regarding rostering can be monitored centrally and casual costs can be incorporated into the accounts of each branch. Thus while the hiring of casual staff remains a store-level decision, it is centrally monitored and shaped by the technology in use which has been introduced according to central managers' strategies. In the past, employers were unable to predict when demand for retail services would be highest and so the hiring of casual workers to fill peak periods was a high risk strategy. Improved information has meant that casuals can be hired more efficiently.
The increasing division of labour in retailing is also closely tied to the demand for part-time and casual employees. When jobs included work in both front and back-end functions, sales staff could be re-deployed to shelf filling and stock handling when customers were not demanding their attention. Currently, because jobs in the larger stores are restricted to front or back-end functions, or to particular departments, staff are idle when customers are not requiring service in particular departments. The division of labour has been facilitated by improved information processing and by increasing size of stores and chains. Even where outlets are small, as with franchised businesses, the recommended division of labour is often clearly spelled out to the franchisee, and is greater than in small independent stores.

The increasing division of labour in association with new technology has, in some instances, ensured that part-time employment increase. This is the case with check-out operators. Interviews reported in Chapter 5 suggest that electronic cash registers and scanners can be operated by one person for a maximum of four hours each day without a great risk of repetitive strain injury. Thus the introduction of such technology represents intensification of the labour process. Were full-time cashiers jobs offered, in which people worked full-time using scanners and electronic cash registers, turnover of such staff would be likely to be extremely high. In this situation, the employment of more full-time cashiers would be likely to increase workers' compensation cases. In part this results from the fact that staffing is calculated such that a customer is always waiting to be served. Breaks which occur while a check-out operator is waiting for a customer are now rare. 'Self-bagging' by the customer, of the goods they purchase, further reduces the range of tasks performed by check-out operators.

Increased division of labour has also been facilitated by the incorporation of skilled specialist trades into large retail stores. For example, the incorporation of butchery departments into supermarkets has led to increased division of labour in the butchery area. Unskilled and semi-skilled workers pack and price meat for skilled cutters. The incorporation of specialist areas has not been opposed by the major retail unions. Lack of opposition is partly due to the weakness of the major retail union generally, but it is also because workers in the skilled trades were not historically covered by these unions and so opposition was not a high priority for retail union officials. Thus opposition to de-skilling of work in the industry, which might have been expected in other industries, has not occurred.

Sales functions have not only been separated from other functions, but have also been reduced in scope. In large chains, selling functions have been taken over by centralised
advertising departments. The pre-selling of goods through advertising reduces sales functions to the taking of money and display of stock. This has removed the idiosyncratic component of sales, which is the ability to sell.

It appears that because of the extensive division of labour the nature of the work performed in retailing is conducive to job structures which incorporate a large number of low-tenure jobs. In accordance with this, where there were no impediments in the form of expectations, regulations, customs or labour shortage, casual employment became common in the industry in the 1970s and 1980s.

One of the interesting aspects of the introduction of the new technologies in retailing is the lack of opposition to it from staff or unions, as noted above. The lack of opposition would appear to be gendered since there has been considerable opposition to changes in technology in the back-end of the retail industry (warehouses), where the majority of employees are men (Bamber and Runciman, 1991). This difference supports the view put forward by Bonacich (1972) and others that the industrial histories of particular social groups accrue advantage and disadvantage. In this case a lack of an adversarial attitude on the part of workers, in conjunction with a weak union and attenuated attachment to the workforce permits the introduction of technological systems which further reinforce these characteristics.

In summary then, the material presented in this thesis points to a greater importance for socio-cultural factors in explaining patterns of job tenure than many labour market theorists suggest. In this case, the supply of casual labour has been augmented by changing attitudes towards part-time employment of both married women and students. It indicates that both socio-cultural factors and institutional constraints can change rapidly when foreign firms enter the labour market. Indeed multi-national firms may be increasing their effectiveness in changing orientations to work in host countries. Government policies and interventions were not shown to have great force in resisting international trends in job tenure. Conventional industrial relations models assume weekly employment and often do not treat employees as gendered or as member of households. An instrumental orientation to work is assumed. Indeed, given the centralised industrial relations system in Australia and its politico-legal framework, one would expect casual employment to be a rare phenomenon. It is not. This fact suggests that the industrial relations framework is less influential than the model presented in Chapter 1 suggested. This may not be typical of other industries where less marginal workers are employed. The failure of the award restructuring process, to reduce pressures towards numerical flexibility by increasing internal flexibility through multi-

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skilling, appears to be partly due to the characteristics of the workers in the industry and the narrow definition of skills assumed in the negotiating process.

Limitations of the Thesis and Implications for Further Sociological Research

The research presented in this thesis is by no means final. The overall picture of the factors affecting job tenure, which I have presented, raises questions regarding the details of particular aspects. The retail case study has demonstrated that analysis of job tenure which looks only at *de jure* tenure is not sufficient since, in practice, the ability of workers to retain their jobs is determined by social forces which operate outside of such formal rules. The material presented in this thesis supports recent research on bounded labour markets (Mingione, 1991; Buck, 1991; Fujita, 1991), which notes that class analysis based on the assumption of a full-time workforce is weak in relation to current labour market trends. It is clear that household structures and domestic divisions of labour should be central to such analyses.

At a theoretical level, the relationship of job tenure to other employment conditions needs to be articulated more clearly. In particular the links between job tenure and employment tenure, job duration and labour turnover, labour flexibility and labour mobility could be explored. The implications of particular patterns of job tenure both for the lifetime earnings of employees and for the dependence of workers on welfare transfers such as pensions needs to be explored. In short how are household structures, patterns of income, patterns of job tenure and societal structures of inequality linked?

The data on which the above analysis is based is patchy. It was not possible for interviews with managers and employees to systematically cover all types of firms and 'trades'. In particular, more interviews would be desirable in the high tenure 'trades' to ascertain why these 'trades' are not casualised. The data from the Affirmative Action Agency, while more extensive than is available elsewhere, by no means reflects a random sample of firms. It includes no firms which employ less than 100 people - by far the majority of retail firms in Australia. Further, the small number of firms for which data was collected means that statistical analysis comparing firms in different trades was not possible. Finally, a lot more data would be desirable on non-shop retailing in Australia. While both hawking and network selling involve a small proportion of workers, they are types of retail operations which are of great theoretical interest to understanding processes by which patterns of job tenure change in the industry as a whole.

It is clear from the material presented in Chapters 3 and 4 of this thesis that trends in firm size, organisational structure and technological change in the retail industry are similar
throughout OECD countries. It is also clear that each trend has proceeded at a different pace in each country. Inter-national research would facilitate understanding of the differential effects of trends in organisational structures, on patterns of job tenure in retailing. It would also enable analysis of how government interventions directly and indirectly affect the relationship between firm structures and patterns of job tenure.

Greater understanding of how patterns of job tenure change could be gained from detailed studies of how recruitment decision are made within firms. For example, while it is likely that corporate take-overs will affect the operating strategies of managers in a company which has been taken over, little is known about the effect such events have on the internal workings of a company. Decisions on such things as which new technology to introduce will be influenced by a company's links with the banking sector: by whether money can be obtained for the introduction of a new technology or not. It would appear that the banks have been instrumental in the adoption of new technology in the retail industry. Precisely what role they have played and its affect on internal operations of the retailers is unclear.

Much more research is also required on the decision-making processes in households. The links between paid and unpaid labour, and the ways in which welfare provisions such as child-care and care for the elderly impact on women's decisions to enter particular segments of the labour force requires further research. Ethnic differences in both orientations to job tenure, and in the ability of workers to retain their jobs requires attention. How such factors affect workers participation in union activities must also be of importance in understanding why some social groups are characterised by a higher degree of tenure than others.

The relationship between 'marginality' and part-time and casual work has been touched on in this thesis but not explored in depth. The above discussion implies that future research in this area could usefully adopt quite a different methodology to that applied in this thesis. Intensive research in particular companies, or in bounded labour markets, might be productive in determining why particular social groups are associated with different types of \textit{de facto} and \textit{de jure} job-tenure. Studies of geographically isolated local labour markets might provide information on factors which enable or prevent members of Aboriginal communities from obtaining and retaining jobs in the industry. Alternatively analyses of attitudes to the participation in the workforce of various social groups as expressed in public forums may be of interest. Presentations of workers in the mass media, the attitudes of personnel officers, attitudes of other household members may be of as much interest as the attitudes of casual workers themselves.
Such studies may assist our understanding of the different types of 'marginality', and how these different types are translated into advantage and disadvantage.

The sociology of work literature has generally placed great importance on work in the process whereby personal identity is created. In a gendered society, the types of jobs men and women have is important in the creation of notions of femininity and masculinity. Further research into the effect of different patterns of employment relations on constructions of notions of femininity and masculinity would contribute to recent feminist scholarship on how identity is created in a gendered culture.

One aspect of exclusion from the labour market which has not been commented on by labour market theorists is the role of customer preference in shaping recruitment strategies of service sector firms. While I have not verified managers' claims that customer preferences affect hiring strategies, there seems to be little reason to doubt their importance. Further research would be required to ascertain: how accurate managers are in judging customer preferences in this regard, which groups are most disadvantaged by this, and in which industries' recruitment strategies are most affected by the need (or perceived need) to take customer preferences into account.

On the other hand, comparative analysis of job tenure attached to particular trades, industries and sectors, and how this has changed over time, remains to be done. The information which might enable such analyses is currently being generated. By the year 2000 the Affirmative Action Agency will have a decade of data on patterns of job tenure in particular companies. This will enable researchers to construct time series in relation to patterns of de jure tenure. The ABS is also collecting data on an irregular basis which will contribute to such analyses in the future. Surveys such as the Australian Industrial Workplace Survey may contribute to the comparative aspects of such a project. It should be recognised however that the use of the statistics generated might be misleading. I have tried to demonstrate that the de jure aspects of job tenure, which such statistics can indicate are by no means the only important factors in determining the ability of workers to retain their jobs.

The links between patterns of job tenure and patterns of union involvement also require further research. While unions have sought to increase union membership, and greater involvement of workers, the importance of job tenure to this is unclear. If workers move from one job to another, but stay in the same industry, then low job tenure may not necessarily imply that workers will have no interest in union membership or in collective action. Analysis of the role of personnel in key positions on various industry
tribunals may also be of interest in determining the effects which individuals can have on changes in job tenure.

In this thesis I have treated job tenure as an outcome of social and economic processes. The other side of job tenure is that it has implications for life chances. At an individual level job tenure may affect people's ability to plan their lives. At a social level patterns of job tenure may have implications for social security and welfare systems. These implications have not been the focus of research in Australia. For example, if the pattern of de facto tenure which exists in retailing is typical of other service sector industries, then the ability of governments to reduce their expenditure by replacing government financed welfare (e.g. pensions) with worker financed insurance (e.g. superannuation) schemes is questionable. With respect to the private sector, the patterns of job tenure in some industries may effect the performance of other industries. For example, an increase in numbers of workers employed in insecure arrangements may increase the risks taken by banks in lending money to house buyers.

While this thesis has not dealt with the matters reviewed above, the thesis does break new ground in accounting for job tenure in social terms. In doing so it contributes to a wider understanding of how patterns of advantage and disadvantage are created. It does this by highlighting the interaction of individual attributes and legal structures with wider cultural practices and processes. The complexity of the relationships described indicates that any convergence to a single pattern of job tenure is unlikely.
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Appendices
APPENDIX A:

Distribution Sector Firms Respondent to AAA

Music
HMV Music (Australia)
Brash Holdings

Electrical and Scientific
Nilsen Instruments
Voca Communications
GTE Aust. Pty. Ltd.
Schering Pty. Ltd.
FSE Pty. Ltd.
Sanyo (Aust.) Pty. Ltd.
Du Pont (Aust.) Pty. Ltd.
Remington Pty. Ltd.
Radio Rentals
Rank Xerox (Aust.) Pty. Ltd.

Computer
Photoset Computer Services
Concurrent Computer Services
Data point Corporation Pty. Ltd.
Computer Power group Ltd.
Hewlett Packard
NCR (Aust) Ltd.
Unisys (Aust) Ltd.
ICL (Aust) Ltd.

Hardware
Mathews Timber
Woodman McDonald
Brett and Co. Pty. Ltd.
Campbells

Motor Vehicle Sales
Garry and Warren Smith Pty. Ltd.
Melville Motors
Zupps Motors
Ray Lintott Motors
Skipper Mitsubishi
Honda (Aust.) Pty. Ltd.
Commercial Motor vehicles Ltd.
Volvo Aust. Pty. Ltd.
Automotive Holdings Ltd.
Hawker Noyes Pty. Ltd.
Mercedes Benz (Aust.) Pty. Ltd.

Wholesalers
Hastings Deering Corpn.
Makita (Aust.) Pty. Ltd.
Wickman (Aust.) Ltd.
Stuart Alexander and Co. Pty. Ltd.
GFW Food Services
T. Costa and Co. Pty. Ltd.
Beasan Ltd.
Lovelock Luke Pty. Ltd.
John Danks and Son Pty. Ltd.
Hanimex Corpn. Ltd.
G.E. Crane and Sons
Fujitsu (Aust.) Ltd.

Homewares
Eugene Mansour Pty. Ltd.
Norman Ross Homeworks

Booksellers
Doubleday (Aust.) Pty. Ltd.
Dymocks Book Arcade
World Book (Aust.) Pty. Ltd.

Supermarkets
Pick’n Pay
Shoeys Pty. Ltd.
Woolworths
Coles Myer(Super M)

Department Stores
G.P. Fitzgerald and Co.
Harris Scarfe Ltd.
Aherns Pty. Ltd.
Venture Stores
Myer
Target (Aust.) Pty. Ltd.
K. Mart

Clothing and shoes
Just Jeans
Payless Shoes
Katies Fashion (Aust) Pty. Ltd.
Sussan Corpn (Aust.) Pty. Ltd.
Best and Less
Kinneys shoes
Fast Food

Red Rooster
Kentucky Fried Chicken
McDonalds Family Restaurants
(managed by parent)
McDonalds Family Restaurants
(Franchises: 17 separate returns)
Pizza Hut

Other

Nutrimetics (Cosmetics)
Bradman's Stores (handbags)
Alders International (duty free)
Darrell Lea (confectionary)
Angus and Coote Holdings
(jewellers)
Hooker retail (prouds jewellers)
Liquorland
Avon (cosmetics).
### APPENDIX B:

#### Schedules

<table>
<thead>
<tr>
<th>Task</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Name of Shop</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Name of Interviewer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Position of Interviewer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Have you ever had a manager of your management?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. How do you generally find people to fill vacancies in the shop?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Newspaper ad</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>- Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. On what basis do you select staff?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Experience</td>
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<td>No</td>
</tr>
<tr>
<td>- Education</td>
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</tr>
<tr>
<td>- School</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>- Previous employment</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>- Reference</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>7. Have you ever had a manager of your management?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Training</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>- Induction</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>- Management</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>- Customer service</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>- Stock control</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>- Financial accounting</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

292
Management Interview Schedule: Training and Induction in retail stores

Name of Shop __________________________
Name of Interviewee____________________
Position of Interviewee_______________

1. How many people do you currently employ in your workplace?

______ full-time
______ part-time
______ casual

2. Is your establishment part of a larger chain or network of establishments?

Yes____
No____

3. If so does the network or chain have centralised training programs or does each store have its own training and induction program?

Centralised program____
Decentralised program____

4. How do you generally find people to fill vacancies at the store?

word of mouth  Yes  No
newspaper ads.  Yes  No
CES         Yes  No

5. On what basis do you select staff?

Age  Yes  No
Experience  Yes  No
Appearance  Yes  No
References  Yes  No
Persistence  Yes  No

6. Once selected what induction program do new recruits go through?

Filling in Tax forms  Yes  No
Uniforms         Yes  No
Time sheets      Yes  No
Display skills   Yes  No
Cash register operation  Yes  No
Shelf filling    Yes  No
Processing of goods  Yes  No
Communication skills  Yes  No
7. How long does the induction process take?

____________ days
____________ hours

8. What tasks do recruits learn on the job?

<table>
<thead>
<tr>
<th>Task</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Display skills</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash register operation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shelf filling/storage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Processing of goods</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication skills</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Packing of goods sold</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

9. Which tasks take longest for a new employee to become proficient in?

____________

10. How long does it take an average recruit to become proficient as a sales assistant?
Employee Survey: Training and Induction in retail stores

Name of Shop ______________________

Name of Interviewee ________________

Position of Interviewee ______________

Length of time employed in retail ______

1. Are you currently employed full-time, part-time or casually?
   __________ full-time
   __________ part-time
   __________ casual

2. Is your workplace part of a larger chain or network of establishments?
   Yes __________
   No __________

3. How did you get a job at the store?
   Word of mouth Yes __________ No __________
   Newspaper ads. Yes __________ No __________
   CES Yes __________ No __________
   Friend or relative of proprietor/manager Yes __________ No __________
   Other (please specify) ________

4. On what basis were you selected?
   ____________________________
   ____________________________

5. During induction, were you:
   Given a Tax form to fill in Yes __________ No __________
   Allocated uniforms Yes __________ No __________
   Told what to wear Yes __________ No __________
   Told how to fill in time sheets Yes __________ No __________
   Taught cash register operation Yes __________ No __________
   Taught shelf filling Yes __________ No __________
   Shown how to process goods Yes __________ No __________
   Told what to say Yes __________ No __________
   Told about the company Yes __________ No __________
   Other (please specify) ________

6. How long did the induction process take?
   __________ days
   __________ hours
7. Who told you what to do when you first started in your job?

<table>
<thead>
<tr>
<th>Training or other manager</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other employee(s)</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

8. What tasks have you learnt on the job?

<table>
<thead>
<tr>
<th>Display skills</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash register operation</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Shelf filling/storage</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Processing of goods</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Communication skills</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Packaging</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

9. What machinery do you operate in your job:

<table>
<thead>
<tr>
<th>Cash register</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighing machine</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Scanner</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Slicer</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Fork-lift</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Wrapping machine</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Pricing gun</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

10. Which tasks has it taken you longest to become proficient in?

______________________________

11. How long did it take you to become proficient in your job?

______________________________

12. Do you think you should have had more things explained to you before you began working in the store? (please specify)

______________________________

13. Has any of your induction or training been conducted outside of the store?

Yes    No

If it has by whom and where was it conducted?

______________________________

14. Do you know what the award rate of pay for your job is?

Yes    No

15. If yes, are you paid that rate?

More
Less
Paid the Award rate
APPENDIX C:

Provisions Relating to Hours and Job Tenure in Selected Specialist Retailing Awards (Qld).

1. Fast Food Industry Award- South Eastern Division
(Gazetted 14 April 1984 : 889-892) Provisions: Casuals: except in emergencies employed less than 32 hours each week, no weekly minimum. 19% loading for ordinary time. For overtime or outside normal hours get the same amount as non-casual employees, ie no loading on the extra amounts. Minimum engagement 2 hours each day, no daily maximum. Part-time: 15 + hours each week, no weekly max. between 3 and five days per week. 1 part-time to 2 'other' employees. Employees to be advised in writing whether they are part-time, full-time or casual.

A large number of Industrial Agreements based on the above awards exist, these have the same provisions with respect to part-time and casual employment e.g.: Fast Food Industry Award- South Eastern Division Hollywell Pty Ltd. Industrial Agreement (Gazetted 20 Dec 1986 : 1301-1305); Fast Food Industry Award- South Eastern Division Chicken Treat Pty Ltd Industrial Agreement (Gaz 18 Jan. 1986 : 48-52). Fast Food Industry Coctel pty. Ltd. -Townsville and Mount Isa, Trading as Bog Rooster-Townsville and Mount Isa Industrial Agreement. Casuals get a 25% loading but there is no weekly maximum for casual hours. Part-time provisions are the same. Variation: 1 June 1989 (4% second tier, Gaz 24 June 1989 : 281-2). Normal hours extended. midnight to 6am now paid 1.5X rather than 2X. Part-time extended to between 2 and 5 days each week. Proportions of part-time to 'other' employees deleted. Meal breaks made more flexible. Variation: 27 Feb. 1990 (Gazetted 24 March 1990) 3% wage rise on condition that award modernisation undertaken before next 3% granted. Second 3% decision not yet available.

2. Hairdressers Award - Brisbane Retail Stores (Industrial Agreement) (Gaz. 12 Oct. 1974: 172) and Hairdressers Award - State (Excluding Brisbane) (Gaz. 22 Nov 1986: 1169-1175). Much greater attention to describing who is covered, i.e. skills required for each position. Casual weekly max 32 hours engaged by the hour. Part-time weekly minimum of 15 hours and a max of 5 days each week. Variations: Gazetted 20 January, 1989: 88-90; Gazetted: 30 Sept. 1989 4% 2nd tier. Casuals can be employed for up to 40 hours to replace employees on leave. Variations: Gazetted: 6 Jan 1990; 13 January, 1990 : 60; 14 April 1990 : 884-6) 3% wage rise, agreement to modernise the award.
Concerned with payment for expenses, loadings for country travel etc. Continuity of service for purposes of sick leave etc is deemed to be broken only after a break from employment of 3 months. So if a person is stood down and then re-employed, within this period, sick leave entitlements etc hold good. Federated Clerks Union award. No casuals or part time employees as such. They are often paid on commission so these distinctions not meaningful. Variations: 23, April 1988; 28 May 1988; 11 June 1988. Restructuring and Efficiency Agreements negotiated for specific enterprises. 4% gained by workers in these firms.

4. Garage and Service Station Attendants' Award - State (Excluding South-Eastern District) Gazetted 8 November 1986: 1011-1016; Australian Workers Union of Employees award. A Casual is 'an employee who is employed in any work for any period less than five working days'. 19% loading for casuals. Minimum of 4 hours work per day. Max 2 juniors to each senior. 2nd tier (Gazetted 7 May 1988: 40) but no changes noted except wage rate.

5. Motor Vehicle Salesmen's Award - Northern and Mackay Divisions Gazetted 6 February 1985: 193-195. 'Probationer salesman' is one with less than six months experience as a motor vehicle salesman in any one firm they are paid less. No casual or part-time provisions. No hours of work provisions. Variation 28 March 1987: 439-441, changes minimal. 12 August 1989: 842-845. Employees got only 1.5% of the 4% 2nd tier rise because the award had no 'hours' provisions to vary, therefore little to offset. 18 November 1989: 1293-1297 Superannuation. Appears from the Gazette to be very important in this area: who is included/eligible, which fund.

6. Bread and Pastry departments - Employees- Retail Stores- G.J. Coles and Co. and K-Mart (Australia) Ltd. Industrial Agreement Gazetted 14 sept 1985. The Federated Miscellaneous Workers Union. Same conditions as the Shop Assistants (Retail Stores) Award -Southern Division (SDA award) except in respect of hours and additional payments. Means that two unions and awards operate in the same outlets and with nearly the same conditions.

Dunkin Delicious- Employees Industrial Agreement FMWU Gazetted 8 Oct 1988: 229-234. A casual employee is 'usually employed for less than 40 hours per week'. 25%, 40% and 50% loadings for casuals depending on the shift or time. 3 month period before continuity of service is lost.

Retail Industry - FMWU Industrial Agreement Gazetted 26 January 1991: 176-7. Variation to all their retail agreements changing hours of part-time work: now 12-32 per week. Rosters changed to increase flexibility of hours. Max 10 hours per day and 18 on two days.
### APPENDIX D:
Specialist Retail Awards and Major Agreements in Operation in December 1988 in Queensland.

<table>
<thead>
<tr>
<th>Award</th>
<th>Award Date</th>
<th>Gazette Date</th>
<th>Operative Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bread and Pastry Departments - Employees Retail Stores - Agreement</td>
<td>14 Sept 1985</td>
<td>1 July 1985</td>
<td></td>
</tr>
<tr>
<td>Brisbane market Award</td>
<td>15 Dec 1982</td>
<td>31 Aug 1964</td>
<td></td>
</tr>
<tr>
<td>Commercial Travellers Award - State</td>
<td>16 May 1985</td>
<td>10 July 1972</td>
<td></td>
</tr>
<tr>
<td>Fast Food Industry Award - South Eastern Division*</td>
<td>14 April 1984</td>
<td>13 Feb 1984</td>
<td></td>
</tr>
<tr>
<td>Garage and Service Station Attendants Award</td>
<td>8 Nov 1986</td>
<td>15 Sept 1974</td>
<td></td>
</tr>
<tr>
<td>Hairdressers’ Award - Brisbane</td>
<td>22 Nov 1986</td>
<td>31 May 1971</td>
<td></td>
</tr>
<tr>
<td>Hairdressers Award State (Excl. Brisbane)</td>
<td>22 Nov 1986</td>
<td>12 Oct 1970</td>
<td></td>
</tr>
<tr>
<td>Hairdressers Agreement - Brisbane</td>
<td>12 Oct 1974</td>
<td>30 Sept 1974</td>
<td></td>
</tr>
<tr>
<td>Motor Vehicle Salesmen’s Award (Southern Division)</td>
<td>28 March 1987</td>
<td>23 April 1956</td>
<td></td>
</tr>
<tr>
<td>Motor Vehicle Salesmen’s Award (Northern and Mackay Divisions)</td>
<td>6 Feb 1985</td>
<td>7 Dec 1970</td>
<td></td>
</tr>
<tr>
<td>Van Salesmen's Award (Southern Division)</td>
<td>6 Dec 1976</td>
<td>8 Nov 1976</td>
<td></td>
</tr>
<tr>
<td>Van Salesmen's Award (Northern and Mackay Divisions)</td>
<td>15 May 1985</td>
<td>2 July 1971</td>
<td></td>
</tr>
</tbody>
</table>

* There are many separate agreements based on the fast food award incl Big rooster Gazetted 15 Dec 1984 and Hungry Jack’s Gazetted 26 Dec 1987.
PUBLIC REPORT ON AFFIRMATIVE ACTION PROGRAM
for Period 1 February 1989 — 31 January 1990
REPORT DUE BY: 30 April 1990

1a: Name of business unit submitting this report.

1b: Has the name of the business unit changed in the last year?
   No ☐ go to 1d
   Yes ☐ go to 1c

1c: What was the old name of the business unit?

1d: What is the main gross income earning activity of the business unit?
   eg. raising beef cattle, operating a nursing home, transporting freight by road, manufacturing plastic bottles, retailing groceries, providing accountancy services

1e: Are the affirmative action programs of other business units covered in this report?
   No ☐ go to 2a
   Yes ☐ go to 1f

1f: List all business units covered in this report.

2a: Is the reporting unit
   • A division or subsidiary company of an Australian company? ☐ go to 2b
   • A parent company? ☐ go to 2c
   • An independent unit? ☐ go to 3

2b: What is the name of the Australian parent company?

2c: Attach a copy of the company annual report if available and a chart showing the relationship between parent and subsidiary companies.

3: Person to contact for further information about this report.
   Name:
   Job Title:
   Address:
   State: Postcode:
   Telephone: ( )

STEP ONE: THE POLICY STATEMENT

4a: Has the business unit issued an affirmative action policy statement to all employees?

- NO [ ] go to 4c
- YES [ ] go to 4b

4b: In which year(s) was the policy statement issued?
(tick one or more boxes)

- 1987 [ ]
- 1988 [ ]
- 1989 [ ]
- 1990 [ ]

Please attach a copy of the most recent statement.

4c: Outline the process involved in issuing a statement.

- Organisations reporting for the first time could include details of development and distribution
- Companies that have reported to the Agency in previous years could include details of any action taken since their previous report.

OR

Explain why a statement has not been issued.

STEP TWO: ASSIGNING RESPONSIBILITY FOR AFFIRMATIVE ACTION

5a: Has the business unit assigned responsibility for the affirmative action program to a senior person(s)?

- NO [ ] go to 5d
- YES [ ] go to 5b

5b: What is this person’s current position in the business unit?

5c: To which position in the business unit does this person report?

5d: Outline the arrangements for the implementation of the affirmative action program.

- Relevant points include
  - How affected parties communicate their views on affirmative action to Management and to those responsible for the day to day running of the affirmative action program.

OR

Explain why responsibility has not been assigned.
STEPS THREE AND FOUR: THE CONSULTATION PROCESS

6a: Has the business unit consulted with unions whose members are affected by the affirmative action program?

Consultation could mean
— Periodic meetings with either shop stewards or union officials to discuss affirmative action
— Making affirmative action an agenda item of regular meetings
— Having a consultative committee for the affirmative action program with agreed terms of reference.

No [ ] go to 6c
Not applicable [ ] go to 6c
Yes—involving some unions [ ] go to 6b
Yes—involving each union [ ] go to 6b

6b: Is this consultation additional to that outlined in last year’s report?

No [ ]
Not applicable [ ]
Yes [ ]

6c: Describe the process of union consultation.

— Include the nature, extent, timing and outcomes of discussions.
— Indicate procedures adopted for ongoing union consultation.

OR

Explain why consultation is not applicable or has not occurred.

7a: Has the business unit consulted with women employees over the affirmative action program?

This question refers specifically to women employees and should be answered separately from 7c.

Consultation by the business unit could mean
— Involving women in meetings or committees that explain or discuss the affirmative action program
— Holding workshops for women employees for training and consultative purposes
— Surveying employees to find out their views on equal employment opportunity or the affirmative action program.

No [ ] go to 7b
Yes — With some [ ] go to 7b
Yes—With all [ ] go to 7b
7b: Describe the process of consultation with women employees.
   — Include the nature, extent and timing of consultations.
   — Detail any ongoing procedures for consultations.
   
   OR

   Explain why women employees have not been consulted.

7c: Has the business unit consulted with employees in general over the affirmative action program?
   No ☐
   Yes—with some ☐
   Yes—with all ☐

7d: Describe the process of consultation with employees.
   — Include the nature, extent and timing of consultations.
   — Detail any ongoing procedures for consultations.
   
   OR

   Explain why employees have not been consulted.
STEP FIVE: ESTABLISHMENT AND ANALYSIS OF
THE EMPLOYMENT PROFILE

8a: How many women and men received a wage or salary from payrolls of the
business units covered by this report for the pay period(s) ending on or
immediately before 1 FEBRUARY 1990. (See Notes on Report Forms)

<table>
<thead>
<tr>
<th></th>
<th>WOMEN</th>
<th>MEN</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent full time</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent part time</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Casual (non-seasonal)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Casual (seasonal)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>for pay period ending on or before</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Temporary full time</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Temporary part time</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Persons under contract</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other—please specify</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NB. * Apprentices and trainees should be included in permanent full time statistics.
* Any seasonal workers are to be included in casual statistics under Casual (seasonal).
* Where the business unit employs seasonal workers please submit statistics for a period when they
  are employed.

8b: Indicate the number of employees (as defined in Item 8a) by occupational category
as at the pay period ending on or immediately before 1 FEBRUARY 1990.
(See Notes on Report Forms)

<table>
<thead>
<tr>
<th>Occupational Category</th>
<th>WOMEN</th>
<th>MEN</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Full Time</td>
<td>Part Time</td>
<td>Casual</td>
</tr>
<tr>
<td>Managers/Administrators</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professionals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Para-Professionals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trades</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clerks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and Service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and Mach. Operators/Drivers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labourers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other—please specify</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Comment on the employment profile described above.
— Include observations of patterns or trends evident in women’s employment.
(this is relevant to your response to 10c)

STEP SIX: THE REVIEW AND ANALYSIS OF PERSONNEL POLICIES AND PRACTICES

9a: Has the business unit started a review and analysis of personnel policies and practices during the year ending 31 JANUARY 1990?

NO  go to 9c
YES  go to 9b

9b: Which areas of personnel policy and practice did the business unit start to review in the year ending 31 JANUARY 1990?

- Recruitment and selection
- Promotion and transfer
- Training and development
- Conditions of service
- Other—please specify

9c: Outline the nature of the review(s).
— Include any implications for women’s employment
— Detail any action taken or planned arising from the reviews

OR

Explain why the business unit did not start a review of personnel policies and practices during the year ending 31 JANUARY 1990. (This is relevant to your response to 10c)
STEP SEVEN: SETTING OBJECTIVES AND FORWARD ESTIMATES

10a: Has the business unit set objectives for its affirmative action program during the year ending 31 JANUARY 1990?

- An objective is a broad aim or goal designed to achieve equality of opportunity for women in employment.

No [ ]
Yes [ ]

10b: Has the business unit set or updated forward estimates for its affirmative action program during the year ending 31 JANUARY 1990?

- Forward estimates are targets, whether numerical or otherwise, which the organisation sets for itself.

No [ ]
Yes [ ]

10c: Outline any objectives and forward estimates which may have been set for the reporting year ahead.

OR

Explain why the business unit has not yet set its objectives and forward estimates.

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Forward estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

STEP EIGHT: MONITORING AND EVALUATION

11a: Have monitoring procedures been set in place?

- That is, does the business unit have any way of making sure planned program activity occurs?

NO [ ]
YES [ ]

11b: Have evaluation procedures been set in place?

- That is, does the business unit have any way of knowing whether the affirmative action program activities achieve their aims?

NO [ ]
YES [ ]
11c: Outline any monitoring and evaluation procedures established.

OR

Explain why the business unit does not have monitoring and evaluation procedures in place.

Monitoring | Evaluation
--- | ---

12: Use the following space to comment on any particular achievements, successes, or problems encountered by the business unit in developing and/or implementing the affirmative action program.

You may also wish to comment on the reporting process, including the structure and content of this particular Report Form and accompanying explanatory notes.

13: Signature of the most senior officer responsible for the affirmative action program(s). This is the person nominated in Question 5b.

I (print name) certify that (a) the affirmative action program described in this report covers all business units nominated in Questions 1a, and where applicable 1f, and (b) this report is a true and accurate record of the development and implementation of their affirmative action program(s).

Signature

Date

Keywords