LOW-WAGE WORK IN THE WEALTHY WORLD

Jérôme Gautié and John Schmitt Editors

Russell Sage Foundation • New York
CHAPTER 6

Retail Jobs in Comparative Perspective

Françoise Carré, Chris Tilly, Maarten van Klaveren, and Dorothea Voss-Dahm

Retail businesses and retail jobs have much in common in the United States and western Europe in terms of core tasks, workforce, and competitive trends. Yet, despite all these common features, we see significant variation in job quality as we look across the United States and the five European countries studied here. Retail workers toil at varied levels of pay, and with varying employment status and conditions. Table 6.1 charts three of these variations. Retail's low-wage share—the percentage of retail workers falling below the low-wage threshold of two-thirds of the national median—ranges widely, from less than one in five in France to nearly one-half in the United Kingdom. Average retail labor turnover in the United States is more than double that in France and Germany. The share of part-time workers differs considerably, from less than one-third in France to more than two-thirds in the Netherlands.

A variety of factors might explain cross-national differences in wages, job quality, and employment status. These differences could result from compositional differences (for example, the mix of small, large, and super-sized stores). Alternatively, or in addition, differences in market structure (degree of oligopoly power, exposed versus sheltered markets, and so on) could be important. Indeed, zoning limits on store size—which are still very important in France but have been weakened in other countries—play a role, as do store hours regulations. Nonetheless, a particularly compelling possible explanation may be found in differences in labor market institutions. And indeed, despite labor and product market deregulation, the five European countries jointly still diverge substantially from the United States in their portfolio of institutions (see Mason and Salverda, Bosch, Mayhew, and Gauthier, and Gauthier et al., all this volume).

In particular, the European countries generally have more inclusive institutions that protect those at the low end of the workforce.
Table 6.1 Cross-National Variation in Selected Retail Job Characteristics

<table>
<thead>
<tr>
<th></th>
<th>Percentage of Retail Workers with Hourly Wage Falling Below Two-Thirds of Economy-Wide Median, 2003</th>
<th>Annual Labor Turnover, 2002</th>
<th>Percentage of Part-Timers Among Real Workers, 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmarka</td>
<td>23%</td>
<td>36%</td>
<td>50%</td>
</tr>
<tr>
<td>France</td>
<td>18</td>
<td>20</td>
<td>28</td>
</tr>
<tr>
<td>Germany</td>
<td>42</td>
<td>20</td>
<td>28</td>
</tr>
<tr>
<td>Netherlandsa</td>
<td>46</td>
<td>27</td>
<td>70</td>
</tr>
<tr>
<td>United Kingdoma</td>
<td>49</td>
<td>26</td>
<td>51</td>
</tr>
<tr>
<td>United Statesb</td>
<td>42</td>
<td>50</td>
<td>28</td>
</tr>
</tbody>
</table>


a. The percentage falling below two-thirds of the threshold is calculated in 2002 for Denmark and the Netherlands, and 2005 for the United Kingdom and United States.
b. The percentage of part-timers among U.S. retail workers is calculated for 2007.

and more rapid innovation, whereas their low-road counterparts aim at price competition. Many analysts have argued that better jobs will go hand in hand with such high performance (Huselid 1995; Osterman 1994). However, in a seminal 1997 article, Thomas Bailey and Annette Bernhardt found a contrary pattern in U.S. retail: high-road productivity in service was not linked to greater job quality. The retailers they studied upgraded productivity with information technology—based automation (see also Bernhardt 1999; Abernathy et al. 2000), and in some cases they also provided better, more customized service. These changes had little effect, however, on wages (which remained low), work organization, or opportunities for upward mobility. Importantly, they also noted, in U.S. retail high-road approaches coexist with numerous low-road market options coupled with low-quality jobs—a more predictable scenario.

There has also been important international comparative work on retail jobs, but to date, such research has not emphasized the distinction between inclusive and exclusive labor market institutions that is central to this volume (see Bosch, Mayhew, and Gautie, this volume). In their comparison of U.S. and French retail, Jean Gadrey and Florence Jany-Catrice (2000, 26) found that U.S. retail offers “higher quality and more services for the same average basket of goods sold,” and that it “finances” the additional value-added by providing lower compensation to workers. In other words, they concluded, going even further than Bailey and Bernhardt (1997) to challenge the predicted relationship between high performance and job quality, the U.S. high-road service advantage depends on low compensation. More recently, Jany-Catrice and Steffen Lehndorff (2005) have offered an ambitious six-country (Denmark, Finland, France, Germany, Portugal, and Sweden) comparison focusing on how institutions shape nationally specific patterns of fragmentation of work and working time in retail and suggesting some of the institutional effects we explore further in this chapter.

Our analysis posits a set of relationships between markets, institutions, and firm strategies that we think plays a determining role in job quality, without presuming the specific nature of these relationships (figure 6.1). Though this general model places both the management’s market strategy and the human resources (HR)/labor deployment strategy of the firm at the center, in practice most variation in market strategy takes place within countries, so our comparative lens leads us to focus more on HR strategy. We pay particular atten-
tion to the effects of national institutions, including both direct constraints on human resource strategy and indirect effects through adjustment of labor or product markets. We scrutinize the use of "exit options" that consist of gaps or weaknesses in institutions bolstering job quality or that result from deliberate top-down changes in regulation (see also Bosch, Mayhew, and Gautié, this volume). The retail sector has frequently taken the lead in demanding, creating, or exploiting such exit options.

Based on this scheme, we trace the conditions that give rise to the variation in job quality and employment patterns for the six countries under study, focusing on (and contrasting) food and consumer electronics retail. We examine whether the high-road competitive strategy is bundled with good jobs, and whether in fact job qualities are bundled into uniformly good or bad jobs. We highlight outcomes in two target occupations: cashiers and stock clerks/salespeople. Because the food retail subsector is much larger than consumer electronics, much of our explanatory discussion focuses on food stores, though we highlight salient contrasts with consumer electronics stores as appropriate.

We start the chapter by noting shared industry characteristics and trends. We then briefly lay out the fieldwork methodology. The bulk of the chapter consists of findings about variation in job quality and

**INDUSTRY OVERVIEW AND SHARED TRENDS**

Despite national differences (treated later in the chapter), the retail industries of the six countries under study have much in common. Indeed, the core tasks performed by clerks and cashiers in retailing are quite similar in all developed countries: workers must take goods from the stockroom to the shop floor, replenish shelves, answer customer questions (and in some cases solicit customer purchases), ring up sales, and receive payment. Another commonality is that retail hours invariably extend beyond standard daytime shifts to include evening hours, weekends, and sometimes nights. The intensity of retail sales also varies by season, shaped as it is by school and vacation schedules, holiday gift-giving, seasonal food demands (summer picnics, holiday dinners), and so on. Retailers in the United States and western Europe have responded to nonstandard operating hours and seasonal swings by making substantial use of part-time labor (Tilly 1996; Jany-Catrice and Lehndorff 2005). In the European countries, as in the United States, stores rely heavily on women and young people to fill part-time slots.

Retail sectors in the United States and western Europe are similar in other ways as well. All have recently been rocked by three new forces that cut across national borders. The first is the diffusion of intricate information technology for supply-chain management and optimal staff scheduling. The second is the spread of aggressive discount chains that take advantage of the logistical technologies to mount a formidable competitive challenge to mainstream retailers. Big-box chain Wal-Mart is the example best known to U.S. consumers, but Germany's Aldi and Lidl, among others, have also grown rapidly by implementing variants of this model. Moreover, all of these countries are experiencing a set of institutional changes in the labor market that we can characterize as "neoliberal"; these changes are weakening workers' representation and increasing flexibility in labor regulations, including, in many cases, the relaxation of labor regulations for particular subsets of workers (Streeck and Thelen 2005). In the United States, such shifts have included a sharp decline in union density and significant erosion of the real value of the min-
REFERENCES


Table 6.2 Various Industry Characteristics by Country

<table>
<thead>
<tr>
<th>Variable</th>
<th>Yardstick</th>
<th>Denmark</th>
<th>France</th>
<th>Germany</th>
<th>Netherlands</th>
<th>United Kingdom</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value-added per hour worked</td>
<td>Euros, 2005 (PPP conversion)</td>
<td>21.94</td>
<td>29.55</td>
<td>26.36</td>
<td>23.43</td>
<td>24.59</td>
<td>25.41</td>
</tr>
<tr>
<td>Establishment size</td>
<td>Lower quartile, 2002</td>
<td>3</td>
<td>3</td>
<td>6–19</td>
<td>3</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>(frequency distribution by number of employees)</td>
<td>Median, 2002</td>
<td>5</td>
<td>8</td>
<td>20+</td>
<td>6</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Upper quartile, 2002</td>
<td>10</td>
<td>21</td>
<td>20+</td>
<td>10+</td>
<td>116</td>
<td>12</td>
</tr>
<tr>
<td>Food</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of retail jobs</td>
<td>2003</td>
<td>26</td>
<td>34</td>
<td>29</td>
<td>32</td>
<td>36</td>
<td>16</td>
</tr>
<tr>
<td>Average store size</td>
<td>Employees per establishment, 2003</td>
<td>14</td>
<td>95</td>
<td>27</td>
<td>36</td>
<td>39</td>
<td>26</td>
</tr>
<tr>
<td>Share of top five firms in sales</td>
<td>Percentage of sales, 2005 to 2006</td>
<td>95</td>
<td>85</td>
<td>69</td>
<td>88&lt;sup&gt;c&lt;/sup&gt;</td>
<td>75</td>
<td>31</td>
</tr>
<tr>
<td>Electronics</td>
<td>2003</td>
<td>2.9</td>
<td>3.5</td>
<td>3.0</td>
<td>3.4</td>
<td>3.0</td>
<td>3.4</td>
</tr>
<tr>
<td>Percentage of retail jobs</td>
<td>Employees per establishment, 2003</td>
<td>6</td>
<td>5</td>
<td>NA</td>
<td>8</td>
<td>14</td>
<td>11</td>
</tr>
<tr>
<td>Average store size</td>
<td>Percentage of sales, 2005 to 2006</td>
<td>71</td>
<td>42</td>
<td>47</td>
<td>51</td>
<td>44</td>
<td>44</td>
</tr>
</tbody>
</table>


a. Number of Danish food establishments from 2006.
b. French electronics sales and number of food establishments from 2004.
c. Superunie buying group is counted as one; if Superunie is broken up, the top five share is 71.
Table 6.3 Sample Structure of Retail Case Studies in the Six Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Food Retail Cases</th>
<th>Consumer Electronics Cases</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>5</td>
<td>3</td>
<td>Three food retail cases also sell electronics.</td>
</tr>
<tr>
<td>France</td>
<td>6</td>
<td>2</td>
<td>Two food retail cases also sell electronics.</td>
</tr>
<tr>
<td>Germany</td>
<td>4</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>4</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td>4</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>10</td>
<td>6</td>
<td>Two food retail cases also sell electronics.</td>
</tr>
</tbody>
</table>

Sources: Authors' compilation based on: Denmark—Esbjerg et al. (2008); France—Askoun Berry, and Prunier-Pouilhaine (2008); Germany—Voss-Dahm (2008); Netherlands—van Rijen (2008a); United Kingdom—Mason and Osborne (2008); United States—Carré and Tilly Holgate (2007).

Work Schedules

In retail, work schedules are a primary dimension of job outcomes. The volume of hours (relative to desired hours), schedule predictability, and degree of worker control over schedules were significant differentiators of job quality in every country in the study. In the Dutch case studies, for instance, many workers complained of unilateral employer decisions concerning working times and days off, while British employees lamented being given insufficient hours of work, having little schedule flexibility to meet their needs, and being required to work evenings and weekends. Schedule patterns are also closely linked to workforce demography: women and younger workers, in particular, concentrate in part-time jobs—in some cases because these hours fit their preferences, and in other cases because they are trapped in them. In this section, we first summarize common features of work schedules across the six countries. We then explore the U.S.-Europe differences—above all in workers' degree of control over scheduling—followed by a brief discussion of differences among the five European countries.

Common Features of Retail Work Schedules As in the United States, the retail workforce in Europe is disproportionately (and increasingly) part-time (table 6.4). The proportions of part-time workers are even higher in case study stores, which are generally larger than the typical retail establishment. For example, in the U.S. case studies, part-timers made up 50 to 80 percent of the store workforce (with the exception of one chain with smaller stores and one electronics chain that relied on a commission workforce)—well above the 28 percent industry average.

Although part-time employment is widespread for retail as a whole, the rate of part-time employment differs markedly across the two retail subsectors, as the last two rows of table 6.4 indicate. Whereas the food retail workforce uniformly shows a higher rate of part-time employment than the already high retail average, consumer electronics equally uniformly has a lower proportion of part-time workers—in some countries, even lower than the economy-wide proportion. As we will see when we examine other job characteristics, this heralds a general pattern: within retail, consumer electronics retailing offers more "standard" and, by a number of criteria, better jobs than the food retail subsector. Because case studies in a number of countries revealed continued pay and working conditions disparities coupled with declining emphasis on electronics knowledge for jobs in electronics retailing, this differential seems to a considerable extent unlikely to result from skill differences. Instead, the most likely explanation is the much higher concentration of women in food retail than in consumer electronics stores (not shown). Indeed, as Florence Jany-Catrice, Nicole Gedrey, and Martine Perdomo (2005) argue in the case of France, managers discount the soft skills required in frontline retail work in part precisely because they are skills tied to standard female socialization.

Table 6.5 demonstrates that high concentrations of women and younger workers in the retail workforce are associated with the high proportion of jobs that are part-time. In each of the six countries, the retail workforce is disproportionately female (though in the United States the overrepresentation is almost nonexistent). Workers under
Table 6.4 Part-Time Employment in Retail Trade by Country (Headcount), 2006 (Denmark, the Netherlands, and the United Kingdom) and 2007 (France, Germany, and the United States)

<table>
<thead>
<tr>
<th></th>
<th>Denmark</th>
<th>France</th>
<th>Germany</th>
<th>Netherlands</th>
<th>United Kingdom</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part-time in retail employment</td>
<td>49.7%</td>
<td>27.7%</td>
<td>52.0%</td>
<td>69.8%</td>
<td>50.2%</td>
<td>27.9%</td>
</tr>
<tr>
<td>Part-time in total employment</td>
<td>23.6</td>
<td>17.2</td>
<td>25.8</td>
<td>46.2</td>
<td>25.5</td>
<td>18.6</td>
</tr>
<tr>
<td>Ratio: retail part-time percentage to total part-time percentage</td>
<td>2.1</td>
<td>1.6</td>
<td>1.8</td>
<td>1.5</td>
<td>2.0</td>
<td>1.5</td>
</tr>
<tr>
<td>Ratio: food part-time percentage to retail part-time percentage&lt;sup&gt;a&lt;/sup&gt;</td>
<td>NA</td>
<td>1.8</td>
<td>1.3</td>
<td>1.1</td>
<td>1.3</td>
<td>1.4</td>
</tr>
<tr>
<td>Ratio: electronics part-time percentage to retail part-time percentage&lt;sup&gt;a&lt;/sup&gt;</td>
<td>NA</td>
<td>0.6</td>
<td>0.4</td>
<td>0.5</td>
<td>0.6</td>
<td>0.8</td>
</tr>
</tbody>
</table>


Table 6.5 Women and Younger Workers Employed in Retail, by Country, 2006 (Headcount)

<table>
<thead>
<tr>
<th></th>
<th>Denmark</th>
<th>France</th>
<th>Germany</th>
<th>Netherlands</th>
<th>United Kingdom</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of females in retail</td>
<td>57.0%</td>
<td>63.3%</td>
<td>70.6%</td>
<td>60.9%</td>
<td>61.5%</td>
<td>49.4%</td>
</tr>
<tr>
<td>Share of females in total</td>
<td>46.4</td>
<td>46.3</td>
<td>45.4</td>
<td>44.9</td>
<td>46.7</td>
<td>48.1</td>
</tr>
<tr>
<td>Ratio: retail percentage female to total percentage female</td>
<td>1.2</td>
<td>1.4</td>
<td>1.6</td>
<td>1.4</td>
<td>1.3</td>
<td>1.0</td>
</tr>
<tr>
<td>Share under age twenty-five in retail</td>
<td>48.5</td>
<td>19.3</td>
<td>15.6</td>
<td>44.7</td>
<td>34.0</td>
<td>28.6</td>
</tr>
<tr>
<td>Share under age twenty-five in total</td>
<td>13.6</td>
<td>8.9</td>
<td>10.7</td>
<td>15.3</td>
<td>14.0</td>
<td>13.6</td>
</tr>
<tr>
<td>Ratio: retail percentage under twenty-five to total percentage under twenty-five</td>
<td>3.6</td>
<td>2.2</td>
<td>1.5</td>
<td>2.9</td>
<td>2.4</td>
<td>2.1</td>
</tr>
</tbody>
</table>

age twenty-five are likewise universally overrepresented in retail. When we compare the representation of women and young workers in food retail, with its higher rate of part-time employment (and lower-paid jobs), and consumer electronics, with the opposite characteristics, we generally find larger female and young worker percentages in the former (not shown).

The heavy reliance on part-time work offers three main advantages for retailers. First, part-time work allows businesses to match staffing to peak days and hours, reducing “excess” labor. This matching is particularly valuable in the context of new “just-in-time” inventory management systems. Adopting the terminology of Jany-Catrice and Lehndorff (2005), part-timers in all six countries include both “gap fillers” and “time adjusters.” Gap fillers are those employees who work on short-hour contracts and are deployed on regular schedules, working predictable time slots accordingly. Time adjusters, on the contrary, are deployed at variable times and have variable total work hours. Although in general both groups are disproportionately young and female, the gap fillers are particularly likely to be active students or women with young children, with schedule constraints in other parts of their lives. It is the time adjusters who bear the main burden of long opening hours and demand fluctuations and who feel the pressure to work overtime. In all six countries, the use of time adjusters acts as a functional equivalent of the use of temporary workers, which is more prevalent in other industries. The research teams found small numbers of temp workers in retailing, or none at all, though seasonal workers (for example, to cover the Christmas rush) are common.

Second, the classical argument for the high productivity of workers with short hours in repetitive work holds sway with retailers. As a manager in German food retailing noted: “The productivity of people with short working hours is simply higher. After five or six hours, an individual worker starts to run out of energy and to slow down, while two workers can complete a lot of work in four hours each.”

The third advantage to retailers of widespread part-time employment is that it opens up exit options that allow them to evade normative, legal, or collective bargaining standards for compensation, fringe benefits, and social insurance. The specifics vary. In the United States, part-time employment itself represents an exit option, because in much of retail part-timers are paid lower wages and receive fewer or no benefits. A U.S. supermarket cashier noted: “Some people, they work over thirty-two hours, but they’re just not considered full-time. And that makes them so mad.” An HR officer at the same chain concurred: “There’s probably plenty of thirty-plus hours part-time employees that just are not full-time because the stores are not able to make anybody wholesale full-time if they want to, because of the expense of the benefit packages.” In Germany, a key exit option is the “mini-job,” a short-hour part-time job often paid below the collectively bargained scale, in violation of the law. In Denmark, the Netherlands, and the United Kingdom, a lower statutory or collectively bargained wage scale for younger workers has opened up an important exit option. In France’s highly inclusive employment relations system, there are few formally specified exit options, though as a practical matter legal and collectively bargained requirements are less rigorously enforced in small retail enterprises.

We discuss further the impact of these varied exit options later in the chapter, but here it is important to point out that the high concentration of women and young people has helped to make exit options a viable option for firms. Generally these groups are weakly organized and poorly represented through unions and works councils: employers are thus able to execute exit options with little public fuss. We note that, unlike in another low-wage industry, hospitality, immigrant labor is not commonly used to facilitate exit options in retail. Immigrant labor is not commonly used to facilitate exit options in retail workforce in the six countries. There is some immigrant overrepresentation in U.K. retail compared to the workforce at large, but underrepresentation in Denmark, Germany, and the United States.4

U.S.-Europe Differences in Work Schedules. Despite these common features of retail jobs in the United States and the five European countries, the United States also stands apart in a number of ways. Given the importance of work schedules as a job quality parameter, these U.S.-Europe contrasts are quite noteworthy. In U.S. case studies, full-time workers increasingly are not guaranteed full-time hours; in a number of the food and electronics chains, full-timers were guaranteed only thirty-two or thirty-five weekly hours out of the forty that traditionally and legally constitute a full-time schedule. This system turns full-time workers into another group of “time adjusters” while minimizing the risk of incurring the overtime pay premium. This practice was not encountered in European cases. Some
age twenty-five are likewise universally overrepresented in retail. When we compare the representation of women and young workers in food retail, with its higher rate of part-time employment (and lower-paid jobs), and consumer electronics, with the opposite characteristics, we generally find larger female and young worker percentages in the former (not shown).

The heavy reliance on part-time work offers three main advantages for retailers. First, part-time work allows businesses to match staffing to peak days and hours, recuing "excess" labor. This matching is particularly valuable in the context of new "just-in-time" inventory management systems. Adopting the terminology of Jany-Catrice and Lehnorrh (2005), part-timers in all six countries include both "gap fillers" and "time adjusters." Gap fillers are those employees who work on short-hour contracts and are deployed on regular schedules, working predictable time slots accordingly. Time adjusters, on the contrary, are deployed at variable times and have variable total work hours. Although in general both groups are disproportionately young and female, the gap fillers are particularly likely to be active students or women with young children, with schedule constraints in other parts of their lives. It is the time adjusters who bear the main burden of long opening hours and demand fluctuations and who feel the pressure to work overtime. In all six countries, the use of time adjusters acts as a functional equivalent of the use of temporary workers, which is more prevalent in other industries. The research teams found small numbers of temp workers in retailing, or none at all, though seasonal workers (for example, to cover the Christmas rush) are common.

Second, the classical argument for the high productivity of workers with short hours in repetitive work holds sway with retailers. As a manager in German food retailing noted: "The productivity of people with short working hours is simply higher. After five or six hours, an individual worker starts to run out of energy and to slow down, while two workers can complete a lot of work in four hours each."

The third advantage to retailers of widespread part-time employment is that it opens up exit options that allow them to evade normative, legal, or collective bargaining standards for compensation, fringe benefits, and social insurance. The specifics vary. In the United States, part-time employment itself represents an exit option, because in much of retail part-timers are paid lower wages and receive fewer or no benefits. A U.S. supermarket cashier noted: "Some people, they work over thirty-two hours, but they're just not considered full-time. And that makes them so mad." An HR officer at the same chain concurred: "There's probably plenty of thirty-plus hours part-time employees that just are not full-time because the stores are not able to make anybody wholesale full-time if they want to, because of the expense of the benefit packages." In Germany, a key exit option is the "mini-job," a short-hour part-time job often paid below the collectively bargained scale, in violation of the law. In Denmark, the Netherlands, and the United Kingdom, a lower statutory or collectively bargained wage scale for younger workers has opened up an important exit option. In France's highly inclusive employment relations system, there are few formally specified exit options, though as a practical matter legal and collectively bargained requirements are less rigorously enforced in small retail enterprises.

We discuss further the impact of these varied exit options later in the chapter, but here it is important to point out that the high concentration of women and young people has helped to make exit options a viable option for firms. Generally these groups are weakly organized and poorly represented through unions and works councils; employers are thus able to execute exit options with little public fuss. We note that, unlike in another low-wage industry, hospitality, immigrant labor is not commonly used to facilitate exit options in retail. Immigrant labor (by which we mean foreign-born or noncitizen workers) is not widespread, ranging from 4 to 13 percent of the retail workforce in the six countries. There is some immigrant overrepresentation in U.K. retail compared to the workforce at large, but underrepresentation in Denmark, Germany, and the United States.

U.S.-Europe Differences in Work Schedules Despite these common features of retail jobs in the United States and the five European countries, the United States also stands apart in a number of ways. Given the importance of work schedules as a job quality parameter, these U.S.-Europe contrasts are quite noteworthy. In U.S. case studies, full-time workers increasingly are not guaranteed full-time hours; in a number of the food and electronics chains, full-timers were guaranteed only thirty-two or thirty-five weekly hours out of the forty that traditionally and legally constitute a full-time schedule. This system turns full-time workers into another group of "time adjusters" while minimizing the risk of incurring the overtime pay premium. This practice was not encountered in European cases. Some
European retail full-timers did flex their hours upward from a full-time base, particularly consumer electronics employees motivated by commissions, as well as, more generally, German full-timers who had been socialized by that country's strong vocational education system. Indeed, even in the relatively liberalized U.K. labor market, seven out of eight case study firms use overtime rather than temporary workers to handle demand variations.

U.S. workers have less individual and collective choice, control, and advance notice of work schedules than their European counterparts. A single U.S. schedule regulation affects decision terms for management: virtually all retail frontline and first-level supervision workers are hourly workers subject to the federal overtime pay provision of time and a half for work over forty weekly hours. This cost differential further contributes to the use of part-time time adjusters and affects managerial scheduling decisions in other ways (for example, overtime hours are rarely authorized). With regard to notification of work schedules, U.S. retailers typically inform workers of their work schedules three days to two weeks in advance; there is generally shorter notice and more schedule variation in food retail than in consumer electronics. The combination of lean staffing with high turnover and unreliability among short-hour part-timers frequently presents managers with the need to change staffing and adjust schedules on short notice; the virtual absence of collective bargaining clauses (owing to low union representation) and lack of mandates on schedule notification enable them to do so.

In contrast, the most extreme European cases are Germany and Denmark, where retail collective agreements require retailers to post schedules twenty-six and sixteen weeks in advance (though case studies revealed that breaches of these mandates were rather common, especially in smaller retailers). German, Danish, and Dutch codetermination laws also require retail employers to negotiate scheduling with their works councils (Tijdens 1998; Voss-Dahm 2003). In response to worker preferences on scheduling options and notification, German and Dutch works councils have used their legal rights to negotiate scheduling options in grocery stores to achieve compromised over flexibility for management and workers. In this context, German and Dutch retailers use sophisticated software to work out schedules that conform to worker preferences (Voss-Dahm 2000), whereas U.S. retailers press new employees to list the maximum possible hours of "availability" and penalize employees who do not agree to cover various hours and shifts with fewer hours and promotion opportunities. Recapturing how one part-timer quit, a U.S. electronics department manager noted that "[another part-timer's] availability opened up, so I started giving him more of the hours because he was a better associate for that, and the other gentleman, his hours dropped... He ended up probably catching on and he just quit, just stopped showing up." Workers' main recourse is to swap shifts with coworkers, subject to management approval (also a common strategy in European stores).

In the United States, store managers (and to a lesser extent supervisors and full-time workers) are acutely aware of the difficulty of scheduling and often must solve scheduling problems by working extremely long hours themselves, ranging up to sixty or seventy hours per week. (In the European countries, store managers also report long hours, but not to the same degree; compare Denmark, where even in food retail, with its longer hours, managers report working "only" forty-five to fifty hours per week.) Above the store level, however, U.S. higher-level managers and executives expressed little concern about scheduling. In contrast, in many European companies, especially in Germany and the Netherlands, the difficulty of organizing satisfactory employee work schedules was a topic of discussion up to the executive level and even on corporate boards.

In the countries with more corporatist labor relations and robust unions in the workplace—Denmark, Germany, and the Netherlands—work hours are further shaped by both store hour regulations and collectively bargained shift premiums. Danish, Dutch, and German stores are barred from opening most Sundays. Interestingly, even in France, which puts fewer restrictions on store hours, hypermarkets typically are open 9:00 AM to 10:00 PM Monday through Saturday, but only a few Sundays a year (except in tourist areas), and superdiscounters and consumer electronics stores operate even fewer hours. Danish, German, and Dutch retail collective bargaining agreements stipulate premium payments for overtime hours, night work, and work on Saturday, Sunday, and public holidays. Moreover, such premium payments are also prevalent in France and the United Kingdom, in both union and non-union settings. In contrast, in the United States, restrictions on store hours historically were imposed at the state and local levels, and most were already gone by the late 1980s. The U.S. cases show companies (including unionized ones) decreasing or eliminating pay differentials for off-shifts and Sundays.
Even in the countries with strong unions, however, the bite of working time regulation seems to be weakening. Some regulations, like shift differentials, already exempt some vulnerable groups, and now these regulations are coming under further attack. With the liberalization of opening hours in the Netherlands in 1996 and Germany in 2006, employers have begun to press for reduced premiums for nonstandard work times. In the Netherlands, as early as 1998 retailers negotiated the elimination of premiums for Saturdays and work between 6:00 and 8:00 PM. Yet, in a slight counter trend, a 2008 employers' effort to reach a new collective bargaining agreement and remove the remaining premiums foundered. In Germany, unions successfully resisted employer efforts to reduce shift differentials in 1999, but with opening hours now less regulated, employers have made the abolition of premiums their main demand, triggering a series of hard-fought strikes. Note also that the Dutch differential for work after 8:00 PM is available only to those who work more than twelve hours per week; most younger workers are thus excluded. And though German min-jobs are entitled to shift premiums, firms tend to withhold these premiums from them.

Despite these recent shifts, U.S. retail workers continue to have fewer tools to exert control over their schedules than do their European counterparts. The long reach of collective agreements and the presence and legally specified role of works councils, as well as differing norms, are the main explanations for these U.S.-European differences. The continuing (though diminishing) relevance of opening hours restrictions in some European countries also limits schedule variability.

**Differences in Work Schedules Within Europe.** The five European countries themselves differ in their work schedule patterns, as our discussion of work schedules has already revealed. These differences result from a combination of differences in labor supply (themselves provoked in part by differences in family and welfare state policies; see Gautié et al., this volume) and divergences in employment-related institutions. As table 6.5 shows, Danish and Dutch retailers—motivated in part by lower bargained or legislated rates of pay for young workers—have extraordinarily high levels of youth employment. In France and Germany, in contrast, there is more reliance on women workers, whereas U.K. retailers have more equal shares of women and men. In each country, a specific history underlies the demographic pattern. For example, in Denmark working women have shifted from part-time to full-time work since the 1970s, supported by government-sponsored child care and a tax system that assesses each spouse separately. In response, retailers have turned to youths for part-time staffing. In the Netherlands, on the other hand, the influx of women that took off in the 1980s was reversed when the price war that began in 2003 put pressure on wage costs. Retailers responded by availing themselves of the statutory youth subminimum wage enacted in the 1970s. Adult women complained that they were "pulled away" and replaced by cheaper young workers, many of whom (50 percent) were students whose income was made viable by a generous state student grant system. In France, for decades, large numbers of women have preferred full-time work, bolstered by a universal child care system. Thus, as interviews by the French team clarified, French retailers' reliance on women to cover part-time jobs traps many women in unwanted part-time schedules (though, notably, the overall rate of part-time employment, both in retail and throughout the economy, is considerably lower in France than in the other European countries).\(^3\)

In fact, France is something of a special case—with the state playing a particularly prominent role in typical French fashion. On the one hand, French law has set the full-time workweek at 35 hours. On the other hand, pressed by unhappy women workers, French retail workers have won a minimum part-time hours threshold of twenty-six hours (but with exceptions for students and those who "voluntarily" choose to work less). In combination, these provisions reduce the part-time/full-time hours gap to its lowest level across the six countries. With this minimum hours requirement, combined with a mostly adult workforce, only 16 percent of French part-timers work less than twenty hours per week; the other European countries range from 53 percent (Germany) to a staggering 77 percent (Denmark). The United States falls between France and the rest of Europe, with 34 percent of part-timers clocking less than twenty hours.\(^4\)

In summary, work schedules are a critically important element of job quality in retail. Above all, the degree of predictability and workers' leverage over schedules affect the job experience. In most of the European countries, unlike the United States, collective bargaining and legislation reinforce workers' influence over their schedules. However, retailers in Europe—whose use of part-timers is already pervasive—are also experimenting with institutional loopholes as
they recruit particularly vulnerable populations (women, young people). One consequence is the activation of exit options from regulating institutions, ranging from German mini-jobs to U.K., Danish, and Dutch youth subminimum wages. Interviews and focus groups conducted by the national teams confirmed that in some cases these options dovetail with workforce preferences. In particular, school enrolled youths and some women take “gap filler” jobs precisely because they want short, fixed work hours. The overrepresentation of women and younger workers, in turn, implies that other institutions—notably government support for child care, the tax treatment of married couples’ earnings, and student grants—modulate the industry’s labor supply.

WORK ORGANIZATION AND TASK AND SKILL COMPOSITION

Though sales activities as a whole have much in common, the task and skill profiles of workers vary depending on the retail firm’s business strategy. If retailers adopt a self-service strategy, customer advice and service are reduced to a minimum. If retailers follow a service strategy that includes lots of personal assistance to customers, then demands on the availability and skills of staff are much higher. Thus, the market segment in which companies position themselves is a crucial factor in determining the task and skill profile of retail workers. The actual composition of individual segments varies from country to country, a pattern that can be attributed to differences in national consumption patterns as well as different notions of what constitutes service and different paths taken in the adoption of advanced technology.

Given this background it could be argued that institutional factors have little or no direct influence on the mix of tasks and skills in sales work. Indeed, our findings confirm a close connection between business strategy and job profile. Nevertheless, analyses of the case studies also show institutional influences through product market regulations or training institutions on the task and skill composition of sales workers.

With regard to notions of customer service, we found varying task and skill profiles within countries, but importantly, we found some differences between countries as well. Virtually across the board in U.S. food retailing, quick checkout is part of the service pledge and affects how often employees are shifted from other departments to the “front end” (checkout). Likewise, in most U.S. food stores, simple service tasks like bagging are a central function in customer service, a priority that boosts the share of workers with narrow task profiles. Nevertheless, some service-oriented U.S. food retailers offer a wide selection of fresh and ready-to-eat products that are actively sold by sales staff and thus require special and often craftlike skills in storing or preparing fresh food.

Taking the consumer electronics subsector into consideration brings in an even greater diversity of job requirement profiles. Some stores concentrate on selling mass-market products “off the shelf” (TVs, small electronics), retail work that has only limited and clearly decreasing skill requirements over time. Others focus on specialized items, such as expensive, technically sophisticated home entertainment systems. Some large stores—having earlier implemented a move away from sales staff with technical knowledge—have developed “within-store” units that offer customization of home entertainment or office systems where specialized staff provide intensive consultation and coordinate installations. In some ways, this market innovation represents the completion of a cycle of skill elimination, then recreation, albeit for a subset of sales positions.

Adding Europe to the picture reveals other within- and between-country differences in food retailing. Service-oriented British supermarkets tend to focus on labor-intensive customer service features like the availability of sales staff to answer customer questions or short wait times at checkout. In the European case studies, employee bagging was found in the United Kingdom but not in Denmark, France, Germany, or the Netherlands. Within-country differences are large in France. There, as in other countries, small-scale discounters follow a pure self-service concept that sharply contrasts with that of French hypermarkets, which traditionally offer specialty cheeses or fresh fish at full-service counters, leading to a more heterogeneous and, in some parts of the store, sophisticated task and skill structure.

A comparison of French and German product market regulations, such as zoning or price regulations, reveals how the pattern of the task and skill structure in a country is influenced, at least indirectly, by institutional factors. In France, barriers to entry for large stores that include zoning regulations (1973 and later), periodic freezes on the authorization of large stores (1993 to 1996), and store size limits (1996) set obstacles to the expansion of sales space. As a result, es-
established French hypermarkets, with their high-service approach and high product variety, face limited competition and are able to dominate. In contrast, Germany, which has no such regulations, has one of the highest selling-space-per-inhabitant ratios in Europe (EHI 2006: 91, 92). Winners in the expansion of selling space are low-price discounters like Aldi and Lidl, which have increased their market share at the expense of other formats with a more variegated range of items and a differentiated job profile of sales workers.

The picture seems to be rather mixed when we look at frontline activities. What can be observed with regard to activities that are related to the commercial handling of goods? In particular, is technology an equalizer of task and skill demands in sales jobs across countries? Retailers have long found ways to speed up and automate goods handling by using information and communication technologies (Mois and Tilly 2001). In the near future, RFID (radio frequency identification) technology promises to trigger a surge in rationalization, which will lead to the elimination of active goods scanning by employees, both in the receiving department and at checkout. Work intensity at checkouts can already be considerably reduced by automated “self-checkout” counters at the retailers that use them. The use of advanced technology in goods handling and customer self-service, described as “lean retailing” (Abernathy et al. 2000), offers retailers ways to achieve high productivity with low labor costs. In such a system, knowledge demands on employees are low. In extreme cases, sales staff are left with little work to do beyond simple, routine activities such as shelf stocking. This scenario can clearly be linked with the high-performance-business–low-wage system that Bailey and Bernhardt (1997) have described for general merchandise.

With regard to the distribution of highly automated high-performance-business systems, we found substantial within-country differences rather than clear differences between countries. Germany stands as an example of within-country differences in Europe. One company investigated in Germany stood out as a world leader in the use of labor-saving RFID technology. Conversely, in another German company, automatic goods ordering had been rejected for strategic reasons, so that replenishing the range of products was a standard task for sales staff.

Task-Versus Function-Centered Work Organization It is insufficient to state a connection between business strategy, customer segmenta-
Figure 6.2 Pattern of Work Organization

<table>
<thead>
<tr>
<th>Type of work organization</th>
<th>Task-centered work organization</th>
<th>Function-centered work organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position of country</td>
<td>United States</td>
<td>France</td>
</tr>
<tr>
<td></td>
<td>United Kingdom</td>
<td>Netherlands</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Germany</td>
</tr>
<tr>
<td>Type of training system</td>
<td>No retail-specific training</td>
<td>Retail-specific training</td>
</tr>
<tr>
<td></td>
<td>institutions</td>
<td>institutions</td>
</tr>
</tbody>
</table>

*Source: Authors’ analysis based on Marsden (1999).*

it could be on provisions [for example, dairy or produce], or it could be queue-busting on the checkout, or we could be doing replenishment. ... The guidelines are all laid out so we follow them.” Similarly, sales workers in the United States are deployed to different departments (except specialized departments) when the workload requires such a move, particularly in consumer electronics, where it is the norm. The reason for this ad-hoc adjustment to staffing requirements lies both in the cost-cutting strategies adopted by retail companies, which have reduced staffing levels to a minimum, and in temporary losses of employees due to high labor turnover.

The counterexample to the United States and the United Kingdom is Germany. There, most employees have completed vocational training, even in large food stores and in consumer electronics retailing in general. Ordinary sales assistants take responsibility for the whole distributive process—that is, for ordering goods, taking goods from stocks onto the shop floor, stocking shelves, merchandising products, and giving advice to customers. Hence, tasks are vertically integrated, and salespeople have a reasonable range of discretion; they do not receive daily instructions from supervisors. At the same time, tasks are narrower from a horizontal perspective. Sales assistants take care only of a particular part of the merchandise; they do not change between departments, and they never work at checkouts. They are expected to optimize the assortment of products in order to improve sales and profits. If this requires changing assortments, adding new products, or revising merchandising, they must coordinate these changes with team leaders. Though the potential of vertically inte-
gated tasks for job quality is obvious, there are special constraints too, such as the delegation of responsibilities for tight cost control downward from managers. A comment by a German supermarket manager illustrates the reliance on trained workers: “I can put pressure on the permanent workers. They have the basic knowledge for me to be able to discuss particular developments, objectives, and plans with them. They have a background in retailing and know what it’s all about.” Thus, vertical integration of tasks within a cost-cutting environment constitutes an attempt to “exploit awareness,” that is, to make use of, but not necessarily reward, worker attention and skill (Leibendorf and Voss-Dahm 2005). With their specialized skills, German retail workers are more likely than in other countries to have internalized the belief that what they do at work contributes to firm performance.

In the United States, we found other means of stimulating worker engagement. U.S. consumer electronics stores in particular orchestrate a process that includes “fun” experiences linked to achieving sales. Managerial prompts are key. In some big-box stores, the duty manager holds regular, sometimes daily, motivational meetings around team coordination and store performance results.

Comparison with Dutch and Danish supermarkets shows that store size also influences the strictness of the division of labor in day-to-day operations. Typically, Dutch and Danish supermarkets are small in terms of sales space; to a considerable extent, they are positioned as discount or near-discount stores offering mass-consumption goods at permanently low prices and on a self-service basis. Most supermarkets employ many young people in marginal part-time jobs, but measured in full-time equivalents, however, the number of employees per store is rather small. Although formally these young people perform narrow tasks, in practice, “everyone is trained to do everything” to maintain the efficiency of the work processes. In some stores, managers assign tasks; in others, peer groups of workers flexibly organize themselves. Characteristically, a Dutch supermarket manager explained: “We maintain clear policies to keep lines short through the flexible opening of new checkouts. If necessary, we ask staff from counters and from the ranks of experienced stockers to join. Let us not feel the need to formalize or reward these practices.”

The influence of store size on the degree of division of labor is also evident in the case of consumer electronics retailing. In particular, in smaller stores, sales assistants usually take care of the whole sales
process, giving advice to the customer, operating the cash register, and taking "ownership" of the customer's after-sales service arrangements. However, larger stores show more specialization; cashiers run cash registers without engaging in the sales process.

The task profile at checkouts in large stores is a special case. Cashiers' tasks are in some countries monitored for speed, pushing the worker to perform. In the United States, managers periodically post individual scanning results on a public wall in the work area for all staff to see and, in at least one case, on public display within the store. This places lateral pressure on workers, most of whom would prefer to quit the job if their scan rate falls below standards rather than be fired or passed over for raises. At first glance, the case of French supermarkets seems similar because supervisors provide weekly individual scanning results to cashiers. But there are substantial differences in the speeds that cashiers must attain; in U.S. case studies, we found items-scanned-per-minute targets of twenty to twenty-five, even in a discount chain, but at hard discounters in France target scan rates were up to forty to forty-five. In France, such rates, combined with poor checkout counter design, clearly contributed to high rates of stress and work-related injuries. As a cashier in a classic hypermarket noted, "It's really tiring. The job is repetitive and insignificant. I no longer look at what I do. I escape or daydream at times. I'm used to the motions and think of nothing."

In contrast with both the United States and France, German and Dutch laws ban individual reporting of scan rates, owing to privacy considerations. In the Netherlands, before individual scan rate reporting was prohibited, it was attempted as part of a drive for faster performance. Food retailers found that it led to increased error rates, however, because the checkout speed was already quite high, and thus they had no problem accepting the legal limitations.

Training Institutions and Their Impact on the Qualification Level We have argued that skill formation affects how tasks emerging from company business strategies are bundled into jobs. Therefore, sector-specific training institutions should matter. The basic principles of skill formation differ widely in the six countries. Low-skilled and semi-skilled employees dominate retail employment in the United Kingdom and the United States, and there is no notable vocational training system for retail frontline jobs. In France as well, no countrywide vocational training system exists in retailing that "produces" skills tailored to the retail trade, but in the country as a whole a consistently strong emphasis is put on general education. Almost half of retail employees have a French Baccalauréat degree. Because of the absence in these three countries of a vocational training system tailored to the needs of retail firms, more emphasis is put on job-specific training. For example, food retailers in France provide extra training to specialist staff working on counters such as fresh fish, meat and cheese, and baked products. Here induction training takes longer than it does for ordinary sales workers, and continuing training is more common so as to incorporate new products or, in the case of fresh food, hygiene regulations. In consumer electronics too, retailers tend to invest in in-house training, given that they sell expensive and more complex products. Ongoing training is typically organized using a "snowball" model: internal trainers are trained in new products through seminars or training modules delivered via the Internet, and then they pass this information on to colleagues at training and work meetings. In addition, training by suppliers plays a much more prominent role in consumer electronics than in food retailing.

In Germany, vocational training institutions continue to offer apprentice training and continuing training programs specialized for retail trade. The role of vocational training institutions—which are governed by unions, employers' representatives, and federal authorities—is to provide training curricula that fit the needs of retail companies as well as to issue standardized certificates. In general, training includes theoretical study in school and practical learning in firms. Despite a decline in total retail employment, the number of newly concluded training contracts in retail has not declined in the last fifteen years. The footprint of vocational training institutions is obvious: 81 percent of all retail employees have completed a two- or three-year vocational training program. Denmark and the Netherlands also have traditional vocational training institutions. About one-third of Danish retail workers have vocational training certificates. In the Netherlands, where an industry-based vocational training system was established later than in Denmark, only about 15 percent have such a certificate.

The Netherlands and, even more so, Denmark show that changes in the workforce composition alter both the qualification structure of a sector and the role of training institutions. In both countries, the growing number of young people working as sales assistants for a
limited period of time has led to a shift in training patterns. In food retailing in particular, young people are given on-the-job training, using “e-learning” modules and quick instruction by experienced workers. Even though firms could make use of the sector-specific vocational training systems, they do not use these “higher-level institutions” (Marsden 2000, 344) for the bulk of new recruits. The consequences of this shift in pattern are twofold. First, the core of trained workers in food retailing will decrease over time. Second, the competition between a short-term pattern of skill formation and the traditional policies oriented toward the long term that are associated with vocational training will lead to an “exhaustion” of training institutions—defined by Wolfgang Streeck and Kathleen Thelen (2005, 20) as a gradual breakdown of these institutions over time through depletion.

Norms with Institutional Weight and Their Implications for Worker Experience Beyond the task structure per se, worker experience with workload and pressure is also susceptible to social norms regarding customer service. These factors affect work organization and worker experience, even though the task structure is heavily marked by companies' choice of market segment. For example, European cashiers in food retail sit to do their work, whereas companies in the United States mandate that cashiers stand. In Denmark, France, Germany, and the Netherlands, sitting is reinforced by national ergonomic standards and the labor inspectorate.

Work organization also responds to customer service expectations, but these expectations turn out to be malleable “upward and downward.” As already noted, with the partial exception of the United Kingdom, European food customers expect to weigh produce and bag groceries. In the United States, bagging is considered an integral component of customer service, except at self-checkout counters. Also in the United States, produce displays are expected to be very attractive even in midrange stores, an expectation that generates tasks that are not present in other countries.

WORKFORCE TURNOVER AND VERTICAL MOBILITY

Mobility in retail jobs has two key dimensions: vertical mobility and labor turnover—“moving up or moving on,” in the felicitous phrase of Fredrik Andersson, Harry Holzer, and Julia Lane (2005). Given a retail job pyramid with many entry-level jobs and few higher positions, opportunities for upward mobility are more limited than in many other industries. This presents retailers with several options: (1) tolerating high turnover in some jobs, (2) recruiting significant numbers of workers who do not aspire to mobility, or (3) creating some opportunities for growth within an entry-level job (through enriched content and opportunities for compensation growth). As we will see, retailers in the six countries use all three solutions, but to varying degrees. We start by examining turnover—because retail is distinctive in its high level of employee turnover—and then turn to upward mobility.

Turnover Labor turnover has several important effects on various dimensions of job quality, making it an important job characteristic in its own right. First, high turnover can depress productivity by creating a workforce dominated by workers who lack experience and firm-specific knowledge. Second, elevated turnover in low-end jobs results in very few workers actually exercising the option to move up. Conversely, high turnover in mid- and upper-level jobs opens up space for upward mobility for those who remain. Finally, when turnover is high, it is relatively easy to achieve a norm shift about what constitutes an acceptable job or schedule. The expectations of newer cohorts of workers can be ratcheted down. For example, a participant in a focus group of cashiers in one of the Dutch supermarket cases stated, “Working part-time is the normal state of affairs in this job,” adding, “Yet, it’s quite difficult to build a decent living for yourself based on this work.” Managers at a U.S. electronics chain that eliminated commission payments several years ago acknowledged that the action had been very demoralizing for employees, but current salespeople were content; one commented, “I like not working on commission,” and another, newer hire exulted over a 3 percent raise in his hourly rate after ninety days on the job, oblivious to the absence of commission pay.

We found considerable differences in retail labor turnover across countries. The United States has by far the highest churning rates (50 percent per year, thirteen percentage points higher than the U.S. economy-wide average), with Germany and France (both 20 percent) at the bottom (see table 6.1). Quantitative data and the case studies themselves suggest three reasons, or sets of reasons, for these variations in churn. The first two stem from the observation that sep-
Dutch counterparts commented that many young workers, particularly immigrants, were "stuck." This difference, in turn, can be linked to the disparities in labor market opportunities between the two countries, but also to Denmark's famed system of "flexicurity," which enhances labor market mobility.

The largest discrepancy from the dominant turnover pattern, however, arises in the United States, which has a far greater separation rate than would be expected based on either the age mix or the unemployment rate. Interviews with U.S. retail managers and executives revealed a corporate strategy so pervasive that it has become institutionalized: these managers literally "tuned" turnover levels. On the one hand, because pay raises, particularly in retail food, are closely linked to seniority, managers sought to keep labor churning high enough to maintain low average wages. "Your [average pay] rate constantly goes up," a supermarket manager explained. "You have to
cycle in the lower end to balance the rate out." On the other hand, they sought to ensure that enough of the desirable workers were retained and groomed for internal promotion. In the European countries, this two-sided strategy can be recognized as well, but European retailers tend to emphasize the retention side quite a bit more, tilting toward better jobs overall rather than a large "turnover pool." As we explored earlier, longer job tenure may be a side effect of higher commitment to developing employee skills, whether through an apprenticeship system that offers a strong platform for doing so (Denmark, Germany, the Netherlands) or through a high wage floor that obliges retail managers to keep productivity high (France).

Also, analysis of institutional factors and corporate strategies leads us to look beyond the age profile of the retail workforce as proximate cause to consider underlying influences on this profile. France and Germany, the two countries in our sample with the lowest retail turnover rates and the lowest percentages of young workers in retail, are also the two countries with the highest proportions of women workers in retail. These high concentrations of women, in turn, are closely tied to France's family policies that support female labor force participation and German policies that promote mini-jobs with tax advantages that are particularly beneficial to married women. Alternatively, an older workforce could be the result rather than the cause of a lower propensity to quit. This alternative reminds us to look at nondemographic influences on turnover. Earlier, we cited the vocational training system and a high minimum wage as incentives for retailers to strive to hold on to workers; it is equally reasonable to argue that German workers' strong vocational training and French workers' high relative wages induce these workers to stay in retail jobs. Indeed, as a rule, churning can be brought down with higher wages and benefits, and even in the United States selected retail companies reduce turnover this way. Segmentation offers compensation opportunities to one slice of the workforce, with the part-time/full-time distinction serving as a key divider in the United States: in one U.S. grocery chain that provided detailed statistics, the turnover rate for part-timers was twelve times as high as for full-timers.

Vertical Mobility Despite the varying contexts for upward mobility across countries, we found some commonalities. The available evidence from the six countries indicates that retail management posts are predominantly filled by promotion from within. However, especially in food retail, the odds of promotion for:shop-floor workers are low given high ratios of workers to managers, as noted earlier. Given the flat employment structure of stores, management is virtually the only path for advancement. Moreover, in most countries a gender gap can be seen, again notably in food retail: women are broadly underrepresented in management ranks. For the United States, earlier analyses of the U.S. research team (Carré, Holgate, and Tilly 2006) showed that women are more underrepresented in retail management (including food and consumer electronics) than in the economy as a whole.

The U.S. case results connect these gender-specific results to broader mobility patterns. At most food retailers, company policies require every new employee to start in a part-time position; as a result, all full-timers come from within. Even up to the position of store manager, promotion from within predominates. Yet the cases highlighted that moving up into management is nonetheless difficult, especially for women, and that recruiting managers from outside is a growing practice. Many U.S. retailers, especially in consumer electronics, reported that they were moving away from the model of promoting almost exclusively from within. At one electronics chain, the percentage of store-level sales managers hired from within had dropped from between 90 and 95 percent to 50 percent over the past ten years. Various forces may work in this direction. Cost-cutting pressure may have the unintended consequence of discouraging or thwarting internal upward mobility: smaller pay increments and increased workloads make supervisory and management positions less attractive. Perhaps the most important driver of outside recruiting has been the evolution of store management—especially in consumer electronics, but also in supermarkets—into an increasingly numbers-driven job that relies more on generic management skills. Recruitment thus is now more focused on professional and educational credentials than on company-specific knowledge.

The forces identified in the United States also are relevant in determining vertical mobility patterns in European countries, though other factors—notably those related to working time and commuting issues—come to the fore as well. In German food retail, promotion opportunities are limited and gendered segmentation patterns and processes are especially evident. Segmentation in career opportunities starts as early as the selection process for vocational training positions. Managerial positions at the store level are predominantly oc-
ocupied by men, and the more companies use potential consideration for management positions as a criterion for allocating initial training slots, the more disadvantaged female applicants are. This mechanism works in step with the widely held view among male managers that investing in women’s advancement is a waste of resources. Moreover, willingness to work long hours (over forty-five per week) and to be geographically mobile is an essential precondition for promotion from within. These two constraints, which are not directly linked to the business processes at stake, are also reported in the Netherlands and the United Kingdom. Though not explicitly excluding women, such demands are undoubtedly at odds with the preferences of large majorities of women and effectively prevent many women from building a career in retail. Closer analysis of the German interviews reveals that many women in the target jobs consciously refrained from efforts to get promoted in order to maintain a work-life balance and avoid the onerous management responsibilities linked to escalating performance benchmarks—akin to U.S. retailers’ reports of worker reluctance to take on increasingly demanding management jobs. In some Dutch supermarket cases too, frontline workers refused increased responsibilities, especially if accepting them implied leaving their peer group. Notably in the Dutch and British cases, part-time workers gave few signs of concern about the lack of upward mobility opportunities; instead, they tended to emphasize positive aspects of the social life at work. As the U.K. retail team noted, such satisfaction may merely reflect workers’ ability to remain positive in the face of limited options.

In European consumer electronics stores, though similar constraints on promotion apply as in food, opportunities for upward mobility and employee orientation toward seeking promotion appear stronger, perhaps because of the sector’s growth. There is some evidence that this may also be the case for female salespersons, though patterns and processes seem to remain gendered to a certain extent. The influence of the peer group is most likely smaller, but it may be replaced by another factor that reduces the appeal of upward mobility: the large share of commission earnings. In both the English and French cases (as well as in a U.S. case with commission pay), there were reports that sales assistants in electrical goods stores were unwilling to take up career opportunities because, as long as they were successful at selling, their commission earnings could raise their total earnings close to the earnings of team leaders, or even managers, while they remained unburdened with the responsibilities of the latter.

The Danish case stands in contrast to the others. In Danish food retail, unlike food stores in the other five countries, channels of upward mobility seem relatively open. In the food chains studied, the Danish researchers found high degrees of internal mobility, with many promotion opportunities for motivated and qualified workers. Career seekers, starting as apprentices or trainees, did have opportunities to realize their ambitions. Because the food retailers faced strong competition from other industries in the labor market, they offered comprehensive training programs. Conversely, while researchers in other countries have found greater opportunities to ascend in consumer electronics retailing than in food retailing, in Denmark employees of specialty stores (including consumer electronics) find it difficult to advance beyond the level of full-time salesperson. The Danish team identified the career-seeker category as mainly male.

Compensation

The retail trade is consistently a low-wage sector in all countries in this cross-national study. It is also an industry in which national institutions matter. However, the impact of institutions on lifting wages differs considerably. Before probing such institutional effects, we start this section by examining the gender pay gap and the related wage gap between food and electronics retailing. We then explore the role of national institutions in two countries with comparatively low shares of low-wage workers in retailing, France and Denmark. In contrast, the three other European countries give insight into the dynamics that drive an increase in low-wage work—specifically, the use of exit options. Strikingly, the lightly regulated United States, with the lowest rate of collective bargaining coverage, has the same incidence of low-wage work in retailing as Germany, which, despite its tradition of strong representative structures, has allowed numerous low-paid jobs to be created through the mini-job option.

The Gender Wage Gap in Retail  The mean gender pay gap in wholesale and retail is especially large in Germany and the Netherlands—according to WagelIndicator data, 22 and 21 percent, respectively—while in the United Kingdom and France it is 16 percent (Chubb et
Pay in Food Versus Electronics Retail  In all countries, the share of low-wage work is much higher in food retailing than in consumer electronics (table 6.6), and the company case studies confirm with this pattern of disparity. Significant differences between food and consumer electronics retail productivity in all countries would be one possible explanation, but the data, limited as they are, do not appear to bear this out. Indeed, food retailing has 6 percent higher productivity than electronics in the United States, 22 percent higher in Denmark, and 19 percent higher in the Netherlands. The obvious alternative to explain pay differentials would be a historical gender bias in pay structure. This is a likely factor because men make up the majority of the workforce in consumer electronics and women constitute the majority in retail food. In 2004 the share of women in retail food sales occupations varied in Europe between 68 percent in Denmark and 85 percent in the Netherlands, while it was 53 percent in the United States; in consumer electronics, the European share of females varied between 17 percent in Denmark and 40 percent in France, while it was 30 percent in the United States. Gender patterns may play out indirectly as well: consumer electronics retailers may have to compete with information technology—another male-dominated sector—to attract knowledgeable salespeople and technicians. In a later section, we further scrutinize the food-electronics pay gap in an analysis of the practice of commission pay.

National State and Labor Relations Institutions with a “Bite” Some national institutions set effective barriers against firms’ drive to lower wages and depress working conditions. U.S. law does not mandate hourly wage parity for part-time and full-time workers, while in Europe, under pressure from EU guidelines, part-timers are entitled to the same hourly wages as full-timers if they perform the same jobs, and all those working over a minimum threshold (usually twelve hours per week) must be covered by national social security systems. The lack of quasi-mandated universal health and pension coverage (except for limited Social Security) also makes the U.S. situation exceptional (see Mason and Salverda, this volume). U.S. retailers have greater incentives to use “part-time” as a status (to ration access to employer-sponsored benefits) than is the case in European countries. “The fringe costs associated with part-time associates versus full-time associates are dramatically different,” a U.S. grocery chain executive remarked.

The differential bite of national institutions becomes particularly clear when we contrast the U.S. situation to the two countries with the lowest incidence of low-wage work in retail, France and Denmark. In France, the high value of the national minimum wage (SMIC) relative to the national average pulls up the retail wage distribution and contributes to the lowest incidence of low wages in re-
tail of all the countries in the study. The national minimum wage is well above contractual wage levels in retail and provides a floor that lifts most workers above the low-wage threshold, despite reports of frequent minimum-wage violations. In contrast, the real value of the U.S. minimum wage has been set relatively low. Retail entry-level wages are pegged close to it—barely above it in many cases—so the U.S. minimum wage does influence retail wages but does little to raise them.

France’s SMIC is a far more potent tool than collective bargaining. In fact, despite the significant indirect impact of national union federations on wages, via setting the national minimum wage level, the direct impact of collective bargaining on retail wages is limited because the workplace weakness of French unions in retail renders France’s mandatory contractual extension of pay provisions ineffective in the sector. Moreover, some retail firms pursue anti-union policies, as the director of a franchise store indicated: “An employee who joins a union has to be fired immediately. We find a virtual fault as justification.” Product market regulations play a complementary role in limiting low wages. Regulations limiting store size and expansion constrain big-box competition and make comparatively high wage levels (and a smaller share of low-wage employment) possible.

Strong union representation in Denmark, expressed in collective bargaining agreements that enforce significant wage compression, contributes to the low level of low-wage retail employment in Denmark. Collective bargaining coverage was 69 percent in the period 2004 to 2006 (Tijdens et al. 2007), and even those retailers that have not signed on to the collective labor agreement adhere to its conditions. Furthermore, the Danish social partners (which include the Danish Employers’ Federation) have agreed that no member firm will pay less than €12.00 ($16.20) gross wage per hour (Westergaard-Nielsen 2008, 38). Although it is true that, in spite of the absence of a legal mandate, the social partners have set a relatively high wage floor, it is important to keep in mind that even for workers at this wage level the income tax rate in Denmark is a high 44 percent (Westergaard-Nielsen 2008, 44).

In contrast, in the United States, retail collective bargaining coverage is the lowest of any of the six countries (less than 6 percent in 2007; U.S. Bureau of Labor Statistics 2008a). Unionization clearly has an impact on compensation for U.S. retail workers, but the union threat effect is minimal. Furthermore, U.S. workers lack access to other worker representation structures, such as works councils, that could affect wages. Though in decades past U.S. retail unions won significant gains for their workforces, in their current weakened state unions at many companies have been compelled to accept slower wage increases, lower wage ceilings, and benefit cutbacks, sometimes in more dramatic increments than their non-union counterparts. Such concessions often take the form of “two-tier” contracts specifying inferior terms for new hires.

The cases of Germany and the Netherlands—with a share of low-wage work that is about the level of that in the United States (Germany) or even slightly higher (the Netherlands)—show that the existence of collective bargaining institutions does not necessarily raise relative wages. In Germany, the high level of low-wage work in retail partly results from a continuously decreasing coverage rate of collective agreements in recent years, with only about half of all retail employees still covered by collective agreements in 2006 (a twelve-point drop from 2003 in West Germany). Even the administrative extension of collective bargaining agreements in the Netherlands, which compels similar or identical agreements across the industry, is not, by itself, sufficient to yield a low incidence of low-wage work given the high percentage (44 percent) of workers under age twenty-five who get youth subminimum wages. In both countries, retail firms dispose of viable exit options, to which we now turn.

Exit Options and Weak Enforcement Dampen the Effects of Protective Institutions Exit options, and the uses that retailers make of them, serve as gate openers for excluding certain groups of workers from the prevailing wage level of an industry. Consequently, they widen the wage dispersion within the sector. The impact of exit options on the pay structure can be “self-energizing” and grow over time if firms follow cost-cutting strategies in reaction to fierce competition. If certain groups in the labor market relevant for the sector receive lower wages than others, they may be substituted for those who are better-paid. Just as there are country-specific options for employers to achieve flexibility and cost control within the national regulatory environment, there are nationally specific “Achilles’ heels” for worsening compensation. In addition to exit options, which are primarily aboveboard means to bypass national (and sometimes sectoral) institutions, the countries in our study also display some degree of weak enforcement of regulations, with further implications for compensation.
Youth subminimum wages are the most salient manifestation of an exit option in retail. Such subminimum wages are more broadly used in food than in consumer electronics retail. They exist in Denmark, the Netherlands, and the United Kingdom: in the Netherlands and the United Kingdom, they have a legal basis, though they differ widely in size and impact (in the United Kingdom the youth subminimum wage of a sixteen-year-old is 62 percent of the adult minimum wage, and in the Netherlands it is 35 percent); in Denmark, the subminimum wage is set in collective agreements. Youth subminimum wages are consistent with the United Kingdom's low regulation model, whereas in the other two countries they offer exits from institutional arrangements (relatively high collectively bargained wages). Youth minimum wages in Denmark and the Netherlands have played a significant role in staffing decisions, cost control, and ultimately the share of low-wage work in retail. They have created strong incentives to use very young workers and students in both countries. In the Netherlands, the statutory youth subminimum wage introduced by the government in the 1970s led to the replacement of adult women with very young workers in food retail when price wars flared between 2003 and 2006. More Dutch retail workers fell below the low-wage threshold than in any country but the United Kingdom (table 6.6). Prodded by the protests of young members and the downward pressure on adult wages, Dutch union leaders recently requested that adult wages be paid from the age of eighteen. In Denmark, the impact of the youth subminimum wage is mitigated by other institutional features that regulate compensation even in the presence of a high share of young workers. The retail subminimum wage, while about 30 percent lower than the (bargained) adult wage, is still high. As noted earlier, the national agreed-upon wage floor is high, and wage compression prevails in bargaining; retail labor agreements have high coverage and are adhered to by nonsignatory employers in many cases.

Though a national minimum wage, if high enough (as in France), can lift the retail wage distribution and limit the incidence of low-wage work, its effectiveness is limited in cases where it is set relatively low and in an environment with weak workplace-level unions. For example, in the United Kingdom, the national minimum wage (NMW) is still low relative to the median wage. Furthermore, British retailers reacted to increases in the NMW by reducing bonuses and shift pay differentials—leaving retail workers at low relative earnings levels. An executive of a food chain commented that "we pay just a bit over the minimum wage... We used to [go] higher than that, but you know how that's hiked up... we would probably have been around fifteen to twenty pence above it." Furthermore, as noted earlier, the country also has a youth subminimum wage and a relatively high share of young workers (33 percent under age twenty-five in 2006)—higher than in France though not quite as high as in the Netherlands and Denmark. The result, in combination with the very limited grip of collective bargaining, is an even higher incidence of low-wage work than in the United States.

In Germany, the increasing use of mini-jobs—short-hour, part-time jobs with a maximum monthly income of €400 ($637 in 2008)—accounts for the relatively high incidence of low-wage jobs in retail. Nearly nine of ten mini-jobbers (87 percent) receive hourly wages below the low-wage threshold, whereas only one-third of full-time employees (34 percent) in German retail were low-paid in 2004. The pay difference is connected with the special national regulation of mini-jobs. By law, mini-jobs should provide a subsidy to job-holders by exempting them from tax and mandatory social security contributions. But in practice, and contrary to the law, most mini-jobbers never receive this subsidy because retail firms appropriate the benefit by offering lower wages—without being penalized by the state. The case study material indicates that married women, socially protected by their husband's entitlements, and young workers in mini-jobs may not object to unequal wages because, in the absence of mandatory social contributions, their wage level seems sufficient. In companies where works councils strongly represent employees' interests, however, it has proven possible to prevent the use of mini-jobs altogether or at least to monitor developments closely in order to forestall a differentiated pay policy.

The case of German mini-jobs illustrates how the self-reinforcing effects of exit options can result in a wider deterioration of income opportunities. Mini-jobs fit retailers' needs for "gap fillers" to cover peak times and do not cut off access to trained personnel thanks to the presence of a high percentage of skilled women among mini-jobbers. Women often agree to work these marginal part-time jobs because they see a mini-job as a means to combine work and family responsibilities (in the absence of other viable options), and social norms still accommodate a secondary earner role for trained women. When combined with easy access to the mini-job option and an over-
all declining coverage rate of collective agreements on pay, the apprenticeship system, an institution that is geared to developing such, upholding wage levels, and equalizing male and female earning potential, does not forestall the growth of low-wage jobs as effectively as in the past. Thus, the case of Germany shows that occupational shifts do not necessarily protect workers—especially female workers—from low wages. Furthermore, the extension of mini-jobs not only a gateway for low-wage work within retail but also has become a driving force for the degradation of female employment in Germany as a whole. Ironically, mini-jobs were established and accepted, respectively, by the two institutions that in other contexts have due to the most to bolster earnings: the German state imposed the mini-job option, and in some big retail companies works councils agreed to the establishment of mini-jobs, partly in the hope of protecting our worker employment conditions by sacrificing the "peripheral" new hires.

In retail, exit options that are in place mean to lower pay or exist with opportunities for outright violation of employment standards. With multiple and scattered workplaces, it can be difficult to monitor and enforce labor standards, particularly if there are weak or no institutions of worker representation at the work sites. To varying degrees, case studies report instances of minimum-wage or overtime pay violations.

The Role of Commission Pay and the Gender Composition of Consumer Electronics Consumer electronics retail has historically relied on commission pay, a practice that highlights gender-patterned behavioral expectations and appears congruent with the relatively high proportion of men in the sector (relative to the food sector). For example, German managers reportedly expect male workers to negotiate for themselves more than women would, even in an environment with union collective bargaining and works councils. Pay is also higher and the share of low-wage work is substantially smaller in consumer electronics than in food retail. We expect that commission pay plays a role in this difference. To the extent that male workers concentrate in parts of retail where commission pay is in effect, they stand to benefit from higher compensation. Commission pay is not always associated with higher pay, however, as we will see in the Netherlands.

Electronics retailers in Denmark, Germany, France, the Nether-
with any representative bodies; unions and works councils are absent in U.S. consumer electronics retailing.

The U.S. cases reveal that the removal of commission pay is associated with declining pay levels for sales staff and with a growing share of part-timers. The fixed pay rates do not end up being commensurate with what could be achieved under commission pay. The removal of commission pay generates motivational issues for the sales workforce that management must address. Some U.S. electronics companies have developed bonus schemes for hourly wage workers, based on sales, profits, or other success indicators at the level of the department, store, or company. It remains to be seen whether the removal of commission pay will result in a decline in male representation in consumer electronics retailing.

In sum, national institutions that set basic conditions for pay directly affect the incidence of low-wage work in retail. National institutions such as collective bargaining or a national minimum wage raise the wage floor when they are geared to do so, as in Denmark or France. However, we find that exit options from the institutional framework—such as a youth subminimum wage or mini-jobs—allow a significant number of low-wage jobs to be created even in settings with collective bargaining, apprenticeship, and other institutions geared to maintaining job quality and relatively higher compensation.

CONCLUSION

The leading question of this chapter has been: what aspects of the national institutional settings in which retail jobs are embedded make these jobs better or worse? To answer this question, we have explored how job quality outcomes in the United States, with its thinner web of formal regulatory mechanisms, diverge from those in European countries, as well as examining differences among the latter.

Concerns about the role of institutional settings are particularly salient because, as noted at the outset, retail leads other industries in experimenting with changes that affect the labor market and job quality. Pressures on job quality have been high in all countries alike as retailers have adopted supply-chain management strategies based on advanced technologies, along with employment strategies aimed at cutting costs. Yet the consequences of these pressures are not easy to predict given the different institutional traditions and recent changes in the countries under study. There is significant variation in the trade-offs faced by retailers, in the timing and extent (though not the main direction) of changes in retail jobs, and in the principal dimensions of job outcomes across the six countries. Specifically, across countries, retailers have faced different intensities of pressures to cut costs and have adopted service and labor deployment strategies that reflect direct and indirect effects of features of their national institutional environment and customs. In all countries, pressures to lend off competition from low-cost retail models have translated into market strategies that go in two opposite directions: increasing service and customization and, conversely, pushing for self-service. Concurrently, there have been consistent attempts to cut labor costs. Across countries, retailers have availed themselves of existing exit options from particular features of their institutional environment and also have led the push for introducing new exit options. These efforts have resulted in varied patterns of exclusion and different work conditions across countries as each national web of institutions offers differing options for exit. Thus, while retailers' uses of exit options dilute the impact of institutional factors that traditionally ensured a high degree of social inclusion for many European countries, they have done so in ways that are somewhat unique to each nation.

Retail Job Quality: Trend and Variations

In general, retail jobs have gotten worse across the countries in our sample in recent years. In the United States, jobs at most retailers have slipped in terms of scheduling options and opportunities for promotion and pay progression. In European countries, compensation and working conditions also have come under great pressure from cost-cutting strategies. We observe the weakening of uniform standards and a trend toward fragmentation of pay and working arrangements in all countries. Corporate strategy has played a part in these downward pressures on retail job quality. However, we do not principally attribute this trend to a "Wal-Mart effect" outside the United States, despite Wal-Mart's large global footprint (Brum 2006). Instead, we see it as the result of two other main trends.

First, there has been a general liberalization trend in labor and product market regulations within all countries in the study. There is great variation across countries in the policies that are implemented and in how they are implemented. In fact, some exit options, such as
the youth subminimum wage in the Netherlands and mini-jobs in Germany, are nationally specific. Conversely, we note that the impact of exit options can be significantly mitigated with renewed state policy. Recent U.K. national minimum wage increases have raised the wage floor in retailing and eliminated the very lowest pay levels.

The second trend is that retailers have adjusted by shifting to the heavier use of part-time workforces with weaker bargaining power (for example, mothers with young children, low-skilled young workers), who then bear the brunt of the adjustment and the sharp edge of cost-cutting management approaches. For European retailers, part-time employment has been closely related to several exit options (such as mini-jobs and a youth subminimum wage). The significant use of part-time workers is emblematic of practices that segment employment and the workforce, and it has also been associated with thwarting union organizing. Furthermore, social norms for what constitutes an acceptable job or schedule have changed: the expectations of newer cohorts of workers have been diminished, an easy transition to achieve with high turnover and young hires.

Why are some countries’ retail job outcomes better than others along certain dimensions, even given this broad negative trend? We observe that some historical institutions continue to have a strong effect on job quality. We call them institutions with “a bite.” We can illustrate their impact best by looking back at key findings on schedules, work organization, mobility, and compensation.

In terms of institutions that affect work schedules, the primary contrast between the United States and European countries is the nearly complete lack of government regulation of hours of operation and worker schedules in the former. The United States has led the way in 24/7 store operation. The only significant remaining regulation on work schedules is the overtime premium. In contrast, unions, works councils, and store hours regulations all play a role in store and worker schedules in the European countries. German and Danish regulations require that work schedules be set far in advance (four to six months), a mandate that would be considered unmanageable by U.S. retailers. In France, the combination of a thirty-five-hour full-time workweek with a (nationally extended) labor agreement specifying a minimum of twenty-six hours for part-timers has narrowed the hours gap between part- and full-time work.

In the absence of hours regulation, and with a minimal union threat effect, social norms regarding reasonable workload and hours...
pact on compensation. In Denmark, high union density and union commitment to wage compression lift most jobs above the low-wage threshold. In contrast, in the United States, because unionization and collective bargaining are by now limited to a few companies (where wages are higher), the union threat effect is negligible in most retail settings. In U.S. unionized settings, hard-pressed unions have accepted two-tier structures that offer lower wages and benefits to new hires while protecting incumbents.

Reproductive institutions also have a bearing on compensation by shaping retailers’ exit options. In some European countries, a large pool of mothers with constrained child care access find part-time work in retail close to home a primary alternative. In contrast, U.S. women with school-age children increasingly work full-time. The labor market context also shapes options for low-wage workforces. In Danish and Dutch cities, the tightening of local labor markets has resulted in a rise in wages for young workers—a primary target group for part-time hiring.

INSTITUTIONS AND GENDER PATTERNS

In all six countries, gender segregation of jobs remains a constant, and the same is true of gender-specific patterns of mobility and compensation. In all six countries, it is difficult for women to break through the glass ceiling into management, especially in food retail. Women are also mostly excluded from electronics retailers’ big-ticket sales, which are often linked with commission pay. Equalizing institutions, such as those that ensure skill acquisition and credentialing for women as well as men (the German apprenticeship system, for example), are important, as is wage compression implemented through collective labor agreements. However, such institutions have encountered significant obstacles to their effectiveness when combined with exit options that build on women’s secondary earner status in the household and labor market. Similarly, when exit options have fostered the competition of one vulnerable worker group against another, women have sometimes been relegated to secondary earner roles. In the recent price war in Dutch food retail, stable women workers were replaced by very young workers paid at the subminimum wage.

Institutions that regulate the reproductive sphere also make a difference. In some countries, accessible child care can sometimes enable women with family responsibilities to access better job quality outcomes and avoid marginalization in very short part-time jobs. For example, in France, the historical preference for full-time work—understood to be supported by the strong provision of child care options—has prompted policy action to set a minimum number of part-time hours.

PATTERNS AND PROSPECTS FOR RETAIL JOBS

Taking a step back from the details of job quality, what can we say about the overall production models in retail in these countries? With shared market pressures and similar technologies, retail industries in all of our study countries have moved in the same broad directions, developing options for using cheaper labor and deploying it only as needed. Across the full set of countries, the emerging combination of technology-enhanced high performance with low wages and worsening working conditions conforms with Bailey and Bernhardt (1997) finding for the United States. In this sense, one may argue for a finding of broad convergence of intensified use of exit options to cut labor costs—though, as these country case studies indicate, not of shared consequences for job quality. Yet even while there has been convergence of competitive pressures, ownership structure, and store formats, retail, an industry historically very local in character, retains national peculiarities, with consequences for job quality.

In all countries, there are questions about the sustainability of the strategies adopted by retailers to cut costs and maintain market share. For example, in Denmark and the Netherlands, competition for young or transitional workers with attitudes suited for retail work and a high level of general skills may drive wages up, undermining the cost containment lever this workforce provides. Even in the United States, retailers are caught in a bind between service and efficiency goals, on the one hand, and on the other, a workforce characterized by high turnover, low skills, and low commitment. Of course, change in state policy can alter worker decision terms and corporate strategies relatively quickly. In Germany and the Netherlands, recent increases in child care investment could alter the character of the labor supply of married women. In the United States, meanwhile, there are growing pressures to raise the minimum wage.

Yet, because the six countries started in different places with respect to compensation, working conditions, and regulatory institu-
tions for both product and labor markets, working in retail pays differently and is a different experience across countries. In the United States, there has been a continuous, and rather uniform, erosion of compensation and working conditions. In European countries, the movement has been neither as continuous nor as uniform. New regulatory initiatives, such as higher minimum wages, have partially reversed trends toward falling compensation. Rather than uniform degradation of retail jobs, European countries have tended toward fragmentation via exit options: mini-jobs in Germany, youth earning extra-low wages in the Netherlands, and involuntary part-time workers in France have taken the main hit. In all six countries, the retail industry has been a leader in such fragmentation and experimentation with non-standard hours, segmented work arrangements, and a variety of other exit options from the institutions that safeguard job quality. Because of this trajectory of experimentation, retail developments may well forecast the consequences of similar scheduling, recruitment, and compensation changes being considered in other industries. Alternatively, significant but hitherto unforeseen changes in the policy environment and the strengths of social movements might throw retail—with its emblematic “low-quality” jobs—into serving as a testing ground for novel collective action and regulatory strategies to bolster job quality for low-wage workers.

We thank our retail research colleagues on the Danish, French, and U.K. teams for providing details on data and field results as well as comments. We thank Brandynn Holgate, Karina Rozas, and Fabian Slominczyk for assistance with statistics. The chapter benefited from comments from Eileen Appelbaum, Larry Hunter, Thomas Kochan, and Richard Munnane, as well as from Jérôme Gautié, John Schmitt, the authors of the overview chapters in this volume (chapters 1 to 4), the national team coordinators, participants in Russell Sage Foundation meetings, and three anonymous reviewers.

NOTES

1. In this chapter, we draw extensively on research summarized in the retail chapters of the “Low-Wage Work in Europe” national monographs (Askenazy, Berry, and Prounier-Poulmaire 2008; Esbjerg et al. 2008; Mason and Osborne 2008; van Klaveren 2008a; Voss-Dahm 2008). See also Carre and Tilley, with Holgate (2007) for U.S. research. Unattributed interview quotes come from these chapters or the underlying case studies.

2. The high-road/low-road terminology is often applied to other dimensions of firm behavior as well, but here we focus on the product market.

3. Because overrepresentation is relative to the average gender distribution in employment across industries, the U.S. situation may be due to the fact that other large industries besides retail also have a significant female presence.

4. In the United States, the immigrant share in retail (13 percent), and in cashier/stocker jobs in particular (12 percent), is lower than for the private sector as a whole (18 percent) (authors’ calculation from March 2007 Current Population Survey). The Danish figure of 4 percent (Esbjerg et al. 2008, 157) compares to 5.8 percent of foreign-born workers for total employment (Gautié et al., this volume). Germany’s 5.5 percent share relates to 7 percent non-German citizens in the German workforce. In the United Kingdom, the figures of 8 percent immigrants among cashiers and 9 percent among sales assistants compare to 6 percent in the U.K. labor force (Mason and Osborne 2008, 135–36, compared to Gautié et al., this volume). For privacy reasons, exact figures are missing for France and the Netherlands, but case study data suggest for both countries an overrepresentation of immigrant workers or workers from ethnic minorities in low-end food retailing, notably in the large cities.

5. The cultural norm for women’s employment in France has historically been full-time work. Survey-based studies have reported women workers’ dissatisfaction with “constrained” part-time work, particularly in a context of high unemployment (Galtier 1999; OECD 1993). The French study’s fieldwork interviews with workers and union representatives revealed dissatisfaction among part-time women workers (Askenazy, Berry, and Prounier-Poulmaire 2008).


7. On strategic segmentation in the call center sector, see Batt (2000).

8. RFID technology can be used to track and monitor individual products by means of radio signals, thereby accelerating distribution processes. Thus, with RFID technology, there is no need to search for product codes and then scan these codes at close range by means of scanners.

9. These within-country differences are partly due to a research design
that split the company samples between "high-end" and "low-end" service levels, although there is no perfect match between service level and degree of use of highly automated high-performance-business systems.

10. The high scan speed may be partly driven by the small number of checkout counters derived from store size constraints. Short lines may be difficult to deliver in spite of the high speed of individual cashiers. Also, the French retail study found significant differences in aggregate retail food productivity between France and the United States (Askenazy, Berry, and Prunier-Poulimaire 2008).

11. French cashiers do not bag, and they rarely weigh and price bulk fresh fruits and vegetables—customers do it themselves and affix a machine-generated tag—whereas U.S. cashiers typically bag (or are assisted by baggers) and invariably identify and weigh produce.

12. The Baccalauréat is the national diploma that students have to earn at the end of high school in order to gain access to tertiary education.

13. The five-country correlation coefficients (omitting the United States) are -0.72 and 0.91, respectively.


16. We have data for three countries only. The U.S. and Danish figures are sales per employee-hour because value-added data are not available for these sectors. The U.S. figure uses sales from the 2002 Economic Census, employment and weekly hours from Current Economic Statistics (U.S. Bureau of Labor Statistics), and an economy-wide average of weeks per year from Hyde (2007) and Raines (2007). The Danish figure uses data from StatBank Denmark, except hours per full-time equivalent (FTE), which are from the European Foundation for the Improvement of Living and Working Conditions, and the economy-wide average of weeks per year, which is from Hyde (2007). The Dutch figures are from Industrial Board for Retail Trades (2005), 8 (based on value-added per hours worked per year).

17. Other European countries have store size regulations, but they are less stringent and in flux; these regulations have the greatest impact in France.

18. The law mandates only that the collective labor agreement (CLA) be in force if 50 percent of the workers in a workplace are members of the main union.

19. The share of mini-jobs in retail employment increased by 20 percent from 1999 to 2007, from 21.7 percent to 23.3 percent—to the point where every fourth job in retailing in 2007 was a mini-job.

20. Unemployment insurance benefits are based on the fixed part of pay only. Thus, low bargained wages have an impact on unemployment benefits.

21. Interestingly, some U.S. food retailers are also experimenting with such schemes, and with individual one-time bonuses (in the form of gift certificates or cash cards) given at the discretion of the manager. This kind of experimentation does not seem to take place in many European grocery stores. However, several large French food chains have a CLA that includes a bonus based on store and chain performance.

22. Particularly because it is combined with the problems of union organizing in numerous small workplaces, short-hour, part-time work has had this effect (for a discussion of Germany, the Netherlands, and the United Kingdom, see Dribebusch 2003).

23. This trend is not due, however, to greater child care availability or affordability in the United States.

REFERENCES


——. 2007. BA Beschäftigtenstatistik (BA Employee Statistics) [database]. Nuernberg, Germany: BA.


Brache (Service Work: Grounded in Fact: Findings from Retailing, Manufacturing, the Media, and IT Industry), edited by Markus Pohlmann, Dieter Sauer, Gudrun Trautwein-Kalms, and Alexandra Wagner. Berlin: Ed. Sigma.


CHAPTER 7

Working at the Wage Floor: Hotel Room Attendants and Labor Market Institutions in Europe and the United States

Achim Vanselow, Chris Warhurst, Annette Bernhardt, and Laura Dresser

In the face of global competition and continued pressure on wages from less-developed countries, a popular prescription for industrialized nations is to differentiate themselves by pursuing a knowledge-based, high-skill economy (see, for example, Reich 1991; Florida 2002; EC 2004a). But it is instructive to remember that in both Europe and the United States many labor-intensive service jobs remain firmly rooted in place. Whether cleaning hotel rooms, caring for the elderly, or washing hospital linen, millions of workers are effectively sheltered from the threats of offshoring and automation because the work they do must be performed on-site, by human beings.

This rootedness would seem to open the door for national labor market institutions to make themselves felt in the workplace. If employers cannot relocate or automate frontline jobs, there is at least the potential for the state and trade unions to mediate the organization of work and production and, by extension, the quality of jobs. Such possibilities are important for researchers trying to understand how local and national labor markets operate in a global economy, as well as for policymakers looking for levers to fight the growth of low-wage work.

In this chapter, we report on a multi-year, cross-national study of economic restructuring in the hotel industry—a sector in which growing competition and consolidation across the globe has put intense pressure on labor costs even as the actual jobs remain place-bound. In the first phase of the project, researchers in the United States found that hotels were the archetypal low-wage service industry, dominated by room attendants working for low pay under ardu-