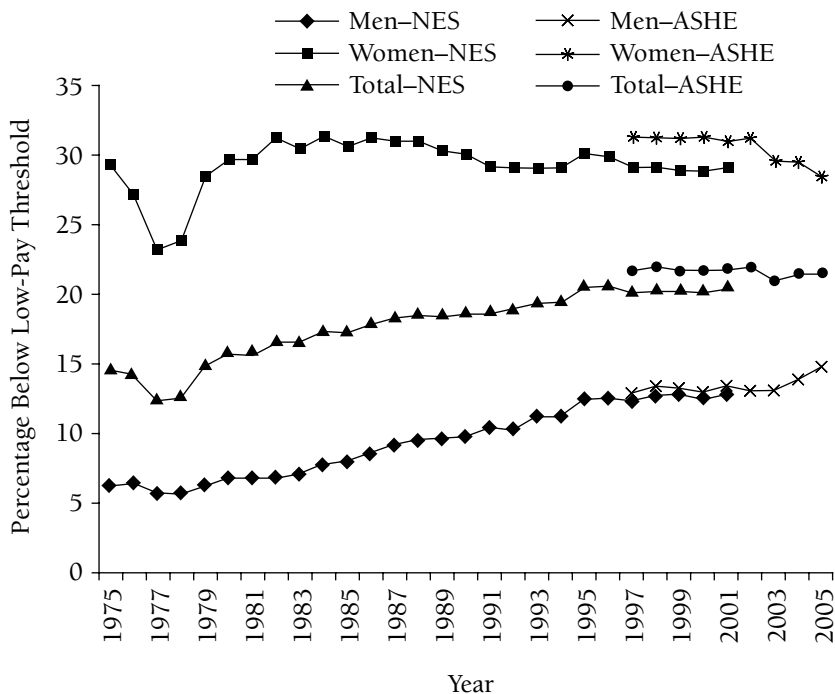


Figure 1.1 Proportion of United Kingdom Workforce that Falls Below the Low-Pay Threshold, 1975 to 2005

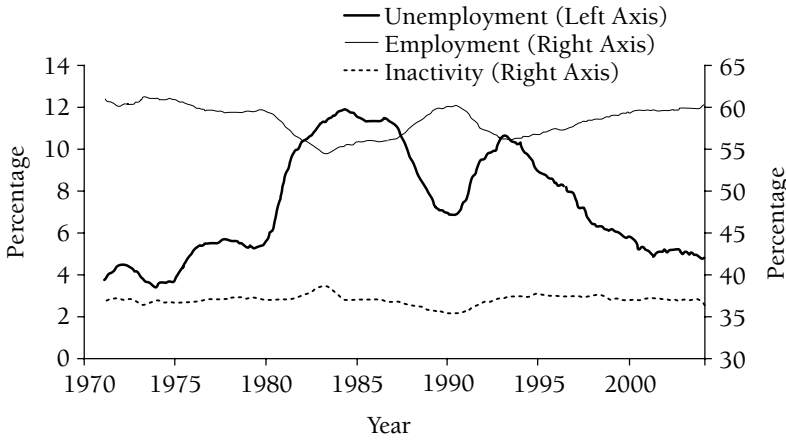


Sources: New Earnings Survey (NES) Panel Dataset (1975 to 2001) and Annual Survey of Hours and Earnings (ASHE) (1997 to 2005).

Notes: The discontinuity and overlap in the time series reflects the introduction in 2004 of the Annual Survey of Hours and Earnings, which differs from the former New Earnings Survey, in several respects, in particular, in improved coverage of low-paid employees. The ASHE estimates for 1997 to 2003 are based on a reworking of NES data for those years using ASHE imputation and weighting procedures. However, the 1997 to 2003 ASHE estimates do not take account of the improved coverage of low-paid employees.

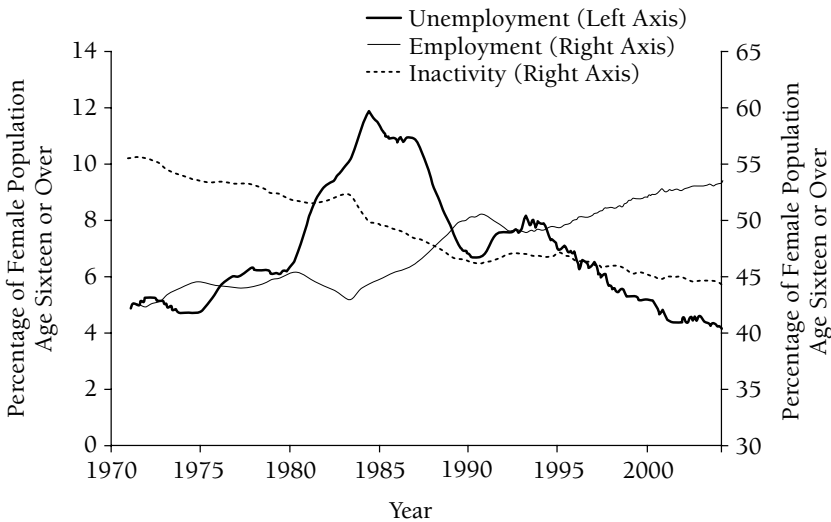
For further details, see <http://www.statistics.gov.uk/statbase/Product.asp?vlnk=13291&More=Y>.

Figure 1.2 Employment, Unemployment, and Inactivity Rates for All Persons in the United Kingdom Age Sixteen and Over, 1971 to 2004



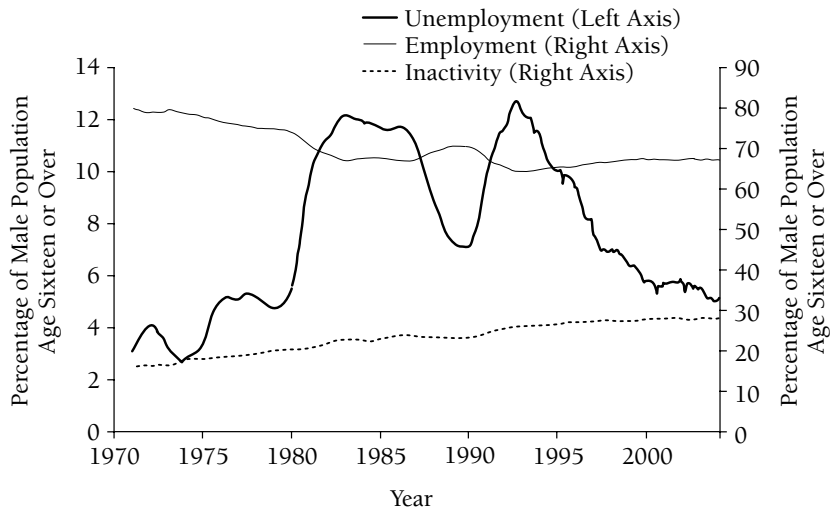
Source: "Labour Force Survey Summary by Sex," in Labour Market Statistics First Release Historical Supplement, accessed at http://www.statistics.gov.uk/OnlineProducts/LMS_FR_HS.asp.

Figure 1.3 Employment, Unemployment, and Economic Inactivity Rates for All Women in the United Kingdom Age Sixteen and Over, 1971 to 2004



Source: Office of National Statistics (ONS).

Figure 1.4 Employment, Unemployment, and Economic Inactivity Rates for All Men in the United Kingdom Age Sixteen and Over, 1971 to 2004



Source: Office of National Statistics (ONS).

Notes: All rates are seasonally adjusted. Unemployment is calculated on the International Labor Office (ILO) measure. Post-1992, the ILO measure was produced from the Labour Force Survey (LFS); pre-1992, the data have been estimated by ONS (see Lindsay 2005).

Table 1.1 Indicators of Macroeconomic and Labor Market Performance, Denmark, France, Germany, Netherlands, the United Kingdom and the United States, Various Years

	Year	Denmark	France	Germany	Nether-lands ^a	United Kingdom	United States	
1	Average labor productivity per worker (index numbers: U.S. = 100)	2002	—	88	80	78	74	100
	Average labor productivity (per hour worked) (U.S. = 100)	2002	—	103	101	106	79	100
2	Average annual growth in GDP	1993 to 2005	2.5%	2.1%	1.5%	2.4%	2.9%	3.3%
3	Standardized unemployment rate as a percentage of civilian labor force	1994	7.7	11.7	8.3	6.8	9.3	6.1
		2005	4.8	9.5	9.5	4.8	4.7	5.1
4	Employment/population ratio, persons age fifteen to sixty-four	1994	72	58	65	64	69	72
		2005	76	62	66	72	73	72
5	Employment/population ratio, men age fifteen to twenty-four	1994	65	25	54	56	61	61
		2005	66	29	45	64	60	55
6	Employment/population ratio, men age twenty-five to fifty-four	1994	86	86	87	88	84	87
		2005	88	87	84	89	88	87
7	Employment/population ratio, men age fifty-five to sixty-four	1994	60	39	48	41	57	63
		2005	67	44	54	56	66	67
8	Employment/population ratio, women age fifteen to twenty-four	1994	59	19	49	55	57	55
		2005	58	23	40	63	57	53
9	Employment/population ratio, women age twenty-five to fifty-four	1994	75	67	65	59	69	72
		2005	80	73	71	74	75	72
10	Employment/population ratio, women age fifty-five to sixty-four	1994	40	28	25	18	39	47
		2005	53	38	38	33	48	55

11	Part-time employment as a proportion of total employment, men only	1994	10	5	3	11	7	9
		2005	12	5	7	15	10	8
12	Part-time employment as a proportion of total employment, women only	1994	26	25	28	55	41	20
		2005	25	23	39	61	39	18
13	Average annual hours actually worked, per person in employment	1994	1,494	1,676	1,543	1,362	1,737	1,842
		2005	1,551	1,535	1,435	1,367	1,672	1,804
14	Long term-unemployment (six months or more) as a percentage of total unemployment	1994	54%	62%	64%	78%	63%	20%
		2005	44	61	71	60	38	20
15	Long term-unemployment (twelve months or more) as a percentage of total unemployment	1994	32	39	44	49	45	12
		2005	26	43	54	40	22	12
16	Initial net replacement rate (unemployment benefit as a percentage of net earnings in work) ^b	2004	70	75	69	74	54	54
17	Unemployment insurance benefit duration (months, equivalent initial rate)	2004	—	30	12	24	6	6
18	Average of net replacement rates over sixty months of unemployment (percentage of net earnings in work) ^c	2004	70	57 (+4)	66 (-3)	66	53 (-1)	36 (-6)
	Indices of strictness of employment protection legislation: ^d							
19	Protection of regular workers against (individual) dismissal	2003	0.61	1.03	1.12	1.27	0.46	0.07

Table 1.1 (Continued)

	Year	Denmark	France	Germany	Nether-lands ^a	United Kingdom	United States	
20	Specific requirements for collective dismissal	2003	0.65	0.35	0.63	0.50	0.48	0.48
21	Regulation on temporary forms of employment	2003	0.57	1.51	0.73	0.49	0.16	0.10
	Summary (0–6 scale)	2003	1.83	2.89	2.48	2.26	1.10	0.65

Sources: 1: Artus and Cette (2004); 2: OECD, *Economic Outlook* 79 (May 2006); 3–15: OECD, *Employment Outlook* (2006); 16–18: OECD, *Benefits and Wages: OECD Indicators* (2004a); 19–21: OECD, *Employment Outlook* (2004b).

^a Netherlands data on employment/population ratios in the later year refer to 2004, not 2005.

^b Initial net replacement rate is an average of cases of a single person and a one-earner married couple, an average of cases with no children and with two children, and an average of cases with previous earnings in work 67 percent of average production worker (APW) level, 100 percent of APW level, and 150 percent of APW level. Typical-case calculations relate to a forty-year-old worker who has been making contributions continuously since age eighteen. Net income out of work includes means-tested benefits (housing benefits are calculated assuming housing costs are 20 percent of APW earnings) where relevant but not noncategorical social assistance benefits. Taxes payable are determined in relation to annualized benefit values (monthly values multiplied by twelve), even if the maximum benefit duration is shorter than twelve months. See OECD, *Benefits and Wages* (2004a) for further details.

^c As described in note b, except that the net replacement rates are averaged over five years of unemployment, the three previous earnings levels considered are 67 percent, 100 percent, and 150 percent of the average wage (all workers), and noncategorical social assistance benefits are included in out-of-work net income. Values in brackets are percentage-point changes between 1995 and 2004.

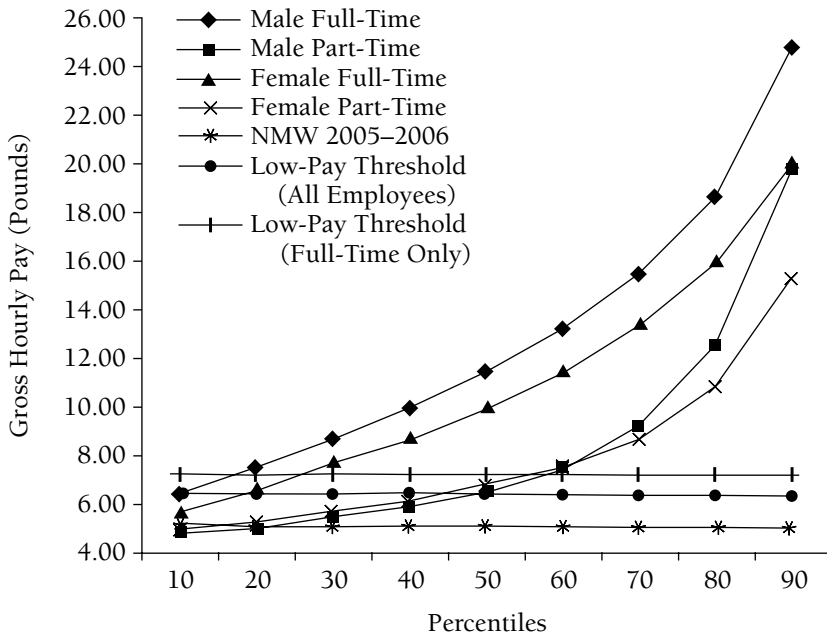
^d Assessed on a 0 to 6 point scale where higher scores indicate a higher degree of strictness of employment protection legislation.

**Table 1.2 Percentile Differentials of Gross Hourly Wages,
1976 to 2004**

	90/10	90/50	50/10	75/25	75/50	50/25
1976	2.92	1.77	1.65	1.69	1.31	1.29
1981	3.13	1.88	1.66	1.79	1.36	1.32
1986	3.30	1.95	1.69	1.88	1.39	1.35
1991	3.62	2.06	1.76	1.98	1.45	1.37
1996	3.89	2.15	1.81	2.08	1.48	1.41
2001	3.94	2.20	1.79	2.12	1.51	1.41
1998	3.99	2.17	1.84	2.17	1.51	1.43
2001	4.03	2.21	1.83	2.18	1.52	1.43
2004	4.01	2.23	1.80	2.19	1.53	1.43

Sources: Derived from New Earnings Survey (NES) (1976 to 2001) and the Annual Survey of Hours and Earnings (ASHE) (1998, 2001, and 2004). See notes to table 1.1 for further details of these surveys.

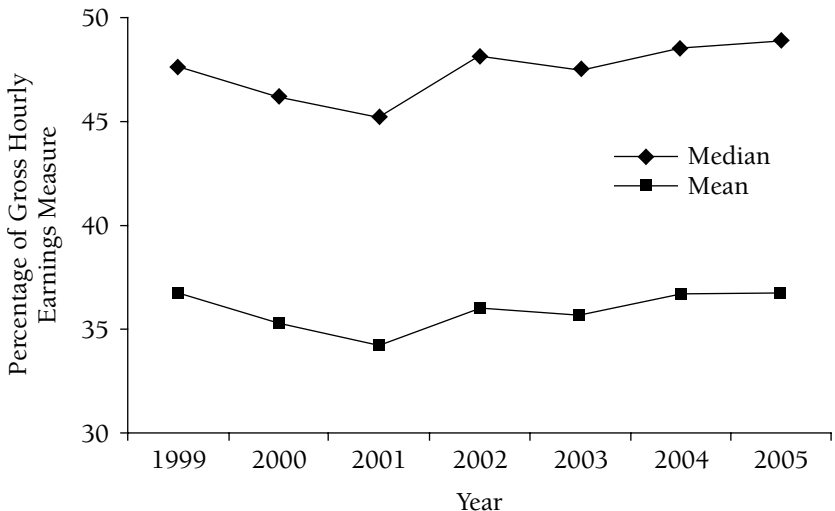
Figure 2.1 The United Kingdom Earnings Distribution, 2005



Source: Annual Survey of Hours and Earnings (ASHE).

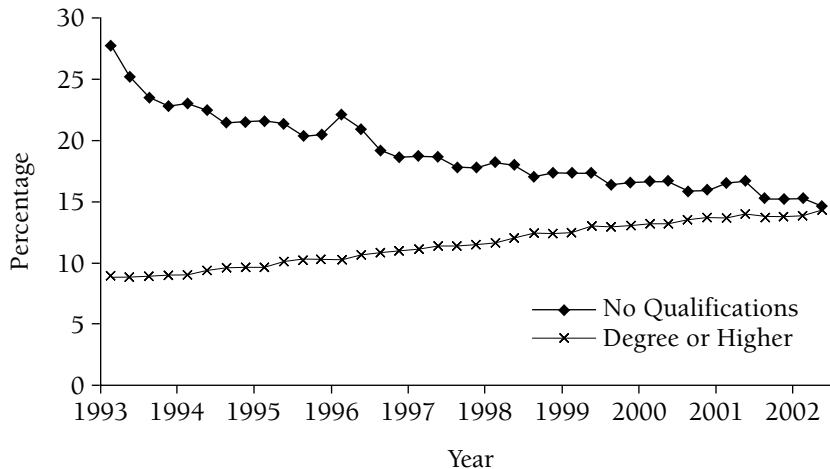
Note: The ASHE is an annual survey that is administered through employers and collects data on a sample of 1 percent of employees.

Figure 2.2 Adult Minimum Wage as a Proportion of Median and Mean Gross Hourly Earnings (Excluding Overtime), All Employee Jobs, 1999 to 2005



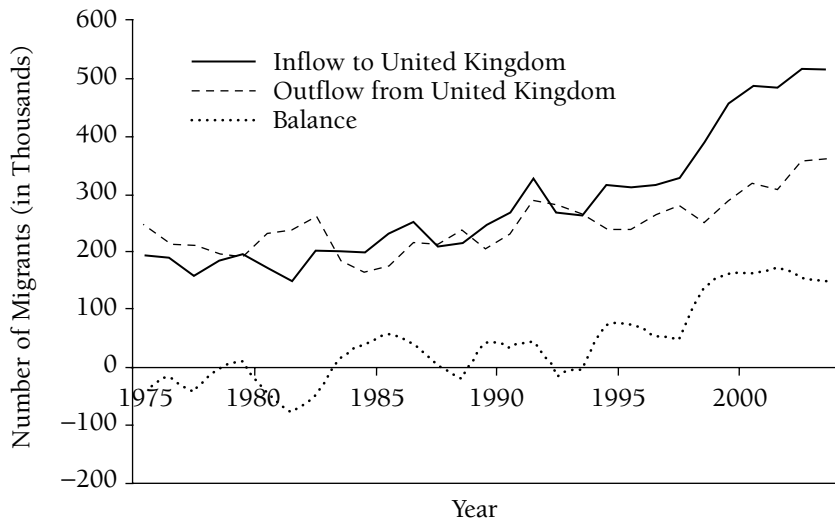
Source: 1999 to 2004: Low Pay Commission (LPC) (2005, table 2.5); 2005: National Institute of Economic and Social Research (NIESR) estimates.

Figure 2.3 Proportions of Individuals Age Sixteen to Sixty-Five with a University Degree or Higher Qualifications or with No Qualifications



Source: Labour Force Survey (LFS).

Figure 2.4 International Migration



Notes: Data for 1975 to 1990 are based on the International Passenger Survey (IPS) only. Data for 1991 to 2003 are based mainly on IPS data. Includes adjustments for those whose intended length of stay changes so that their migrant status changes; asylum-seekers and their dependents not identified by the IPS; and flows between the United Kingdom and the Republic of Ireland.

Figure 2.5 Temporary Employment, 1990 to 2005



Source: Labour Force Survey (LFS), taken from the Office of National Statistics (ONS) website, <http://www.statistics.gov.uk>.

Notes: "Temporary" employees in the LFS are defined as those who say that their main job is nonpermanent for one of the following reasons: fixed-period contracting, agency temping, casual work, seasonal work, or other. Figures include part-time temporary employees. Data are not seasonally adjusted. Estimates are based on the revised population estimates published in October 2004.

Table 2.1 Distribution of Low-Paid Employment in the UK Economy, 2005, Analyzed by Sector

SIC Code	Sector	Total Low-Paid Employees in UK Economy	Employees in Sector Earning Below Low-Pay Threshold
52	Retail	26%	49%
85	Health services	13	18
55	Hotels and restaurants	12	59
15-37	Manufacturing	9	13
80	Education	8	16
90-93	Social and community services	7	29
74	Cleaning, security, and miscellaneous business services	6	18
60-64	Transport and communications	5	13
50-51	Wholesale	5	22
45	Construction	3	13
65-73	Other private services	3	8
75	Public administration	2	6
01-14; 40-41	Other industries	1	15
	Total	100	21

Source: Labour Force Survey (LFS).

Note: The LFS is a quarterly survey of 60,000 households and the individuals within those households. It differs substantially from the Annual Survey of Hours and Earnings, which is administered through employers (see figure 2.1 note).

Table 2.2 Incidence of Low-Paid Employment in the U.K. Economy, 2005, Analyzed by Gender, Age Group, Ethnic Origin, Nationality, Nature of Employment Contract, Highest Qualification Attained, and Occupational Category

	1995	2005	1995	2005
Total	22.0%	20.8%	36,770	55,982
Gender				
Male	14.3	15.1	18,182	26,709
Female	30.2	26.6	18,588	29,273
Age group				
Sixteen to twenty-four	46.6	49.4	5,413	6,565
Twenty-five to twenty-nine	17.1	16.1	4,714	5,543
Thirty to thirty-nine	15.4	13.9	10,201	14,070
Forty to forty-nine	15.5	13.9	9,179	14,965
Fifty to fifty-nine	20.1	16.2	5,783	11,588
Sixty to sixty-four	24.5	24.1	1,115	2,427
Sixty-five or older	45.2	40.6	365	824
Ethnic origin				
White	21.8	20.6	34,590	51,090
Black Caribbean	16.8	17.0	241	454
Black African	21.6	23.1	112	429
Indian	27.4	19.0	406	939
Pakistani	31.1	26.9	112	302
Bangladeshi		30.3		95
Other Asian	19.3	26.4	156	526
Other ethnic	19.4	22.9	172	606
Nationality				
United Kingdom national	22.1	21.1	35,614	39,028
Foreign national	20.7	23.0	1,156	3,235
Nature of employment contract				
Full-time (thirty hours or more per week)	15.5	14.0	27,529	42,061
Part-time	43.1	42.5	9,216	13,901
Permanent	21.2	20.1	34,100	53,136
Temporary	32.7	32.6	2,663	2,834
Highest qualification attained ^a				
Bachelor degree or higher	4.1	5.2	5,278	12,032
Other NVQ4	8.2	8.9	3,893	6,012
NVQ3	18.0	20.1	8,531	13,249

Table 2.2 (Continued)

	1995	2005	1995	2005
NVQ2	27.5	28.7	8,093	13,128
NVQ1	34.1	32.7	2,812	2,659
Other qualifications	23.3	28.2	2,782	3,765
No qualifications	40.6	41.5	5,352	4,941
Occupational category				
Manager	6.7	5.0	5,315	8,222
Professional	2.8	2.5	3,867	7,335
Associate professional	5.7	5.0	3,475	7,989
Administrative and secretarial	16.4	14.2	6,310	7,916
Skilled trades	17.9	18.1	3,536	4,372
Personal services	40.0	35.9	4,264	4,693
Sales occupations	49.8	54.0	3,135	4,629
Operators	22.8	21.6	3,572	4,075
Other occupations	50.9	51.2	3,229	6,736

Source: Labour Force Survey (LFS).

Notes: See table 2.1 note.

^a NVQ4 includes Business and Technician Education Council (BTEC) higher national and teaching and nursing qualifications and equivalent; NVQ3 includes A levels, trade apprenticeships, and the equivalent; NVQ2 includes General Certificate of Secondary Education (GCSE) grades A to C, city and guilds craft, General National Vocational Qualification (GNVQ) intermediate, and the equivalent.

Table 2.3 Logistic Regression Estimates of the Probability of Being Low-Paid, 2005: Marginal Effects (Evaluated at Sample Means)

	Equation 1: Individual Characteristics	Equation 2: Individual Characteristics, Including Nationality and Education	Equation 3: Plus Job-Related Characteristics	Equation 4: Plus Establishment Characteristics
Female	0.12***	0.12***	0.08***	0.07***
Reference age category: age forty to forty-nine				
Age sixteen to twenty-four	0.39***	0.42***	0.26***	0.21***
Age twenty-five to twenty-nine	0.01**	0.06***	0.04***	0.03***
Age thirty to thirty-nine	0.00	0.02***	0.01**	0.01
Age fifty to fifty-nine	0.03***	0.01	0.01	0.01
Age sixty plus	0.19***	0.12***	0.07***	0.05***
Reference ethnic category: white				
Black Caribbean	-0.04**	-0.03*	-0.02	0.00
Black African	0.02	-0.01	-0.04**	-0.02
Indian	0.01	0.00	0.00	0.02
Pakistani	0.05**	0.01	0.00	0.00
Bangladeshi	0.09*	0.11**	0.07	0.05
Chinese/other Asian	0.08***	0.09***	0.07***	0.07***
Other ethnic minority	0.02	-0.02	-0.02	0.00
Foreign national		-0.02***	0.00	0.00
Reference skill category: interme- diate qualifications (such as craft or technician qualifications)				
Graduate		-0.15***	-0.05***	-0.04***
Low qualifications		0.16***	0.06***	0.06***

Reference occupational category:

skilled trades				
Managerial occupations			-0.10***	-0.10***
Professional occupations			-0.13***	-0.11***
Associate professional occupations			-0.12***	-0.10***
Administrative and secretarial occupations			-0.08***	-0.06***
Personal services occupations			0.01*	0.03***
Sales occupations			0.09***	0.05***
Operator occupations			0.02***	0.05***
Other occupations			0.11***	0.12***
Part-time (less than thirty hours per week)			0.10***	0.07***
Temporary			0.06***	0.06***
Establishment size dummies	No	No	No	Yes
Sector dummies	No	No	No	Yes
Regional dummies	No	No	No	Yes
Observations	54,543	41,005	40,912	39,466
Pseudo R-squared	0.10	0.17	0.29	0.32

Source: Labour Force Survey (LFS).

* significant at 10%; ** significant at 5%; *** significant at 1%

Table 2.4 Proportion of Employees Earning Less Than Two-Thirds of Median Hourly Wages, 1976 to 2001

	Full-Time		Part-Time		Male	Female	Part-Time	Full-Time	Total
	Male	Female	Male	Female					
1976	6%	26%	41%	33%	6%	27%	34%	12%	14%
1981	6	24	42	46	7	30	46	12	16
1986	8	24	54	52	9	31	52	13	18
1991	9	22	53	50	10	29	50	14	19
1996	11	22	54	50	13	30	51	15	21
2001	11	20	54	49	13	29	50	15	21

Source: New Earnings Survey (NES) panel dataset.

Table 2.5 Proportion of Employees Earning Less Than Two-Thirds of Median Hourly Wages, 1976 to 2001, by Age Group

	Sixteen to Twenty-four	Twenty-five to Twenty-nine	Thirty to Thirty-nine	Forty to Forty-nine	Fifty to Fifty-nine	Sixty or Older	Total
1976	31%	7%	9%	10%	10%	18%	14%
1981	30	7	10	13	14	21	16
1986	35	10	12	14	15	22	18
1991	35	12	13	16	18	29	19
1996	44	16	15	16	21	34	21
2001	46	16	15	16	20	35	21

Source: National Earnings Survey (NES) panel dataset.

Table 2.6 Employees Earning Less Than Two-Thirds of Median Hourly Wages, 1991, 1996, and 2005, by Selected Occupational Group

New Earnings Survey (SOC 1990 code)		1991	1996	2001
640	Assistant nurses, nursing auxiliaries	14%	17%	15%
641	Hospital ward assistants	31	33	39
720	Sales assistants	66	66	66
721	Retail cash desk and check-out operators	65	74	78
800	Bakery, confectionery process operatives	41	38	46
809	Other food, drink and tobacco process operatives	23	23	25
958	Cleaners, domestics	67	73	76
Annual Survey of Hours and Earnings (SOC 2000 code)				2005
6111	Nursing auxiliaries and assistants			19
7111	Sales and retail assistants			75
7112	Retail cashiers and check-out operators			78
7211	Call center agents and operators			27
8111	Food, drink and tobacco process operatives			31
9233	Cleaners, domestics			76

Source: New Earnings Survey, Annual Survey of Hours and Earnings.

Table 2.7 Mean Gross Hourly Earnings for Selected Occupations in the United Kingdom, Relative to “All Occupations,” 1992 and 2002 (Index Numbers: All Occupations = 100)

SOC 1990 Code		Men, Full-Time		Women, Full-Time		Women, Part-Time	
		1992	2002	1992	2002	1992	2002
620	Chefs and cooks	63	58	67	60	81	75
	Counterhands and catering assistants	—	45	59	54	75	68
958	Cleaners and domestics	55	46	61	53	77	69
720	Sales assistants	—	—	61	55	77	70
721	Retail cash desk and check out operators	—	—	60	52	80	70
72	Sales assistants and re- tail cash desk and check out operators	56	53	—	—	—	—
800	Bakery, confectionery process operatives	59	51	—	—	—	—
809	Other food, drink, and tobacco process operatives	69	60	—	—	—	—
80	Food, drink, and to- bacco process operatives	—	—	71	63	94	75
640	Assistant nurses, and nursing auxiliaries	67	56	78	70	107	98
641	Hospital ward assistants	—	—	69	58	91	81
	All manual occupations	73	65	66	61	79	75
	All non-manual occupations	126	125	108	107	112	109
	All occupations	100	100	100	100	100	100

Source: National Earnings Survey (NES).

Table 2.8 Logistic Regression Analysis of the Probability of Being Low-Paid in Selected Occupations, 2003 to 2005

SOC 2000 Code	Occupation	Below Low-Pay Threshold	Variables Positively and Significantly Related to Low Pay ^a	Number of Observations
7111, 7112	Sales and check-out occupations	66%	Female Age sixteen to twenty-four Age fifty to fifty-nine Age sixty or older Part-time Low qualifications	4,897
9233	Cleaners and domestics (including hotel and hospital cleaners)	66	Female Part-time	1,973
8111	Food, drink, and tobacco process operatives	37	Female Age sixteen to twenty-four Age twenty-five to twenty-nine Part-time Temporary Low qualifications	499
7211	Call center agents	18	Temporary Low qualifications	293
6111	Nursing auxiliaries and assistants	21	Age sixteen to twenty-four Temporary	749

Source: Labour Force Survey (LFS).

^a Refers to significance at the 5 percent level or better in logistic regression for each occupation group where the independent variables are: female, age group (reference category: age forty to forty-nine), ethnic group (reference category: white), qualifications group (reference category: intermediate qualifications, such as craft and technician level), foreign nationality, part-time working (defined as working fewer than thirty hours per week), temporary contract status, and two year dummies. Based on pooled LFS data for three years, 2003 to 2005, with analysis confined to pay observations for wave 1 respondents in each year. Full results available from authors upon request.

Table 2.9 Progression of Low-Paid Workers, 1991 to 1997

	1991	1992	1993	1994	1995	1996	1997
Quartile 1	100%	52.4%	41.9%	31.5%	27.8%	27.8%	20.3%
Quartile 2		10	12.6	13.9	16	18.1	21.6
Quartile 3		1.5	2.1	3	4	5.5	7.2
Quartile 4		0.5	0.5	0.7	1	1.2	1.5
Unemployed		4.3	5.6	5	4.2	3.9	2.9
Other leavers		31.4	37.3	41.4	43.3	43.6	46.6
Base (100 percent)	35,283	35,283	35,283	35,283	35,283	35,283	35,283

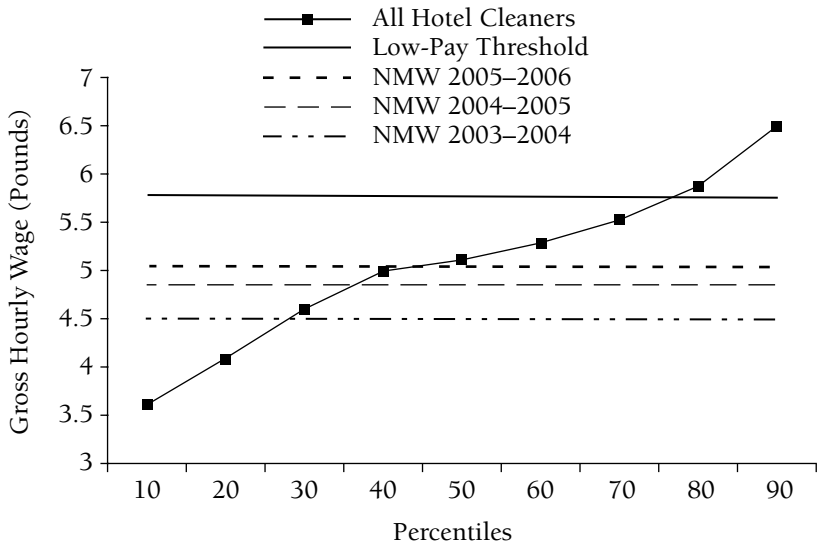
Source: McKnight (2000).

Table 2.10 Earnings Experience of Workers in the Lowest Quartile (Q1) of the Earnings Distribution in 1977, 1984, and 1991

	1977 to 1983	1984 to 1990	1991 to 1997
All persons in Q1 in year 1 who were still employed and still in Q1 in year 7	50.9%	49.6%	40.1%
All persons in Q1 in year 1 who were still employed and still in either Q1 or Q2 in year 7	79.6	79.8	82.8
Males in Q1 in year 1 who were still employed and still in Q1 in year 7	28.0	33.8	29.8
Males in Q1 in year 1 who were still employed and still in either Q1 or Q2 in year 7	61.4	66.4	74.4
Females in Q1 in year 1 who were still employed and still in Q1 in year 7	83.1	56.9	45.3
Females in Q1 in year 1 who were still employed and still in either Q1 or Q2 in year 7	97.6	86.0	87.1

Source: McKnight (2000, tables 6.4 to 6.6).

Figure 3.1 Pay Distribution for Hotel Cleaners, Combined 2004 and 2005



Source: Analysis of Labour Force Survey (LFS) data conducted by Matthew Osborne at the National Institute for Economic and Social Research (NIESR).

Table 3.1 United Kingdom Hotel Performance, 2000 to 2005

	2000	2001	2002	2003	2004	2005 ^a	Change from 2003 to 2005
Occupancy	74.0%	71.8%	72.2 %	71.7%	73.5%	77.8% ^a	+3.8%
Room rate	£69.70	£70.05	£68.38	£67.86	£70.87	£77.51	+11.2
RevPAR ^b	£51.54	£50.32	£49.36	£48.66	£52.07	£60.29	+17.0

Source: Mintel (2005).

^a For the half-year to June 2005.

^b RevPAR (revenue per available room) is the commonly used measure of financial performance in the industry.

Table 3.2 Top Five United Kingdom Hotel Companies, 2005

Company	Number of Hotels	Brand	Number of Bedrooms
Whitbread	460+	Premier Travel Inn	28,000+
Intercontinental	227	InterContinental (1), Crowne Plaza (13), Holiday Inn (111), Express by Holiday Inn (102)	31,909
Hilton International, London	70	Hilton	15,282
Permira	270+	Travelodge	15,000+
Marriott International, London	72	Renaissance (7), Marriott (54), Courtyard by Marriott (11)	12,000+

Source: British Hospitality Association (BHA) (2005).

Table 3.3 The Case Study Hotels

Location	Upper Market	Middle Market
London		
City	H1—International chain	H2—International chain
Greater	H8—Independently owned group	H3—National budget chain
Glasgow		
City	H4—International chain	H5—Independently owned group
Greater	H6—International chain	H7—Independently owned group

Source: Authors' compilation.

Table 3.4 Pay, Hours, and Contracts in the Case Study Hotels

	London				Scotland			
	H1	H8	H2	H3	H4	H6	H5	H7
Star rating	Upper market, five-star	Upper market, five-star	Midmarket, budget	Midmarket, budget	Upper market, four-star, deluxe	Upper market, four-star, deluxe	Midmarket, two- to three-star	Midmarket, two- to three-star
Pay	£6.20 per hour (equivalent)	£5.71 per hour (equivalent)	£1.77 per room (with variations, maximum £5.66 per hour)	£2.47 per room (with variations, a range of £3.29 and £6.18 per hour)	£5.05 per hour	£5.05 per hour	£5.05 per hour	£5.05 per hour
Hours per day	8	8	5	6	8	8	4 to 5	4 to 5
Contracts	Direct and TWA	Direct, casual and TWA	Subcontract, direct and TWA	Direct, variable hours	Direct and casual	Direct	Direct, variable hours	Direct, variable hours

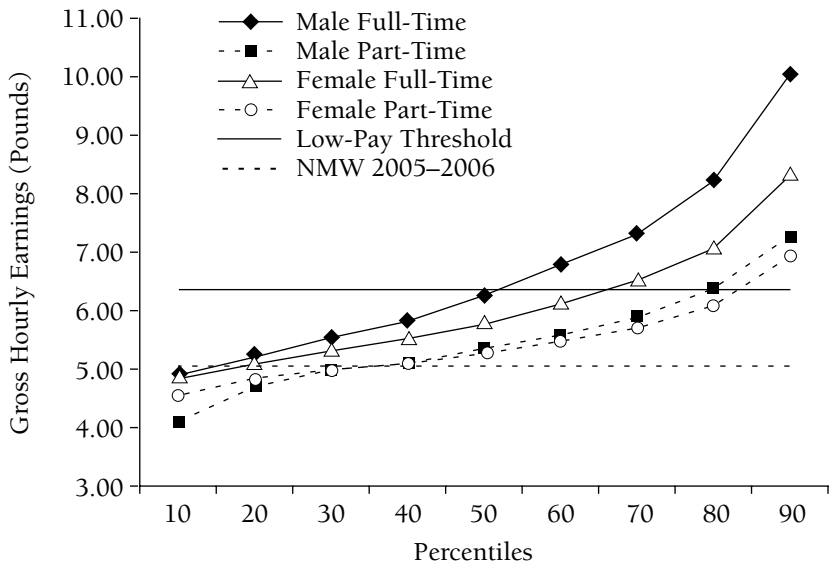
Source: Authors' compilation.

Table 3.5 Room Attendants Jobs Across Hotel Market Segments

	Upper Market Hotels	Midmarket Hotels
Type of worker	Women returners and migrants. Migrants concentrated in London, returners in Glasgow. Returners typically unqualified, some migrants overqualified.	Women returners and migrants. Migrants concentrated in London, returners in Glasgow. Returners typically unqualified, some migrants overqualified.
Working patterns	Guaranteed working hours, tending to be full-time and permanent, though supplemented by part-time casuals and agency labor in London.	Variable part-time hours. Some outsourcing and agency labor in London.
Work organization	Hard, repetitive, and routine work. Cleaning targets set. Lower room targets, but task complexity higher. Greater monitoring.	Hard, repetitive, and routine work. Cleaning targets set. Higher room targets, but task complexity lower. Greater monitoring in branded hotels, less in independents.
Training and development	Statutory, with basic on-the-job training. Tighter monitoring of standards. Development opportunities available, with formalized progression. Constraints on take-up.	Statutory, with basic on-the-job training. Loose monitoring of standards. Development opportunities available but informal. Constraints on take-up.
Pay and benefits	Basic pay at or above NMW. Some additional benefits and bonuses available. Gratuities minimal and infrequent. Some structured nonfinancial benefits available, but issue of take-up.	Basic pay at or close to the NMW. Gratuities minimal and infrequent. Few structured nonfinancial benefits available.

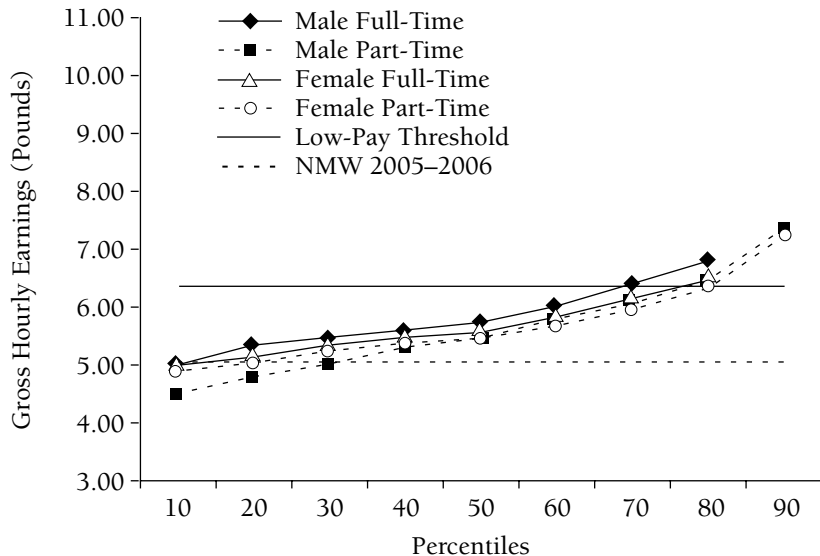
Source: Authors' compilation.

Figure 4.1 Gross Hourly Earnings of Sales Assistants, by Gender and Full-Time or Part-Time Status, 2005



Source: Annual Survey of Hours and Earnings (ASHE), Office for National Statistics (ONS).

Figure 4.2 Gross Hourly Earnings of Checkout Operators, by Gender and Full-Time or Part-Time Status, 2005



Source: Annual Survey of Hours and Earnings (ASHE), Office for National Statistics (ONS).

Table 4.1 Sales Assistants and Checkout Operators in United Kingdom Retailing, Analyzed by Gender, Working Hours, Contractual Basis, Age Group, Ethnicity, and Qualifications, 2005

	Sales Assistants	Checkout Operators
Gender		
Male	27%	19%
Female	73	81
Usual hours per week, excluding overtime		
Thirty plus hours	36	27
Less than thirty hours	64	73
Type of employment contract		
Permanent	94	96
Temporary	6	4
Age group		
Sixteen to twenty-four	46	42
Twenty-five to twenty-nine	8	6
Thirty to thirty-nine	13	16
Forty to forty-nine	15	14
Fifty to fifty-nine	13	16
Sixty to sixty-four	3	5
Sixty-five or older	1	2
Migrants		
United Kingdom national	92	91
Not United Kingdom national	8	9
Highest qualification category ^a		
Graduate	5	3
Other NVQ4 or equivalent	4	5
NVQ3	27	22
NVQ2	35	36
Below NVQ2; other qualifications or no qualifications	29	34
Ethnic background		
White	91	88
Black Caribbean	1	2
Black African	1	1

Table 4.1 (Continued)

	Sales Assistants	Checkout Operators
Indian	2	3
Pakistani	1	1
Bangladeshi	1	1
Other Asian	2	3
Other ethnic	1	2
Usual hours worked per week, excluding overtime (number of hours)		
Lower decile	8	10
Lower quartile	15	14
Median	21	20
Upper quartile	36	30
Upper decile	40	39
Number of observations	8,949	1,981

Source: Labour Force Survey (LFS).

Notes: Retailing is defined as 1992 SIC codes 521 to 526 inclusive.

^a “Other NVQ4” includes BTEC higher national and teaching and nursing qualifications or equivalent; NVQ3 includes A levels and trade apprenticeships or equivalent; NVQ2 includes GCSE Grades A to C, city and guilds craft, GNVQ intermediate, or equivalent.

Table 4.2 The Case Study Retail Firms, Analyzed by Sector, Employment Size Range, Market Positioning, and Local Labor Market Conditions for Store Visits

Code	Sector	Employment	Market Positioning	Case Study Retail Stores		
				Local Unemployment Rate (TTWA)—Men and Women ^a	Local Unemployment Rate (LAD)—Men and Women ^b	Local Unemployment Rate (LAD)—Women Only ^b
R1	Food	20,000-plus	National chain, mainly premium-priced products	4.3% (store 1); 2.1 (store 2)	3.2% (store 1); 2.5 (store 2)	1.4% (store 1); 1.9 (store 2)
R2	Food	20,000-plus	National chain, predominantly discount pricing	4.2	3.1	3.1
R3	Food	20,000-plus	National chain, mainly premium-priced products	6.1	5.2	3.3
R4	Food	Under 1,000	Regional chain, discount pricing	3.0	3.0	2.9

R5	Electrical	Under 1,000	Regional stores, national Internet business; relatively high average sales per employee	4.1	3.9	3.0
R6	Electrical	Under 1,000	Regional chain, middle ranking on average sales per employee	4.7	3.1	3.2
R7	Electrical	Under 1,000	National chain, relatively high average sales per employee	6.4	2.4	1.6
R8	Electrical	1,000 to 5,000	National chain, relatively low average sales per employee	5.4	4.5	3.3

Source: Columns 1 to 4: authors' compilation; columns 5 to 7: Office for National Statistics (ONS), Annual Population Survey, Job Centre Plus Administrative System, Annual Business Inquiry (2005); all else—authors' compilation.

^a Refers to the travel-to-work area (TTWA) in which each case study retail store was located. The current criteria for defining TTWAs are that at least 75 percent of the area's resident workforce must work in the area and at least 75 percent of the people who work in the area must also live in the area.

^b Refers to the local area district (LAD) in which each case study retail store was located.

Table 4.3 The Case Study Retail Firms, Analyzed by Market Positioning and Labor Resourcing Strategies

	Sector and Market Focus	Business Strategy (Market Positioning)	Female	Part-Time	Other Aspects of Labor Resourcing Strategy
R1	Food, national chain	Sells high-quality, expensive foods; targets affluent areas; offers high-quality service with many extra services for customers.	61%	69%	“Mature ladies and mothers” work weekday shifts, and students work evenings and weekends. Covers fluctuations in demand by using temporary staff.
R2	Food, national chain	Discount retailer; uses parent company buying power to achieve low prices and “will not be beaten on price”; emphasizes good customer service and offers many additional services.	69	72	Uses high proportion of part-timers because of need for flexibility in small departments; covers fluctuations in demand by using overtime plus “seasonal part-timers” who are often retired people.
R3	Food, national chain	Premium brand; sells high-quality food at expensive prices, but prices are lower than “premium ranges” of other chains.	77	84	Covers fluctuations in demand by recruiting a fresh batch of temporary employees each Christmas and in the summer; also uses overtime.
R4	Food, regional chain	Price-competitive; emphasizes good quality and fresh foods; competes on service.	Close to 100	Close to 100	Covers fluctuations in demand by using overtime.

R5	Electrical, regional chain, national Internet business	Rebranding introduced “Internet price matching,” reducing prices to 20 to 30% cheaper than the competition; being small, can react quickly; Internet/phone division is 65 to 70% of sales.	30	11	Uses temporary staff and overtime to cover fluctuations.
R6	Electrical, regional chain	Good relations with manufacturers allow it to negotiate good deals on certain lines; tries to be “people-friendly.”	23	11	Covers fluctuations in demand by using overtime.
R7	Electrical, national chain	Price-competitive; changes product range to suit demand; focuses on customer service and product knowledge.	2	12	Part-timers are mostly young. Covers fluctuations in demand by using overtime plus bank of casual staff.
R8	Electrical, national chain	Focuses on specialized products (e.g., components) and product knowledge of staff; competes in a market with rapidly falling prices.	Mostly male	Some part-time	Many staff are students. Part-timers used for evenings and weekends. Uses overtime to cover fluctuations in demand.

Source: Authors' compilation.

Table 4.4 Recruitment Criteria, Initial Training, Starting Pay Rates, and Median Gross Hourly Pay for Sales Assistants in the Case Study Firms

	Recruitment Criteria	Initial Training	Starting Gross Pay per Hour—Adults ^a	Median Gross, Pay per Hour—All Employees ^a
Food				
R1	Communication skills plus “reasonable numeracy and literacy”	Two to five days of induction training, then work through a checklist for the next three months	£ 5.10	£ 6.40
R2	Attitude, customer service skills, literacy and numeracy	Twenty-five hours of induction training followed by up to twelve weeks further development, leading to a NVQ2, partly funded by Learning and Skills Council	5.10	5.50
R3	Customer service skills	Two days off-the-job training, including cash register training and health and safety	5.50	6.00
R4	No specific criteria	Twelve-hour induction split between headquarters and store, then thirteen-week trial period	5.10	5.10

Electrical

R5	Retail experience, communication and presentation skills, electrical experience	Internet: two-day induction training plus three weeks shadowing others. Stores: varies according to individual experience or knowledge	7.80	9.20
R6	Product knowledge and customer service skills	A three-month probationary period acts as a screening method; training required for “difficult to use” computer system	5.80	7.70
R7	Product knowledge, tested on trial day in workplace before recruitment decision is made	Four-day seminar training covering rules, procedures, company history, company service, career opportunities, and technical training	5.80	8.20
R8	Product knowledge and/or retail experience	Induction training lasting half a day, followed by job-specific training, in which new hires work through workbooks on specific knowledge and tasks for each role	5.10	5.40

Source: Authors’ compilation.

Note: “Sales assistants” here include checkout operators, since in many firms the two occupations are not separately identified.

^a The estimated median pay rate is here defined such that half of all sales assistants earn above that rate and half below it. Where applicable, estimated pay levels include performance-related sales commissions and bonuses and annual company bonuses.

Table 4.5 Continuing Training and Career Progression Opportunities for Sales Assistants in the Case Study Retail Firms

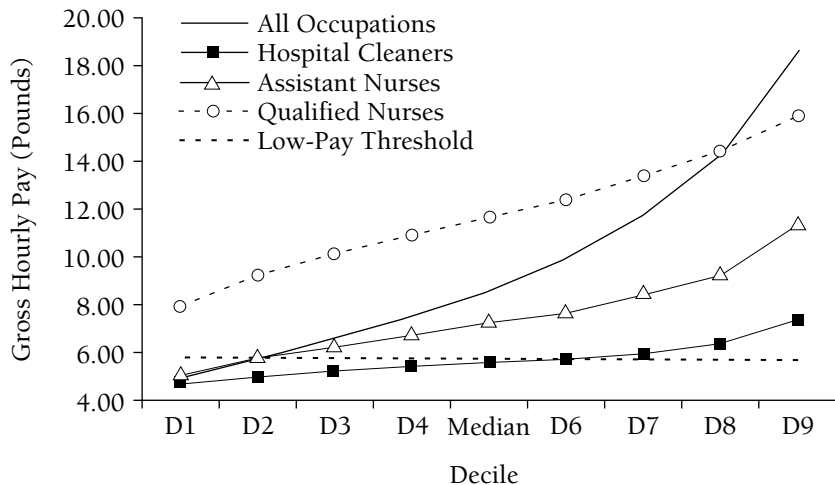
	Continuing Training	Career Progression
Food		
R1	Mostly on-the-job training, although there are some off-the-job customer service courses, plus computer-based skills courses. Employees can request training at reviews.	Scope for promotion as new branches are opened, although opportunities are limited for part-time workers and those who are not mobile.
R2	Computer-based learning includes product knowledge and customer handling.	Management training available for four sales staff per store each year (0.5 to 1%). Generally demands for progression are met—there is little pent-up demand.
R3	At least one day of off-the-job training per employee in last twelve months, focused on customer service skills. There has also been training for coaches and section coordinators.	Opportunities for part-time staff, but mobility is required. A new “career path” has laid down the requirements for progression to each level, but many sales staff are not interested in progressing to management jobs, which are seen as “stressful.”
R4	Courses on newspapers and magazines, chilled products, food and hygiene, and so on, are optional for part-time staff. Supervisors encouraged to take NVQs and SVQs.	Progression to supervisor available only if they can work full-time; most are not interested because of family commitments.

Electrical

- | | | |
|----|---|---|
| R5 | Customer service training and product training, often with manufacturers, usually once a week. Also ongoing individual coaching. | Opportunities for internal progression, but with commission earnings, sales staff are often happy to stay where they are. |
| R6 | Frequent product training, often with manufacturers, is popular because it helps make sales and earn commissions; there is also a subsidized retail NVQ program. | Scope for progression via team leader role, but some employees do not want to progress, either because they have family commitments or because they can earn more money in sales (through commissions). |
| R7 | Average of four days of off-the-job training per year, mainly technical training dealing with new products and technology; also feedback on company performance. Manufacturers come in to provide training on their own products. | Management development courses and emphasis on internal promotion, although promotion usually requires mobility between stores. |
| R8 | Ongoing training includes weekly training sessions, usually product training with manufacturers, lasting thirty to sixty minutes per employee per week. “Workbook” training enables promotion to new roles. | Internal promotion is common, and employees feel that the company rewards loyalty. It is harder for part-time staff to progress. |

Source: Authors' compilation.

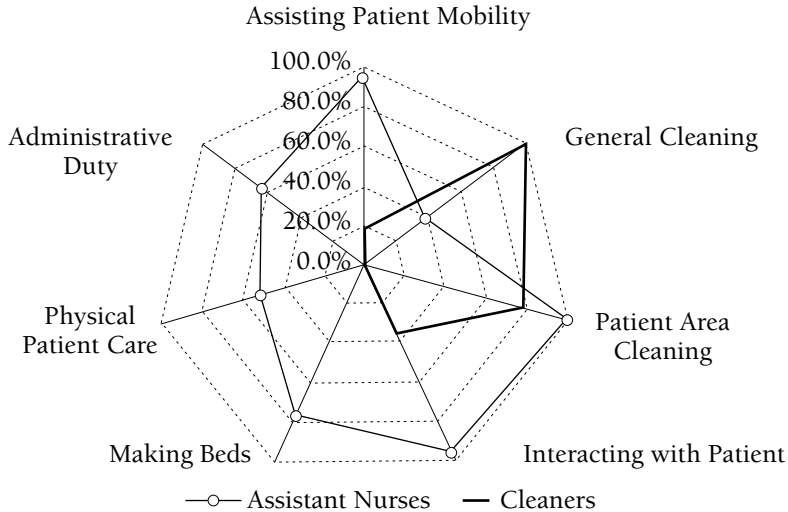
Figure 5.1 Distribution of Hourly Pay for Hospital Cleaners and Assistant Nurses, 2005



Source: Labour Force Survey (LFS) (2005). Data kindly provided by Matt Osborne at the National Institute for Economic and Social Research (NIESR).

Note: Sample sizes are 516 (assistant nurses), 1,316 (qualified nurses), and 116 (hospital cleaners). Because the sample size for hospital cleaners is small, we ran a check with pooled 2004 and 2005 data, and this confirmed a similar interdecile distribution.

Figure 5.2 The Division of Labor Between Cleaners and Assistant Nurses



Source: Authors' compilation using information provided by cleaners and assistant nurses during interviews.

Note: Based on our very small sample of twelve assistant nurses and six cleaners. Answers to questions were scored as 1 (“always”), 2/3 (“often”), 1/3 (“sometimes”) and 0 (“never”). Some questions involved aggregated responses to individual questions: “assisting patient mobility” involved separate questions on helping patients to move and taking them to the toilet; “interacting with the patient” combined questions on giving emotional support, responding to the patient buzzer, and reporting information; “administrative duties” combined responses to taking phone calls and making appointments.

Table 5.1 Employment in the National Health Service, England, 1995 to 2005 (in Thousands)

	1995	1997	1999	2001	2003	2005	Percent Change 1995 to 2000	Percent Change 2000 to 2005
Total employed staff	1,052	1,059	1,097	1,166	1,283	1,365	6%	22%
Doctors	84	90	94	99	109	122	14	27
Qualified nurses (and midwives)	317	319	330	350	386	404	6	20
Qualified scientific, therapeutic, and technical staff	91	96	102	110	122	135	16	27
Qualified ambulance staff	15	15	15	15	16	18	2	23
Support to clinical staff	279	284	297	326	361	376	10	22
Assistant nurses ^{a,b}	125	133	140	153	167	168	16	16
Support workers (porters) ^a	44	38	36	35	33	33	-22	-5
Clerical and administrative ^a	61	64	68	78	90	100	19	38
NHS infrastructure support	181	171	171	180	200	220	-4	27
Central functions (finance, HR, IT)	72	71	74	81	92	106	7	36
Hotel, property, and estates (laundry, catering, builders, electricians)	88	78	73	71	72	75	-19	6
Managers and senior managers	21	22	24	27	35	39	21	56

Source: Department of Health, *NHS Bulletin* (2004, tables 1b, 2a).

^a Owing to data availability problems, these figures refer only to persons in these occupations providing support to doctors and nursing staff; other staff also provide support to scientific and technical staff and to ambulance staff, but data for detailed occupational groups are not available.

^b Numbers include health care assistants.

Table 5.2 The Case Study Hospitals

	1— Small-Town Hospital	2— Large PFI Hospital	3— City Hospital	4— City PFI Hospital	5— One-Star Hospital	6— City Suburb Hospital	7— Rural PFI Hospital
Location	Greater Manchester	West Midlands	Greater Manchester	Greater Manchester	Northwest Midlands	Greater Manchester	Southwest Midlands
Local rate of unemployment ^a	4.6%	5.1%	4.5%	4.5%	2.6%	4.5%	3.8%
Number of staff	4,339	6,663	5,400	5,500	2,227	4,281	1,600
Number of beds	831	1,417	n.a.	855	n.a.	800	n.a.
National perfor- mance rating	Three-star	Three-star	Two-star	Three-star	One-star	Three-star	Two-star
Management of cleaning	In-house	Mixed: super- visors out- sourced; non- supervisory staff in-house	Mixed: four sites in- house; two sites out sourced	Outsourced	In-house	Outsourced (in-house from April 2006)	Outsourced
Privately fi- nanced building program	No	Yes	No (yes from 2008)	Yes	No	No	Yes
Private cleaning firm	n.a.	ISS Mediclean	ISS Mediclean	Sodexho	n.a.	ISS Mediclean	Sodexho
Financial balance (2004–2005)	Deficit £743,000	Forecast deficit £6.4 million (2005–2006)	Deficit £7.7 million	Surplus £59,000	Deficit £2.5 million	Surplus £450,000	Surplus £20,000

Source: Authors' compilation using information supplied by case-study managers.

^a "Rate of unemployment" refers to local travel to work area.

Table 5.3 Evidence of Tight Local Labor Markets

	Recruitment Problems?		Staff Turnover	
	Assistant Nurses	Cleaners	Assistant Nurses	Cleaners ^b
1. Small-town hospital	No	No	5.2%	9.6%
2. Large PFI hospital	No	Yes	6	18
3. City hospital	No	Yes	—	22
4. City PFI hospital	No	Yes	—	“High”
5. One-star hospital	No	Yes	12% ^a	26%
6. City suburb hospital	No	No	“Very footloose”	“Not high”
7. Rural PFI hospital	No	Yes	“Not high”	Conflicting opinions

Source: Authors' compilation using information supplied by case-study hospital managers.

^a This figure refers to “clinical support staff.”

^b All staff turnover figures for cleaners refer to the entire ancillary workforce (including cleaners, caterers, and porters).

Table 5.4 Use of Agency Temps to Fill Assistant Nurse Posts

	National NHS Agency (NHSP)	In- House Bank	Private- Sector Agency	Other Details
1. Small-town hospital	No	Yes	Only as backup	Problems with the quality of staff supplied from external agency
2. Large PFI hospital	No	Yes	No	—
3. City hospital	Yes	No	Only as backup and for some specialist posts	Problems with the quality of staff supplied from external agency
4. City PFI hospital	Yes	No	No	—
5. One-star hospital	No	Yes	Only as backup	—
6. City surplus hospital	Yes	No	No	—
7. Rural PFI hospital	No	Yes	Yes	Gradual shift to primary reliance on in-house bank at time of field-work

Source: Authors' compilation using information provided by case-study hospital managers.

Table 5.5 Comparison of Basic Hourly Pay Rates Between Old and New National Pay Scales (April 2005)

	Old Pay Scale for Ancillary Staff (Whitney)			New Harmonized Pay Scale (Agenda for Change)	
	Grade B	Grade C	Grade D	Band 1	
Cleaners				£6.43	
				£6.26	
				£6.09	
				£5.89	
			£5.31		
		£5.13	£5.13		
	£5.09				
	£5.00	£5.00			
	£4.92				
	Old Pay Scale for Nursing Staff (Whitney)		New Harmonized Pay Scale (Agenda for Change)		
	Grade A	Grade B	Band 2	Band 3	
Assistant nurses				£8.40	
				£8.21	
				£7.95	
				£7.73	
		£7.61 ^a	£7.56	£7.56	
		£7.36	£7.28	£7.28	
		£7.12	£7.02	£7.02	
	£6.89 ^a	£6.89	£6.83		
	£6.68	£6.68	£6.63	£6.74 ^b	
	£6.46		£6.43	£6.43 ^b	
	£6.27		£6.26	£6.18 ^b	
	£6.07		£6.09		
	£5.88		£5.89 ^b		
	£5.69				

Source: Authors' compilation using information provided by case-study hospital managers.

^a Additional increment for staff with NVQ2 in care (grade A) and NVQ3 (grade B).

^b Special transitional pay rate.

Table 5.6 Levels of Education and Past Work Experience Among Cleaners and Assistant Nurses

	Sex	Age	Years Worked in Public Hospitals	School Qualifications	Work Experience
Standard education; standard work experience					
Assistant nurse	M	25	5	None	Care assistant in private nursing home
Assistant nurse	F	35	5	Three O levels	Catering; ward housekeeper
Assistant nurse	M	40	10	None	Hospital porter; care assistant
Assistant nurse	F	43	3	Four GCSEs	Child welfare
Cleaner	F	48	4	Two GCSEs	Airline catering
Cleaner	F	55	27	Two O levels	Factory work
Cleaner	F	53	15	None	Office, shop, and factory work
Above standard education; standard work experience					
Assistant nurse	F	27	3	Nine GCSEs	Care assistant in private nursing home
Assistant nurse	F	46	10	Six CSEs	Hairdressing; factory and shop work
Assistant nurse	F	43	3	Seven CSEs	Home care

Standard education; above-standard work experience

Assistant nurse	F	54	9	Two O levels	Office, factory, and shop work; dairy farm manager (own business); bus driver; radio operator
Assistant nurse	F	40	9	CSEs	Shop manager; marketing (own business); cable TV sales; cleaner
Cleaner	F	54	7	None	Accounts/bookkeeping; child-minding
Cleaner	F	51	16	None	Tailor; retail supervisor
Cleaner	F	42	7	CSEs	qualified nursery nurse

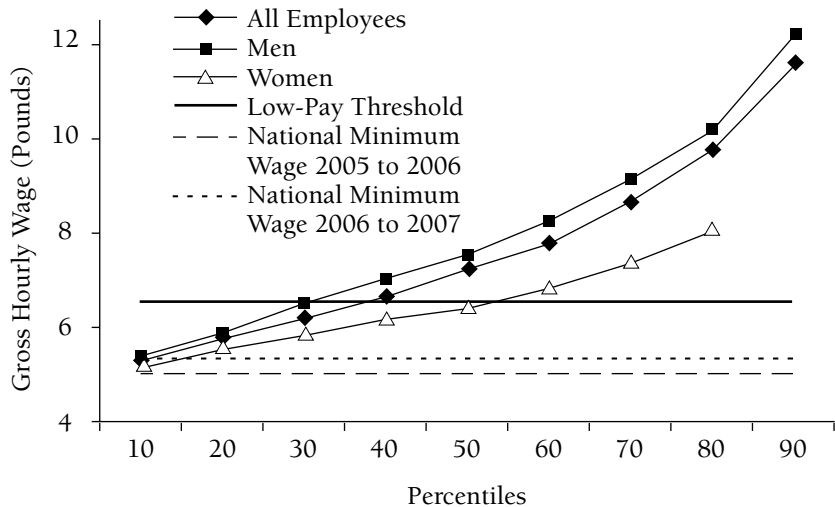
Above-standard education; above-standard work experience

Assistant nurse	F	47	4	Five CSEs and Two GCSEs	Aerobics teacher
Assistant nurse	F	48	9	Seven O levels	Owner of hair salon
Assistant nurse	F	46	8	Nine O levels	Accounts clerk; cleaner

Source: Authors' compilation using information provided by cleaners and assistant nurses during interviews.

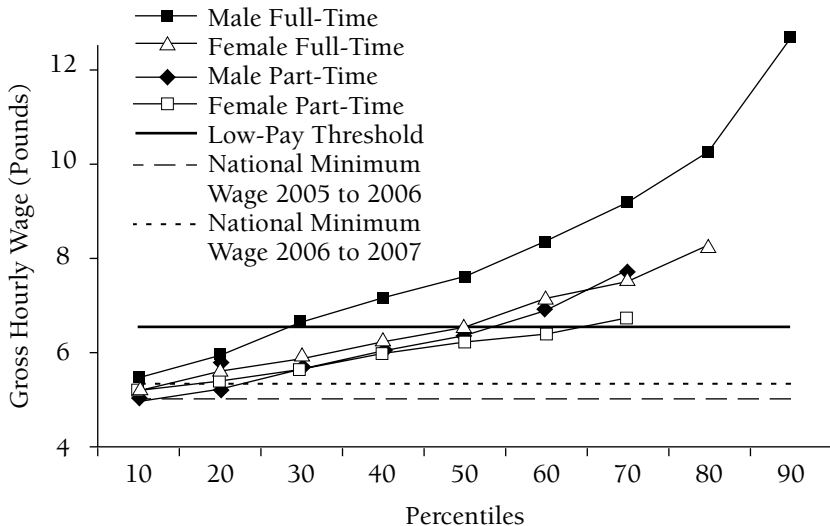
Note: Up until 1988, there was a two-tier exam system for sixteen-year-olds. Academically able pupils took General Certificate of Education Ordinary Level (O level) examinations in a number of subjects. Those less academically gifted took the Certificate of Secondary Education (CSE) examinations. In 1988 these were combined into a single system of GCSEs (General Certificate of Secondary Education).

Figure 6.1 Gross Hourly Wages of Food, Drink, and Tobacco Process Operatives, by Gender, 2006



Source: Annual Survey of Hours and Earnings (ASHE) (2006), SOC 8111.

Figure 6.2 Gross Hourly Wages of Food, Drink, and Tobacco Process Operatives, by Full-Time and Part-Time Work



Source: Annual Survey of Hours and Earnings (ASHE) (2006), SOC 8111.

Table 6.1 Employment Levels in Food Manufacturing: Great Britain (Thousands), June 2000, 2004, and 2006

	Male Full-Time	Percentage of Total	Male Part-Time	Percentage of Total	Female Full-Time	Percentage of Total	Female Part-Time	Percentage of Total	Total
2000	253.7	60.3	10.5	2.5	109.9	26.1	46.6	11.1	420.6
2004	236.8	62.8	9.8	2.6	97.7	25.9	32.5	8.6	376.8
2006	225.5	62.1	9.3	2.6	98.5	27.1	30.0	8.3	363.2

Source: Office for National Statistics (ONS) (2001, 2005, 2006c). Figures for Northern Ireland are not available. The data are derived from a different survey from that used to estimate the U.K. employment figure.

Table 6.2 The Case Study Food-Processing Companies

	Confectionary			Meat		
	Chocs	SweetCo	Novelty	Clucks	PoultryCo	BaconCo
Ownership	Midsized Europe	Single-Site United Kingdom	Single Business United Kingdom	Midsized United States	Large United States	Midsized United Kingdom
Workplace size ^a						
Employees	100 to 150	100 to 150	500 to 750	500 to 750	500 to 750	100 to 150
Agency	Up to 100	Up to 50	Up to 300	Up to 100	Up to 150	Up to 70
Unionized	Yes	Yes	No	Yes	Yes	Yes
Female	55%	60%	45%	37% ^d	33%	10%
Part-Time	4%	40%	5%	8% ^d	2%	0%
Total interviewees ^b	17	8	11	18	14	2
Management	3	2	4	6	4	0
Team leaders/supervisors	4	1	3	2	1	0
Operatives/related workers	10	4	4	10	8	1
Union/employee representatives	1	1 ^c	3	2	1	2 ^c
Temporary work agency interview	Yes	Yes	Yes	Yes	No	No
Factory tour	Yes	No	Yes	Yes	Yes	No

Source: Authors' compilation.

Note: All companies were guaranteed anonymity; therefore, pseudonyms have been provided.

^a Details have been left vague to avoid identification of the companies.

^b Numbers do not necessarily add up, since union representatives are also included under their job role.

^c Includes a full-time officer.

^d Figures also cover another factory on a nearby site.

Table 6.3 Market Characteristics of the Case Study Food-Processing Companies

	Chocs	SweetCo	Novelty	Clucks	PoultryCo	BaconCo
Product	Chocolates	Sweets and chocolate products	Sweets and chocolate products	Cooked chicken products	Fresh/prepared chicken, ready-meals	Fresh pork and bacon
Main market	Upper end/adult, seasonal	Adult/mid-market	Niche/children/seasonal	Midmarket	Low- to upper-end market	Midmarket
Production process	Large-batch	Mass production	Batch/mass production	Large-batch	Large-batch	Mass production
Percentage branded	66	100	25 ^a	0	5	20 ^b
Percentage retailer own-label	33	0	50	100	95	80
Ownership changes last six years	—	Management buyout	Family firm sold to PLC	Family firm sold to MNC	—	Sold to larger company
Change in profit levels last six years	Improved 5 to 10%	Loss-making before MBO; now 3 to 5%; insufficient to pay off debts	Varied; 2005–2006 a good year; 5 to 10%	Margins of around 1%	Margins of less than 3%	Loss-making to very small profit

Source: Authors' compilation.

^a Plus 25 percent for other confectionery companies.

^b To other plants.

Table 6.4 Innovation and Cost-Saving Measures in the Last Five Years

	Chocs	SweetCo	Novelty	Clucks	PoultryCo	BaconCo
New products	Yes	Yes	Yes	No	Yes	No
Technological and process changes	Some	Major	Major	Major	Some	None
Work intensification	No	Yes	Yes	Yes	Yes	Yes
Agency workers	Increased; sole recruitment source	Increased; occasional recruitment source	Increased; main recruitment source	Increased; sole recruitment source	Increased; main recruitment source	Increased; recruit direct from overseas
Wages	Relative decline	Relative decline	—	Relative decline	Relative decline	—
Labor turnover (estimates)	10%	4%	32%	34%	15%	n.a.
Main reductions in benefits	Closed final salary pension scheme	Loss of canteen; cuts in sick pay, pensions, maternity leave, etc.	—	Closed pension scheme	Closed pension scheme to new recruits; cut sick pay	—

Source: Authors' compilation.

Table 6.5 Pay Rates for Operatives in Food-Processing Companies

	Chocs	SweetCo	Novelty	Clucks	PoultryCo ^a	BaconCo
Date	1.1.05	1.4.05	1.7.05	1.10.05	25.2.06	1.4.06
Trainee	£5.64	£6.28	£5.50 ^b	£5.71 ^b	£6.22 ^b	£5.39
Lowest-paid operative	£5.64	£7.22	£5.05	£5.37	£5.41	£6.26
Median pay	£5.64	£7.22	£6.45 ^b	£6.03 ^b	£6.71 ^b	£7.61 (mean)
Highest grade (percentage of operatives)	£7.61 (3%)	£9.10 ^b (33%)	£10.19 ^b (0.5%)	£7.11 ^b (10%)	£7.77 ^b (1%)	£8.24 (n.a.)
Percentage below LPT	83	0	41	63	29	Below 10
Agency pay	£5.05 to £5.52	£5.05	5.05 to £5.60	£5.05	£5.05	£5.05
Highest grade open to operatives (with training)	£9.58	£9.10 ^b	£10.19 ^b	£7.38 ^b	£8.27 ^b	£8.24
Team leader pay (highest)	£8.45	£12.00 or more ^b	£7.61 ^b	£7.38 ^b	£8.27 ^b	n.a.

Source: Authors' compilation.

Notes: All rows refer to direct employees except for row 7 (agency pay). LPT = £6.32 per hour.

^a Pay rates include another factory. Pay in the factory case study was toward the lower end.

^b Alternating two shifts.

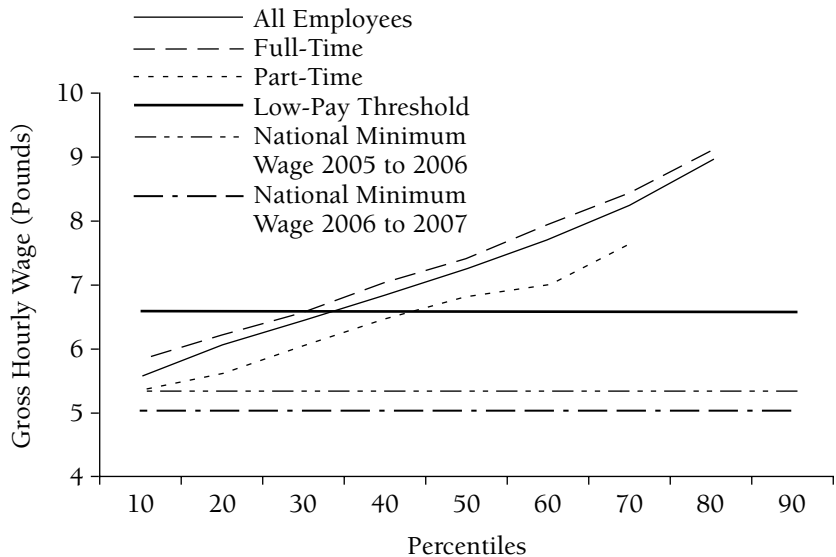
Table 6.6 Hours and Benefits for Food-Processing Operatives (Directly Employed Only)

	Chocs	SweetCo	Novelty	Clucks	PoultryCo	BaconCo
Main shift pattern	Annualized hours: 8 hours (two rotating shifts) and 10 hours (two to five days per week)	Part-time, fixed, and 8 hours (two rotating shifts)	8 hours (two rotating shifts)	8 hours (two rotating shifts)	8 hours (two rotating shifts)	Fixed, 7:00 AM to 3:30 PM
Hours	39	40	37.5	40	40	40
Breaks (minutes)	60, paid	45, paid	15, paid; 30, unpaid	45, paid	40, paid	30, paid; 30, unpaid
Holidays (days) ^a	22 to 26, plus 8 bank holidays	25, plus 8 bank holidays/in lieu	20 to 25, plus 8 bank holiday/in lieu	24 to 26, plus 8 bank holidays/in lieu	20 to 25, plus 8 bank holidays/in lieu	25 to 26, plus 8 bank holidays
Pension	Defined benefit	Company	Stakeholder	None	Company and stakeholder	Money purchase
Sick pay (per year) ^a	6 to 12 weeks at full pay	12 days at full pay, 6 months at 80%, 6 months at 50%	5 to 10 days at full pay (not paid first week)	3 to 26 weeks (not paid first week)	4 to 16 weeks at full pay (not paid first week)	6 weeks at full pay for hospital operations only
Other	Annual profit-related bonus of up to £500; attendance bonus of up to £250 per year; canteen	(Recently closed canteen)	Annual £250 to £500 bonus for low individual absence; canteen	Canteen	Canteen	None

Source: Authors' compilation.

^a Benefits increase with length of service.

Figure 7.1 Gross Hourly Wage Distribution for Call Center Agents, by Full-Time and Part-Time Status, 2006



Source: Annual Survey of Hours and Earnings (ASHE) (2006), SOC 7211.

Table 7.1 Key Characteristics of Call Center Agents in the United Kingdom Compared to the Total Workforce (Employees Plus Self-Employed), 2005

	Call Center Agents	Total Workforce
Gender		
Male	39%	54%
Female	61	46
Age		
Under twenty-five	41	14
Twenty-five to twenty-nine	15	10
Thirty to thirty-nine	20	24
Forty to forty-nine	15	25
Fifty to fifty-nine	8	20
Sixty and older	1	7
Working hours		
Part-time (less than thirty hours)	26	23
Full-time (thirty hours or more)	74	77
Ethnic group		
White	91	92
South Asian	5	3
Black	2	2
Other ethnic group	2	2
Nationality		
United Kingdom national	92	92
Not United Kingdom national	8	8
Highest qualification ^a		
Graduate	9	21
Other NVQ4 or equivalent	8	10
NVQ3	31	25
NVQ2	38	23
Below NVQ2; other qualifications or no qualifications	15	22
Number of observations	748	225,248

Source: Labour Force Survey (LFS) (2005).

^a Other NVQ4 includes BTEC Higher National and teaching and nursing qualifications or equivalent; NVQ3 includes A levels and trade apprenticeships or equivalent; NVQ2 includes GCSE grades A through C, City and Guilds craft, GNVQ intermediate, or equivalent.

Table 7.2 Case Study Call Centers: Main Characteristics and Number of Interviews

Call Center	Main Business	Ownership	Employment in Call Center	Union Presence	Number of Interviewees			
					Managers	Team Leaders	Agents, Union Reps	Temp Agency Managers
F1	Mass, customer finance	United Kingdom	100 to 200	Yes	3	2	10	2
F2	Outsourcer, contracts in finance and utilities	United States	200 to 500	No	3	6	10	1
F3	Mass, customer insurance	United Kingdom	500 to 1,000	No	4	4	9	—
F4	Mass, customer finance	European	100 to 200	No	3	4	17	—
U1	Monopoly, energy emergency service	United Kingdom	Site 1: 100 to 200 Site 2: 200 to 500	Yes	8	2	7	2
U2	Outsourcer, contracts in utilities	United Kingdom	100 to 200	Yes	6	2	4	2
U3	Mass, residential and business energy supplier	European	500 to 1,000	Yes	2	2	4	1
U4	Monopoly, mass, residential and business water supplier	European	100 to 200	Yes	2	2	5	—

Source: Authors' compilation.

Table 7.3 Job Complexity, Tasks, and Knowledge Requirements in Case Study Firms

Job Complexity for Majority of Employees ^a		Job Tasks and Knowledge Requirements	Typical Call Length
In-house centers operating in competitive markets			
F1	Medium	Transactions, advice, and selling on twenty-five accounts. Some product knowledge required. No scripting, but some use of standard phrases.	5 minutes
F3	Medium	Quote and sell up to four insurance products. Some product knowledge required. Use of scripts.	3 to 4 minutes
F4	Low	Transactions on one simple account. Use of scripts.	3 to 4 minutes
U3	Medium	Registration of new customers, dealing with changes of supplier, cross-selling of products. Detailed product knowledge required. Limited use of scripts.	6 minutes
In-house centers subject to tight regulation			
U1	Medium	Taking emergency calls, providing safety advice, and answering customer queries. Safety knowledge is critical. Use of scripts.	2.5 minutes
U4	Medium	Debt collection, assistance with range of supply problems. Some product knowledge required. Limited use of scripts.	5 minutes
Outsourcers			
F2	Low	Simple transactions and giving/receiving information. Use of scripts.	2 to 3 minutes
U2	Medium	Responding to customer queries and assistance with range of problems. Some product knowledge required. Use of scripts varies between contracts.	No data available

Source: Authors' compilation.

^a Estimated time to reach full proficiency: low = less than two months, medium = between two and six months.

Table 7.4 Agents' Pay and Benefits

	Starting Gross Hourly Pay for Direct Employees	Median Gross Hourly Pay for Direct Employees ^{a,b}	Median Gross Hourly Pay for Agency Staff ^a	Median Gross Hourly Pay for All Staff ^a	Other Major Benefits for Direct Employees ^c	Agency Staff as Percentage of Total Call Center Agents
In-house centers operating in competitive markets						
F1	£6.45	£7.10	£6.00	£7.10	Company pension; free shares	26
F3	£6.90	£9.30	—	9.30	Company pension	0
F4	£7.70	£9.20	—	9.20	Company pension; BUPA	0
U3	£7.00	£12.30	7.00	11.70	Company pension	11
In-house centers subject to tight regulation						
U1	£6.50	£8.00	7.10	7.20	Company pension	86
U4	£7.80	£8.50	—	8.50	Company pension	0
Outsourcers						
F2	£5.35	£5.80	5.35	5.80	None	11
U2	£5.60	£7.30	6.80	7.00	Company pension	64

Source: Authors' compilation.

^a The estimated median pay rate (including commissions) is here defined such that half of all call center agents earn above that rate and half below it.

^b Estimated pay levels for permanent staff include performance-related bonuses and annual company bonuses.

^c These are in addition to holidays and sick pay above statutory levels.

Table 7.5 Training and Career Progression in Case Study Call Centers

	Average Initial Off-the-Job Training Times	Continuing Training	Career Progression (Permanent Staff Only)
In-house centers operating in competitive markets			
F1	Four weeks (pass accreditation exams)	Limited ongoing training— linked to products	Grading structure within agent job; team leader; limited moves to other functions
F3	Six weeks	Various training options in learning resource center, including team leader training	Grading structure within the job; team leader
F4	Two weeks	Various training options— intranet site with training packages, language courses, NVQs in call handling	Limited to team leader role
U3	Five weeks	Refresher training and training for progression to coach or team leader	Limited number of coach and team leader positions

In-house centers subject to tight regulation

U1	Two weeks	Opportunities for training for permanent staff for coach and team leader roles	Some limited positions as coach and team leader
U4	Three weeks	Team leader development scheme	Limited number of team leader roles; large volume of administrative job opportunities in the wider company
Outsourcers			
F2	Three to five days	Ongoing training restricted to new contract training	Team leader; limited moves to other functions
U2	Five weeks	Training usually linked to progression via floor-walker role to team leader; refresher skills and new product training	Limited number of team leader positions

Source: Authors' compilation.

Table 8.1 Market Position and Competitive Pressures in the Case Study Organizations

Industry	Market	Key Competitive Pressures ^a	Other Factors in the Sector
Call centers			
Competitive markets	Profitable and expanding	Quality of service, regulatory rules (costs)	Fluctuations in call volumes; recruitment difficulties in some areas-
Monopolies	Profitable	Regulatory requirements (costs)	
Outsourcers	Overcapacity	Costs, short-term response (quality of service)	
Food processing			
Meat	Supermarket label, very low margins	Retailer power, cost, delivery (quality)	Seasonal fluctuations in demand
Confectionery	Most own-brand, higher margins, but competitive	Marketing, retailer power, cost, delivery	

Hotels				
Upper end		Volatile markets	Cost, expanding facilities and amenities, quality service	Frequent fluctuations in demand
Midmarket		Volatile markets and intensified competition	Cost, expanding amenities	
Hospitals				
In-house		Public-sector, budgetary constraints	Cost, service quality	National pay system, end of two-tier pay and conditions; recruitment difficulties in some areas
Outsourced		Contracted, budgetary constraints	Cost, service quality	
Retail				
Food		Highly concentrated	High end: quality of product, service (costs) Low end: costs, service	Fluctuations in customer flows; electrical: rapid changes in products
Electrical		Downward pressure on prices	Costs, product knowledge, response to demand	

Source: Authors' compilation based on data described in chapters 3 through 7.

^a Secondary pressures in parentheses.

Table 8.2 Characteristics of the Target Low-Wage Occupations, 2006

Industry	Occupation	Female	Part-time ^a	Below LPT: Defined in Terms of All Employ- ees' Earnings ^b	Below LPT: Defined in Terms of Full-Time Em- ployees' Earnings ^c
Hotels	Cleaner	85%	56%	89%	94%
Retail	Sales and retail assistant	71	65	72	83
Retail	Retail assistant and check- out operator	75	75	69	87
Hospitals	Nursing auxiliary	86	44	17	38
Hospitals	Cleaner	90	66	56	74
Food, drink, and tobacco processing	Process operative	29	13	31	47
Various	Call center agent	71	24	31	51
All United Kingdom industries	All occupations	46	25	22	30

Source: Annual Survey of Hours and Earnings (ASHE) (2006). We thank Matt Osborne at the National Institute for Economic and Social Research (NIESR) for providing the analysis of the ASHE data.

^a Less than thirty hours per week.

^b The low-pay threshold defined on the basis of all employees' earnings (including part-timers) was £6.59 in 2006.

^c The low-pay threshold defined on the basis of full-time employees' earnings was £7.41 in 2006.

Table 8.3 Main Indicators of Job Quality and Direction of Change in the Case Study Sectors

Industry	Pay per Hour (Median Case)	Benefits (Above Statutory) ^a	Agency Use	Numerical Flexibility	Career Progression	Direction of Change in Job Quality ^b
Hotels	£5.05	None	Very high in London	Very high	Some: supervisor, other depart- ments	– Flexibility – Agency – Pay – Work effort
Retail						
Food	£5.75	Limited: some pensions	No	Moderate	Limited: supervi- sor, management	– Pay – Flexibility
Electrical	£7.95	Limited: some pensions	No	Moderate	Some: supervi- sor, management	No change
Food processing	£6.71	Varied: sick pay, holidays, some pensions	High	High	Fair: higher- skilled, supervi- sor	+ Health and safety – Pay and benefits – Agency – Flexibility – Work effort

Hospital Cleaner	£5.60 ^c	Significant: sick pay, maternity, holidays, pensions	No	Moderate	Limited: supervisor, nursing assistant	+ Pay and benefits + Progression – Work effort
Assistant nurse	£7.28 ^c		Some	Low	Good: intermediate grades, nursing	+ Pay + Progression
Call centers	£8.25	Significant: sick pay, maternity, holidays, pensions	High	High	Some: supervisor	+ Pay + Flexibility + Agency

Source: Authors' compilation based on data described in chapters 3 through 7.

^a The main benefits considered are holidays, sick pay, maternity pay, and pensions. Many organizations provided other fringe benefits, such as share options, subsidized canteens, and discounted products.

^b The direction of job quality change, as indicated by key aspects of the job, is assessed either as largely positive (+), and so improving, or as largely negative (–), and so deteriorating. Where there is no clear direction of change, the specific aspect of job quality is excluded from the table.

^c Median gross hourly pay derived from Labour Force Survey data.