

# ENFORCED FLEXIBILITY? WORKING IN IRELAND TODAY





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JAMES WICKHAM  
ALICJA BOBEK

TASC - Think tank for Action on Social Change

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Harold's Cross, Dublin 12.  
kevin@doggettgroup.ie  
(01) 453 3151

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## EXECUTIVE SUMMARY

### WHY BETTER JOBS MATTER

The rationale of TASC's *Working Conditions* in Ireland project is the need to analyse the quality as well as the quantity of jobs. A just recovery from the economic crisis requires good jobs and a concomitant reduction in inequality.

The research project began in Spring 2015. Four case study sectors were chosen: hospitality, construction, financial services and ICT/software.

The study began with a background report on each sector. This was followed by the main research stage of lengthy qualitative interviews with individual workers from a range of occupations in each sector.

### OCCUPATIONS, JOB QUALITY AND WORKING CONDITIONS

In many countries changes in the occupational structure have contributed to greater inequality. The higher paid and the lower paid occupations have grown, occupations in the middle have stagnated or declined. The hour glass society emerges.

International research suggests however that job quality itself has not polarised. The physical environment of work has improved. Virtually everywhere employees exercise more autonomy at work than in the past, even if this is accompanied by greater work pressure and sometimes greater stress.

At the same time the employment relationship itself is increasingly a purely market relationship and de-institutionalised. Employment is insecure even if neither turnover nor perceived insecurity actually rise. This suggests the need to look for changes *within* occupations - hence the rationale for our study.

### WORKING CONDITIONS IN IRELAND

In Ireland the important foreign-owned sector is has generated good quality jobs, but Ireland also has an unusually high level of low paid jobs in other sectors. Research to date suggests that there is little evidence of any major polarisation of job quality, but a growing de-institutionalisation of the employment relationship itself.

The project investigated the implications of these changes by examining work in four contrasting sectors. Hospitality was chosen as a traditional low pay sector, construction because earnings are clustered around the national average, and financial services and ICT/software because these growth sectors promise high quality employment.

### WORKING CONDITIONS IN HOSPITALITY

Across Europe the hospitality sector is often characterised by low pay and casual work. In Ireland our interviews showed how earnings are low because of the combination of low hourly rates with low and variable hours.

In the past some workers in the industry had stable jobs with predictable career paths. Now much employment is casualised so that such jobs are rare. There is little structured training and limited clear progression.

Work is hard and there are health and safety issues that often go unreported. Interviewees reported that work pressure has increased with fewer people doing more work.

Although most people reported good relations with immediate colleagues management focuses on tight control of employees.

Union density is low but where unions do exist they are able to protect basic working conditions.

## WORKING CONDITIONS IN CONSTRUCTION

In construction firms responded to the crisis by reducing direct employment and outsourcing as much work as possible. In their turn sub-contractors outsourced work so that sub-contracting chains lengthened. There has been a dramatic growth in the proportion of craft workers who are self-employed. Many of these are 'bogus self-employed': they have been compelled by their employer to declare themselves self-employed. This saves the employer wages and taxes, but the self-employed lose some social welfare entitlements.

By contrast, many labourers and general operatives now work for agencies: here hours are also irregular and earnings fluctuate.

It was suggested that this fragmentation of the workforce was endangering safety but the evidence here is not conclusive. Casualisation has however undermined training and career paths.

Union density has fallen dramatically with the erosion of permanent jobs and unions have been unable to prevent the erosion of working conditions.

## WORKING CONDITIONS IN ICT AND FINANCIAL SERVICES

These two sectors are very diverse and our research only highlights some emerging issues.

Overall jobs here are well paid and earnings above average. Possible negative aspects of work include the apparent growth of low quality jobs in back office customer service and in call centres as well as the expansion of short term and temporary employment.

While the ability to move between jobs has been a valued feature of work here, now such mobility is often enforced on younger entrants. Other problematic aspects of work include the proliferation of targets which exacerbates work intensity.

Some workers resented the attempt by management to create 'fun' at work, seeing this as a poor substitute for trade union bargaining.

## CONCLUSION

A common theme to emerge from in these four sectors is that flexibility is now enforced on workers. This is most obvious in hospitality, where many workers are effectively on call; it is a feature of the compulsory self-employment in construction and can be seen in the enforced mobility in financial services and ICT. Better jobs require the development of 'anchor points' to re-institutionalise the employment relationship. Crucial here is the extension of sector wide minimal wage agreements.

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During the course of the project we tried out ideas on our 'User Group' of trade union officers: Aileen Morrissey, Ger Gibbons, Jim Browne and Michael Taft. They were an important resource and one crucial starting point for our identification of possible interviewees.

The members of our Scientific Advisory Board are listed in Appendix 5. At the end of the project and at very short notice they gave generously of their time to read initial drafts of this report. They provided many helpful suggestions and we have tried to do justice to their constructive comments.

This report is based largely on lengthy qualitative interviews. The interviews with trade union officers gave us crucial background information. We thank these officers for taking time from their busy schedule to talk to us and also for their help in identifying possible interviewees employed in our four case study sectors. The interviews with workers formed the core of the project. Our interviewees gave generously of their time to give us detailed accounts of their workplaces, their careers and their working lives. Without them this project would have been impossible. As agreed with them, they remain anonymous, but hopefully we have done justice to their accounts of working conditions in Ireland today.

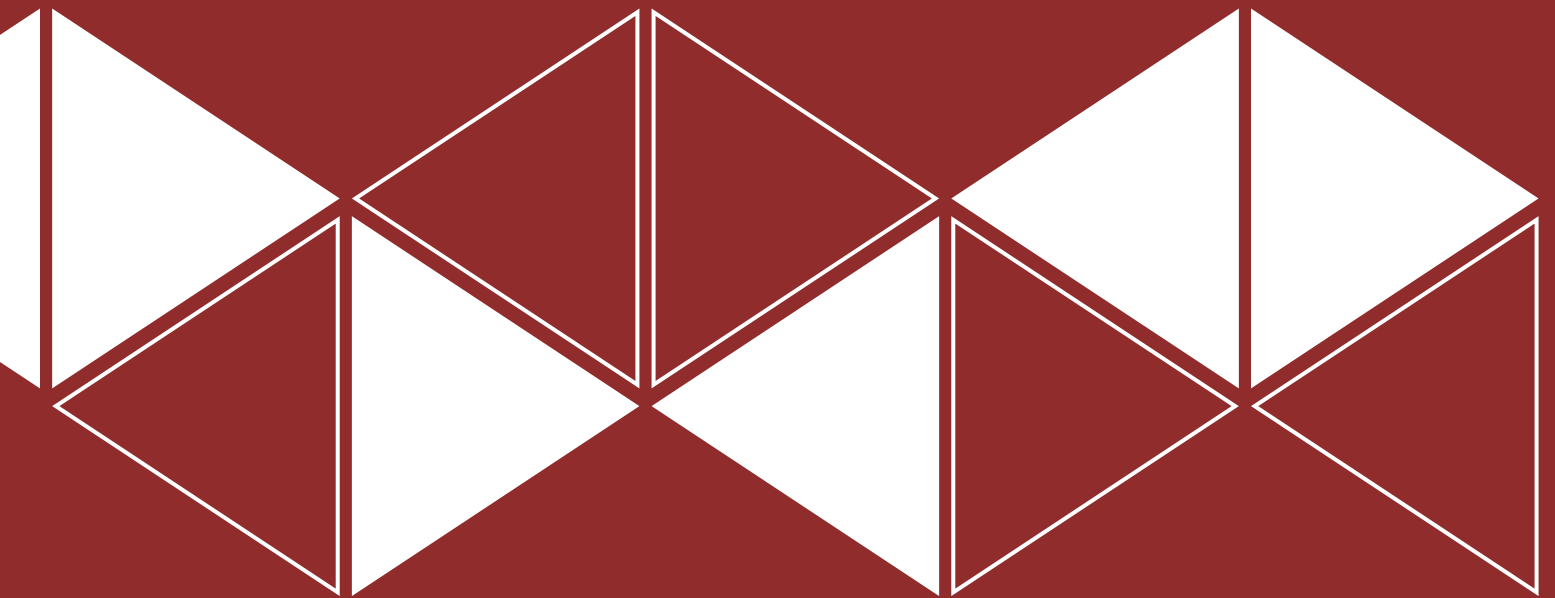
The project was supported by the Irish Congress of Trade Unions (ICTU) and FEPS, the latter also providing substantial research funding. We gratefully acknowledge this funding. The views expressed in this report are of course our own and not necessarily those of our funders and supporters.



ENFORCED FLEXIBILITY? WORKING IN IRELAND TODAY

# CHAPTER 1

WHY BETTER JOBS MATTER



# Chapter 1

## WHY BETTER JOBS MATTER

The quality of jobs is finally back on the agenda. Many countries have seen a growth in jobs where workers are badly paid, subject to arbitrary discipline and have little job security. It is clear that especially in the USA and the UK these trends were in place long before the current crisis. The rising number of the 'working poor' has undermined the belief that employment is always the best cure for poverty. Any recovery cannot be simply a return to growth as it used to be, because the growth we had before the crisis was already stunting the lives of many ordinary people.

This first chapter of our report explains the rationale of TASC's *Working Conditions in Ireland* project: the need to analyse the quality as well as the quantity of jobs. We argue that a real recovery has made the words of the Declaration of the European Council (2000) more relevant than ever before: Europe needs 'more and better jobs'. We then present the organisation and then the methodology of the project with lengthy qualitative interviews as the core. The chapter concludes with an outline of the rest of the report.

### MORE AND BETTER JOBS AS CENTRAL TO ANY RECOVERY - IN IRELAND AND IN EUROPE

Almost everyone is in favour of sustainable economic growth. However, the debate over what sort of growth we want is urgent and only just beginning. Arguably the growth that has occurred in the major western economies over recent decades is exactly what is not needed. There are three sets of issues here:

Firstly, **recent economic growth has been inefficient**, since it has not benefitted everyone even in conventional economic terms. In the USA the real income of most individuals has been stagnant since the 1970s (Ryscavage 1999; Kalleberg 2013: 106; Appelbaum and Batt 2014). Household incomes only rose because more household members started to work (Kalleberg 2013: 46) and then more recently because so many ordinary Americans took on unprecedented levels of debt. Taking only full-time workers, in the USA between 1980 and 2005 real earnings actually fell for those in the bottom half of the distribution (OECD 2008: 82). In the USA the only people who have experienced any substantial growth in their incomes are the minority at the top of the income distribution. In Europe inequality has also been increasing almost everywhere, but nowhere does inequality reach US levels (for summary see Wickham 2016).

These changes in income inequality are partly the result of the reduced wage share – the proportion of GDP going to wages as opposed to profits. In theory of course more profits should make more funds available for investment, but what is striking about recent decades is the collapse of both public and private productive investment (Stockhammer 2016). By contrast, there are strong macro-economic arguments that a more equal distribution of income would contribute to greater economic growth: those on lower incomes spend a higher proportion of their income (Stockhammer and Onaran 2013). In this situation trade unions across Europe are beginning to call for 'wage-led' growth: that is a growth strategy that 'combines pro-labour distributional policies with structural policies that strengthen a wage-led economic regime' (Lavoie and Stockhammer 2015). Recovery must mean not just jobs, but better paid jobs.

Secondly, **recent economic growth has made society more unjust**. Arguments for wage-led growth can be couched in utilitarian terms. However economic growth necessarily involves socio-political choices and a normative value judgement over the form of growth. While the various forms of economic liberalism find economic inequality tolerable or even desirable, the social democratic tradition involves what we could term the equality option – as much economic equality that is compatible with individual political freedom. Social democrats tend to believe that a better society restrains the economic inequality that the market inevitably creates. This is supported by recent empirical evidence that affluent societies with high levels of inequality generate social problems and individual anomie: inequality is bad for everyone, including the well-off (Wilkinson and Pickett 2009). Wage-led growth by itself is therefore not enough. Taking the equality option involves a solidaristic wages policy which aims to compress the income distribution, in particular by prioritising wage increases at the lower end of the distribution.

Better growth therefore means good jobs, but good jobs involve far more than wages. Jobs that are boring, stressful or even dangerous undermine people's physical and mental health (e.g. Felstead et al 2015). Such issues of *job quality* were the focus of policy initiatives in some European countries at the end of the last century – the German *Humanisierung der Arbeit* programmes, the Swedish initiatives towards worker involvement. More recently attention has shifted to issues of the quality of employment such as casualisation, insecurity and (in the UK) zero-hours contracts. Employment enables people to become independent and to plan their lives; having a job means you are not dependent on the state or on charity. However, employment is also a key way in which individuals participate in the wider society. Regular work, however boring, can also provide companionship and social networks; work is perhaps the key way in which people become members of the wider society. For this reason the integration of new immigrants has always been seen to involve successful integration into the labour market, and it is a matter of public concern if female immigrants are kept at home by patriarchal religious values. Yet none of these benefits are likely if work becomes casualised and short-term. A just recovery therefore involves issues to do with the quality of jobs and with the broader quality of employment.

**Recent economic growth has also been ecologically harmful.** According to the Taoiseach before COP21, Ireland needed special consideration because: 'We have lost a decade of investment in our country because of what happened'. Yet in terms of climate change, such talk of Ireland's lost decade is nonsense. Given that in Ireland the level of CO2 emissions has been closely tied to economic activity, the crisis *reduced* Ireland's own contribution to global warming. Going back to the earlier form of growth would therefore ensure that Ireland made its own significant contribution to global disaster. It is not just a question of more or less investment, more or less jobs, it is a question of *what investment* and hence of *what jobs*. The idea that any job is a good job is now not just bad for individuals, it endangers the planet which we all share.

While it is quite clear that, in the words of the European Trade Union Congress (ETUC) 'there are no jobs on a dead planet', a shift to a more sustainable life could logically involve greater inequality. In its submissions to COP21 the ETUC therefore called for a 'just transition' to a low carbon economy. Research on what this could involve is only just beginning (e.g. Weiss 2016). At the same time, there are emerging trade union initiatives for more sustainable work (e.g. Calvert 2015). One thing is already clear: to only call for a return to the growth and the jobs of the recent past is to accept ecological catastrophe. For all these reasons therefore, growth must move beyond aggregate employment and GDP.

The negative features of contemporary employment cannot be simply blamed on the crisis since 2008. A checklist of negative developments that pre-date the crisis would include:

- **Growing inequality** in most OECD countries, with a widening gap between the income of ordinary workers and those who manage them, let alone between ordinary workers and those who own the firms in which they work.
- In many occupations (including some that are well paid) employment had become more **precarious** (Standing 2011). The decline of relatively secure employment was especially threatening to those with fewer qualifications and skills; in many European countries the age at which young people with qualifications entered regular employment was rising.
- Recent **immigrants** were prepared to work in low skilled jobs at wages and on conditions unacceptable to the indigenous populations (including in particular existing ethnic minorities). Although politically controversial, evidence is mounting that, unlike in the classical period of mass immigration to Western Europe in the mid-20<sup>th</sup> century, contemporary mass immigration has put downward pressure on wages at the lower end of the distribution (for the UK see for example Dustmann et al 2013; Migration Advisory Committee 2014).
- Starting in the USA, changes in welfare benefits towards greater conditionality has gone hand-in-hand with **the emergence of in-work poverty** in countries such as the UK and Germany (Marx and Nolan 2012; Dörre et al 2013).
- In most countries **trade union density was declining** before the crisis even in countries such as Ireland where actual membership numbers were rising. In addition trade union bargaining coverage (the extent to which employees are covered by trade union agreements) was declining; the extent to which union membership ensured better wages and conditions (the 'union premium') was falling (e.g. Wickham 2016: 124; Felstead et al 2015:134). This has impacted on the bargaining power of labour and is reflected in the labour's declining share of national income.

In any sort of economic downturn, when profits fall and unemployment rises, one would expect working conditions to deteriorate. By contrast, when demand for labour rises, employees have a stronger bargaining position and have less to fear from employers: wages rise, working conditions improve, union membership grows. The worrying feature of these negative items is that they emerged before the crisis. Some or all of the more recent deterioration of conditions may therefore be part of a longer term 'secular' trend.

## TASC'S WORKING CONDITIONS IN IRELAND PROJECT

In countries as diverse as the USA, the UK and Germany, the quality of employment has been on the public agenda for some time. By contrast in Ireland we were arguably all hypnotised by the astonishing growth in employment in the years of boom and bubble, only to be traumatised by the catastrophic collapse of employment after 2008. Whether there were lots of jobs or very few jobs, there seemed little need to consider quality as opposed to quantity. Very recently however that has all changed. There has been widespread concern that some jobs are hardly worth having.

In spring 2015 TASC therefore developed the *Working Conditions in Ireland* project. The objective was to get beyond the headline figures of job losses and job gains and to explore the reality of work in Ireland today. The major funding for the project came from Federation of European Progressive Studies (FEPS) and the project was also supported by the Irish Congress of Trade Unions (ICTU). The project was designed and led by Professor James Wickham; Dr. Alicja Bobek was employed full-time as a post-doctoral researcher. The views in this report are of course those of the authors and not necessarily those of either FEPS or the ICTU. During the course of the project we consulted with a 'user group' of trade union officials. We also formed a Scientific Advisory Board of Irish and international academic experts who have reviewed this report (for membership see Appendix 5).

Our concern was with the overall quality of people's employment rather than with intrinsic features of the jobs themselves. We also wanted to get some sense of the impact of people's jobs on the rest of their lives. For example, in the last century women's semi-skilled jobs in manufacturing were often boring and dull, but workers could make them into a source of friendship and social connections (Westwood 1984). Our starting point was therefore ordinary people's actual experience of work in Ireland today and this meant gathering people's own accounts of what they do for a living. We can learn much about work in the USA in the recent past from the oral historian Studs Terkel's *Working* (1984); one starting point for any account of work in contemporary Britain would undoubtedly be the journalist Joanna Biggs' *All Day Long* (2015).

More of course is involved than simply gathering stories. Work occurs in the context of firms and labour markets. Accordingly the study focuses on four very different sectors in different ways central to the debate on job quality:

The **hospitality industry** (bars, restaurants, hotels, etc. ) has always contained a large number of relatively poorly paid jobs. Along with the retail sector it also contains many part-time jobs and many women workers. Here we would expect to find many 'bad' jobs in terms of conventional measurements of job quality.

By contrast the **construction industry** is an extreme case of a male-dominated sector with, at least in good times, some of the best-paid manual jobs. This sector is therefore an important test of the claim that job quality has declined in jobs which, at least in some ways, were traditionally 'good jobs'. Construction is also especially important given that the Irish construction industry was the epicentre of the recent jobs crisis, with employment falling from over a quarter of a million in 2008 to less than 100,000 in 2013.

The **ICT (Information and Communication Technology)/software industry** has long been central to Ireland's FDI (Foreign Direct Investment) strategy. Here employment was growing even in the crisis and jobs are by repute good jobs – plentiful, well paid and interesting.



Finally in **financial services** the domestically owned banking sector has been another source of regular and attractive employment. However, in the last decade this sector has been transformed by technological and organisational change and at the same time has become partly internationalised with the Irish Financial Services Centre.

The study began with background desk research and initial interviews with experts in these four sectors. Using also available statistical sources we documented the different types of firms and the key features of the labour market in each sector. We published on the project web page a background report on each of the four sectors in autumn 2015. These overviews highlighted in particular the growth of short and variable hours in hospitality and the expansion of self-employment in construction.

The core of the project has been a programme of comprehensive qualitative interviews with individual workers in all four sectors and further in-depth interviews with significant informants. In total 45 of such interviews were completed: (34 workers and 11 significant informants). All interviews were recorded and transcribed; the transcripts have been redacted to remove all information (individuals' names, names of firms, etc.) that could be used to identify our informants. Where individual interview transcripts are cited in this report respondents' names are of course pseudonyms. Respondents were located through purposive quota sampling: in each sector we identified the different types of worker we wanted to interview (e.g. craftworker in the construction sector, bar worker in hospitality) and appropriate proportions of male and female respondents. We then continued to recruit interviewees until we had reached the desired number of each category. Appendix 1 lists the gender and occupation of these interviewees. The large number of male interviewees roughly reflects the gender composition of the sectors: the construction industry is almost exclusively male and the ICT industry is also male-dominated.

We then used a range of different sources, including but not only trade union contacts, to identify suitable interviewees. The interviews lasted at least half an hour and most lasted for over an hour. The interview was closer to a discussion between interviewer and interviewee than to the completion of a pre-coded questionnaire. The interview was open-ended, so if new issues emerged they could be followed up, but the interview was structured by a thematic guideline (Appendix 2). Key topics discussed in each interview were: education and career history, current work (including recruitment, type of contract, nature of job, wages), future plans. Developing the elements of job quality identified by Leschke and Watt (2008) for the ETUI, at the end of the interview respondents ranked their current job on six different dimensions: wages, working time, job security, career development, work relations, immediate job satisfaction.

The interviews are of course not representative in any statistical sense. However, the purposive sampling ensured that we interviewed a wide range of individuals in different jobs. We certainly interviewed a disproportionately high number of trade union supporters, but our trade union contacts were only one source of interviewees. In any case this 'bias' was arguably an advantage, since almost by definition trade union activists tend to be sharp observers of their own workplace and are unusually well informed about the broader industry in which they work. Our other significant informants had long experience of their particular industry and their expert knowledge was also tapped in the interviews (Appendix 3 lists their institutional affiliation). Thus the interviews were not just about the individual's experience, but also used the individual as a reporter on the situation in which they found themselves: the interview became our window onto the specific workplace and its labour market context. Using such a range of interviews is like standing on a hill and viewing a landscape – we can see the main features, we can see what is usual and unusual, even if without surveying instruments we cannot exactly measure distances and contours.

Furthermore, to only a very limited extent do qualitative interviews yield information in the shape of variables. A qualitative interview programme cannot give an estimate of the median wage in a sector, nor the mean value on of a scale of 'attitudes' to employment security. Qualitative interviews produce stories, not figures. However the stories can be analysed: we can identify recurring themes, we can identify the normal and the unusual. We can ask questions of the stories, in particular we can check whether the issues that we might have expected to occur actually surface, we can look for absences, and thus even look for dogs that do not bark.

Traditionally in social research qualitative interviews were seen as exploratory. The qualitative interviews were used to get an initial 'feel' for the topic and to generate questions, which could then be statistically evaluated through survey or survey-type data. Our approach is however more consistent with more contemporary mixed methods research. As indicated above, some of the issues arose in the first exploratory research which relied primarily on (existing) statistical sources. These issues were then pursued in more depth in the qualitative interviews. In particular the interviews from the construction industry then raised further questions which it was possible to further investigate through analysis of micro-data from the Quarterly National Household Survey (QNHS) (see Appendix 4). While some issues covered in the project would undoubtedly benefit from new survey-type data, we believed that the expenditure of time and money this would require was better spent on the detailed interviews.

## OUTLINE OF REPORT

The next chapter of this report reviews the international debate on working conditions. It shows how the changing occupational structure is one cause of the growth in inequality but that, contrary to what might be expected, actual job conditions are not polarising; the chapter concludes that de-institutionalisation of the employment relationship is the central feature of contemporary working conditions. Moving the focus to Ireland, chapter three reviews the 'Irish model' of development based on the priority of FDI (Foreign Direct Investment); it documents the growth of high tech manufacturing and services, but also the continuation and indeed consolidation of a low wage sector; it suggests that during the crisis many 'anchor points' of employment protection were removed, thus potentially exacerbating the growth of low quality jobs.

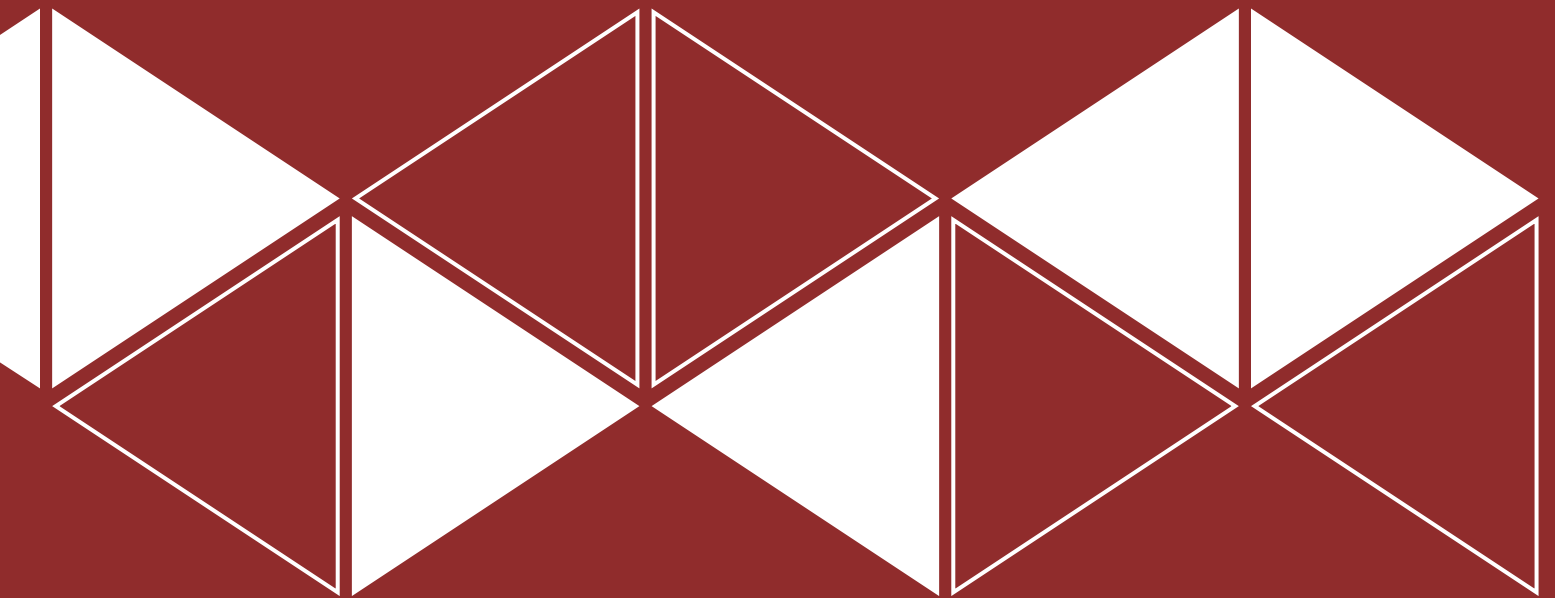
The subsequent three chapters present our fieldwork findings in the different sectors: hospitality, construction, ICT/software and financial services. Each of these chapters begins with an overview of the firm structure and of the labour market in the sector(s). Each chapter then focuses on the main issue we have identified in the sector: in hospitality the combination of casual contracts, low pay and few hours; in construction the outsourcing of labour through the expansion of subcontracting, agency work and bogus self-employment; in financial services and ICT the possible polarisation of employment intertwined with the shift from the career without boundaries to enforced mobility. Each chapter also discusses other issues that have emerged in the sector, such as recruitment and training, health and safety, workplace relationships, and finally trade union presence.

The final chapter summarises the main findings and then argues the need to 're-institutionalise' the employment relationship.

ENFORCED FLEXIBILITY? WORKING IN IRELAND TODAY

# CHAPTER 2

OCCUPATIONS, JOB QUALITY AND  
WORKING CONDITIONS



## Chapter 2

# OCCUPATIONS, JOB QUALITY AND WORKING CONDITIONS

It used to be assumed that in advanced developed societies incomes were becoming more equal. Another taken for granted belief was that over time all jobs were getting better. Today neither of these assumptions hold. However, if it is clear that incomes from work are becoming more polarised, it is not self-evident that the same is happening to jobs themselves. Certainly it sometimes seems that a minority of the population have interesting, skilled and secure jobs, while the majority put up with meaningless, routine and insecure jobs. Yet there are other images – such as the rising demand for better educated workers - that challenge such a simple relationship between inequality in incomes and inequality at work. Furthermore, job quality has different facets: a job can be interesting and skilled, but not necessarily secure; a secure job can also be a boring job, and so forth. And furthermore, it is one thing for existing jobs to change (becoming more or less skilled, etc.) and another thing for different sorts of new jobs to be created.

This chapter begins by examining changes in the occupational structure and shows how they have contributed to income inequality. Job growth has been stronger in the higher paid and in the lower paid occupations and weaker or even negative in the middle of the structure. This occupational change implies a society more divided than in the past. The second part of the chapter turns to job quality and tells a rather different story. Some elements of work have polarised, but more so in some societies than in others, other elements have dis-improved nearly everywhere, while still others have improved across all occupations and even all types of contract. The third part of the paper argues that job quality as measured in this way needs to be contextualised in the context of changes in employment relations. Issues here, ranging from career possibilities to employee representation, are not only issues that have raised public concern, they also directly involve questions of inequality and power.

## OCCUPATIONAL CHANGE

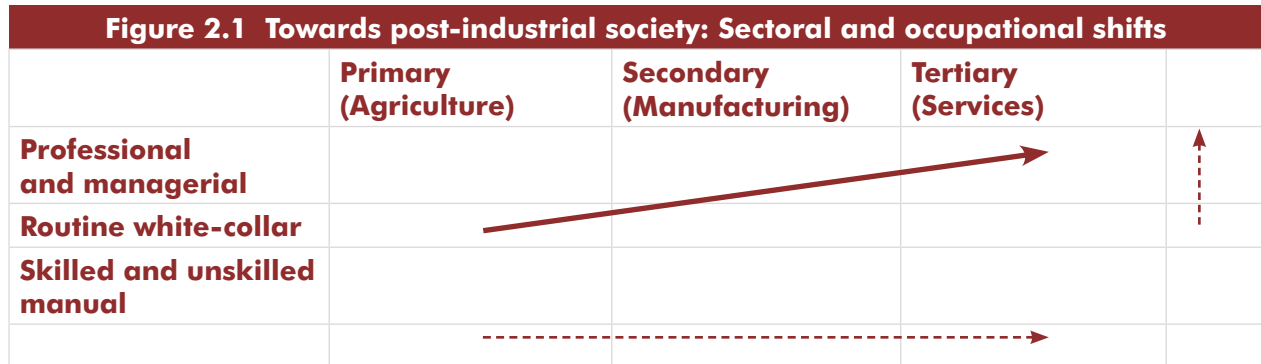
In most developed countries income inequality has been growing at least since the mid 1980s (OECD 2008: 15). The income distribution is partly the result of the earnings people receive from their work and partly also the impact of taxes and social transfers. However, over the medium term the income distribution is also shaped by the sort of jobs in the society. More generally, understanding changing working conditions requires an understanding of the changing jobs that are available.

Until recently it was believed that growth meant more and better jobs because of a universal upgrading of the occupational structure (Figure 2.1). The move towards the 'post-industrial' society involved a *double* shift. Firstly a shift *between* sectors: over time employment in agriculture and then manufacturing declined, while services grew (horizontal arrow in Figure 2.1). This movement itself changed the overall occupational structure, since each successive sector was assumed to contain a higher proportion of skilled jobs (services have more skilled jobs than manufacturing, and manufacturing more than agriculture). Secondly a shift *within* sectors: over time in each sector the number of skilled jobs grew (vertical arrow in Figure 2.1). In agriculture and manufacturing as well as in services, there were fewer unskilled manual jobs and more and more white-collar and professional jobs. For example whereas traditionally most jobs in manufacturing have been manual jobs, within Germany today most workers in manufacturing are in white collar or professional jobs. The two processes – sectoral shift and occupational upgrading - together produce a society with progressively fewer unskilled jobs and more and more skilled jobs (diagonal arrow in Figure 2.1).

This argument assumes that technological change directly demands more skilled jobs so that social change is the result of technological change ('technological determinism'). Within labour economics the hypothesis that skill demands are rising has been formulated as the Skill-Biased Technical Change (SBTC) thesis (see Katz and Autor 1999 for summary): technical change produces rising skill demands within occupations and in particular a rise in the absolute and relative number of skilled occupations. Such arguments of course justify a continual expansion of education in terms of what are claimed to be the needs of the economy<sup>1</sup>.

<sup>1</sup> The assumption that there is a universal upgrading of the occupational structure allows a political consensus on educational expansion. The 'needs of the economy' justify educational expansion as essential for continued economic growth. At the same time educational expansion gives working class children a realistic chance of social mobility and so can be justified as socially progressive. If this universal upgrading is challenged, these reasons for educational expansion collapse!

More recently the SBTC thesis has been reformulated as the routinisation thesis (Autor et al 2003; Goos and Manning 2007). This still assumes that technological change directly drives occupational change, but claims the consequences of the change are rather different. Jobs are considered to involve two basic dimensions: firstly the nature of the work, whether it is 'cognitive', 'interactive' or 'manual', and secondly, whether it is 'routine' or 'non-routine'. Computerisation replaces routine work, whether cognitive or manual, but not non-routine work even if it is *unskilled*. Routine jobs in industry and administration, whether blue or white collar, are removed; non-routine jobs, especially low skilled jobs in the service sector, actually grow. Accordingly this theory predicts a growing polarisation of employment: the middle is 'hollowed out', while the number of jobs grows at the top and the bottom of the occupational structure.

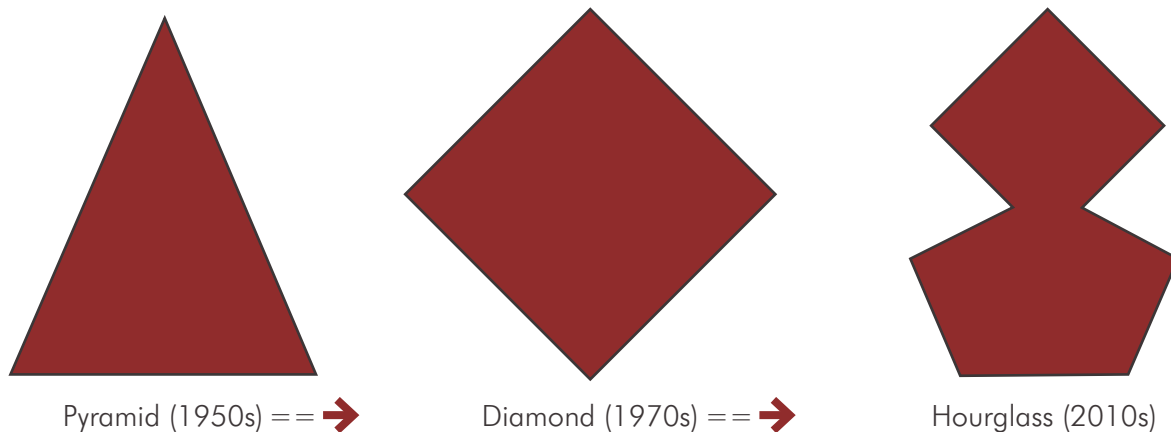


On this basis Goos and Manning (2007) suggest that technical change currently increases the number of both good and bad jobs ('lovely' jobs and 'lousy' jobs), while reducing the number of intermediate jobs. Using UK Labour Force Survey data for 1979 to 1999, they first rank occupations by the median wage in the initial period; they then show that the occupations which have grown by the end of the period are those at the top and (to a lesser extent) at the bottom of this hierarchy. Growing occupations include software engineers and management consultants, but also care assistants and check-out operators. By contrast, jobs have been lost amongst intermediate occupations, nearly all of which are skilled or semi-skilled occupations in extractive or manufacturing industry (coal mine labourers, grinding machine setters, etc.). Goos et al (2009) find broadly similar results for 16 (West) European countries: almost everywhere there is a growth at either end of the occupational structure.

Such arguments present a very different picture of occupational change to the optimistic visions which underlie – however implicitly – the rhetoric of the information society, the knowledge economy and other fashionable slogans. It is clear that until the 1970s western societies were moving from a pyramid towards a diamond shaped occupational structure; it seems that they have now been moving more towards a 'dumb-bell' or 'hourglass' shape (Figure 2.2). These changes in occupational structure do seem to be similar to changes in the income distribution.

All the indications are that over the last twenty years the relative size of the middle income group in both the USA and in Europe has fallen (Alderson and Doran 2013). For example, in Germany there was a small but noticeable decline between 1991 and 2008 in the proportion of the population in the income bands between 60% and 140% of the median, while those at both the lower and (especially) the upper ends grew (Verwiebe, 2010: 170). In the crisis evidence points towards further polarisation with job losses concentrated in construction and unionised areas of manufacturing, while in many countries the number of well paid jobs has continued to grow (EuroFund 2015). European societies are not only becoming unequal, some at least are now moving in the direction of the US model of inequality, moving from diamonds to hourglasses.

**Figure 2.2**  
**Trends in Occupational Structure**



These processes of occupational change play out differently in different societies. While Figure 2.1 plots a movement from manufacturing to services, the nature and even the size of these two sectors differs between societies even at a similar level of economic development. To take two very extreme cases: Sweden has some of the most developed public services of any Western society, the USA the least. In 2008 public sector employment was fully 26.2% of the labour force in Sweden, but only 14.6% in the USA (OECD 2011). The Scandinavian option for state-funded services generates plentiful regular jobs for Swedish women, while the reliance on the market in the liberal countries generates poorly paid and irregular jobs for their American, British – and Irish – sisters. To take another example. In the 1980s the UK essentially abandoned manufacturing, making a so-far successful national wager on global financial services, while Germany focused on high technology manufacturing. The result is not just that there are different proportions of the workforce employed in manufacturing in the two countries, but the actual occupational composition of the sector varies also – more technical and high skilled jobs in Germany, relatively more low paid irregular jobs in the UK (for detailed discussion see Wickham, 2016: 47ff). Accordingly, understanding working conditions in Ireland will involve understanding occupations in sectors.

## POLARISATION, CRISIS AND THE QUALITY OF JOBS

Given the clear polarisation in incomes that has occurred, it might appear obvious that working conditions have also become more divergent. However, while there may be problems of measurement, income itself is relatively simple to conceptualise – people have more or less money. By contrast, in the research literature there is no single definition of job quality (Mühlau 2011; Kattenbach and O'Reilly 2011) and widespread agreement that job quality is multi-dimensional (Gallie 2007). Most research therefore attempts to define and measure these different dimensions. While it is mathematically possible to add these different dimensions together into a single index of job quality, this is difficult to justify conceptually (e.g. Green et al 2013).

### Physical Conditions

The simplest element of job quality is one that arguably is becoming less important in differentiating between workplaces, namely the physical environment in which work occurs and any attendant risks to health and safety. Here nearly all available sources show clear improvement at national level. For example, Green et al construct a Good Physical Environment Index using self-report questions from the



European Working Conditions Survey (EWCS) from 1995 to 2010 to measure exposure to ‘environmental hazards and posture-related risks’ (Green et al 2013). At the UK level this index does show a slight fall between 2005 and 2010, but it remains the case that workplaces are still significantly better than when measurement began in 1995. Clearly part of the reason for this long term improvement has been the shift in employment away from manufacturing and extractive industries, but most of the improvement has been *within* industries (Green et al 2015: 15f). Health and safety at work is one area where EU level regulations have been important, and this is one of the few areas of EU employment legislation which the UK has not attempted to sabotage. Reading accounts of work in manufacturing industry as late as the 1970s one is struck by the pervasiveness of serious industrial accidents. According to an oral history account of work in a Scottish steelworks:

*At Clydebridge in the mid-1970s there were three guys killed, one week after another, in totally separate incidents. One guy fell off a crane, another got decapitated when they dropped a hot plate, and another lost his life when the floor fell through where he was working. And that was all within the space of a month (Hall 2012: 5).*

Such unsafe working conditions would not be tolerated today.

There are some possible counter-trends to the long-term improvement in physical working conditions. Firstly, some service sector work creates industrial injuries of types that are usually invisible - especially if done by women. Secondly, the availability of a low paid and low skilled immigrant workforce in some areas of Europe and the USA is facilitating the re-emergence of low skilled and often unregulated work in agriculture and manufacturing (Martin 2009; Ruhs and Anderson 2010). Indeed, in sectors such as garment manufacture in cities as different as Paris and Parma new cheap labour sources allow technological regression; work involves out-of-date equipment and working conditions that until recently would have been unthinkable (Wickham 2011). Nonetheless, given that measures such as the Good Physical Environment Index show no greater dispersion at national level between 1995 and 2010 (Green et al 2013: 774), it seems safe to conclude that overall the physical environment of work is not only improving but becoming *less* unequal.

### Job Control and Work Intensity

On the assembly lines of the mass production factories of mid-20<sup>th</sup> century Europe and North America workers had very little control over what they did. For researchers as well as activists, such work epitomised ‘alienation’ (Blauner 1968). Every minute task was planned in advance by management and in this ‘Taylorist’ work organisation management’s entire objective was to remove as much initiative as possible from front line workers. The logical conclusion of this process was to automate the work, or, precisely because it required so little initiative, to move it off shore where it could be done by cheaper labour. A very different approach to work organisation involved utilising rather than denying the creativity of employees. Japanese techniques of lean production (Womack 1990) were based on giving employees as much responsibility as possible. During the 1990s the high commitment workplace spread from manufacturing into services, from high technology manufacturing to the local sandwich bar franchise.

Control over the immediate work task is defined as a key dimension in most accounts of job quality. Management-sponsored direct participation (Poutsma et al 2003) is now probably the most prevalent way in which employees exercise autonomy at the workplace. For the US Kalleberg reports rising levels of such control between 1997 and 2006 (2013: 138). Green et al create a ‘Quality of Work’ index which essentially measures the extent to which work requires independent decision-making. Their analysis of the EWCS suggests that across Europe apart from the UK such work quality has been rising. Like Kalleberg (2013: 138), they also find an increasing divergence in the same period. In other words, on this particular dimension jobs have both been improving *and* becoming more polarised. Just as occupational change has occurred in different ways in different societies, one would expect job quality to vary with the institutional structure of society. For example, the ‘Varieties of Capitalism’ approach (Hall and Soskice 2001) differentiates between co-ordinated market economies (CME) which tend to have long term employment relationships and liberal market economies (LME) with a more ‘hire and fire’ approach to employment. This would suggest that the Quality of Work index would be higher in CME societies. However, the EWCS data does not seem to point in this direction. In terms of this ‘Quality of Work’ dimension both the EWCS and similar data from the European Social Survey (ESS) do however highlight Scandinavian exceptionalism (Gallie 2013). Just as Scandinavian societies are outliers within Europe in terms of income equality, so they are outliers in the extent to which employees have autonomy within the workplace.

If employees have greater autonomy at work than before they also face greater pressure. Work pressure can come directly from management targets or through 'exposure' to the market in the form of the customer. The EWCS data shows work intensity rising almost everywhere, again with the exception of the UK (albeit from a very high base-line) (Green et al 2013). Although there are a few national exceptions, it is striking that nearly all the data points to the generalisation of work intensity across different occupational categories. Here too there is little evidence of polarisation.

### Working Time

Finally, working time is often taken as a separate dimension of job quality. In these terms a good job means that the worker has some flexibility in regard to hours of work and does not have excessive working hours. The organisation of working time therefore allows a favourable balance between work and life. Perhaps surprisingly, most evidence suggests that the quality of working time has continued to increase. Although some countries certainly show greater variation and hence greater inequality on this dimension than others, there is very little sign of a polarisation process within countries. Although strictly comparable data is not really available, it does seem clear that here the striking difference is between Western Europe (all the 'old' EU15) and the USA. Compared to Europeans Americans work more hours, have fewer holidays, and overall are more likely to report that they cannot control their working time.

### Polarising Income But Converging Job Quality?

Given the dramatic increases in income inequality over the last twenty years, one might expect greater differences to have emerged on the non-monetary dimensions of job quality. In some countries the recent crisis has meant massive increases in unemployment, falling wages and rising real material deprivation. Yet overall the impact on immediate job quality has not been dramatic. There has been extensive research on job quality across Europe in the last decade using standardised questionnaires from sequential waves of the European Social Survey (ESS) and the European Working Conditions Survey (EWCS). This research suggests a much more optimistic picture: overall job quality as defined in these ways has been improving and if anything converging rather than polarising.

### Locating work within the social relations of employment

*Marienthal* is the classic study of unemployment in the Great Depression of the 1930s. It describes how employed and unemployed lived in two different worlds (Jahoda et al 1972). A comparison of that situation to the recent recession in the UK argues that to have a job is no longer enough:

*After a quarter of a century in which the pay gap has widened into a chasm, and gnawing job insecurity has developed into a hyperventilating anxiety...the old divide separating fortunate workers who have clung to their jobs from benighted workless souls is no longer what it was. Poverty pay has blurred the line, while changes in terms and conditions have eaten into the very concept of a 'secure job' for the least lucky employees (Clark 2014:69).*

In this account low earnings combine with deteriorating 'terms and conditions' to produce new forms of inequality. This suggests that we need to widen our horizon from the task itself on which the previous section has concentrated.

One job quality index proposed by researchers at the European Trade Union Institute (ETUI) comprises six dimensions: wages, non-standard employment, working time and work-life balance, working conditions and job security, skills and career development, collective interest representation (Leschke and Watt, 2008). Several of these dimensions, from 'decent' wages to collective interest representation, are not usually included in accounts of job quality even though they are issues that have become crucial to public concern about the quality of work in recent years. For example, the growing public concern over 'zero hour contracts' highlights how the quality of work can be degraded in novel ways only partially captured in the established dimensions of job quality analysis. The components of the ETUI index are mostly about the social relations within which work is carried out rather than the actual work itself. Thus the same task can be carried out under very different forms of contract. Today in German car factories for example, workers placed by an employment agency are side-by-side with permanent company employees (Dörre et al 2013). Equally, 'career development' involves evaluating the individual's future prospects as well as current situation. And finally, whereas job quality research has tended to focus on features that are independent of the individual's evaluation of them, issues



such as 'security' can be evaluated very differently by different people: 'What makes a good job for a teenager engaged in study may be very different from that of a worker with dependent children or an older worker' (Knox et al, 2011).

Focusing on 'employment' rather than 'jobs', or at least understanding 'a job' as more than a collection of tasks, also moves the research question away from the immediate need to rank jobs, even on different dimensions. As we shall now see, generalised insecurity is the background for other elements of the social relations that constitute contemporary working conditions.

### Insecurity and Flexibility

At the high point of Fordism in the last century most jobs were permanent or at least open-ended. Unlike today, many of such jobs were also boring and even dangerous. From the 1980s onwards, so it is argued, firms began to divide their workers into a 'core' and a 'periphery' (Atkinson 1984). Workers in the 'core' were employed for *functional* flexibility, required to be adaptable and have a wide range of skills. Such workers were on permanent contracts and gave their commitment in exchange for security. By contrast, workers on the 'periphery' were employed for *numerical* flexibility, providing quantities of labour which could be purchased in small amounts and/or varied at short notice.

Such arrangements assumed that functional and numerical flexibility were mutually incompatible. Today however employers obtain both functional and numerical flexibility *at the same time*. On the one hand skilled workers are no longer always offered job security. While outsourcing began as a way of getting rid of some routine workers, it is increasingly being used by firms to access people with scarce skills *whom they do not wish to permanently employ*. Employment agencies such as Manpower now provide not only unskilled labour, but also skilled workers ranging from fully trained chefs to accountants and computer programmers. On the other hand, many forms of work are not skilled in a traditional sense, but demand a particular form of commitment: the fast food server has to smile at the customer<sup>2</sup>, just as the call centre operative has 'to smile down the phone' (Belt et al 1999). This commitment is policed partly by opening up the workplace to the market: the worker answers to the customer, not only to the supervisor. Most fundamentally of all, instead of commitment resulting *from* employment, it becomes a requirement *for* employment (all those advertisements asking for 'dynamic individuals' to 'join our team' – at the local fast food outlet). In team work and project work what is required is now the 'quick trust' of a transitory group of colleagues rather than long term trust with the employer (Grabher 2002).

Today commitment like flexibility is *imposed*. In his account of jobs in the USA Kalleberg (2013:84) argues employment systems have become 'market-mediated open employment relations'. From this perspective the firm as an inclusive institution has been hollowed out: employees come and go, and even if they stay, they have little connection to the firm. The 'psychological contract' between the worker and the firm has been broken; the risks of the market are transferred from the firm to the worker. This exposure to the market turns all employees into individuals each with a distinct contractual relation with the firm. This can indeed be liberating for those with resources which they can use on the market, but for most exposure to competition simply means fear. The USA is characterised by the generalisation of precarious employment.

Job security can be measured by indicators such as length of job tenure or type of contract. However there is no necessary relationship between such measures and the extent to which people feel insecure about their employment. In deregulated labour markets such as the US and the UK most people on open-ended contracts can potentially be dismissed quite easily, but if the economy is strong and the labour market tight this may not worry them. In such a situation, as for example the UK in the late 1990s, job insecurity can actually fall (Gallie 2015: 38). There are however indications that actual experienced insecurity has been rising. For Kalleberg this is the case for the USA where he claims that insecurity has increased most amongst the better paid groups.

Insecurity involves three separate issues. Firstly, the extent to which employment relations have indeed been 'opened' and the firm hollowed out. In other words, the extent to which firms can *potentially* disconnect from any long-term employment relationship with their employees. This is a question of formal and indeed informal employment contracts and even the replacement of employment contracts with various forms of pseudo or false self-employment. Secondly, there is the much simpler question of

<sup>2</sup> See especially the account of working in Pret a Manger sandwich bar chain in Biggs (2015).

job tenure: how long do in fact people stay with the same employer? Thirdly, there is the question of whether people experience jobs as secure, whatever the contract and whatever the turnover. Separating these issues can explain the apparent paradox that at times experienced job insecurity increased at the same time as long-term employment was rising (Doogan 2001).

### Identity careers and Social Relations

A common sociological argument links rising insecurity in society to a declining significance of work for personal identity. According to the 'end of work' thesis, individuals no longer construct much of their identity around work and work is no longer an important source of social relations (for review see Doherty 2009). Work itself becomes meaningless and purposeless, not useful in any sense. Furthermore, once jobs become short-term, then they cannot be the basis for any career and possible upward movement within the firm or for any long-term personal strategy or 'worklife career'.

This is of course a very general argument. However it does raise some important issues which suggest possible differences between jobs. Firstly, how do jobs vary in the extent to which they are important for people's social relations and the extent to which workers can get satisfaction from their relations with colleagues? When people 'go out to work' and build relations with other people at work this is one crucial way in which they become part of the broader society. Conversely, if some jobs have become so short-term that this is impossible, then one crucial social role of employment has disappeared.

Secondly, it is reasonable to expect jobs to differ in the extent which they offer a career. Sociologically a 'career' is not only the traditional middle class upward move between clearly defined positions, but simply a sequence of positions. In these terms a job offers a 'good career', if it allows some ordered and meaningful movement over the working life, either between jobs within the firm or within the broader labour market.

Finally, if jobs are constructed as short-term, then firms will not invest in any form of development or training of their employees. The extent to which jobs provide some element of training is clearly an important differentiating factor between jobs. The extent of training has been closely linked to the type of employment regime, for firms in deregulated labour markets as in Liberal Market Economies are less likely to invest in training (Hall and Soskice 2001). Certainly in the crisis firms were most likely to cut training in liberal economies such as the UK and Ireland, whereas training was cut less in the Nordic countries and was actually increased in some corporatist employment regimes (Dieckhoff 2013).

### Health Safety and Mental Pressure

Rising insecurity may also impact on health and safety at work. Some forms of industrial accident and occupational injury are notoriously susceptible to variations in reporting. Some minor accidents are often treated as normal and this is sometimes bound up with conceptions of gender (masculinity in construction, femininity in accommodation). If jobs become more insecure, then workers may become unwilling to report accidents in case this leads to them being considered unwilling to work. To the extent that insecurity increased in the crisis it may be linked to the rise in work intensity that was reported for the period 2004-2010 (Gallie and Zhou 2013: 133).

### Voice and Trade Union Representation

Collective interest representation is one element of the ETUI index. A good job can be considered as one where employees have some 'voice' – they can form their views independently of management and make their views known to management. This recognition of autonomy is very different to management-sponsored employee participation although not necessarily incompatible with it. Such employee voice can be expressed through trade union organisation, but it can also occur through representative organisations such as works councils.

The decline in trade union power is one cause of the declining wage share; the weakness of trade unions has contributed to growing inequality. Within Europe Scandinavia still has high levels of union membership and this has helped maintain its relatively egalitarian income distribution. Union power is however not simply a question of union membership and union density since it also involves the extent of union bargaining coverage. Furthermore, the influence of union membership in the workplace is also variable. At least for the UK the 'union premium' – the extent to which union membership increases wages – now only applies within the public sector. Union membership limits income dispersion for

wages above the median, but now has no impact on lower wages (Felstead et al 2015: 137). This is consistent with union membership becoming concentrated amongst relatively better paid employees.

Trade union presence is also potentially transformational. Trade unions can impact on job quality - they can restrain arbitrary authority, ensure working hours are regular, promote job security, etc. Trade union organisation is one possible method for 'making bad jobs good [jobs]' (Osterman 2008). In rather similar vein Crouch et al (2001: 39) claim that in the past low paid public sector jobs combined low skill and low pay with job security and 'freedom from the brutalization often associated with low-skilled and low-paid work'. Such jobs were low on some dimensions (pay, skill) but higher on others (security, restrictions on arbitrary management). They suggest that privatisation and marketisation have turned these 'good bad' jobs into simply bad jobs, with little security, low and irregular pay and low trade union organisation (see also Flecker and Hermann 2011).

## CONCLUSION

This chapter has explored the relationship between the growing inequality in society and changes in working conditions.

The first section of the chapter showed that there is indeed a relationship between widening income inequality and changes in the occupational structure. Jobs in highly paid occupations are growing, as are jobs in low paid occupations, while jobs in the mid-range occupations are stagnant or declining. The shape of the occupational structure changes from a broad fat diamond to a squeezed egg-timer. This must impact on the distribution of income: there are fewer people with middle incomes, more on higher and lower incomes.

This has major implications for social mobility and indeed for the quality of social relations in society. The expansion of 'middle class' occupations in Western Europe and North America in the decades after World War II generated opportunities for upward mobility for many working class children. The occupants of professional and managerial positions came from varied origins. Their families and friendship circles had links back to humbler origins. Today the next generations are growing up in much more socially segregated environments, including their own families. This process has gone furthest in the USA, where fewer and fewer of the privileged have any idea how the other class lives (Putnam 2015: 230)

Of course occupational change is not the only and probably not even the most important cause of growing inequality, but it is one cause. This causality runs from occupational change to income distribution, but there are probably some feed-back loops. Thus the growth in the number of high earners creates new consumption demands, especially for personal services provided by low paid workers – growth at the top creates growth at the bottom (Wickham 2016: 137).

This argument assumes that the composition of each occupational group stays constant, but this is unlikely. Within each occupation the earnings distribution may well be widening and this is especially likely in occupational groups where earnings are in the 50<sup>th</sup> to 90<sup>th</sup> deciles. Furthermore, changes in working conditions may push some occupations 'down' as earnings become lower, more irregular and less likely to increase over time. In order to understand the possible impact of changes in employment on social inequality it is therefore necessary to look 'inside' occupations and study changes over time.

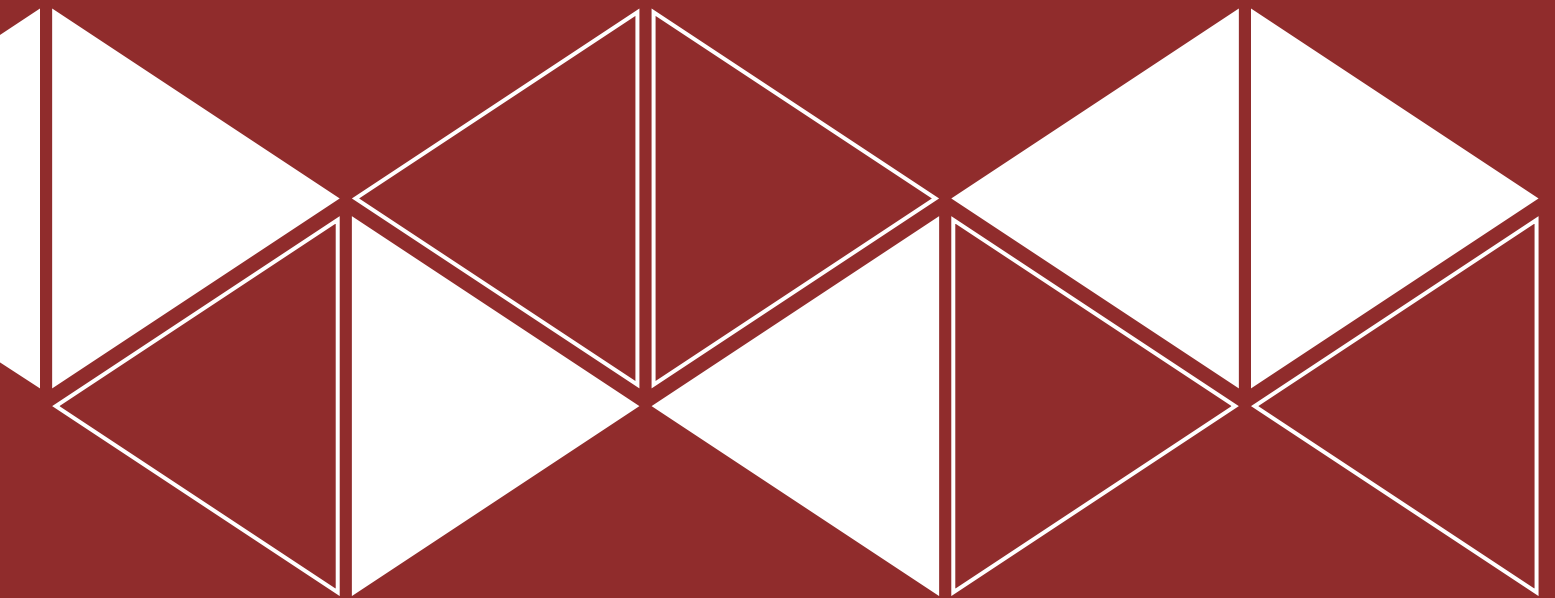
If incomes and occupations are polarising, then the obvious conclusion is that the same is happening to jobs and job quality. One would expect a growth of good jobs at the top, a growth of bad jobs at the bottom, and a growing gap between the two. The second section of the chapter showed that this is not what is happening. Job quality turns out to be inherently multi-dimensional and the different dimensions show different trends. Thus jobs have become safer and less physically demanding, largely because on this dimension the bad jobs have become less bad. Most of this improvement has occurred not, as one might expect, because of the shift from manufacturing to services, but *within* sectors and largely because of better regulation. By contrast, on the rather different dimension of autonomy and control of the immediate task we seem to find a general rise but also considerable evidence of polarisation, while quality of working time has also been improving. However, with the exception of physical working conditions changes seem to involve fluctuation rather than any clear secular trend. We have polarisation of incomes, but not of jobs.

The third section of the chapter shifted the focus to the employment relationship itself. Here we can identify a clear trend towards generalised insecurity in the specific sense of the increasing marketization of the employment relationship. In all sorts of ways firms have disconnected from their workers, with at the logical end-point of doing without them altogether and turning the relationship into a pure market relationship – the contract of service is replaced by a contract for services. This condition of insecurity does not translate automatically into higher levels of turnover and is certainly not necessarily experienced as a worry about job security – perceived job insecurity rises and falls with the economic cycle. At the same time this generalisation of actual insecurity is closely related to inequality in the simple sense that it involves the de-institutionalisation of the employment relationship. Untrammelled markets mean untrammelled power. The exposure of everyone to the market ensures the greater power of the few over the many.

ENFORCED FLEXIBILITY? WORKING IN IRELAND TODAY

# CHAPTER 3

WORKING CONDITIONS IN IRELAND



## Chapter 3

# WORKING CONDITIONS IN IRELAND

This chapter reviews existing information on working conditions in Ireland. The first section shows that amongst small European countries Ireland stands out for its reliance of foreign direct investment as the engine of economic growth; the foreign-owned sector is normally assumed to have generated good quality jobs. As the second section shows, this growth in relatively well-paid and highly skilled occupations is paralleled by Ireland's unusually high level of low paid jobs in other sectors. The third section reviews information on job quality and the employment relationship in Ireland. Consistent with the argument of the previous chapter, it suggests that there is little evidence of any major polarisation of job quality, but signs of a growing de-institutionalisation of the employment relationship itself. Our attempt to see whether this is correct leads to the choice of four employment sectors for more detailed research as described in the final section of the chapter.

### THE FDI GROWTH MODEL

Arguably, the most significant document of Irish 20<sup>th</sup> century history is not the Proclamation that launched the Rising of 1916 but the Whitaker Report of 1958 which ended protectionism and opened the country to foreign direct investment (FDI). Since that date the commitment to FDI has never wavered. The belief that jobs are created by new foreign companies locating part of their activities in Ireland is part of an intellectual consensus that goes across almost the entire political spectrum.

In the nearly sixty years since the Whitaker Report FDI has involved different waves of investment. Initially FDI meant light manufacturing assembly 'branch plants' usually outside of Dublin; by the 1980s it meant electronic assembly plants and a nascent pharmaceutical industry; today it includes a biomedical equipment cluster around Galway, Apple's production facility in Cork, the Intel plant at Leixlip outside Dublin and above all perhaps the software and internet companies in the Dublin area symbolised by Google's EMEA headquarters. Once entirely manufacturing, FDI now includes export-oriented services and the growing 'fintech' sector in the Dublin docklands straddling the border between financial services and software (Newenham 2015). The very first wave of foreign firms included Dutch and German companies, by the 1980s there were Japanese companies, but for several decades now FDI has been overwhelmingly American.

Such firms have always been attracted by direct financial incentives in which grants were initially important. Today the overwhelming financial incentive is Ireland's low corporation tax and the possibility that this can be levied on much of the companies' global activities. This is hardly however the only explanation for Irish success in attracting FDI. Since FDI is export-oriented, a precondition for investment has always been access to the European market; political stability and the policy consensus around FDI have also been important, as has the simple fact of the English language. Other key attractors at various times have included infrastructure and an appropriate form of education and training (e.g. Wickham and Boucher 2004). It seems however that taxation has now become more important as the key way in which Ireland is differentiated from other possible locations within the EU.

As of now total employment in the foreign sector is estimated at 174,000 out of total employment of nearly 2 million. No other European country even approximates this level. Crucially, all the other small open economies with which Ireland is often compared have high value-added export sectors but these are not so dependent on FDI (Begg 2016).

By any measure the policy has been successful. Employment in the sector hardly fell at all during the crisis. Indeed, it has been convincingly argued that the turnaround in employment since the crisis has nothing to do with the success of ECB-imposed austerity policies and everything to do with the new wave of FDI investment (Brazys and Regan 2015). However, the total reliance on FDI is arguably increasingly problematic. To the extent that taxation has become more important, other possible supports have had little priority. For example, investment in infrastructure, ranging from broadband to urban transport, has been neglected. Claims that firms are attracted by the quality and relevance of Irish education seem rather implausible given that the software and internet industries have relied on immigration for much of

their labour for several decades (e.g. Wickham and Bruff 2008)<sup>3</sup>. Crucially, reliance on taxation rather than on physical or social infrastructure has now pitchforked Ireland into a permanent conflict with other EU member states. This is especially so in relation to the progressive forces in Europe: it is unclear why trade unions, Greens, and social democrats across Europe should facilitate Irish economic growth if it depends on the country's role as a profits recycling plant.

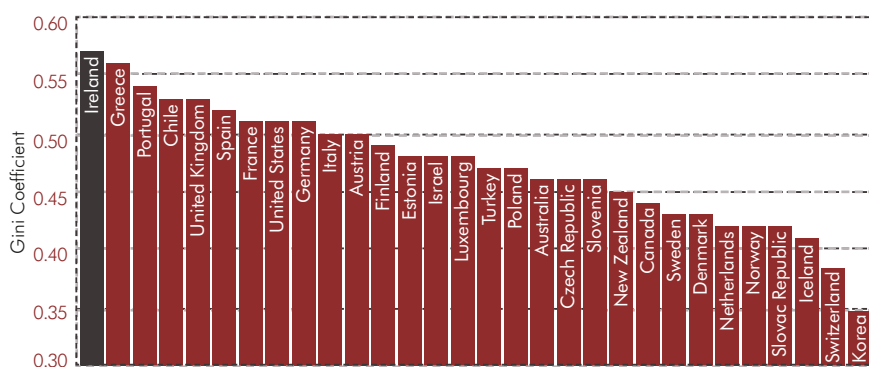
The orientation to the USA epitomised by Mary Harney's 'Boston or Berlin' remark is no longer simply a question of cultural direction. Historically FDI plants in Ireland adapted to local industrial relations traditions. Initially for example unions were facilitated with what were effectively closed shop agreements<sup>4</sup> – even by companies that would not tolerate unions at home. Today the internet/software sector is a union-free zone and unions have had to accept their total exclusion. Whereas in the past lobbying by FDI companies was discreet, now the American Chamber of Commerce is one of the most profiled as well as probably one of the most powerful lobby organisations in the country. If the need for an alternative strategy has become more urgent over the years (see Begg 2016), so the political obstacles to any change of direction have also grown.

FDI has been central to Irish economic growth for over fifty years. In these terms the boom of the early 21<sup>st</sup> century was a strange deviation in which growth depended on a peculiar form of credit-fuelled consumption. In the words of an American journalist 'Left alone in a dark room with a pile of money, the Irish decided that what they really wanted to was to buy Ireland. *From each other.*' (Lewis 2011: 84). Now that the bubble has burst, FDI is seen as the only growth game in town. As the next section shows, the rest of Irish employment is very different.

## OCCUPATIONAL STRUCTURE, JOB QUALITY AND THE EMPLOYMENT RELATIONSHIP

Before the crisis there was a clear growth of high skilled jobs. This was partly due to the occupational composition of the expanding state employment (education, health) but primarily due to the accelerating expansion of FDI-based manufacturing and for the first time FDI in services. Rather more tentatively, some analysis of the period suggests a parallel growth in low skilled occupations, so that O'Connell and Russell (2007) identify a process of 'limited polarisation'. By contrast, an analysis of EULFS (European Union Labour Force Survey) data for the period 1996-2008 which compares changes across Europe identifies Ireland as 'an extreme case of high skill growth' (Holmes 2014). Through the crisis jobs in the FDI sectors were maintained and there was growth in high tech manufacturing and the new internet services.

At the same time however there was growth in low paid jobs. The comparative analysis of occupational change across Europe after the crisis thus identifies Ireland as a clear case of employment polarisation for the period 2011-2014 (Eurofound 2015: 15). This pattern of occupational change – clear growth in the higher paid occupations, stability or growth in lower paid occupations - seems to make Ireland another case of movement from diamond to egg-timer. This would fit with the trends of overall income distribution. In terms of pre-tax and transfers income (market income), Ireland is now the most unequal of all OECD countries (Figure 3.1), while inequality in earnings has been growing especially between the median and the lowest decile (Figure 3.2). The incidence of low pay (defined as two thirds of the gross median hourly earnings) has been growing since about 2004 (Figure 3.3) and is now one of the highest in the OECD (Figure 3.4).



**Figure 3.1**  
**Market income:**  
**Gini coefficients**

Source: TASC (2015) from OECD data

<sup>3</sup> Revealingly, the previous government's Action Plan for Jobs set a 'medium term target' to 'Meet 74% of ICT skills demand with domestic supply by 2018!' (Department of Jobs 2016: 109).

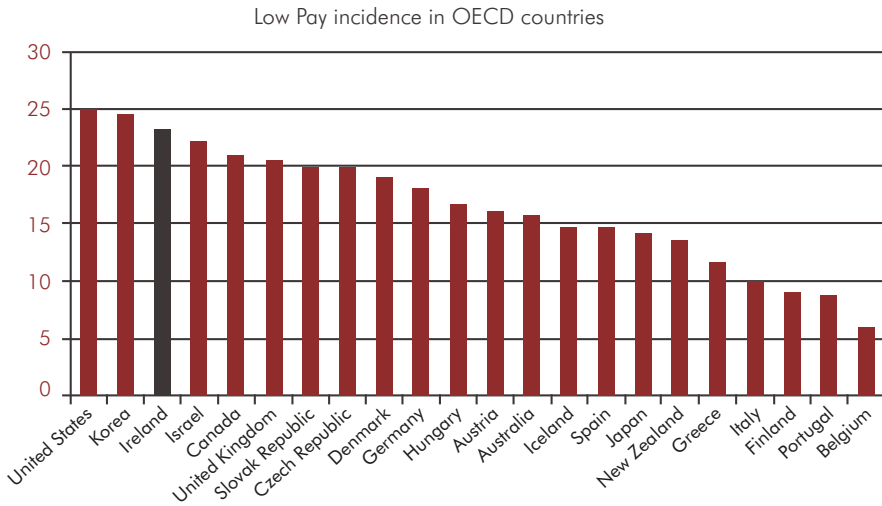
<sup>4</sup> At the time these so-called 'sweet heart deals' were criticised by a few trade union activists.





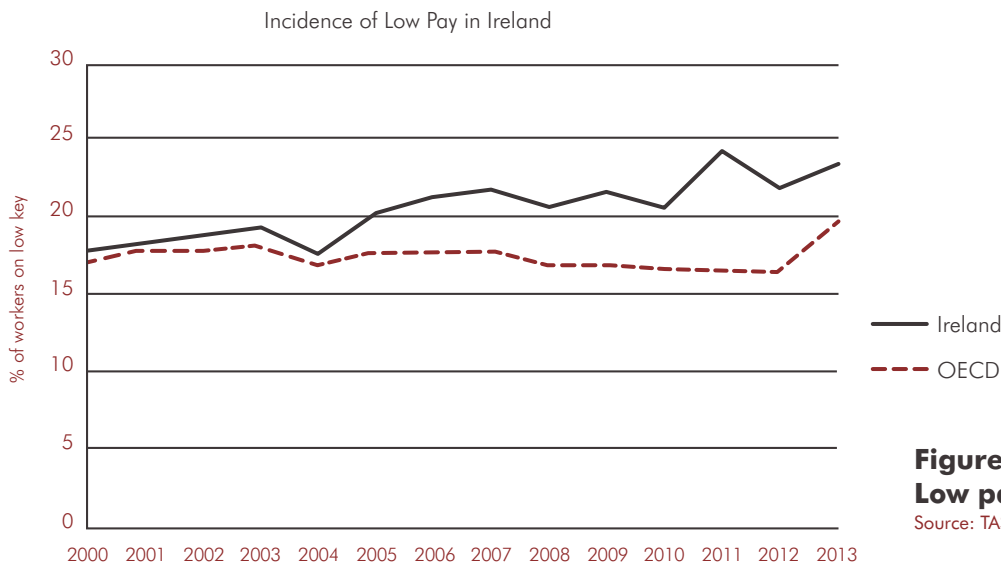
**Figure 3.2**  
Earnings decile ratios:  
Ireland

Source: TASC (2015) from OECD data



**Figure 3.3**  
Low pay:  
OECD countries

Source: TASC (2015) from OECD data



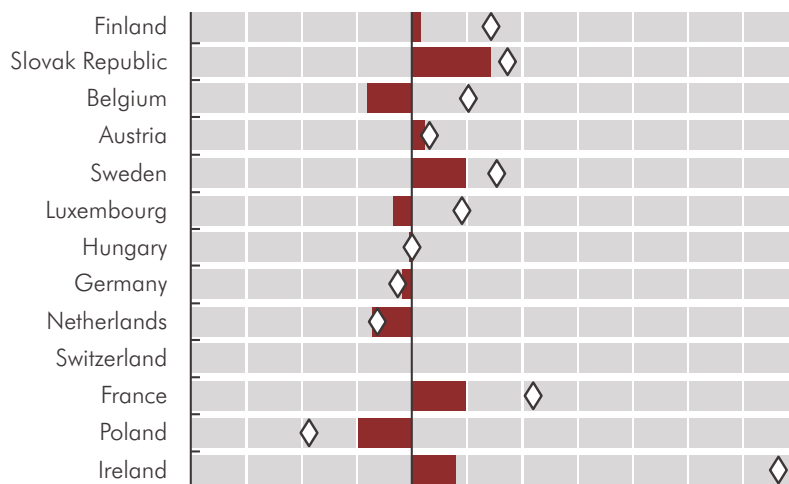
**Figure 3.4**  
Low pay in Ireland

Source: TASC (2015) from OECD data

The OECD figure is calculated as an average of countries where data is available. It is not adjusted to reflect the size of the countries, and as such is not an average for the OECD as a whole



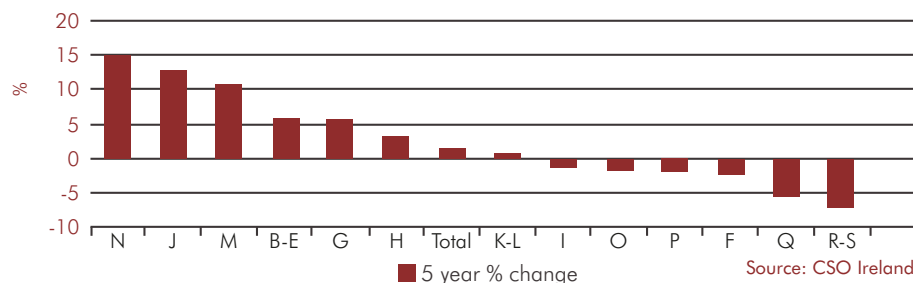
The actual distribution of net income in Ireland is very different to what these figures suggest thanks to Ireland’s welfare system with its high reliance on cash benefits. Thus while the Gini coefficient for market incomes in Ireland showed one of the highest increases in Europe between 2007 and 2010, the increase in inequality in disposable incomes was far smaller (Figure 3.5). Whereas in Greece the crisis cruelly exposed the ineffectiveness of the Greek national welfare state with its reliance on primary sector pensions to maintain family living standards, the Irish reliance on extensive cash benefits to the unemployed and to (some) low paid workers proved remarkably resilient (Wickham 2015). None of this prevented a dramatic decline in real living standards for most of the population and a rise in the material deprivation rate<sup>5</sup> from 17.1% in 2009 to fully 29.0% in 2014. Crucially also, massive labour immigration during the boom detracted from the simple fact that Ireland never became a high employment society: even at the peak of the boom the total employment rate remained marginally below the Lisbon target of 70%. Cash benefits supported people out of work but the social services and supports (e.g. childcare, vocational re-training) needed to support a more inclusive labour market were largely lacking (NESF 2006).



**Figure 3.5**  
Percentage point change in Gini coefficient at disposable and market prices, 2007-2010: selected OECD countries

Solid bar: Disposable income inequality  
Diamond: Market inequality  
Source: OECD (2014: 111)

Low paid workers are disproportionately concentrated in the sectors ‘Wholesale and Retail Trade’ and ‘Accommodation and Food Services’ (referred to in this report as the ‘Hospitality Sector’). Furthermore, the hospitality sector in particular has a very high rate of low pay and can be characterised a low wage sector. According to CSO earnings data, in hospitality the average wage in the sector is almost 10% lower than the national minimum wage (TASC 2016). Finally recent changes in earnings have exacerbated this polarisation. In the period 2010 to 2014 average weekly earnings increased by 10% or more in the three sectors including ‘Information and Communication’ but fell in most areas of public sector employment (health, education etc.) and also in hospitality (Figure 3.6).



- Total All Sectors
- B-E Industry
- F Construction
- G Wholesale and retail trade; repair of motor vehicles and motorcycles
- H Transportation and storage
- I Accommodation and food service activities
- J Information and communication
- K-L Financial, Insurance and real estate activities
- M Professional, scientific and technical activities
- N Administrative and support service activities
- O Public Administration and defence; compulsory social security
- P Education
- Q Human health and social work activities
- R-S Arts, entertainment, recreation and other service activities

**Figure 3.6**  
Change in average weekly earnings: Ireland  
TASC (2016) from CSO data

<sup>5</sup> Deprivation rate: Percentage of individuals not able to afford two or more necessities (‘enforced deprivation’). From EU-SIIC Main Results (CSO)

## JOB QUALITY

Ireland has therefore seen some occupational and indeed sectoral polarisation. As elsewhere however, this has not resulted in any straightforward polarisation in terms of job quality (where 'job quality' focuses largely on the actual tasks that comprise the job). Thus the index of 'Work Quality' created from the EWCS shows for Ireland a clear rise between 1995 and 2005 and is thereafter constant, with no significant change in the dispersion (Green et al 2013). As in most other countries, the Work Intensity index rose over the same period, (although with an interesting fall between 2005 and 2010). This increased work intensity is also corroborated by the comparison of ESS data of 2004 and 2010 (Gallie and Zhou 2013). As in other countries, dispersion of the index also fell over the period. The Good Physical Environment index remained effectively constant and Working Time Quality increased, albeit also with an increase in dispersion (Green et al 2013).

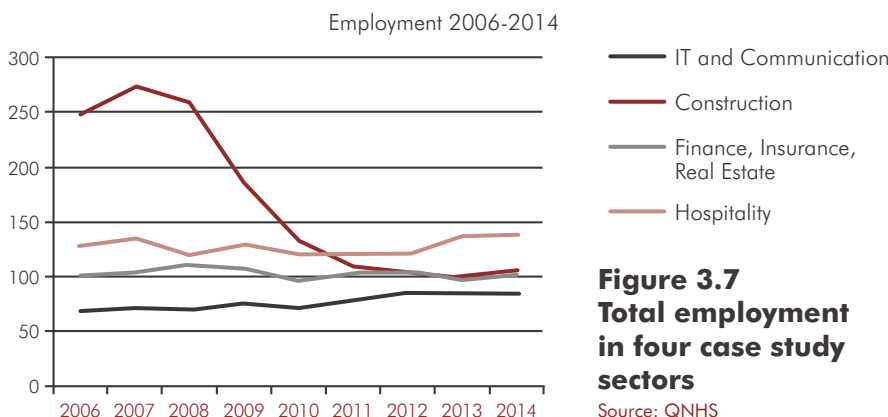
## DE-INSTITUTIONALISING THE EMPLOYMENT RELATIONSHIP

Despite the massive fall in employment after 2008, there was relatively little change in the immediate quality of jobs in most occupations in most sectors (e.g. Roche and Teague 2014). Part of the reason was the sectoral specificity of the crisis: the FDI sector, including high technology manufacturing, was hardly effected, while the crisis jeopardised the very existence of many firms in construction. More fundamentally, the major changes were in the context of jobs, namely the employment relationship itself.

Trade union density continued to fall, especially amongst male workers - density if not yet total numbers is now higher amongst women than men. Whereas in 1980 overall union density stood at 54 per cent, by 2012 it was only 31.2 per cent. Trade unions are increasingly concentrated in the public sector, so that in the private sector this institutional structure around the employment relationship has simply disappeared. Whereas in the previous crisis government sought the involvement of trade unions in what became social partnership and hence 'thickened' the institutional context of employment at national level, this time the unions were essentially excluded from economic policy-making (Culpepper and Regan 2014). In other words, national level institutions which had shielded employment from the market were removed. As became clear in the 'bail-out' negotiations with the Troika, 'reform' of Irish industrial relations meant a shift of bargaining downward to enterprise level. Equally, 'reform' of labour market regulation meant the evisceration of the National Employment Rights Agency (NERA), thus ensuring that protective legislation was easier to ignore (Hickman and Dundon 2016). Finally, the removal of the Joint Labour Committees for the hospitality sector and the constitutional ban on Registered Employment Agreements in construction further opened employment to market power (Turner and O'Sullivan 2013). In the last years of the previous government new legislation was introduced which may reinstate some form of legally sanctioned collective wage-setting, but as yet this remains largely aspirational.

## FOUR SECTORS

The project will focus on four sectors of employment. The hospitality sector was chosen because, along with retail, it is a sector where many jobs are low paid. If job quality simply aligns with wages, then this should also be a sector with bad quality jobs. The construction sector was chosen as a traditional source of relatively well paid manual jobs. The sector was also a test for the argument that the crisis transformed job



**Figure 3.7**  
Total employment  
in four case study  
sectors

quality and employment relations. Finally financial services and ICT/software were chosen as putative exemplars of good quality jobs in sectors where employment has been expanding. Figure 3.7. shows the employment trends in the four sectors since the onset of the crisis.

ENFORCED FLEXIBILITY? WORKING IN IRELAND TODAY

# CHAPTER 4

WORKING IN HOSPITALITY



## Chapter 4

### WORKING IN HOSPITALITY

Across Europe the hospitality sector is often characterised by low pay and casual work. Hotels, bars, restaurants and fast food outlets employ a workforce that is also heavily feminised and includes many immigrants and ethnic minorities. This is however also a growing sector of employment and central to the contemporary service economy. Working conditions in hospitality are therefore crucial in determining whether job growth in Ireland means 'lovely jobs' or 'lousy jobs'.

The first section of this chapter gives an overview of the sector, its enterprise structure and the basic demographic features of the workforce. The next section argues that in recent decades employers have increasingly imposed flexible employment relations on the workforce. As this section shows, central to this process has been the coupling of low wage rates with low and variable hours. Subsequent sections of the chapter consider the implications for career opportunities, health and safety issues, social relations in the workplace and collective representation.

#### FIRM STRUCTURE AND EMPLOYMENT

The Irish hospitality and tourism sector has been significantly affected by the recent recession as international tourism declined following the global economic downturn (ICIT 2008). As Ireland was particularly hit by this recession, domestic sales were also on the decline up until recently (Power, 2015). These trends resulted in falling employment rates in the hospitality sector, but job losses were less severe than in other sectors such as construction or retail. Furthermore, during the past few years, employment in hotels and restaurants across the country has been rising and the number of those employed in Accommodation and Food services rose from 119,000 in 2008 to over 137,000 at the end of 2014 (see also Figure 3.7).

#### Box 1: Ownership of business in the Irish hospitality sector: 'ideal types'

- |           |   |
|-----------|---|
| <b>a.</b> | Property fully owned and operated by the hotel brand                              |
| <b>b.</b> | Property leased by a hotel brand, which pays rent for the 'walls'                 |
| <b>c.</b> | Property owned by a third party and managed by a hotel chain                      |
| <b>d.</b> | Property owned by a third party and managed by a 'non-branded' specialist company |

The majority of organizations in the Irish hospitality sector are rather small as almost 75 per cent of workplaces employ fewer than 50 people (Watson et al, 2010). It has been estimated that by 2010 the number of tourism and hospitality enterprises in Ireland was around 16,500. The majority of these enterprises are indigenously owned (ICIT, 2008), however the importance of multinational companies has been rising for some time (Schweiger and Wickham 2005). The latter are especially present in the hotels sub-sector, which can be characterised by a growing significance of hotel groups and chains. While smaller hotels, especially outside of the capital city are usually family owned, larger hotels in Dublin are often part of an international chain. This division is especially important from the HR point of view as it could be argued that the management style would differ significantly depending on the ownership.

The division between Irish family-owned and large internationally owned hotels, however, does not fully represent the real situation. Firstly, in order to increase their competitiveness the independent Irish-owned hotels have started to either join multinational chains or form groups themselves (Failte Ireland 2011). In such cases they are Irish-owned but no longer operate as small or medium size businesses. Given different levels of involvement in the organization, the ownership-management matrix can be even more complex, with different possible business models currently in place. While often quite complicated, these models can be categorised into different 'ideal types' (See Box 1). Restaurants (including fast-food outlets), on the other hand are mainly Small and Medium Size Enterprises (Failte Ireland 2009).

Most of those employed in the Irish hospitality sector are employed in hotels, restaurants and bars, followed by those working in canteens and catering enterprises (CSO 2012b). In terms of occupation, the largest groups are kitchen and catering assistants, chefs, waiters and waitresses and bar

staff. Even though there are some international and domestic chain-type enterprises, as well as large catering companies, most of the actual workplaces are relatively small. Hotels have the most complex organization, with a number of larger departments and a multi-layered supervisory and managerial structure. Food outlets are usually divided into the front and back of the house, but staff in each section interact with each other on an ongoing basis.

In relation to the workforce involved in the sector, the Irish hospitality industry is the most 'equal' of the four case study sectors with 49 per cent males and 51 per cent females employed by 2010 (Failte Ireland 2011). It is also characterised by a relatively young workforce. 87.6 per cent of those working in hospitality are below the age of 50, compared to 74.7 per cent of the national workforce (O'Farrell 2014:5). Just over 50 per cent were below age of 35 (CSO, StatBank). This sector also employs a relatively large proportion of migrants: according to different sources, migrants now account for 33-40 per cent of total employment in the Irish hospitality industry (Failte Ireland 2011; CSO 2015). Most of them come from the New Member States (EU15 to EU28) (Krings et al 2013). The number of non-EU migrants in the sector, however, has been on the rise since 2011, which may suggest a return to the cheap labour policies deployed by employers in this sector in the 1990s.

This sector was previously regulated by the Joint Labour Committees (JLCs). The JLCs formulated Employment Regulation Orders (EROs) in order to fix the minimum pay and conditions for those working in catering and hotels. In 2011 the Quick Service Food Alliance filed a constitutional case against the ERO for the catering sector in the High Court. They were supported by the Irish Hotel Federation and the Irish Restaurant Association, both of whom argued that enforcing a minimum wage in the sector that was above the national minimum wage level negatively affected already struggling businesses. Later that year the High Court ruled the EROs were unconstitutional and currently employers are under no obligation to pay their workers more than the statutory minimum hourly rate.

Such casualization is a characteristic of hospitality sectors in many other highly developed countries. As early as the 1980s international studies suggested that employers in expanding service industries gradually transferred labour from the core to the periphery of the enterprise (Atkinson 1984). In other words, companies engage a small number of regular, full-time, directly employed individuals who are their 'core' workers; the rest of the labour is provided by 'peripheral' workers employed through agencies or hired on flexible contracts. In some other European countries, such as the UK, employers moved towards so-called 'zero-hours contracts' which do not provide workers with any guaranteed weekly hours. Here workers are essentially 'on call'. They cannot refuse any hours that are offered to them, but have no security in relation to their weekly wages (Adams et al. 2016; Brinkley 2013).

A recently published study on the prevalence of zero hours contracts in Ireland found that, like in the UK, individuals are offered zero hours work but the contracts used are called 'if and when contracts' or 'hybrid contracts' (O'Sullivan 2015). These 'if and when' contracts do not guarantee any minimum weekly hours but (in theory) an employee is also not obliged to take on any work. Hybrid contracts specify the minimum hours and allow the employee more if there is a demand. Again, contrary to the 'zero-hours' workers, 'hybrid' employees can refuse any additional hours offered by their employer (ibid). Our fieldwork, however, suggests that the situation is more complicated: such casual employees are not contractually bounded to accept their hours but are often forced to do so. As it will be discussed in more detail below, refusal can result in such sanctions as getting even fewer hours or inconvenient shifts.

This sector is also characterised by low pay. The average annual earnings in Irish hospitality are below the level that would be expected from a full-time job on the national minimum-wage. This results from the combination of the low working hours and the low hourly rates that are offered to the workers. Such a situation is not unique to Ireland as hospitality sector workers across Europe have often worked at low wages and in bad conditions (Baum 2007; Klein Hasselink et al 2003). Furthermore, career opportunities tend to be limited in this industry as employees often face a lack of adequate training and few options for professional progression. International studies suggest that this results in difficulties in filling in vacancies in many hospitality jobs (EFILWC 2012).

Casual contracts, low pay, and limited career opportunities result in a situation where jobs in hospitality can become unattractive for those who seek regular employment. In order to cope with staff shortages, employers across many highly developed countries increasingly rely on more transient workers, for example students and migrants (Ruhs and Anderson 2010; Wickham et al. 2009). While this strategy may provide businesses with short-term savings on labour costs, it is not necessarily beneficial on a long-term basis as it also often results in high staff turnover (Nickson 2013).

There are also further implications on health and safety, workplace relations and collective representation. It can also be argued that these trends are not recent and have been a result of long-term shifts occurring in this industry. Nevertheless, there is evidence that the casual nature of work in hospitality was less problematic during the boom as flexible working arrangements suited some of the employees (Wickham et al 2009). While this can still be the case for some, our fieldwork suggests that flexibility is now imposed on individuals rather than chosen by them. As this chapter will show, in the context of a casualised employment relationship this has further implications for working conditions.

## CASUALISING THE EMPLOYMENT RELATIONSHIP

The Irish hospitality sector is growing. While the job growth is a positive sign, the quality of work remains an issue as there is some evidence that working conditions have deteriorated. It has been argued that many employers only survived the recession by cost cutting strategies, which international research suggests, include pay cuts and the redeployment of existing staff (Rogers et al., 2009:7).

Historically this important sector of the Irish economy offered some relatively stable jobs with good incomes and some clear career paths. One of our participants has worked as a bartender in Dublin since the 1970s. For him this was once a 'good job':

*It was it was seen as a job that you could buy a house, pay a mortgage...which I did I got a house, I was 23. Well I took a loan at that stage and I had no hesitation to do it because I was earning quite enough money to do so. (PAR10)*

There was a clear consensus amongst our significant informants and participants that the employment conditions started to change long before the recession. Some views would suggest that the casualization of employment in hospitality was a result of the large influx of New Member States migrants in the 2000s, but according to our fieldwork these changes occurred about a decade earlier. The most significant examples can be found in the bar trade. Our respondents agreed that bars were a 'good place to work' up until mid-1990s. Most bar workers were unionized, their earnings were based on wage scales and they enjoyed additional benefits such as pension schemes. The jobs were full-time and permanent.

The first radical shift occurred after bartenders around the country threatened to hold a strike over pay increases during the FIFA World Cup in 1994. This is how one barman now working in the city centre describes what happened:

*They said they would strike on the first day of Ireland's first game in the World Cup. And they immediately got what they wanted. Because you know, if every bar shuts down on that day... But as a result...they started to hire people who hadn't done apprenticeships and who weren't part of the union because it was much, much cheaper. So there are still very few union bar staff still around. (PAR19)*

According to trade unions' representatives this was the breaking point for the employment relationship in this sector. Bar owners moved away from hiring experienced workers and started taking on young people (including students) who were looking for temporary jobs. Unions were no longer welcomed and career structures were gradually flattened. While the old staff often managed to continue with their good jobs, the new jobs became more casual and more flexible. The same trend, so some argue, then spread to hotels and restaurants.

As the 'good jobs' were created in other sectors of the Irish Celtic Tiger economy, many of the jobs in the Irish hospitality sector were no longer attractive for members of the indigenous population. Shortages were, however, quickly filled with the new arrivals from Central and Eastern European countries. These jobs often suited the newcomers as they offered them relatively (compared to home)



high income and also the flexibility that they often looked for. What should be emphasised, however, is that the flexible hours not only suited the employers, but were also an option for the employees. In other words, with plenty of jobs available, those working in the hospitality had certain levels of bargaining power and were often able to benefit from the casual nature of their employment (Wickham et al, 2009). This changed after the economic downturn: with rising levels of unemployment, many workers lost their ability to negotiate. Flexibility was no longer an option and in many places became a requirement. As we will now see, the casual character of the jobs now came with low hourly wage rates, ensuring precarious overall earnings.

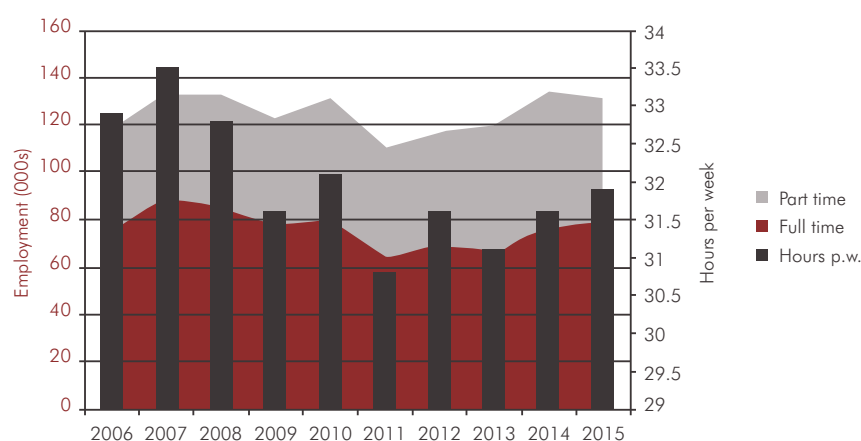
## LOW PAY AND FLEXIBLE WORK

Hospitality sector workers are amongst the lowest paid in Ireland. In 2015 the average weekly wage in the Accommodation and Food Services sector was €324.86, only just over half of the national average of €697.52 per week. This is the result of two factors: the widespread minimum hourly rates as well as a decline in the number weekly hours. The following table illustrates this trend:

<b>Table 4.1 Hospitality: earnings and hours 2008-2015</b>								
<b>Accommodation</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Earnings Per Week (Euro)	391.57	374.07	369.42	379.52	374.18	360.19	374.54	367.98
Average Hourly Earnings (Euro)	12.67	12.93	12.56	12.93	12.45	12.22	12.19	12.36
Average Weekly Paid Hours	30.9	28.9	29.4	29.3	30.1	29.5	30.7	29.8
<b>Food and beverage service activities</b>								
Earnings Per Week (Euro)	325.84	323.7	309.43	319.98	295.19	298.53	296.91	302
Average Hourly Earnings (Euro)	12.29	12.29	12.24	12.38	12.14	11.84	11.72	11.87
Average Weekly Paid Hours	26.5	26.3	25.3	25.9	24.3	25.2	25.3	25.4

Source: CSO StatBank (data from third quarter of each year)

The sector increasingly relies on part-time employment. In 2015 41 per cent of workers were employed on a part-time basis, compared to approximately 37 per cent in 2009. This share was significantly higher than the national average, which stood at 23 per cent at the end of 2015. Furthermore, hours in hospitality are not only low but also irregular and may vary from one week to another. Most of those who work in hotels and restaurants in Ireland do not receive regular wages since their payments are based on the hours they actually work. This is a common practice in hotels and restaurants across Europe, where many employees effectively work 'on call' (Head and Lucas 2005). There is also strong evidence from other studies suggesting that during the economic downturn employers were not hiring full-time, permanent workers anymore, and moved towards having a pool of part-time, flexible workers on their books (Krings et al. 2013).



**Figure 4.1**  
**Hospitality:**  
**Employment and hours**

Source: CSO Statbank

Such jobs may undoubtedly suit some categories of people such as students who seek additional income. One of our participants, who worked as floor manager in a restaurant in South Dublin, emphasised that the part-time nature of her employment suited her, especially given that her employer was willing to adjust her hours during exam times. Other individuals interviewed for this project did not have such flexibility. Both Trade Union representatives and respondents confirmed that hours given to people working in this sector were often highly unpredictable and varied from one week to another. Underemployment has also been an issue as some of such part-time workers were willing to work more hours, but were not given the opportunity. There were also those who could be classified as 'full time', but worked less than the standard 39 hours per week and thus received wages lower than expected from a regular full-time job. In both cases, employees could not seek additional part-time work to top up their income as their managers expected them to be flexible and accept any hours they were scheduled for.

'Flexibility' has been one of the buzzwords characterising the Irish hospitality employment. While the reduction of weekly hours has been a part of a long term trend (O'Farrell, 2013) casualization of jobs accelerated during the recession. The recovery does not seem to put an end to this form of flexible employment and workers can still expect unpredictability in their shifts. The number of staff required varies and depends on the demand, so many establishments' rosters are therefore prepared on a week by week basis. While there are some managers who would take individuals' need for time off into account, in many places the schedule is determined on an arbitrary basis. In this case, employees receive their hours at very short notice and thus are not able to plan their week properly. Furthermore, if the number of hours vary, then they also cannot plan their finances.

Generally speaking such practices affected new entrants most severely. In general the longer somebody worked in the company, the more regular their hours became. Indeed, in sectors such as retail characterised by casual work there is a long established pattern of 'working towards better hours' (e.g. Tormey 1999). Thus a fast food employee, who preferred to work night shifts, after spending a few years in the company now had a more or less stable schedule. Nevertheless, she considered herself 'lucky'. As she told us in the interview:

*I was doing very well. In the [name of the fast food chain]. I think it was like that cause I was there for so long. Cause generally, the longer you were there, the more hours you would get out of it. And I was doing pretty much full time hours. Well, 'full time hours'... I had very good hours and they were always fairly regular. I knew that I was always going to work on Friday and I was always going to work on Saturday. (PAR03)*

### Increasing Pressure. Irena's Story

Irena came to Ireland in 2013 after she graduated with a degree in hospitality management from a university in a New Member State country. She followed her family members who had already lived and worked in Dublin for a number of years. They helped her to find a job in a large hotel in Dublin. Despite her good English and relevant qualification, she was only able to secure a position in the accommodation department.

She described her work as very hard as they had a limited time to clean the rooms in detail. There was also a lot of pressure from the management. After a few months, however, a new manager took over and the situation got much worse. The number of rooms to be completed per shift increased significantly. As a result, all staff members started to work through their breaks and also stayed overtime. They were not paid for any extra time spent at work. Irena also told us that some suffered from severe back injuries as a result of their work.

Irena no longer works in the hospitality sector. She did not feel that there was a future for her in this industry.

Many others working in this sector did not have such an advantage. One of our interviewees, who worked as the accommodation assistant in an established hotel, reported that her weekly wages ranged from 200 to 400 Euros. She had a part-time, 'if and when' contract with guaranteed eight hours of work per week, but had to work full-time if there was a demand. Her life was also affected by the lack of predictability of her shifts. This is how she explained the roster:

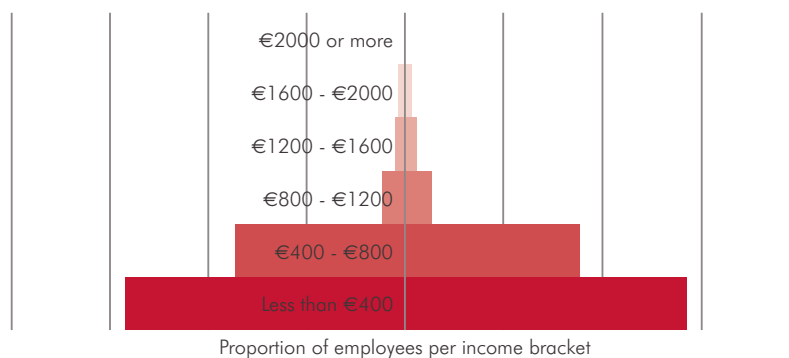


*They [the managers] write on the roster, they write for example: start at 8am and finish at 3pm but next day you come and you see that you have work until 5pm not until 3pm (...) You never know, you can't plan anything, and now it is even worse because they put the roster on the wall the last day, on Sunday. They put the roster on the wall so for example if you have on Monday your day off you can't make a plan for your day because you didn't know [that] you will have tomorrow a day off. (PAR31)*

Not only people were given short notice in relation to their weekly roster, but some of those working on part-time basis were also expected to be 'on call' while not paid for the waiting time. There is also evidence in the interviews that people were sent home when they were not needed, thus making weekly earnings even less predictable. As some of the workplaces were also part of a larger group involving more than outlet, employees were also asked to physically move between them. As one experienced bartender explained:

*I don't think it works well to be honest with you. They have a work in the bar in there, they haven't asked me yet, mind you...but one or two casual bar staff in it they're employed over for 3 or 4 days, maybe 4 or 5 days but they could be rostered for any of the two places or the other 3 places...and you could be doing Monday and Tuesday over where I am, you could be doing Wednesday down the [suburban neighbourhood in Dublin], and Thursday up the [town in GDA]. (PAR03)*

While such an arrangement might be advantageous for an employer, individuals involved could be put under extra pressure by this requirement. They needed to move between places which they might not be familiar with. When the outlets are located in different parts of the city bar staff might also be expected to commute at extra cost and given their low earnings this is an extreme disadvantage. Travel costs have also been an issue for those working late nights as public transport was often not available at the end of their shift. While some staff were provided with alternative transport by their employers, others had to pay out of their own pocket. Furthermore, according to our significant informants, late night transportation was sometimes deducted from the final wages.



**Figure 4.2**  
**Hospitality:**  
**Structure of weekly earnings**

Source: CSO (2012)

The unpredictable hours affected the earnings of many of hospitality workers as their weekly wage was often lower than the standard full-time minimum wage salary. Some employers are also adopting other strategies in order to minimize their labour costs. Some of them could be described as 'bending the rules' while others resembled practices from the informal economy. For example, in several cases we learnt that pay only applied to the opening hours rather than to the actual working hours as some companies were not paying their staff for cleaning up after closing time. Employees would be expected to 'clock out' shortly after the outlets were closed to the public and then continue working with partial or no payment for the additional time. Some respondents, as well as the trade union representatives, also referred to different forms of 'fake deductions', for example a 'uniform fee' or 'transport fee'. One participant complained that her employer was notorious for 'forgetting' to pay her for all the hours. As she said:

*You look at your payslip, and like I said, the last one, there was...Say I worked 24 hours. They would pay you for 23 hours. And you just write an email [complaining about it]. And they do correct it, they pay you in your next payslip, but it's kind of... There is one girl and she's been there for 6 months. And she wasn't checking her payslips properly. (PAR07, Tour guide)*

Once again, in this case 'on paper' everything seemed to be correct as the payslip stated the appropriate hourly rate. These small deductions, however effectively mean that the employee is not only getting low wages, but is not even being paid the national minimum hourly rate.

Finally, it became apparent over the course of our fieldwork that the definition of 'an hour' has also changed in some places, namely in the accommodation departments of many hotels in Dublin. For many managers in this sub-sector an hour is no longer a unit of time but is rather defined by the amount of rooms that need to be completed. One hotel cleaner explained that workers were assigned a specific number of rooms they needed to complete per shift, regardless of the amount of work required. If the work was not done in time, they had to stay overtime, but were only paid for what they were scheduled for. This is how she describes the implications:

*Well to speak honestly 30 minutes for one room is not enough...because a lot of tasks, a lot of things to do and also we have two beds in each room, so if there are four people or three people you have to change two beds...It takes 35/40 minutes, even so, if you're lucky and you have a clean room - it saves you but otherwise you can't finish in time. Nobody from cleaning department, housekeeping department, are going to lunch [because they have to] finish their work in time...(PAR31)*

In the interview she also told us that these targets were increased when a new manager was hired for their department. This put even more pressure on the staff and resulted in many of them quitting the job. As it will be further explored in this chapter, pressure on the employees has been high and was rising during the recession. This has implications on such aspects of working conditions as health and safety and workplace relations. Rising pressure may also result in high turnover of staff, an issue that may be problematic for the employer, who constantly needs to fill in vacancies. With informal recruitment practices and low levels of training, this raises the question of the quality of service.

## RECRUITMENT, TRAINING AND CAREER OPPORTUNITIES

Most of our interviewees working in this sector were recruited to their jobs informally, often through their own social networks. This corresponds with findings from other Irish and international studies, which suggest that formal channels, such as targeted recruitment, is less likely to occur within hospitality (Moriarty et al, 2012). These practices pre-date the recession: using word of mouth and personal recommendations for recruitment in service sector jobs has a long tradition in Ireland and beyond. Arguably this is closely related to the type of skills required for most jobs in bars, hotels and restaurants. Service sector employers often do not look for formal qualifications, but are rather interested in hiring certain type of individuals. This is especially the case for the front of house occupations which have been characterised as involving so-called 'aesthetic labour': workers who serve customers, are expected to look in a particular way and indeed appear to come themselves from a relatively affluent background (Warhurst and Nickson 2007). This partially explains the reason why the hospitality sector employs so many students and migrant workers: not only they are more flexible in their working arrangements, but they also look and sound appropriate. Students are more likely to be of a 'middle class background' while migrants of European origin frequently have a third level degree or are students seeking additional income during their gap year.

Previous work experience also became an important factor in the recruitment process during the economic downturn. One of our participants worked as operations manager in a busy city centre restaurant. He explained the need to select from up to 200 CVs per week:

*If you have just a busy week and you don't have a time to sit down and read those CVs every day, you can get to the end of your week and you can have 200+ CVs...We are quite selective, we want at least 18 months experience, we want someone who is not afraid to get close and personal with the customer, and actually has fun to do it... who does it in a very natural and organic way. (PAR21)*

He further elaborated on the 'culture' element of the job and claimed that his preference is also skewed towards such nationalities as Americans or Australians. He did not rule out Eastern Europeans, but for him they were more difficult to train into 'proper' customer service.

So-called soft skills were also important for those who were not directly engaged in customer service. For everyone working in this sector, having a 'good attitude' seems to be crucial for employment. The ethos of 'hard work', in fact, applied to all the jobs in hospitality. In the words of a senior bartender in a city centre pub:

*You kind of have to know what you are doing. Basically. And ideally do it and do it quickly. You know, to be working... Trying and working hard is far better than talking about how much you know about doing the job, while not actually doing it. You know? Laziness is really not looked upon well. (PAR19)*

Like some of our other interviewees, he emphasised the 'hard work' aspect of his job, which included not only serving drinks, but also a lot of cleaning. In most hospitality jobs the physical aspect of the work symbolises the need to be a 'good worker', while the customer service element influences the element of aesthetic labour. Both components, the physical and the aesthetic, also explain the importance of social networks during the recruitment process. If an existing employee recommends a new employee, then this guarantees that the new recruit understands the need to work hard and in addition comes from an appropriate background.

Although most jobs in hospitality do not seem to require any formal qualifications, there are perceived skill shortages in the sector. This is especially the case for chefs in restaurants, one of the few groups where educational credentials are important. This shortage is claimed to be the result of the transformation of Irish vocational education programmes:

*Since 2009, all full time vocational education programmes offered in the Institute of Technology (IoT) sector at Level 6 on the National Framework of Qualifications (NFQ) have migrated to higher education programmes, with application routes via the Central Applications Office (CAO) system. (Ó hAnnracháin and Duffy 2015)*

As this system is based on Leaving Certificate points, those with lower levels of academic achievements can be ruled out from becoming a chef. One of our participants, who had financed his cookery education himself, explained the difficulties with the state-run programmes and compared the situation with the English system:

*These days chefs need to have some sort of diploma or degree or something like that. Whereas ten or fifteen years ago chefs could have just worked under people and learnt that way. In Ireland there are different courses: DIT stuff like that, there are other cookery schools, Blackrock, there's [Cookery School]. These days if you want to be a chef you got to have papers.*

He suggested that the English situation was more suitable for the sort of person who would be a good chef:

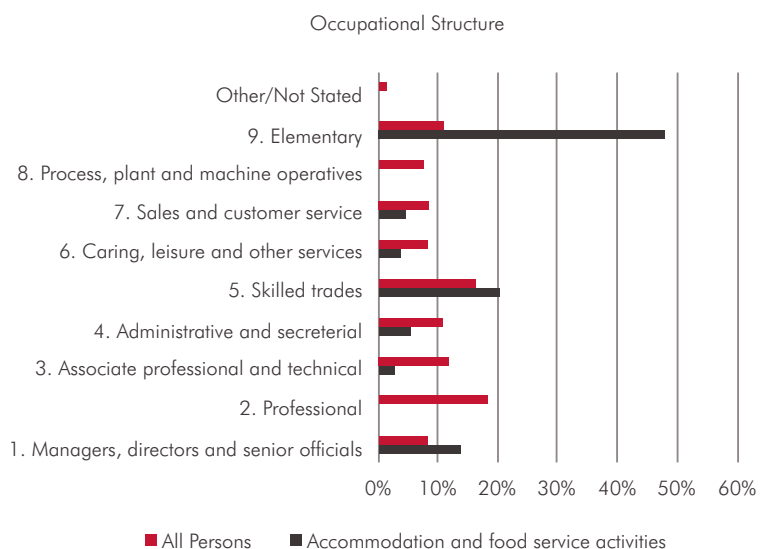
*In England you can do a college course at 16. Whereas in Ireland...the course in DIT which is a degree course where you have to have like I think high 300 points... the vast majority of chefs around the world, the kind of personality you need to have, you have a short attention span, it's just the way it goes. (PAR22)*

In the past chefs were educated through apprenticeship schemes. As these no longer exist, and the academic route is not available for everybody, those willing to have a career in this occupation are pushed into the private system. There are private cookery schools offering courses in Ireland, but they tend to brand themselves as prestigious and therefore be very expensive. This creates an exclusion process: those likely to be able to afford such courses probably come from a middle-class background and are able to seek financial support from their parents.

Historically speaking, apprenticeship was also the path for those who were hoping to become bartenders. Bartending was a career with a clear path and structured grades system. As a senior bartender explained to us:

*We used to have, when I started...the apprentices, cellar men, lounge chargehand, and senior staff...That type of hierarchy is now gone... You had about five or six different categories. And you moved up through those...So there was a career path. But that's gone. (PAR10)*

In Irish bars, hotels and restaurants today such career paths seem to be very limited. Figure 4.3 shows the flat occupational structure of the sector. The largest group (47.8 per cent) consists of those classified as 'elementary occupations', while the managers accounted for 13.6 per cent of the Accommodation and Food Services workforce (CSO, Statbank). Most of our participants also suggested that a promotion would not result in financial gains as the hourly rate would not be significantly increased. The main benefit of a supervisory or managerial position was related to the more settled hours and more predictable weekly income. On the other hand, promotion also meant more duties and more pressure. This, combined with a weak financial incentive, was the main reason why the majority of our participants did not apply for a promotion even when the opportunity was there.



**Figure 4.3**  
**Hospitality:**  
**Occupational structure**  
Source: CSO StatBank

However, this sector can nonetheless be characterised by relatively high horizontal mobility. Those with more experience would actually discuss different workplaces in terms of pressure, atmosphere and pay, and link these to the level of staff turnover. Those working in the sector have a clear notion of an internal ranking of employers, at least at the local level. Finally, the overall high staff turnover is also often related to the transient nature of this sector. It has been argued that for many of the students, graduates and, to certain extent, migrants, these jobs are only 'stepping stones'. After some period of time many would expect to move out of hospitality and proceed with a 'proper' career – one that is currently often not on offer in Irish hotels, bars and restaurants.

### HEALTH, SAFETY AND INCREASED PRESSURE

Overall work in this sector is hard. Despite being classified as 'services', many of the occupations in the hospitality sector are characterized by work that is physically demanding. Caterers spend most of their time standing, waiting staff carry around heavy dishes, chefs deal with extreme temperatures, while housekeepers have to turn luxurious yet heavy mattresses (Gatta 2009). In other sectors, especially in construction, such physical work is usually recognized and thus financially rewarded. This is not the case in the hospitality sector.

According to official reports, the Irish hospitality sector is a relatively safe place to work in (HSA 2014). Nevertheless, these statistics only refer to the number of cases that were actually recorded and does not include accidents which were not reported to the relevant authorities. The reporting of industrial accidents is however notoriously subject to different forms of bias (Morantz 2013) processes.

It became evident throughout our study, however, that there are some jobs which are more prone to (mainly minor) injuries. These are usually not life-threatening and can be dealt with on site. They varied between workplaces: while work-related accidents in restaurants and bars mainly involved burns and cuts, accommodation assistants in hotels have been exposed to back injuries. Such issues are not new to the industry and are related to the nature of duties involved. Increased pressure, however, can contribute to the frequency and severity of injuries. While there is no strong evidence of worsening health and safety conditions in bars and restaurants, it has been reported that the situation of accommodation assistant has been deteriorating.

Not only is the hard work is not recognized financially, but also possible health and safety issues are not always given adequate attention. While some places had a designated Health and Safety Officer on site<sup>6</sup>, in other establishments minor injuries were not treated with appropriate care. This fast food worker explains the situation at her workplace:

*We had a safety kit...that never, for the entire time that I worked there, ever had burn cream. No, and we all got burns. There were fires...when it's busy, and you are trying to move...all of the staff. And I think I still have them here [showing her upper arm with burns] from when we were all running around and I think I pushed it against something. And I got a few burns. But we all...There was a pretence of it. But again, the fact that it's a busy environment...And often quite a small kitchen. No, everybody got injured and there wasn't huge fuss about it, 'just get on with it'. I only saw one person get injured quite badly. And his hand went into the fire. Now: he was...with the ambulance and all that kind of stuff. But he was back in work in a couple of days. (PAR03)*

The employee that she referred to in the last part of the quote had to come back to work as he could not afford losing his shifts. As she further explained:

*And he worked with the bandage. He didn't go anywhere near the fires, he was just doing burgers. And you can do burgers with one hand. So that's fine [laughing].*

The return to work with an injury seems to be a major issue for those who are on hourly-based contracts. It was highlighted by the trade union representatives that employers would not be willing to pay their staff any sick day benefits and, as a result, the affected person was put under a financial pressure. Hotel workers were particularly affected as they were more likely to develop long-term problems such as back injuries. This hotel cleaner told us about a male worker who continued harming himself as he needed to keep his job:

*Yes I know one man...he was working like...he was keeping his back straight even when he tried to do the bed. It was very strange...he couldn't move normally, because of his back...[And] he didn't tell the manager because he wants to work, he needs money. (PAR31)*

Furthermore, in addition to physical demands, some of the front-of-house work can also be physiologically demanding. This kind of work can be described as 'emotional' or 'aesthetic' labour (Warhurst and Nickson 2007). It is both self-oriented and other-oriented as an individual has to respond to the customer as well as control their own performance. While this is a feature characterizing most of service jobs, those working in hospitality can be especially exposed to their clients. Those working night shifts are particularly exposed to unpleasant experiences. This was raised by our participants on a number of occasions. A former fast-food worker claimed that their managers were more likely to hire female workers for the night shifts as the customers were less likely to 'swing a punch on a women'. Nevertheless, the late night customers were a major problem for her. This is how she described the issue:

*Everything about the job that was bad, can always be directed back to customers. Always. We had people...People trying to steal the tills. Tills are bolted into the thing and you can't steal them. And then when they realised that they couldn't steal the till, they were trying to attack you instead.*

<sup>6</sup> Under the Safety, Health and Welfare at Work Acts 2005 and 2010 employers are required to appoint a Safety Officer. Information from [www.citizensinformation.ie](http://www.citizensinformation.ie)



*They were angry with the fact that they couldn't steal your till. We had guys who were ordering food while masturbating at you...You had people...shitting on trays and throwing it at us...And then the incredibly abusive language as well. (PAR03)*

Finally, technological changes were also affecting those working in the hospitality. An interesting issue was raised by a hotel worker who felt additional pressure coming from the management after the development of on-line review platforms such as Tripadvisor:

*And it's another thing that is happening now is that people are now going on Tripadvisor. And they make comments about something and 'that was late and this was late'. You know...And...I think what's happened there is that the management now take this quite seriously. Because obviously that would affect their business...It's like being supervised from the outside. You know? So we have other people coming in making comments about something that not necessarily is true. Or maybe some things are true, I am not saying that everything is not true. But it's another...Like Big Brother, outside, watching you. (PAR06)*

According to him, he was able to defend himself in the past, since the customers only complained to the management during their stay in the hotel. This was no longer the case when the reviews were completed by guests after they returned home. He felt that this was yet another form of control used by the managers to review his performance. As we shall now see, the hospitality sector can be characterised by high levels of control and monitoring and this has become yet another way of pressurising an employee.

## INCREASED PRESSURE

For many employees the reduction in the number of weekly hours not only lowered their wages but also increased their workload. Thus interviewees reported that 'fewer people have to do more work' and that the demands put on them by the employers were increasing. Pressure at work was generally high, especially in establishments that are high-paced. This is how one of the bartenders explained it:

*You're really under physical and mental pressure...and before you know there is breaks have to be given, and so on, so you're always on the pressure, you're always on the move, you're actually not planning ahead for anything you're actually just keeping things going...The slightest thing going wrong, I mean as in if someone breaks a glass, everything has to stop because the chain is broken. [If] three people are working, two people are working - the one person has to say sorry for thirty seconds...but thirty seconds while you're doing it...next thing, that's everything put backwards so you're always on the step backwards, you're always trying to catch yourself ahead...(PAR10)*

### Working in bars and restaurants. An example of good practice

Paul works for an established bar in Dublin city centre. He has been working in the hospitality sector for most of his life and initially switched employers few times before, however he has been with the current one for more than a decade. Even though he described his work as hard, he was very happy with his job. It was a full time position and his hours were regular. In fact most of the other employees of the company, which consisted of several bars and restaurants, were hired on full time basis and were paid above the minimum wage. As result, the level of staff turnover remained low, the atmosphere at work was good. The company has been growing despite the economic crisis.

Although not reflected in wages, jobs in the hospitality sector are generally demanding from a physical point of view. One of our participants who worked in a city centre bar told us that he once set a pedometer to see what distance he would cover on one Friday night and realised that by the end of the shift he had walked over 30 kilometres. A catering assistant complained about 'standing on her feet' for the whole day and felt that at her age she was only to do this kind of work on part-time basis.

Heavy lifting was most pronounced in the case of hotel cleaners, mostly females, who were required to turn the mattresses on daily basis. While the nature of job did not change during the recession, the amount of work did. With fewer people involved in a shift, staff had to take on more duties. Some of

the tasks were also the subject of rigid measurements. Fast food workers, for example, had to complete each order by a certain amount of minutes while the hotel workers were required to complete a specific number of rooms within one hour. During the recession many of the managers increased the targets to much higher levels. As reported by a hotel worker who was employed at middle-management level:

*I think it's coming down to health and safety at this stage. Where people are actually doing damage to themselves in regards that their backs... 17 rooms is way too much for people to be doing. Way too much. (PAR06)*

As the above quote emphasises, the increased number of targets has now become an issue of health and safety matter and this has also been raised by the trade unions who are organizing hotel workers. Increasing productivity seemed to be on the employers' agenda throughout the recession to the extent that there is now a danger of creating the 'overloaded worker'. Finally, this pressure can negatively affect relationships at work. As we shall now see, even though our respondents overall had good relations with their colleagues, work pressure contributed to some tensions with direct management.

## RELATIONSHIPS AT WORK

Most of our participants reported relatively good relationships with colleagues at work. In those places where the turnover was relatively low, people sometimes referred to them as being 'like a family'. Even those who had bad working conditions did not have major problems with other members of staff. Often people felt solidarity with each other and this was mutual support against their employer. A former fast-food worker, who was clearly exploited by the upper management of the company, explained it in the following way:

*If you are there for long enough, people get to know you (...)...So you can get a very good kind of team environment. And your manager is more often earning the same amount that you are. So it's not that hierarchical thing. So you get this get this kind of 'us against the world' [laughing]...'While we throw burgers at the world'. (...) just getting to know people, when you work with them. And the fact that it's such a heavy environment. You do...bond very quickly, I suppose. It's like trauma bonding, so I don't know... (PAR03)*

In this workplace the direct managers were putting a lot of pressure on the regular staff, but our informant recognized how managers themselves were under pressure. Middle managers were often pushed to exploit other members of staff in the same way as they themselves were sometimes exploited. In some places those promoted to middle-management positions were non-Irish, and often from outside the EU. This meant that they were tied to their employers through the working visa system and so had no choice but to follow orders.

In general most of the companies were adopting what could be described as 'hard HRM' (e.g. Brinkman-Staneva 2013) or 'calculative HRM' (Gooderham et al. 1999). These types of HRM put the emphasis on control, on monitoring and on individualised pay systems. All three elements were raised in the interviews with both hospitality sector employees and the significant informants. The main tool of control was the management of the allocation of the weekly hours. The rules seemed to be very clear as those who don't obey are given worse shifts or less hours.

Tensions at workplaces were thus not always caused by individual relations but were rather a result of institutionalised rules coming from the above. Finally, even if there was a feeling of collectivity amongst colleagues, there was no real solidarity that demanded better working conditions. Instead, issues were raised on an individual rather than a group basis. In the sector as a whole collective representation has also been in decline.

## TRADE UNIONS

Most of the issues raised in previous sections were not only discussed by workers participating in this study, but were also raised by the trade union officials we interviewed. While the latter were concerned about the deteriorating working conditions in the Irish hospitality sector, they were also often not in a position to negotiate major changes. Firstly, neither the employers' associations nor companies' managers were usually willing to engage in a dialogue with the unions. Secondly, this sector is characterised by relatively low union density, with only 6 per cent of this sector's workforce having a trade union membership. There are currently two main unions organizing in this sector with a traditional division between them. SIPTU had members working in hotels, large catering companies and some restaurants, while Mandate has been responsible for the bar sector. Despite ongoing campaigns, both unions reported major obstacles in gaining new members.

The difficulty in organizing can be explained by a number of factors, including the small size of most of the enterprises, the high number of migrants and young people, and the high turnover of staff. There is also a strong fear factor involved: those working in firms that were not unionised told us that their managers would not view their membership in a positive way. In general, employees would discuss their work-related problems amongst themselves, but would be reluctant to get involved with the unions. One of our participants joined the union individually and tried to ask more people to become a member, but she got no response. In her opinion this was mainly due to the young age of those she was working with. This is how she explained it:

*Like a lot of people want to do that individually and they say 'we will raise it in a meeting'. But...I think if you unionise...I've been asking people...I think maybe I'm one of the older ones in there, I am 30 and the rest of them are maybe first year or second year of college. So...I think a lot of them maybe don't understand...(PAR07, Tour guide)*

Some interviewees also raised the membership fee as the main issue preventing them from joining the union. This was particularly the case for those on the minimum wage and casual hours. One of the hotel workers interviewed told us that while their hotel recognized the unions, they lost their power as membership decreased significantly of recent years. In his opinion this was a combination of two factors:

*There is different reasons for that. But...some reasons could be...that people kind of... feel that it's all down to the minimum wage and don't want union contribution coming out as well. Because they can't afford it. That would be one reason. And there would also be a big turnover of staff, in the combination. (PAR06)*

For those who were union members the unionization of a workplace was very important. In hotels for example, trade unions were able to monitor working conditions. By contrast, in non-union workplaces people would be (usually) receiving the legal minimum hourly rate, but their other rights were not necessarily accepted by managers. According to our informants, for example, in some non-unionized workplaces workers do not receive any overtime pay at all and do not even have proper contracts.

## CONCLUSION

When our more experienced workers started to work in the Irish hospitality sector their jobs came with a strong sense of stability and permanency. Workers had predictable shifts, relatively good salaries and career paths available if they were willing to pursue them. Some of the workers we interviewed had the same employer for most of their working lives and in those times could afford a 'decent life'. While there are still some good jobs in the sector, for a large proportion of the workforce terms and conditions of employment are no longer the same. For many work in the hospitality sector has become notoriously low paid, flexible and lacked clearly defined career paths.

Casualisation of employment in this sector is not a new phenomenon and was not caused by the recession. Hourly paid, part-time positions started to be taken on by students and (often) women seeking additional income. Later on, during the Celtic Tiger, these new workers were joined by newly arrived migrants for whom the low wages were attractive when compared to their earnings available back home. For all these groups flexibility was a desirable option which suited their other commitments



or lifestyle. As we have documented in earlier research (e.g. Wickham et al 2009; Krings et al. 2013), young people, including those coming from outside of Ireland, did not mind having variable shifts mainly because on their side the employer was also flexible in terms working time and extended leave. In addition, the absence of structured career paths was also less problematic as many of these migrants treated work in the hospitality sector as temporary or entry-level jobs.

As the country was hit by recession this began to change. While part-time, low paid jobs are out there, and so are the students and migrants, power has shifted to the employers. People are offered zero hours work through so-called 'if and when' contracts which make employees vulnerable to changes in hours and income. Even though they are officially under no obligation to accept additional hours, the employer often (unofficially) forces them to do so. Workers have no set hours but are assigned shifts at short notice – and those shifts can no longer be chosen or refused. Flexibility is thus there for employers, but no longer for workers. In other words, a feature that was desired by many during the good times is now imposed on employees. Furthermore, the hours are used as an instrument of control. The rule is simple: the better you behave, the better shift you can get.

Lack of training and clear progression paths has also become an issue. With the progressive removal of apprenticeship programmes the industry is also suffering from skill shortages. This is coupled with another issue, high staff turnover. Unhappy about their jobs, people tend to move on somewhere else and thus do not have an opportunity to learn the trade through experience. There are good, skilled positions available, but not always achievable for everybody. For example, chefs used to be trained as apprentices and thus the occupation was not linked to any specific social background. Nowadays many future chefs can attend private schools and pay high fees, which is only possible for those with financial resources.

Employers often argue that their businesses would not survive if they improved wages and training opportunities. This argument ignores other factors, most importantly the human face of the service industry. During our fieldwork we met a few participants who had a good experience of working in the Irish hospitality sector. Their employers not only survived the recession, but some of them actually had grown during the downturn. There was a common theme amongst them: better wages, more stable, often full-time shifts, decent working conditions and, what is even more important from a business point of view, very low levels of staff turnover. Retaining their contented and experienced staff seemed to be one key to the success of these establishments. In the end, don't we all like to walk into a bar and see a familiar, happy face serving us our drinks? Perhaps, instead of adopting new ways to cut employment costs, business should aim to invest in their staff and an end to their low wage addiction.



ENFORCED FLEXIBILITY? WORKING IN IRELAND TODAY

# CHAPTER 5

## WORKING IN CONSTRUCTION



## Chapter 5

### WORKING IN CONSTRUCTION

At the beginning of the 21<sup>st</sup> century the Celtic Tiger boom turned into a bubble with the construction industry at its epicentre. Then when the bubble burst, employment in the industry collapsed. In the crisis forms of employment which had already existed in the boom became widespread with increasingly negative consequences for working conditions.

This chapter begins by showing how the Irish construction industry is an extreme case of the fluctuations in employment that characterise the industry internationally. As the next section of the chapter shows, firms responded to the crisis by extending the long subcontracting chains which have always characterised the industry: the large firms were hollowed out and became more contract managers than direct employers. This section analyses in more detail aspects of this process: the growth of self-employment, the rise of bogus self-employment and the expansion of agency work. Subsequent sections show the implications of these changes in the employment relationship for pay, health and safety, training, relations at work and finally trade union membership.

#### FROM BOOM TO BUST: EMPLOYMENT IN IRISH CONSTRUCTION

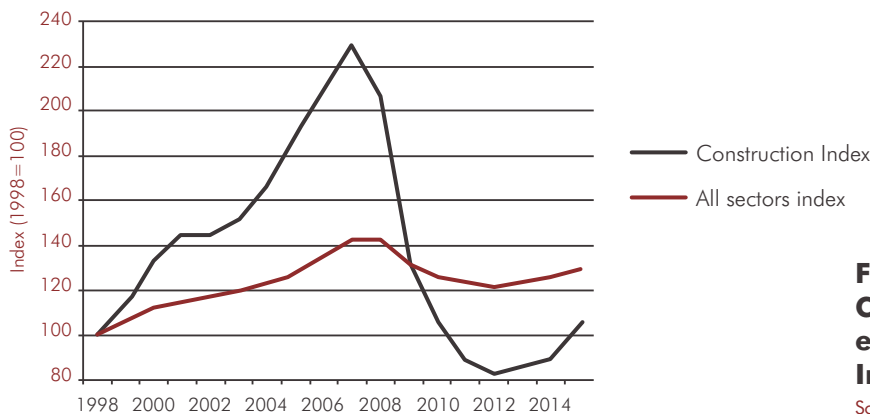
In all advanced societies employment in construction is normally between 5% and 10% of total employment. The industry is of course distinctive in that its products – buildings and infrastructure – have to be created on site. Unlike the case of manufacturing, no national economy can do without construction completely. Although many components of buildings are manufactured off-site, and (especially in the USA) there has been some move towards greater pre-fabrication, this move from construction into manufacturing has not led to any major decline in employment within the construction sector itself. The construction industry is also extremely pro-cyclical – rises and falls in employment exaggerate similar changes in the overall economy. Given that the ‘products’ of the industry are once-off and unique, they depend on decisions that can be easily deferred. Everywhere self-employment is important in the industry, not least due to the cyclical and seasonal nature of the work (Nisbet, 2007; Nisbet and Thomas, 2000).

As in particular Bosch and Philips (2003) argue, these factors all mean that construction enterprises operate in an industry that is essentially high risk and short term. In the absence of countervailing forces, construction tends towards a model of small firms with limited fixed capital and unskilled workers with limited human capital. These are knitted together by subcontracting chains. Firms are engaged in a series of disparate relatively short term projects so that skills are specific to occupations in the industry with virtually no firm or product specialisation. As a result, overall firms have little incentive to invest in training their workers and developing their skills.

In this situation, firms can become locked into a spiral of ‘degenerative competition’ where the competitive strategy is based on ever cheaper and more expendable labour (Behling and Hervey 2015). Especially in a downturn this process is exacerbated by tender-based contracts with the preference for the lowest bidder (Thornqvist and Woolfson 2012) and larger contractors will attempt to reduce their costs by dropping profit margins and cutting labour costs (Cunningham, 2013). International comparisons suggest that these tendencies are most likely in deregulated employment regimes in liberal market economies (LME) such as the UK, where the industry is characterised by low investment in training, little attempt to retain workers, and low productivity (e.g. Bosch and Philips 2003).

The Irish construction industry seems to exemplify these arguments. Figure 5.1 uses index figures (1998=100) to show fluctuations in total employment in the sector over time in both construction and total employment: fluctuations in construction are a multiple of total employment. As the Celtic Tiger boom of the 1990s turned into the bubble of the mid-2000s construction industry employment grew to fully 274,000 in 2007. While total employment in the country was about 40 per cent more than the 1998 level (2007 index=142), employment in construction more than doubled (2007 index=229). At this point employment in construction accounted for 13% of total employment: within the EU only Spain had a similar proportion (CSO 2008: 18). Including those indirectly employed in construction, one estimate puts the total dependent on the industry at that point at 405,000 (Forfas 2013: 18) which would have amounted to over 19 per cent of total employment in Ireland. The expansion of employment was largely due to the expansion of housing construction. Importantly, this expansion was purely quantitative:

it involved more and more of the same product with the same technologies. As in normal in bubbles, there was little technological innovation and possibly even regression (Wickham 2012).



**Figure 5.1**  
**Construction and total employment:**  
**Ireland 1998-2015**

Source: CSO Statbank (QNHS)

As Figure 5.1 also shows, after 2007 employment in construction fell much faster than employment in the rest of the economy. At its nadir in 2012 employment in construction was just over 83,000. At this point employment in the sector was even below that of 1998 (2012 index=83) while total employment remained well above that level (2012 index=121). Those no longer involved in the sector either remained unemployed, moved to another sector or migrated to other countries (Forfas 2013). After the economic downturn, 20 per cent of all those unemployed in Ireland had previously been working in construction; unemployment in this sector also accounted for 36 per cent of overall male unemployment (RICS 2014).

The decline in housing construction encapsulates the overall crisis: in 2007 there was 89,000 units completed; this number fell to 8,300 by 2013. In addition, some of the Irish construction companies became involved in the international market, which was their 'survival' strategy at times of recession (Forfas 2013). There is evidence that these off-shore activities mainly involved management, professionals and skilled craft workers.

The last few years have seen some recovery in the sector. Even when employment was at its lowest, construction work remained an important part of the overall labour market, amounting to 5.2 per cent of total employment in 2013. By 2015 employment had reached 126,000 (2015 index=105). As Figure 5.1 also shows, employment growth in construction has been true to form and has been faster than growth in the rest of the economy. The next sections of this chapter will argue that the employment relationship changed drastically in the crisis. It is an open question whether the recovery will ensure that this change was not permanent.

## WORKING IN CONSTRUCTION: THE HOLLOW FIRM

Building involves multitude of tasks and occupations. There are different phases involved in the construction of any building and these require different skills, equipment and expertise. One of our significant informants, a trade union organizer who had been a construction worker for many years, used the example of a large office building to explain these different phases in detail. As he described it:

*So let's say, for instance, you are building a four storey office block. You go in, there is a green field, the site is turned, and you've got general operatives who are involved in the excavation. You've got carpenters who are involved in it to build the foundations etcetera. Carpentry is a unique trade in the building industry. They tend to be on the site from start to finish. And general operatives. And you often find that carpenters tend to be people who are foremen and managers, 'cos they are at the start of the building till the very end of it...So the foundation is in, carpenters, general operatives, maybe bricklayers as well, in terms of footings and stuff like that. Steel workers, that's another grade of workers...Scaffolders as things start to go up. Cranesmen, banksmen, to direct the cranes people etc. So then you look into the ground floor level, there is a lot to bring, the car park and all sorts of substructure. And then you are starting above the ground – you've got...Let's think about our office box. Like a square box. So you've got, you know, bricklayers, you've got glaziers... you've got carpenters who are putting the floors in, you are carpenters who are putting the roof on...*

The above quote illustrates the construction of the 'shell' for the building and the range of different occupations involved in this stage of the project. This situation continues as the interior work starts:

*So inside then you have...electricians and plumbers, and they would have arrived relatively early, but a small number of them, to put services in, to start the ball rolling, to facilitate the loo, to facilitate the pipes etc. underneath the ground. And they would come in...And at that stage all those workers, craft workers involved are referred to as 'first fixing'. So to the first stage of the building, a bit more kind of raw, more kind of basic stuff...So they do all of that. And then, as the building progresses, they are moving from the first fix to the second fix, to what you see. So you have the carpenter who fixes the frame, the door frame...and then you have a carpenter who fixes the archers, the door and pieces.*

Not all of the categories of workers are present at the site throughout the entire life cycle of the project. Workers move from site to site, but in different rhythms. Thus in this example the electricians and plumbers were on site early on the project, but the carpenters came later, by which time most of the other trades workers would have moved on. Other building projects will have different mixes of occupations, so a large residential development would usually involve more bricklayers. Bricklayers work together with general operatives or labourers who deliver the stacks of bricks to the immediate work site:

*So it's my job to make sure that the blocks are stacked ahead of them, the scaffold is ready, and the mortar is on the boards. And basically anything they need – I have to go and get it. They stay in the building all the time. And when they finish in the evening then my job is to clean up after them and re-stack again for the morning. Just to keep ahead of them all the time. (PAR20 General operative)*

In all cases however, building workers will be moving from site to site and often from employer to employer:

*Most workers, you know, in their career, they would have seven or eight jobs. Building workers would have that in a year. (Union official)*

The industry is dominated by manual occupations: Table 5.1 shows how over three quarters of those at work in the industry are in manual occupations. However, as total employment collapsed after 2008 there was some change in the relative weight of the different occupational groups, for non-manual workers were somewhat less likely to lose their jobs. Amongst manual workers the largest proportion are skilled trades, such as bricklayers, carpenters, plasterers, painters and decorators, plumbers or electricians. Other occupations include unskilled general operatives, but also trained crane operators, forklift drivers and scaffolders. Of the four sectors covered in this report, construction is of course the most masculine with women amounting to less than 5 per cent of those at work.

As in other European countries, the construction industry has attracted many immigrants. In the boom wages remained relatively high and so Irish construction continued to attract indigenous workers.

**Table 5.1 Construction: Occupational Structure**

	2007 (%)	2015 (%)
Managers	2.8	6.9
Professionals	1.9	3.6
Technicians & associated professionals	3.2	4.4
Clerical support workers	3.3	3.3
Service and sales workers	1.0	3.2
Craft and related	60.5	55.6
Plant and machine operators	7.2	4.3
Elementary occupations	19.9	17.8
<i>Total* (N)</i>	<i>273,831</i>	<i>125,947</i>

\* Occupational category 'Skilled agricultural...workers' omitted  
Source: QNHS (own analysis)



Consequently immigration was not so important as elsewhere (Krings et al 2011). In 2007 non-Irish nationals accounted for over 17 per cent of the construction workforce, with the majority coming from the New Member States of the EU. When construction employment reached its lowest level this proportion fell to just over 10 per cent. Today, with employment in the industry rising so too is the proportion of immigrants. Indeed, even during the recession the Irish construction sector continued to attract new workers from the New Member States. This is especially because, as the international literature suggests, due to the '3D' (Dirty, Demanding and Dangerous) character of the work (Dickens and Lang 1988) migrants are often more likely to accept difficult working conditions.

Today the multitude of different occupations on a site now involves a multitude of different contractors and sub-contractors and sub-sub-contractors. The principal contractor will have its firm name on the site hoarding, but will actually have very few employees. As the trade union organiser told us in the interview above: 'You could have one principal contractor and there could be a 100 contractors beside him'. The industry consists largely of a multitude of small companies (Watson et al, 2010; Krings et al 2013). In 2010 there were 30,805 construction enterprises employing fewer than 10 people and only 16 companies directly employing 250 or more workers (CSO Statistics Database).

Thus the workers employed on the site are paid not by the main contractor, but by the sub-contractor. These subcontractors in turn usually divide up the work between another layer of subcontractors. Different occupations usually become different firms. At most sites workers are working alongside other building workers who are employed by different firms or who may officially be self-employed. In the simplest scenario, each building project has a principal contractor who then subcontracts different aspects of the construction to various smaller companies. The principal contractor has only a few direct employees present on site: usually the site manager, one or two foremen and a small number of general operatives. The longer the subcontracting chain, the fewer direct employees are involved. Instead, smaller and more specialised subcontractors engage other self-employed workers. Labour-only work, on the other hand, is to a large extent provided by agency workers.

In the crisis the larger firms began to also bid for smaller jobs (Tansey et al, 2013), thus putting competitive pressure on medium sized firms. As a result of the subcontracting chain, everybody involved in different stages of the bidding needs to cut their costs. At the bottom level, those who do not employ any paid workers can only reduce their profit margin by lowering their own hourly rate. At each level of the sub-contracting chain, the profit depends on the difference between the price the contractor receives for the contract and the price paid to the contractors who will carry out the work. Thus a culture can develop where the contractor's profits depend upon squeezing the subcontractors:

*[Quantity surveyors] they price a job, say, for instance, a 2 million job, on the basis that the job should have been priced at 2.5 million. And they've won that call on the basis that they are burning all the subcontractors down the way, for the 500 grand. And that's how they make it up. (Union official)*

Thus the length of the subcontracting chain is partly the result of the changing employment strategies of the large companies. One competitive strategy has clearly been to reduce the level of direct employment and to outsource work as much as possible to subcontractors. This in turn pressurises each subcontractor to pursue a similar strategy. Firms that were unable or unwilling to pursue this strategy have found they were uncompetitive in several building sectors which they have simply abandoned.

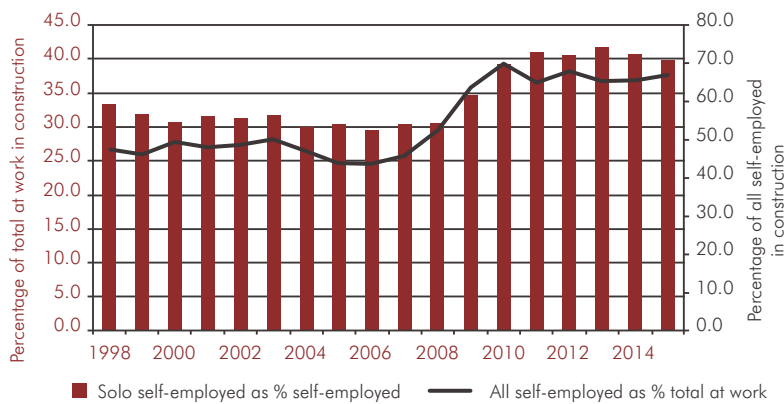
Not all of the construction projects were equally affected by these models. The length of the sub-contracting chain is also influenced by the nature of the project. For example, industrial facilities such as chemical or pharmaceutical plants require high specification complex piping systems and these in turn can only be supplied by specialist plumbing firms with semi-proprietary knowledge and skills. Accordingly here there remain specialist firms with a significant number of employees. There was a consensus amongst our interviewees that building sites in Ireland could be classified into three categories: residential buildings, government projects and high-tech manufacturing construction sites. The first category was perceived as the worst and some of our informants even explicitly said that 'one can get away with a murder on a housing site'. Government projects varied, depending on the main contractor and their willingness to adhere to the rules. Finally, the multinational high-tech contracts had the best working conditions, with particular attention to health and safety and an emphasis on trade union membership. This last category of projects was referred to by the trade unions officials as 'our

piece of Scandinavia in this industry'. They were an example of good practice which was often not adopted by contractors who were involved in the other two categories.

### THE GROWTH OF SELF-EMPLOYMENT

The lengthening of the sub-contracting chain has led to more and more workers becoming self-employed. Figure 5.2 examines the proportion of the Irish construction industry workforce that is self-employed and shows how self-employment has become more important in the last ten years. Whereas in 2006 just under 25 per cent of all those at work in the industry were self-employed (Figure 5.2 left axis), by 2010 this had reached over 40 per cent.

The chart also shows (right axis) that much of this self-employment is in fact individuals working by themselves with no other employees. In 2006 these 'solo self-employed' comprised over 53 per cent of the self-employed, but in 2012 the proportion had risen to over 72 per cent. As the Figure also shows, these changes reversed slightly after 2013: in 2015 the self-employed comprised 38 per cent of those at work in the industry and the solo self-employed made up 71 per cent of the self-employed.

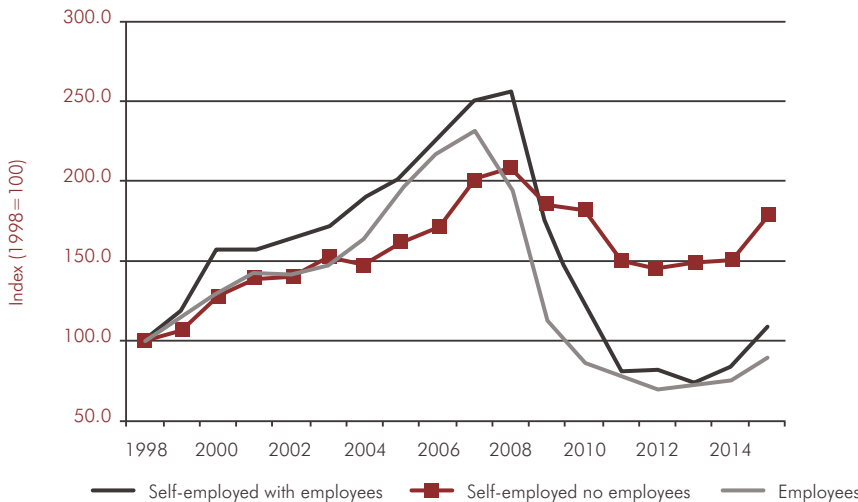


**Figure 5.2**  
**Construction:**  
**self-employment**  
**2005-2015**

Source: QNHS (own analysis)

Figure 5.3 highlights the growing importance after the crash of the solo self-employed compared both to the self-employed with employees and to employees. Using index figures for the same data as in Figure 5.2 (1998=100) it shows how in the crisis after 2007 the number of employees fell fastest and the number of solo self-employed fell relatively slowly. Indeed, by 2015 the absolute number of solo self-employed was the same as in the middle years of the boom (Index 2015=178), whereas the number of employees remained less than it had been in 1998 (Index 2015=89).

Most of the self-employed are craft workers. Figure 5.4 shows the changing employment status of the three main manual occupational groups (craft workers, plant operators, elementary occupations).

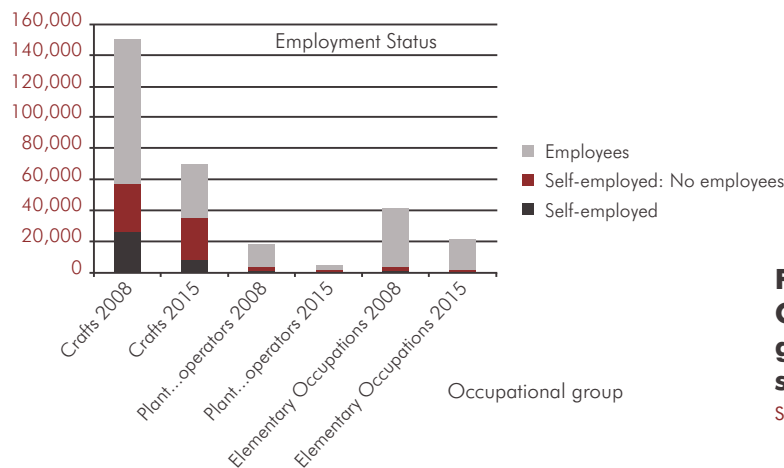


**Figure 5.3**  
**Construction: self-employed,**  
**solo self-employed and**  
**employees 1998-2015**

Source: QNHS (own analysis)



In 2008 the 150,000 craft workers were mostly (62 per cent) employees, but by 2015 of the 70,000 still at work, this was the case for less than half of them (49 per cent). Self-employment, and especially solo self-employment, has been growing.



**Figure 5.4**  
**Construction: occupational group and employment status 2008 and 2015**

Source: QNHS (own analysis)

Sub-contractors who are bidding for contracts that require more skilled labour have increasingly attempted to cut their costs by replacing direct employment with self-employment. The worker still carries out tasks which are specified by the contractor who also supplies all the material and equipment, but does this himself as another contractor.

Schematically, casualisation involves the use of self-employment for skilled (craft) workers and agency work for unskilled labourers ('operatives'). However, the dividing line between the two forms of employment is not rigid. Many employment agency companies place skilled workers but also supply skilled labour which is not actually employed by the client company. Both unskilled and skilled workers often work in groups in which one member is defined as the contractor who then pays the others. By repute this is especially the case with Romanian workers:

*The Romanians are clever and they know the system. A lot of them would have signed on when they got here, on the system and a lot of them are on the Back to Work scheme...So they are getting the dole, they are getting their rental supplement and then you would have one who would be the principal contractor and you would be giving him 80... 'You 60', 'You 50'. Now, they're not big earners and I've seen what they do and I've seen various jobs where I've been foreman and I've been given envelopes to pay them. (PAR14 Bricklayer)*

*Now, where I am at the minute, we have the...the company putting up the plasterboard and stuff like that, there is 45 of them working there. 45 and they are Romanian. There is no Irish worker working with them. And 35 out of 45 are working on the old C45, or whatever you call it. So you've only 10 direct on the books. (PAR17 General operative)*

In this case the 'principal contractor' is effectively the foreman or chargehand or even gangmaster, recruiting and employing his fellow workers. Amongst Irish workers the system can be different and resemble a team which shares the earnings equally. In this case the first contractor 'hires' a small group of workers:

*Say that there is three of you. One man might be the principal on the relevant contract. You know the relevant...the RCT. And it's just a carve-up...So you'd have the 3 of us, 25 quid, less 20 percent, everybody the same, you just divvy it up. (PAR14 Bricklayer)*

The first contractor would prefer to transfer payment just to one member of the team, thus making this person the subcontractor. This means that one team member will have substantial cash flowing through their bank account. Furthermore, this runs the risk that they would lose access to any means-tested benefits if only their gross income is taken into account. Accordingly, teams sometimes arrange for the payment to be rotated between different members, each of which is in turn responsible for distributing

shares to the other members. A particular problem here is the first contractor may commit to doing this, but then 'forget' to do so and keep making the payment to the first team member.

A final complication to notice is that self-employed craft workers may normally be simply working for themselves, but will at times take on other workers to help them. These may be other craftworkers with whom the work is shared. A bricklayer who appears to have become behind schedule may be told by his immediate contractor to get more men to ensure the work is completed on time:

*Bring in more men. I mean XXX [building firm] are quite bullish on that. They don't care, they are paying you to do the job, 'that's the price'. 'We want men, bodies, get your men to do that'. Which you have to meet. (PAR14 Bricklayer)*

However, the bricklayer may also hire in as extra casual workers labourers or even apprentices. In bricklaying for example, the bricklayer would usually work in a small group of three to four bricklayers, supported by a labourer or general operative. In the past these labourers might be directly employed by a principal contractor even if the bricklayers were self-employed or working for a bricklayer subcontractor.

*The original way, the way they done it was, there was a man there, you had four bricklayers starting on a Monday, you'd have two labourers stacking it out on the Friday to get everything prepared, and everything was left there. There was no labouring for the bricklayer whatsoever. (PAR34 Bricklayer)*

However, bricklayers can also be responsible for directly hiring their own labourers. In fact, since the job is priced in terms of so many bricks to be laid it is actually up to the bricklayer whether or not to hire in extra help.

## BOGUS SELF-EMPLOYMENT IN CONSTRUCTION

The Irish construction industry is now characterised by long sub-contracting chains with very few employees directly employed by the main contractor (the construction firm's name on the hoardings). Virtually everyone is working for a sub-contractor, for an agency (see below) or for themselves as self-employed. This is the context for 'bogus' self-employment.

At its simplest, an employee is somebody who works for somebody else; so long as the employment lasts, the employee is subordinate to the employer's instructions. By contrast, the self-employed person sells a product or a service to the customer: it is the self-employed person who decides how the work is to be actually done. If the worker is an employee, then the employer is responsible for tax (through PAYE) and social insurance including the contributions of both employee and employer. If the worker is an employee, then the employer has obligations under employment law (equal treatment etc.). There are different and fewer obligations if the worker is defined as an independent contractor or even consultant.

Bogus self-employment occurs when the worker is defined as self-employed even though he or she is actually working under the direct control of the 'employer', is working for only one client, and cannot employ others. Such workers are often called 'dependent workers' to highlight their dependence on a single 'employer'<sup>7</sup>. A decisive feature of this *bogus* self-employment in construction is also that the employment status is chosen by the 'employer', not by the 'employee'. As we shall see, bogus self-employment is therefore *constrained* self-employment.

Bogus self-employment is very different to the traditional 'black economy' and the 'lump' that has long characterised the construction industry in Ireland and indeed the UK. The black economy occurs when the worker is paid in cash, at its very simplest as when the labourer is paid by the craftworker:

<sup>7</sup> For fuller discussion see Wickham and Bobek (2016).

## Dependent workers in Europe

Eurofound (2013) defines 'dependent workers' as those self-employed without employees who do not meet at least two of these conditions:

- has more than 1 client
- is able to hire employees (even if s/he does not currently have employees)
- can make important decisions about the work

Such dependent workers amount to 0.9 per cent of employment in the EU27. They are especially concentrated in the 'other services' sector, followed by the construction and transport sectors. They are overwhelmingly in elementary occupations. Of all employment statuses they are most likely to report 'difficulty making ends meet' and are over-represented in the lower third of the income distribution.

*If you don't bring a labourer you have to do it yourself...You'd have to pay him in cash...the labourer then can automatically if he wants to...sign on the dole, we can't control that. (PAR34 Bricklayer)*

In this situation there is tax evasion, for although the labourer is working as an employee, no PRSI is paid by either him nor by the 'employer'. And if the cash-paid labourer chooses to sign on, then there is welfare fraud. Paradoxically the RCT1 system and its predecessors in both Ireland and the UK seem to have been designed precisely to bring work like this back into the tax system. They were designed to deal with a situation where many workers have always moved from site to site and from employer to employer, and where especially craft workers often understood themselves as independent workers even though they did not supply their own materials or employ anyone in a long-term relationship. In the UK self-employment in construction was initially legitimised by the Construction Industry Tax Deduction Scheme (Winch 1998). After the 1977 Finance Act the contractor used the SC60 Form to declare that a contract was being carried out by a self-employed contractor and deducted tax at source. Subsequently construction workers were allowed to simply self-declare themselves as self-employed. After various other changes, and a brief period of roll-back in the late 1990s, the UK now has a system which makes it easy for construction workers to declare themselves self-employed – and also for their employers to make this declaration (Behling and Harvey 2015).

The Irish system seems now to facilitate self-employment even more than the UK system since it now allows the employer (or contractor) to designate the recipients of contracts as self-employed with no consultation. Until 2012 workers who wanted to define themselves as self-employed for tax purposes completed a paper form. When the system moved on-line it then became possible for the employer to designate workers as self-employed:

*Yeah. I am working for them [large firm], but I am a sub-contractor to a sub-contractor. It's bogus subcontracting, in essence. Which is encouraged by the Revenue Commissioners...The subcontractors cover themselves by telling your details to them and he says that [interviewees name] is on a relevant contract for XXX euros for the next 6 weeks. The Revenue Commissioner acknowledges this and then sends me out a slip to say 'we acknowledge you are on...'. (PAR14 Bricklayer)*

The employer (in Revenue's terms, the 'Principal') notifies the contract on-line and effectively only has to give the subcontractor's name and tax number, along with the value and duration of the contract. The 'Principal' has to tick a check box confirming that the contract is 'not a contract of employment' and later confirm that 'the contract is NOT a labour only contract'<sup>8</sup>. In fact our interviews make clear that these checks are treated as carefully as the usually totally unread 'Terms and Conditions' beloved of internet product suppliers.

<sup>8</sup> For the forms etc. see website <http://www.revenue.ie/en/tax/rct/>

### Sean's story

Sean did his bricklaying apprenticeship after leaving school in Dublin. His father was a bricklayer and Sean always intended to follow him into the trade. After his apprenticeship he worked almost continuously until 2008.

In the crisis he had various odd jobs, and then was taken on by a large company. After working for two weeks working he was told that the money paid into his account was not his wages but the fee to be shared with several other bricklayers. This led to a dispute and a lockout.

Sean is now working again on the RCT. He used to love bricklaying but now 'it's a nightmare' and the trade has been destroyed. He is studying part-time to start another career.

The on-line system allows employers to become principal contractors and employees to become subcontractors literally at the click of the mouse. Providing the principal has the subcontractor's name and tax number, no active consent from the subcontractor is even necessary. Notionally the subcontractor can complain to Revenue that (s)he has been wrongly classified, but we have no evidence that this actually happens. It is unlikely to, for the simple reason that acceptance of self-employment status is now often a condition of employment. The regulations which purportedly prevent workers being wrongly deemed as self-employed are now formulaic decoration. Indeed, as of March 2016 the Revenue RCT website contained a link to the 'Code of Practice for Determining Employment or Self-Employment Status of Individuals' with outdated information such as a reference to the now abolished National Employment Rights Authority.

Constrained self-employment often takes a collective form in that a subcontractor or even the principal contractor on the site compel a group of workers to be paid by one of their number:

*These boys got me a start on that job, 'Come out and work, there's work out here.' So I went out and worked for them, and the craic was, you get paid every two weeks. I say 'No bother, what way do we work it?' He says, 'The way it works is, there's three in a gang. You get the money one week, I'll draw the next week, he gets it next, we do it a round. (PAR33 Bricklayer)*

This itself is bogus self-employment, since the work is clearly being carried out as a labour only contract (the principal subcontractor has set the tasks and supplied the materials). However, principal contractors also attempt to generate hierarchies within such teams by not registering all members as contract recipients. As the previous informant continued:

*So they drew my money, they drew it a couple of times, so I says, 'Right, it's my turn now'. So I've got out a bit of paper, write me name, me address, PPS number, bank account details, and I gave it to one of the boys working in the office ...Gave it to him and there was no joy. This went on for another couple of weeks...So I says, ask him what the story is with my details, so he says 'Oh I lost them'. So I produced them two more times after that there. Still no joy. So this was going on and going on...And it only came to light at Christmas when I rung the Revenue and I [found out I] wasn't registered. (PAR33)*

Large firms have pushed employment relations down the sub-contracting chain and subcontractors in turn attempt to reduce their costs by ensuring that they also are not actually employers at all. For them, the most obvious financial saving is there is no employers' PRSI contribution to be paid, as well as of course much reduced financial administration. Self-employment also 'legalises' the ending of agreed wage rates and the erosion of any notion of regular wages. As employees paying PRSI construction workers have been entitled to social insurance benefits (see Table 5.2). The major difference for those who are self-employed, and the one that effects people most quickly, is that the self-employed are not entitled to Jobseeker's Benefit. If they cannot find work they have to claim the means-tested Jobseeker's Allowance. However, as the Table shows, both groups are entitled to the contributory state pension.

**Table 5.2 Employees and self-employed: entitlement to selected PRSI benefits**

	Class A	Class S
State pension (contributory)	Y	Y
Invalidity pension	Y	N
Occupational injuries	Y	N
Jobseeker's benefit (pay related, not means-tested, but conditional on seeking employment, maximum 6 or 9 months depending on contribution (including contributions paid in other EEA states))	Y	N (normally entitled to means-tested job seekers allowance)
Health and safety benefit	Y	N

Source: Adapted from Department of Social Protection (2016)

Finally, regular workers have usually become members of the Construction Workers' Pension Scheme which has provided valuable benefits. When workers become self-employed they are no longer eligible for membership of the Scheme (although they can contribute to the separate Construction Industry Retirement Trust Scheme) and this must undermine the Pension Scheme. The rise of self-employment thus increases the insecurity of all workers in the industry.

## AGENCY WORK

According to our sources, bogus self-employment mainly applied to trade workers. As Figure 4 shows, very few of those in 'elementary occupations' are self-employed. However, the absolute number of solo self-employed within this group increased between 2008 and 2015. This suggests that here too bogus self-employment has been increasing.

Labourers and general operatives have however been forced out of direct employment with construction firms mainly through the outsourcing of employment to agency companies. In the past building contractors had a core workforce which would move from one project to another, but now they use subcontractors to find and deploy almost all the labour used on the building sites:

*There is only 18 GOs [General Operatives] now. So that's coming right down from maybe 150, 170, 180, 200...There would a banksman on cranes for 12 years non-stop...That's what me job was. Now their thinking is – get the subcontractor to maintain the crane, get the subcontractor to clean up after...And there is no need for direct labour as much anymore, because we are going to get the subcontractor. (PAR17 General Operative)*

Employment agencies provide general operatives 'on call' for main contractors or large sub-contractors. The main contractor gains significant financial savings as they only pay for the workers when they need them. The outsourcing of labour may have serious consequences for workers. Until recently the base rates in construction were set by the Registered Employment Agreements (REAs) but agencies are not guided by them and often pay their workers wages that are below the old REA rates. According to our interviewees, an hourly rate for an agency worker can be 10 Euros, which is significantly less than that received by those in direct employment. Moreover, if the agency has its workers 'on-call', there are potentially periods of time when its workers would not have any work at all:

*Some agency workers are being told, on the way into work on a bus, not to go in in the morning. 'Cos it's windy out and the crane won't be working, and there will be no work for the week. So 'go home, we are not paying you for the day' (PAR20, General Operative)*

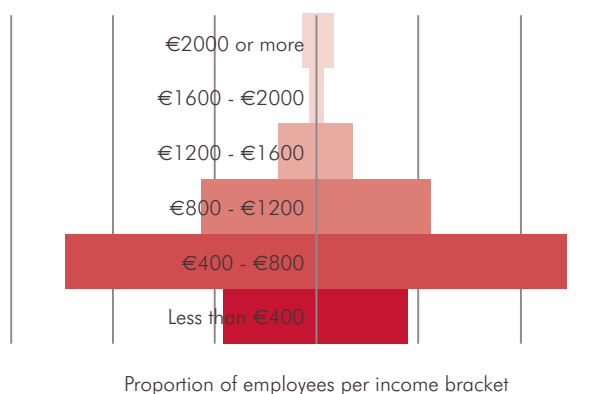
In order to reduce their costs, some agencies have also introduced a variety of wage deductions which would seem to be actually illegal. One example included charging workers for their safety equipment. As one of our participants described it:

*This is just one story, one guy, he came on to the job and he said something about his helmet, how much it cost him. It cost him a 5 Euro per week. They are supposed to supply you with your safety helmet, gloves, boots, all your personal protective equipment. But they take 5 Euro a week out for this. This guy says that he received the helmet off them, but never received boots, never received gloves, never received anything like that. Just the helmet. (PAR17)*

Other workers were also charged for their payslips which would be a clear breach of Irish employment law. This payment was not automatically deducted from the wages, but the workers were told that they had to pay a fee if they want to receive their payslip. There seemed to be a very little resistance to such practices amongst the workers. It was explained to us that this is due to the oversupply of labour and not enough work available. In other words, those who work for an agency accept their poor pay and inferior working conditions because they are afraid to lose their job. As one of the interviewees pointed out: 'The fear factor is there and they know that the first time they raise their head and complain – their job is gone' (PAR20)

## PAY AND HOURS OF WORK

Despite the dramatic downturn that occurred in this sector, average earnings for those working in construction remained above the national average and were at the level of €37,884 in 2014. As Figure 5.5 shows there are relatively few very low paid jobs in the sector, and indeed most earnings cluster around the national average. However these figures apply to PAYE workers and not to those who are self-employed. The latter are paid for a specific task (for example, putting in a specific number of windows or laying a specific amount of bricks) and so it is difficult to establish any actual hourly rate. According to our participants, the lower down the subcontracting chain, the lower is the pay as 'the slice gets smaller'. In some extreme cases there is evidence of workers being paid an equivalent of the national minimum hourly wage or even less.



**Figure 5.5**  
**Construction:**  
**structure of weekly**  
**earnings**

Source: CSO (2012)

Nonetheless, some informal regulation of wage rates continues to operate in construction. This is different to the situation in hospitality (Chapter 4). In hospitality the Joint Labour Committees effectively ceased to function after being declared unconstitutional in 2012 and there remains little trace of their sector-wide minimum rates. In construction REAs were also struck down, but the rates still serve as guidelines for setting up hourly rates or for the pricing of the job for those with higher bargaining power. Equally, contractors are not legally bound to follow these rates but continue to use them as reference points. None of this however applied to agency workers, mainly general operatives, who are offered much lower rates than the 'traditional' ones of the REAs.

Those construction workers who did manage to stay employed throughout the recession experienced considerable cuts in their earnings. Firstly, actual hourly rates were reduced across the board. Secondly there was a reduction on working hours and there was virtually no overtime available. Some of our respondents also agreed to take several weeks of unpaid leave in order remain employed. The situation has been even more difficult for those who were forced into self-employment. They had no guaranteed income for the time when they were between jobs, when they were sick, or when they could not work because of bad weather conditions - all circumstances which would have been covered when they were in direct employment. Finally, some of the PAYE workers had historically been able to negotiate compensation for their travel time, which was not the case for agency workers or self-employed.



Those bogus self-employed who end up working for less than the national minimum wage have no recourse to the Workplace Relations Commission or to trade unions. Bogus self-employment means not only lower earnings but the loss of rights and voice (Behling and Harvey 2015). Where pay has been pushed down in this way the labourers are often immigrants. Sources in the industry also report that many of these workers on Dublin construction sites are brought in by direct employment agencies from Northern Ireland and are able to pay low wages because these workers are also receiving unemployment benefits in Northern Ireland. Equally, it is claimed that the Back to Work Allowance Scheme (for agency workers) or Back to Work Enterprise Allowance Scheme (for self-employed) now functions as a wage subsidy – several of our interviewees stated that they could only afford to work at the going rates because of the Scheme.

The long subcontracting chain ensures the erosion of normal employment relations:

*[In the past] you would get the hourly rate. You would get compensated, you would be paid. If it rained, the builder would keep you there, and as he was paying, he would find something for you to do. Inside...they'd have something. 'Do this, do that, wrap it up, get it done'. So they would get work out of you. I mean if you are working for a subbie, you have 6 men there, a machine breaks down at 10 o'clock – 'You have to go home lads, there's nothing for you today'. (PAR14 Bricklayer)*

Given the fragmentation of the workforce workers on the same job and on the same site are often on different rates even if they are working for the same subcontractor:

*One fella could be on 12 euro per hour and the other on 16 euro. So that keeps everybody quiet. Divide and conquer as they say...Nobody will open their mouth if they are on different money. (PAR17 General Operative)*

While pay itself can become irregular and unpredictable:

*The subcontractor] gets away with it because most men are working men... You go to work for a week and 'It will be on Wednesday, the cheque will come through, don't worry about it'. And the next Wednesday now you're nearly two weeks there, and you start chasing money, and he says 'Hang on here for another week'. Me – I actually dragged him into a room. At the end of the day you have to stand your ground [and say] 'I want my money'. (PAR14 Bricklayer)*

Those better paid skilled craft workers who kept their jobs through the recession saw drastic cuts in earnings. Not only were basic wage rates cut and overtime reduced, but extras like travel time were often ended:

*We used to get an hours travel time. And they cut that. That's probably a hundred quid a week. And that's before the pay cut as well – everything off your rate. And they cut back...we used to get bus fares and vouchers and all that kind of stuff. And they cut all that out. (PAR04 Plumber)*

In the crisis workers in this firm had volunteered a substantial pay cut to keep the enterprise viable. Several years later this firm has 'never been busier' and returned to profit. As in other companies, by the end of 2015 there was resentment that the firm appeared to want to keep rates at their crisis level.

## HEALTH AND SAFETY IMPLICATIONS

With such fragmentation of employment models, health and safety could become an issue and this was certainly a concern amongst our participants. Questions were raised around the issue of responsibility: as the sub-contracting chains lengthen it becomes less clear who would be liable in the case of an accident. Some of the participants also claimed that the presence of migrants on Irish construction sites could also be problematic as not all of them had good English language competency. This issue has been flagged by other international research, but other studies suggested that this is not always problematic as workers from different backgrounds can develop various forms of communication, including sign language (Tutt et al 2013).

There is also evidence of workers being reluctant to report misconduct or minor incidents as in this example:

*When I went out banking and there was one of the clips and the hooks... it was broke. Instead of closing it was flapping. And I asked the lads, the banksmen, 'Why didn't you report it?'. And [they said] 'If we reported it, it's like a black mark against our name'. But that is the feeling. They cannot report anything. Things cannot be reported. If I start giving out – that's money that they have to pay to get this fixed. (PAR17)*

Another general operative, encountered a potentially serious situation, where a worker was actually afraid to report his injury to the sub-contractor he was working for:

*I met a painter there yesterday on the way home. And he is lying down in the canteen - on the bench. And I said 'what's wrong with you?' And he said 'I am after banging my head'. And I said 'the worst thing you can do is to try to go to sleep! You should report it!' – 'No, no' – he said. He was afraid to report that he'd banged his head in case the employer said 'Well, you were doing something wrong, it's your fault'. He was afraid of the subcontractor who he was working for. These things should be documented and reported. But inside his head he has a feeling 'I've done wrong' (PAR20)*

Despite growing concerns, Irish construction sites have been relatively safe. Stakeholders interviewed for the purpose of this project, as well as the majority of participating workers agreed that regulations regarding health and safety are usually followed. This seems to be particularly enforced by the main contractors, especially those on state projects or multinational high-tech manufacturing buildings. As this trade union organiser explained:

*The culture of health and safety has changed. Dramatically. From the early '90s onwards. In many circumstances, as a bye-product of insurance...For instance... [main contractor] and the... the [state project]. They have a big huge sign up 'a million hours accident free'. Because there is premiums attached to that. Particularly on state projects. So when it comes to government then you kind of have to look at that, but certainly health and safety has increased on building sites.*

Most of the sites have a delegated health and safety officer present throughout the project. Such a person would usually be specifically trained in this area and responsible for ensuring that all the regulations were followed. Furthermore, all the employees working on a site must have the Safe Pass, which is a mandatory certificate for all construction workers in Ireland.

## CAREER PATHS AND TRAINING OPPORTUNITIES

From the mid-1990s onwards, until the downturn, the construction industry provided stable employment for many trade workers and for general operatives. Both categories were relatively well paid and could climb up the earnings ladder through clear occupational paths. These were different for the two groups and the movement between was rather unlikely.

Trade workers were trained to their jobs through apprenticeship schemes. This involved a mixture of on-site work and college attendance. By contrast, there is no linear progression path for general labourers. New entrants coming onto a site work as unskilled labourers and can continue to do so throughout their working lives. Those who wish to progress can do short-term courses and acquire so-called 'tickets' which certify them to perform certain tasks or to operate specific equipment. Examples would include driving a forklift, operating or banking cranes or erecting scaffolding.

Theoretically speaking both paths still exist. According to our informants, however, there is very little training available the sector at the moment. General operatives, especially those working for agencies, need to finance their 'tickets' from their earnings. Amongst the skilled trades the downturn resulted in the disappearance of apprenticeships. As a result of these changes, the opportunities for gaining new skills and climbing up the ladder in the building industry is now limited.



As one of the experienced construction workers explained:

*Well, the first week I started, I was talking to the two lads beside me, and I said to them 'Oh, what's the company like?'. And they said 'I'm with them for 20 years, my father was with them before'. So I thought 'this is a career. This is a chance to learn something, to build a future, to build a job. And initially...it was great. We all got our training...we all learned our health and safety...It was a friendly family atmosphere. We all helped each other out. But the recession coming in, the training was gone away with it, the jobs started to get packed out, we don't do that any more. (PAR20)*

The opportunities are also limited for those who wish to pursue their occupation within the skilled trades. As the apprenticeship programme was practically shut down during the recession, those who started their training before the downturn never got a chance to finish as companies were no longer there. The remaining firms were no longer offering apprenticeships to the new entrants. One of our participants elaborated:

*Say – if someone started in 2006, first year apprentice. They never got through their apprenticeship...The companies packed up. If someone started in 2006, I mean – whole companies went to the wall, who had apprentices. So effectively we haven't trained apprentices since probably pre-2006...I think this year there is about eight apprentices in the country. This year. And that's the most of the last certainly eight years (PAR16 Bricklayer)*

The lack of training is not only a concern for individuals, but also for the industry as a whole. With the construction sector now recovering, the lack of skilled workers will soon become problematic. This is especially the case for craft workers: many of whom lost their jobs and emigrated. With so few entering training at the moment, it could soon be difficult to replace them.

A continual theme of our interviews was that 'This is a young man's job': working on the buildings wears you out physically even if you do not get injured, and over time that happens to most workers. When employment was relatively secure, workers could expect to be moved to lighter jobs as they got older, but the growth of agency work has made this less likely:

*You are expected to work in your 60s, till 65 or whatever. 60s. You would see a lot of people. But then it depends, you might be just on... for your last 10 years, sweeping on the site, or whatever. But nowadays, you can see, it's a lot... more of a younger man's game. Because it's the agency, it's 'go, go, go!', all the time like. Where...As they say, it's the young guys' game now. Because it's always being pushed, you are being pushed more. (PAR17 General operative)*

Casualisation means that older workers are not kept on and downshifted, just dismissed. Regular workers have usually become members of the Construction Workers' Pension Scheme which has provided valuable benefits. When workers become self-employed they are no longer eligible for membership of the Scheme (although they can contribute to the separate Construction Industry Retirement Trust Scheme) and this must undermine the Pension Scheme. Casualisation has not only reduced many building workers' pension entitlements, it is increasing the insecurity of all workers in the industry.

## RELATIONSHIPS AT WORK

Most of our respondents reported good relationships with their colleagues. The construction site was perceived as a good place to work and where you could socialise with other people. As one of our participants described his workplace:

*Everybody gets on. They are sitting in the same canteen, eating their foods. (...) That's good in a way [laughing]. I'd say...I think people on the building site, we will always have a laugh or have the craic, it is only when the news is around your neck, then there could be a bad atmosphere. (PAR17)*

This 'bad atmosphere', however, has become an issue throughout the downturn. With the diversification of employment models individuals working side by side have different terms and conditions in their contracts and some would have much lower earnings than others. There is no doubt that this has a negative effect on the interactions between workers. Those in a more precarious situation are also afraid that they will lose their jobs if they attempt to negotiate better pay. One of the direct employees working as a general operative tried to get involved with those working for an agency, but he did not succeed. Asked if he talked to the agency workers he replied:

*I would talk to them. And I would explain to them: 'That's not right what's going on, that's how it should work here...'. But the fear factor is there and they know that the first time they raise their head and complain – their job is gone. (PAR20)*

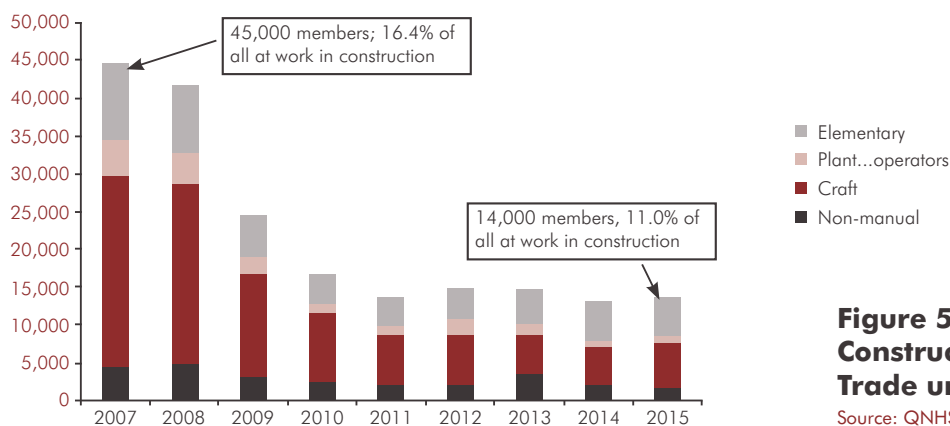
He also told us that most of the agency workers on site were from Eastern European countries and thus were in an even more vulnerable position. According to him, they did not socialise with the Irish workers and, furthermore, the different nationalities amongst the migrants kept to themselves:

*You wouldn't get much English now in the canteen. Polish, Romanian, Latvian, Lithuanian, Georgian – Eastern European. And they would be cliquey, different cliques. (PAR20)*

Our respondents also seemed to have a good relationships with their direct supervisor, usually the foreman. With the temporary character of work, however, some reported more conflict situations occurring on sites in the recent past. This was mainly due to the increased pressure imposed on site managers and on foremen by the contractors. There were also some issues in relation to agency workers whom according to our participants were often treated in an inferior way.

## TRADE UNIONS

These changes have also impacted on trade union membership in the industry. Overall trade union membership has been falling (Figure 5.6). Union density is conventionally defined as the proportion of employees who become union members. In these terms density has declined from 25.0 per cent in 2008 to 18.0 per cent in 2015; amongst craft workers the decline has been from 26.4 per cent to 17.8 per cent. Yet these do not show the extent of decline. In 2008 there were 45,000 trade union members reported, in 2015 just under 14,000 (Appendix 3). The major cause of the decline is of course the dramatic fall in total employment. However, conventional density figures by definition exclude changes in the number of people eligible to become union members. In the case of construction, and in particular in the case of craft workers, there are simply fewer workers who are employees and thus eligible for union membership<sup>9</sup>.



**Figure 5.6**  
**Construction:**  
**Trade union membership**

Source: QNHS (own analysis)

As Figure 5.6 shows, trade union density in construction was low before the crash and has been falling since. According to our key informants, the main difficulty in organizing workers in this sector is the temporary character of projects:

<sup>9</sup> In the QNHS the question relating to union membership is only asked of respondents who define themselves as employees. It is quite possible that many craft workers who report themselves as self-employed nonetheless have union membership – they would not be included in these figures (Appendix 4).

*If I walk into a factory, and there is 400 workers... If you get organised, when you reach critical mass (...) You have shop stewards and reps all of that in place. That's it, it is structured. So the moment you can show to your employer that you have a strategy to defend and to response... But in the construction industry, when you do that, if you are fortunate to that, the moment that you hit that point, it is falling apart. Because people are leaving sites, they are doing the bits and pieces. (Trade union organizer)*

The decline in union density during the downturn can be partially explained by shifts towards solo self-employment and agency work. During the boom individuals changed from one site to another but many at least remained employed by the same company. Potential members were thus more accessible for the trade union organizers. Those who are most vulnerable, the workers who are no longer in direct employment, are reluctant to join unions as it could jeopardise their jobs.

Those who were still members of trade union perceived their membership as important. In some cases their contracts were renegotiated after the crash and this union involvement was seen by workers as having given them some protection. This positive image of membership was reflected in an interview with a general operative:

*I often heard people say, you know, 'union is no good'. Union is no this, no the other. I think... you are the union. You give your money, you are the union. You stand up for yourself. They will stand with you. That's my thinking of the union...I've always gone on well with the representation. (PAR17)*

The same interviewee, however, was also concerned about the weakening position of the unions due to the declining number of members:

*We are not as strong as we thought we were. Because we have no weight. So we have no power. We can go onto a site and see people working 10 Euro an hour. Not getting their pensions paid, not getting their travelling money, not getting the proper overtime rates...Not getting their terms and conditions. And there is absolutely nothing we can do about it. Absolutely nothing. We are finding that with the erosion of the permanent jobs – they were unionised jobs – now the union numbers are dropping. Because the agencies won't sign up to us directly...Until we are strong enough that [members are] not victimized. But without recognized rates, we have no REA, no REO [Registered Employment Order], no terms and conditions... It's a minefield. And it's only going to get worse. That's all. (PAR17)*

The lack of bargaining power was perceived as a major problem by both workers interviewed for this project and by the trade union representatives. The major concerns were related to shifts that emerged after the downturn. While the turn towards agency work and self-employed occurred before the recession, the lack of proper regulation weakened employees' position even further when the industry collapsed. With low union density and missing critical mass, it became increasingly difficult for the workers to resist deteriorating working conditions.

## CONCLUSION

The Irish construction industry is characterised by long sub-contracting chains with much work carried out by small enterprises under the direction of a large contractor. In the crisis firms accelerated the casualization of employment in order to cut their costs. Large firms so reduced their workforces that they now employ directly almost no manual workers. Across the industry, labourers and general operatives are increasingly supplied by agencies while craft workers have become self-employed. Not only does this result in growing insecurity for workers, but it also has detrimental implications for working conditions.

A key issue is the growth in the numbers of self-employed across the industry. In public discussion self-employment is associated with initiative and autonomy and is therefore seen as beneficial for the individual. There are however issues which are often not discussed in the public discourse. The uncritical promotion of self-employment coupled with enthusiasm for entrepreneurship is part of the contemporary zeitgeist. This report has however suggested that this is naïve. For decades now social and historical research has shown that for many self-employment has been a second-best alternative to conventional employment, which is precisely why fluctuations in self-employment have often been counter-cyclical (Bögenhold and Staber 1991).

In the new century, in parallel to a further increase in pro-entrepreneurship rhetoric, a new and problematic form of self-employment has emerged (or perhaps re-emerged). In traditional self-employment the worker was clearly independent, the problem was that the income was small and irregular. Like those traditional self-employed, many of the new self-employed also have low and irregular earnings. The novelty is that they are described as 'dependent workers' since they work under somebody else's direction. Because of their status as self-employed, they have none of the protection that employees gained over the last century. Dependent workers face a factual inequality of power which the discourse of self-employment treats as non-existent. In this context, the recent rapid expansion of self-employment in Irish construction should have been a cause for alarm or at least for critical investigation.

As bogus self-employment and agency work has become widespread the conditions of a significant proportion of the construction industry workforce have deteriorated. Jobs that were traditionally good jobs - in the sense of providing relatively good wages and regular if not necessarily secure employment - have become casualised. Indeed, a consistent and depressing theme from our interviews with older workers in the industry was that work in the building industry is not something that they would wish to do again.

While some suggested these changes had led to deteriorating safety in the industry, these concerns were not shared by all respondents. However, the changes have clearly had other long term consequences for the entire industry. The expansion of self-employment and the outsourcing of labour means firms will invest less in the training of present and future employees. It thus undermines skill base of Irish construction. In the crisis itself, virtually no new apprentices were hired. International comparisons have shown how Irish firms responded to the crisis by reducing their labour force and cutting training, in stark contrast to employers faced with similar situation in countries such as Germany (Lehndorff 2012). The expansion of bogus self-employment facilitates such behaviour. It further undermines the already weak investment the industry's workforce and promotes short-term policies. For the individual worker the workplace becomes fragmented and contracts more insecure.

During the crisis the construction industry benefitted from continuing orders for high quality industrial plant and office buildings from the multinational sector. A major policy issue is how to accentuate this counter-cyclical pressure. The Irish construction industry has been shaped by short-term fluctuations in the housing sector and by stop-go policy of state infrastructure. These fluctuations push the industry towards short-term solutions to labour issues and make it difficult to maintain and develop the skill base. By contrast, a long-term state commitment to a home building programme and a coherent long-term infrastructure policy would go a long way to smoothing these fluctuations; it would enable firms to develop their skill base and reduce their reliance on bogus self-employment.

ENFORCED FLEXIBILITY? WORKING IN IRELAND TODAY

# CHAPTER 6

WORKING IN FINANCIAL SERVICES  
AND ICT



## Chapter 6

### WORKING IN FINANCIAL SERVICES AND ICT

At least since DEC (Digital Equipment Corporation) opened its Galway plant in 1971, the ICT sector has been central to the Irish strategy of economic growth through FDI. By contrast until recently financial services essentially meant the large retail banks at the centre of the domestic economy. In different ways however both sectors have long provided well paid and secure jobs with – again in different ways – clear career progression. This chapter therefore examines two sectors where the employment relationships have been assumed to generate good working conditions.

If the occupational structure is polarising as outlined in Chapter 2, then the growth of the ICT and financial services sector should be creating lovely rather than lousy jobs. Accordingly, after the first two sections of this chapter have outlined the structure and the general nature of employment in them, the next two sections consider possible downsides to this characterisation, namely the apparent growth *within* the sectors of low quality jobs in customer service and call centres and the expansion of temporary and short term employment. Subsequent sections consider training and careers, the targetization of day-to-day duties, social relationships at work and the decreasing role of trade unions.

Given the diversity of these two sectors and the limitations on our data gathering (see Chapter 1), this chapter cannot claim the same depth of coverage as the previous chapters. The chapter merely aims to highlight some issues that are emerging in some parts of financial services and ICT in Ireland today.

#### ICT AND FINANCIAL SERVICES: STRUCTURE AND EMPLOYMENT

Financial services and the ICT sector in Ireland are growing. This is especially the case for the latter, which experienced ongoing growth of its workforce throughout the recession. There were 85,000 individuals working in Information and Communication Technology (ICT) across the country by the end of 2015 with the largest proportion concentrated in Dublin. Employment in financial services remained stable over the last few years despite the crisis and there were 97,800 people in this sector in the last quarter of 2015. Most of the jobs are full-time and permanent.

Both sectors are characterised by a relatively young workforce as around 75 per cent of those working in both sectors are below the age of 44. In terms of gender, financial services have an almost equal share of men and women, while ICT is more unbalanced with less than 30 per cent of women working in this sector. Migrants constitute a minority of workers in the financial services (13 per cent). In ICT, on the other hand, the number of non-Irish nationals is growing rapidly: 25 per cent of this sector's workforce were non-Irish by the end of 2015, compared to only 13 per cent in 2006 (CSO Statistics Database). There are a number of possible explanations for this trend, the most obvious being skills shortages for those at the higher end of the occupational structure. While this might be the case for some occupations, our fieldwork also suggests that there is a growing importance of language skills for those working in some of the multinational companies which have their European headquarters in Ireland. Customer service for other countries is provided in languages other than English and there is thus a niche for European migrants to fill.

The ICT sector was traditionally characterised by a rather rigid division between multinational and Irish companies. To some extent the former were concentrated in hardware manufacturing (e.g. Intel or Dell) and Irish companies were involved in software. Such a division is no longer necessarily the case, especially in the light of new investments made by such companies as Microsoft or PayPal (IDA 2014). Key subsectors currently present in Ireland include: Computer Software, Hardware and Systems, Support Services, Digital Content, Microelectronics Design, and Cloud Computing (EEN 2010). There are 5,400 ICT enterprises in Ireland of which 233 are foreign owned (*ibid.*). As the Irish-owned companies tend to be smaller and many of the MNCs operate on a larger scale, employment in indigenous firms almost matches employment in the foreign-owned companies (Barry 2008).



Skills shortage seems to be one of the most significant factors limiting the growth of this industry. This seems to be especially the case for the smaller, Irish-owned companies: despite the growing number of graduates in this sector, it is argued that individuals are often more attracted by the MNCs who are able to offer better conditions and career opportunities (Fitzgerald et al. 2014).

On a more general level, ICT companies operating in Ireland can be divided into three groups: hardware (e.g. Intel), software (e.g. Oracle) and internet (e.g. Google). This sector also has significant overlaps with other industries, most notably finance. Defining the sector is often difficult as individuals with IT occupations can often be employed in other sectors. Firstly, most financial firms, including traditional banking, rely massively on new technologies and thus will have their own IT departments. Secondly, many ICT companies from the Greater Dublin Area are involved in developing software for financial organizations and thus also providing support for such products. Finally, larger organisations in other sectors would also be expected to have their own IT support teams. The sectoral location of work can also change without the actual work changing, which can happen when an employer decides to outsource the IT support to another company. On the other hand, a large proportion of those who are classified as working in ICT do not have (or are not required to have) industry-specific technical skills. As will be further discussed below, there is a relatively high volume of 'back office' work conducted in Ireland, including, for example, customer service, call centres and translation services.

Financial services in Ireland have traditionally been divided into banking and non-financial sectors (insurance, real estate etc.). However, since the 1990s the boundary of the sector has become much more porous with players emerging from other sectors offering financial products (e.g. retail companies selling credit cards or insurance). More recently there has been a growing overlap with the ICT sector in such areas as call centres, payments and technology. Interrelated with this is the fact that foreign direct investment (FDI) in Ireland now includes not only manufacturing but also international financial services (IFS). Today the historical boundaries between domestic and international banking are also blurring: Irish domestic banks are now often operating overseas while international banks have been acquiring banks which were originally Irish (Sokol 2007).

Employment in this sector has also been undergoing some major changes. Within retail banking this can to a certain extent be summarised as a shift 'From Tellers to Sellers' (Regini et al. 1999). In other words, selling products such as loans has become a core activity in banking. Furthermore, technology has influenced the nature of customer service since much work has now been automated. This has resulted in a decreasing number of regional branches and fewer individuals employed in face-to-face customer service (PWC 2014). Call centre work also seems to be gaining more importance within this sector. While it could be the case that some of the call centre services are outsourced overseas, there is evidence that retail banking call centres have a strong presence in Ireland (with Bank of Ireland 365 call centres a prime example). Retail banking has also been severely affected by the recent recession with job losses and freezes on pay rises, salary increments and promotions. Finally, main retail banks are also shifting towards centralization of some of their back-office activities and re-locating them from local branches to Dublin, which can also have a significant impact on those employed in this sector.

Currently over 35,000 people in Ireland are employed in international financial services (IFS). In 2007 Dublin was ranked as 13<sup>th</sup> in the Global Financial Centres Index (Yeandle et al. 2007). This has changed following the economic crisis and currently Dublin ranks as 52<sup>nd</sup> (QFC 2015). There are more than 200 foreign-owned multinational companies and over 200 Irish owned companies operating in this sector (IFS2020:7).

International financial services were traditionally based in the International Financial Centre (IFSC) in Dublin. The IFSC was established in the late 1980s and had a distinctive tax status in order to attract mobile financial services companies to Ireland in order to generate employment. This 10 per cent tax rate operated until 2002, after which date it only applied to companies set up before 1998. The special tax rate ceased in 2005 and currently all operations are subject to the standard 12.5 per cent on trading income<sup>10</sup>. Historically the IFSC referred to a physical space located around Dublin Docklands; this however is no longer the case as some of the companies such as State Street or Northern Trust have other centres outside of the capital city. However, international financial services remain massively concentrated in Dublin. This has further accentuated the concentration of employment in the Dublin area. Thus whereas about 30% of all employment in the state is located in the Dublin Region, the capital accounts for fully 53% of all financial services employment.

<sup>10</sup> Source: [www.ifsc.ie](http://www.ifsc.ie)



Foreign firms are generally understood to be attracted to Ireland by the suitable and skilled workforce as well as the competitive tax rates. There are several subsectors within IFS and these include banking, insurance, funds, payments, technology, treasury, securitisation and aircraft leasing. Banking employs the highest number of individuals, followed by funds and insurance. Work on a trading floor probably sums up the image of the IFSC, but while such work does exist, a substantial proportion of those working in the IFSC are in 'back office' positions, in administrative roles and in the call centres of large multinationals.

The financial services industry has long been dependent on computer systems. Hardware and software companies located in Ireland began to provide services to financial services companies; shared projects (e.g. Wickham and Vecchi 2010) have helped the emergence of the so-called 'Fintech' sector. Here firms, often located in Dublin's 'Silicon Docks' (Newenham 2015) straddle the border between financial services and ICT.

Due to the diverse nature of the two sectors the scope of this report does not allow for the analysis of working conditions of 'typical' employees in either ICT or finance. In general our fieldwork confirmed that the jobs in these industries can usually be described as 'good'. There are some trends, however, which do require more scrutiny. First of all there is the question of the possible polarisation of the two sectors, with jobs being created at the upper and lower ends of the occupational spectrum while the middle is hollowed out. There is also extent of employment mobility present in these sectors especially within ICT. Throughout our study we encountered a number of examples of what we term 'imposed mobility' whereby individuals are compelled to be mobile between jobs and workplaces. This was an issue affecting mainly younger workers who were offered contracts on short-term basis, which seems to be a practice increasingly favoured by the employers, especially at the low-pay end of the two sectors.

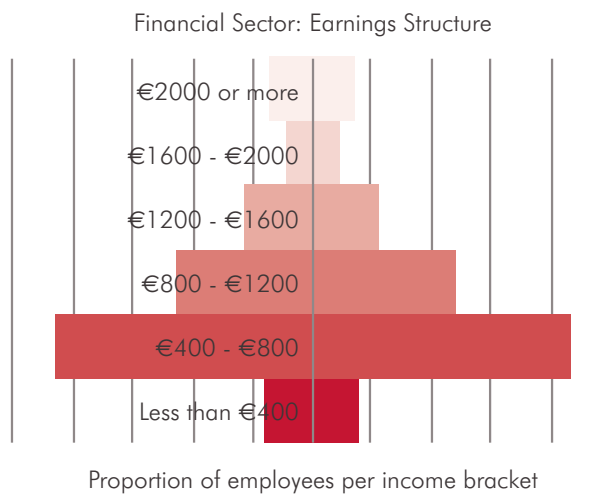
The following analysis will only focus on these particular issues which are not generally discussed in Ireland. Our analysis is not intended to be generalised to the entire workforce of these two sectors, particularly not to those multinational companies which base their customer administration in Ireland. For the purpose of the analysis we identified two 'ideal types' of workers: experienced participants and new entrants. We argue that these two types are likely to have a different experience of the labour market conditions in the contemporary ICT sector as well as in financial services.

## WORKING IN FINANCIAL SERVICES AND ICT

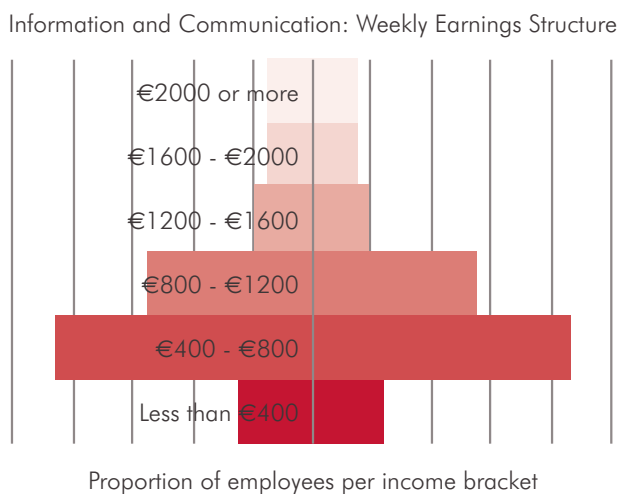
The quality of jobs is often judged by wages. There is often an assumption that the better salary an employee has, the better are their working conditions (Green 2006). In these terms jobs in the Irish financial services and the ICT can be characterised as 'good', especially given that in both sectors the average earnings have grown since the economic crash. On average, wages per annum rose by 8 percent in Financial, Insurance and Real Estate sector and by more than 10 percent in Information and Communication between 2009 and 2014 (EHECS 2016).

Furthermore, the majority of the jobs in these two sectors are also permanent and are full-time (CSO 2015); they can also be characterised as white collar and have relatively higher levels of job autonomy (O'Connell 2010). This is especially the case for occupations in which 'clock was replaced by the task' (O'Carroll 2005). Therefore, if only these rather 'objective' factors are taken into account, one can predict that the jobs in finance and ICT are 'good'.

The structure of earnings in the two sectors (Figure 6.1a and Figure 6.1b) show how jobs are relatively well paid. Utterly unlike the hospitality sector (Figure 4.1) but similar to construction (Figure 5.1), in both sectors the largest group of workers earn between €400 and €800 per week. However, both sectors also have significantly more earners in the higher groups. While in ICT these higher earners are spread relatively across the higher brackets, financial services shows some hint of a polarization of earnings: the highest group, those earning more than €2,000 per week, is actually larger than the group immediately below.



**Figure 6.1a**  
**Financial services:**  
**structure of weekly**  
**earnings**



**Figure 6.1b**  
**ICT: Structure of weekly**  
**earnings**

Source: CSO (2012)

Our interviewees working in finance and ICT ranged from new entrants to experienced workers. While their job titles and their duties varied, the length of service generally determined working conditions. Those with more experience had much better terms of employment and their jobs were relatively well paid and secure. Those who started their work during the recession, however, were often in less favourable positions. Their jobs were paid at or below the level of national industrial average and their contracts were usually of a fixed-term duration. This division also had consequences for other elements of job quality, most notably opportunities for further career development.

**Growing polarisation? Employment and career planning for experienced professionals and new entrants.** The less secure and less well paid nature of the jobs offered to younger workers coincided with another trend which has been hidden in the official statistics: a possible growing polarisation of the two sectors. What seems to be the case is that while there are many highly-skilled, well-paid and specialised jobs in both areas, there is also a growing sub-sector of customer service and back office work. Such jobs do not require specific technical knowledge but are rather focused on the soft skills of interpersonal relations. Paradoxically it is not possible to quantify them, as the actual job titles can be misleading, with employees having a role of 'technical advisor', 'technical specialist' or 'financial officer'. This was especially the case of multinational companies with their headquarters in the Dublin 'Silicon Docks'. In reality, these jobs can be characterised as relatively low-skilled and mundane, despite their white-collar nature. For some of our participants such work was perceived as 'bad jobs' in ICT and finance. One of our interviewees who used to work in a multinational Internet company described it in the following way:

*There is an obvious difference in compensation and that would be an easy category to define: the lowest the worse...so of course customer service, trust and safety, claims and entry levels with lower salary in that terms I can tell you that it is worse...(PAR24 Insurance company worker)*

### Short-term work: Patrick's story

Patrick graduated from college after the market crash. He has a degree in Arts and Humanities from an Irish university. Throughout college he supported himself by working in a number of retail jobs.

With experience in customer service he was able to then secure a position in an insurance call centre. His contract was temporary and could not be renewed. He subsequently found another customer service job in an Internet Company. This was also a short-term contract and he was based at home. He now works for a Multinational Company as a technical advisor. He is also based at home and does not have an option of working in an office. He hopes that this contract will be renewed as this job is much better than the last two he worked at.

The growing number of customer service and back office jobs was one of the most important issues emerging in the two sectors. Employment relations at the 'lower end' were somewhat different to those offered to high-skilled, more experienced professionals. Not only was pay relatively low, but other conditions were also not favourable. Some of the call centre and back office positions were characterised by limited career progression opportunities. There is some evidence that many of the new entrants working in these jobs have fixed-term contracts with very little security. This resulted in an imposed mobility as individuals were forced to move between companies after their contracts expired.

Call centre work has its own particular characteristics. While all centre work involves some soft skills ('smiling down the phone') (Belt et al 2000), international research has also shown how call centres vary in terms of the tightness of supervision and the extent to which operatives are required to use their own initiative (e.g. Taylor et al 2002). Thus in some call centres operatives need the ability to deal with more complex calls (Holman and Fernie 2000). In some call centres work can be more repetitive while others emphasise 'quality' and 'empathy' (Hutchinson et al. 2000). The visual aspect of control – where the supervisor sees everything that is going on - is often compared to the 'panopticon' of 19th century prison design analysed by Foucault (Fernie and Metcalf 1997); surveillance also includes 'involvement of the ear' as call centre workers are subject to aural supervision while at the same time performance is monitored by the call centre software measuring the time spent with each customer (Wickham and Collins 2004). We do not have systematic data that can reliably position Irish call centres on these different dimensions, but the call centres we encountered on this project involved large numbers of employees working in open plan space under tight supervision.

In some extreme cases work was not even conducted in an office. For at least one of the high tech multinationals an emerging practice is to place some of their customer service workers in their own homes. While traditionally the choice to work from home was perceived as a positive option, in this case the decision was made by the organisation rather than the individual: it was not an option as there was no possibility of working in an office. Such employees were also not allowed to disclose their location to the customers as the company image could suffer. Constantly online during their shifts they were subject to the same tight supervision as those based in a traditional call centre environment. While it is difficult to establish what proportion of customer service workers now work in this way, there is an evidence that the numbers are growing (Reddan 2015). While some workers might enjoy such an arrangement, it has obvious downsides such as the lack of social interaction with colleagues at the workplace.

Customer service work also often involved different shifts as customers needed access to support outside of office hours. In most cases people were rotated between various shifts on a regular basis. While in some companies employees were allocated their hours by the management, in other firms individuals with the longest service or best outcomes were allowed to choose their own days or working hours.

## THE MOBILITY HABITUS AND FIXED TERM WORK

One of the important characteristics of work in the ICT sector is the ability to adopt to constantly changing technologies and a willingness to acquire new skills through work experience and on the job training. While the financial sector was traditionally characterised by more structured career paths, the changing nature of the sector may suggest that similar demands are now applied to certain occupations in financial services. In such cases individuals are expected to adopt certain level of occupational mobility and aim not only to move upward with one employer, but change companies with a gradual professional

progression. This is not specific to the Irish labour market but rather a feature of contemporary career models in such sectors as ICT and, to some extent, finance.

Historically speaking, individual paths in these industries involved a movement between structures of either one organisation or at least one occupation; such structures also had a clear hierarchical character. Employees were linked to their employers by a strong 'psychological contract', offering their loyalty in exchange for security and stability. Since the mid-1970s and the early 1980s, however, there has been a shift in how the career is defined as firms started to put increasing pressure on the need for labour flexibility (Kalleberg 2000; Pedaci 2010). Post-modern firms, as opposed to those from the previous era, have often downsized, restructured, decentralized and engaged in different forms of employment strategies (Rodrigues and Guest 2010; Pedaci 2010). These shifts coincided with more general changes affecting Western societies, which involved increasing individualisation and a transformed relationship between self and work (Elchardus and Smith 2008). This resulted in autonomy and flexibility becoming important elements of many jobs (O'Riain et al 2015).

According to this perspective, jobs are not 'for life' anymore and companies represent a tool for self-advancement and for personal projects (Arthur and Rousseau 1996). Individuals are now responsible for their career development and they strategically move between jobs (Deny 2003), ideally with a clear destination in mind. All of this has resulted in an emergence of 'new' career models, often described as 'protean career' (Hall 1996), 'patchwork career', 'portfolio career', 'boundaryless career' (Arthur and Rousseau 1996) or 'intelligent career' (Arthur et al. 1995). All of these terms assume that the relationship between individual and the firm has weakened over time and that the career is no longer a 'route' but has rather become an 'odyssey' (Dany 2003).

Of all these terms, the 'boundaryless career' probably has become the most popular amongst scholars studying the sociology of work as well as business and management. It reflects the core argument of the changing nature of employee relations (Cappelli et al. 1997). According to this model, companies can no longer offer organizational careers, however this should not be problematic as individuals prefer to be mobile. Movements between companies are thus becoming frequent and suit both sides of the equation: firms can restructure their workforce according to the market situation while workers move on the labour markets in order to advance their position. These movements are also not necessarily vertical. The boundaryless career model assumes that horizontal changes and movements between jobs, sectors and even occupations can also be beneficial.

This strong notion of mobile careers and flexibility was generally accepted by our respondents themselves. The majority of them perceived their careers in this way, claiming a willingness to change employers in the future. Some explained this attitude with their own preference for moving to a different environment after a certain period of time; some were even explicitly focused on their professional development and the necessity to move in order to gain new skills. A number of our experienced participants went even further, decided to opt out from direct employment and worked as contractors or consultants. They argued that this provided them with even more independence and the freedom to move when new opportunities arose. There was also a recognition of the danger of 'getting stuck' in one company, especially if the job involved technology which was not changing. As this software consultant explained:

*There is a lot of technology that is probably very much outdated, but it has to be supported and people have to work in that. And that can make it difficult for people who want to move on, want to get a different job. Because they are stuck in a technology, or they are stuck in a skill set that really doesn't transfer very well. And there has been changes happening. I know some people in the banking sector who would be in that kind of position where things are happening in the bank, where the bank would outsource that technology, outsource the management of that. So those people that have been working in the bank for a number of years are in the position where their jobs are not necessarily secure anymore. But they don't really have the skill set to go to other places. So that's one place where it can be difficult. (PAR12)*

In a metaphorical sense, this 'mobility strategy' can be described as putting together a work portfolio. In this case, professionals cleverly move between employers ensuring that each move can be explained by a possibility of acquiring new skills. By building their CV in this way, they are then able to show to

a potential new employer that they are flexible, can adapt to a new environment and are not afraid of a challenge. Accordingly, 'getting stuck' in one position for too long could reflect badly on them when looking for a new job (or simply if they were made redundant from their current one). Being mobile meant being more employable, which was of importance for most of those working in the ICT sector and for some who were pursuing their careers in finance. What seems to be the case is that the more experienced workers in fact adopted this 'boundaryless' career model as a matter of choice and that career building through 'job hopping' met their expectations.

This situation looks rather different for those who are now entering the labour market. With little or no experience, even those who have a relevant degree encountered problems when looking for a proper job. One of our participants obtained a postgraduate diploma in IT after losing his job in the construction sector. He was able to secure a position in a small sized software company based in Dublin, however his contract was only for six months. The pay was also low and his salary was significantly lower than the national average. Nevertheless he considered himself lucky as some other young graduates are in an even more precarious situation. As he explained:

*I was told that in IT it is very hard to get into, even if you have a diploma. Because like... You have to know a lot before somebody put trust in you, to give you like... a task. So most people start by doing an internship. (PAR09)*

Such respondents also had a strong sense of the short-term character of jobs offered by employers since the economic crash. Some of our participants even claimed that it was extremely difficult to find any permanent positions, especially in the financial sector. This resulted in rising insecurity as the fixed-term employees had their jobs confirmed for periods ranging from 6 months to 2 years. For example, one interviewee's contract was just about to expire at the time of the interview. He explained that there were a number of people at his workplace in a similar situation:

*In my own area, where I work, 9 people...9 people are leaving at the end of this month. The people who are on contracts, whose contracts are being extended, are only being offered extensions of only 6 months. OK? So they are on 2 year contracts, coming to an end, and then they are only being offered 6 months. But there are people in there at the moment whose contracts are expiring in a few weeks, and the bank still won't tell them whether... You know? (PAR15 Financial sector professional)*

The spread of internships and short-term, low-paid jobs was noticed by our participants as well as by significant informants. Employers' practices aiming at lowering the labour cost varied but were generally focused on new entrants. In some companies older workers on full-time high-salaried contracts were offered early retirement and then they were replaced by young graduates with much worse terms and conditions of employment. New entrants were usually paid less than the person they replaced and their contract was often fixed-term. Other organisations focused on engaging individuals on training programmes, internships or the 'Back to Work' scheme. While these programmes are designed to smooth the transition between education and employment or between unemployment and employment, in some cases the outcome was different. There is evidence that many individuals on such programmes are not offered regular work after completion and they drift from one temporary scheme to another. In the words of one of the trade union activists who campaigned against such practices:

*And just the fact that there was number of people who come up to us and say 'I've done three Job Bridge work placements...' Or: 'I've done two and I am on my second'... Or... 'I did a Job Bridge and nothing happened. They just told me to go away'. Or people saying 'I did the Job Bridge, and then on my last day, they made me fill out a form to get my Job Bridge into a placement'. And they are technically not allowed to do that, cause there is supposed to be a cooling off period. But all you have to do is to change the job title. So instead of office administrator it is now HR, or whatever, it doesn't matter. Because the title doesn't have to reflect what the job is either. (Trade Union Activist)*

Furthermore, those who entered 'technical' jobs, which in fact were either back office or customer service, did not have much opportunity to develop. They were rather 'jumping' from one position to another without a clear career path ahead of them. Another participant, who graduated with a degree



in Arts and Humanities and could not find a job in his field, decided to move into this subsector in order to secure his livelihood. When we interviewed him, he already had three short term contracts with multinational and domestic companies. This is how he described his experience:

*I did some work for XXX [Insurance Company]. And I did it for XXX [Internet Company] as well. And now, my current job is kind of.. It's called 'technical support', but it's much more customer service than technical. That's with XXX [Multinational Tech Company] (...) It was only a few months in each case. I've been on the dole for like a lot of my life. For Insurance Company it was maybe four or five months, for Internet Company it was only like 3 months. (PAR13, Technical support worker)*

While some of those individuals were able to move a step up within the organizational structure, or treated such employment as a 'stepping stone', many did not have this opportunity. A large proportion of customer service sub-sectors in ICT and finance have a rather flat hierarchical structure with limited options for any professional progress. It was even claimed by some participants that supervisory positions were simply obtained by those who managed to stay in the company for the longest time. These claims were confirmed by the trade union officials. Nevertheless, there was also a perception that some of these companies had better working conditions than others and those who worked in firms with a worse reputation quickly moved somewhere else.

Career progression opportunities, along with salaries and security of contract, were thus one of the distinct differences between experienced workers and new entrants. The first group not only had more secure jobs, but also seemed to adopt mobile career patterns out of choice. Their bargaining position on the labour market was more favourable and changing employers was a result of a long-term plan. The younger workers, on the other hand, were often forced to be mobile. Low paid, short-term contracts could also mean that they had little choice in relation to the next move. Nevertheless, as it will be discussed in the following section, training and potential progression opportunities in the ICT and Finance were still better than in some other sectors, especially hospitality.

## RECRUITMENT, TRAINING AND CAREER PROSPECTS

The expectation of movement between jobs or even occupations shifts the emphasis from specific, firm-orientated skills to skills which are more transferable (Cappelli 1995). When recruiting, managers are often not willing to invest a long period of time into the on-the-job training for the new role, but rather prefer a new employee to be adaptable to a new environment quickly (Kim 2013). Companies thus no longer promise the security of a job, but instead provide their employees with more general training, networking opportunities or other facilitators of future employability (Kanter 1989; Cappelli 1995; Kim 2013). Soft skills, and the ability to work as part of a team also play an important role (Grugulis and Vincent 2009). It could be therefore argued that diversity of experience, rather than just specific and formal training can be of more relevance when applying for the next job.

Despite the fact that a large proportion of jobs in this sector require skills, our participants generally agreed that for them, experience had been more important than formal qualifications during the recruitment process. In some positions, while a diploma was a requirement, it did not guarantee employment if not accompanied by a minimum number of years work in the particular industry. As one of our participants, who was involved in recruitment for a medium-size software company, explained:

*Our company would be very focused on experience. We do have minimum qualifications, we usually expect the technical people to have college graduate diploma of some description. But we tend to assess people, when we interview them, we give them tests to assess what their knowledge is and the interview process would be very much based on understanding and specific experience (...) So the academic qualifications – they are kind of expected, but they are not focused on (...) We tend to hire people with experience, so there would be very, very few graduates. (PAR12)*

Furthermore, some of the interviewees who worked in the financial sector, did not at least initially have any relevant qualifications. They had a third level degree, but their fields of study ranged from arts and humanities to science and ICT. In their opinion it was the on-the-job experience that allowed them to progress professionally. As a mid level financial officer viewed it:

*Your question was 'is career progression linked to education?' (...) For example, the QSA was the basic qualification. But I never had it. My qualifications, my initial qualifications were in [social science]. I never had a business degree, I never had an economics degree.(...) I think it's more on the job experience that actually drives progression. It's difficult for me to comment on [Foreign Bank], but my feeling would be that in the financial service industry it's more based on your performance in the job, rather than [qualifications] (PAR15)*

In addition, those who worked in customer oriented jobs were also assessed on their 'people skills'. Even though their job titles suggested that skills of a technical character were required for their daily tasks, in fact their ability to handle customers was more significant. Other studies have showed that soft skills are becoming increasingly important for a wide range of jobs. While it could be argued that employers were always looking for 'the right kind of a person' (Beynon 1975) but with the expansion of service work and the introduction of lean manufacturing, soft skills can be equally (or in some cases even more) important than actual technical knowledge (Grugulis and Vincent 2009). Our fieldwork partially supports this thesis, especially for service work. According to some participants, the interview for the job aimed to test their basic level of technical knowledge, while the soft skills were examined in more detail. This is how one of our participants who worked as technical support adviser for a large multinational company described his interview experience:

*So one was a technical interview. That was actually automatic. So you are being recorded, and questions pop up on the screen. Basically just kind of trying figure out how much you know about computers...And then the second part of the interview, probably the more important part of the interview, is when you speak with the manager. And they talk to you about your experience and kind of ask you questions about how... what would you do in this situation... how do you manage stress... how do you deal with it when you are really busy... and how good are you in managing your time...So I would imagine that would be the more important interview. The technical questions are probably important to an extent as well, but I think it's probably generally regarded that the technical stuff can be learnt, whereas the kind of customer service, the kind of social intelligence, that you need to do that, it's something that is less easy to teach. So that's kind of more what they were looking for in the interview. (PAR13)*

While previous experience was often required, formal training to the new job was not always provided. Those who went through the period of initial training, usually lasting only for a few days, did not feel that it was adequate. Participants who worked in departments where there were more than one person performing the same job sought advice from their peers and found them helpful when learning their new duties. Those who took over a specific role from somebody who already left the job were in a more difficult situation. This was the case of a respondent employed as an IT support worker in a bank. He explained the specifics as follows:

*And they wanted me to take over this other man's job, who was leaving...But unfortunately that man did not want to tell me anything [laughs]. So I was trying to figure out how to do all the systems. And one of the days they asked me to go into a room with a load of dusty computers, clean them all up and sell them to the staff for a fiver each. So I thought that was a bit unusual... So I just went along with it. (PAR01)*

It could therefore be argued that the on-the-job learning was an important part of professional experience and, in fact, of training. Some of the larger companies even offered internal 'visiting periods' for their employees, during which an individual could try to work in a different department while still employed in their original job. The rationale behind such schemes was to provide the worker with the experience of a different role, allow them to train and gain new skills and give them a choice to move internally if a vacancy arose. Such opportunities were usually perceived as positive.

<sup>11</sup> The Association of Chartered Certified Accountants is a global professional accounting body. It offers certifications for those who wish to obtain the title of Certified Chartered Accountant.



In more specialised jobs there were some opportunities to apply for formal training and, depending on the type of course, to obtain official certification. While the courses varied in the ICT sector, those working in financial services usually attempted to obtain the Association of Chartered Certified Accountants (ACCA) certifications<sup>11</sup>. In most cases the employers would reimburse them for the fees, however some companies had a policy of no payment in case of failing the exam. As this qualification is relatively expensive, for many this opportunity was an important part of their terms and conditions; there is also evidence that young graduates are willing to trade potential higher salaries and work for low wages in companies that cover their ACCA certification fees.

It could be argued that relatively low levels of formal training available in the two sectors could be influenced by the recession and financial restrictions posed on management. There is evidence from other studies that as firms cut down on the recruitment during the downturn, they also limit their training requirements (Majumdar 2007); training can also become a 'soft target' for attempts to save on spending. Others, however, have suggested that as some companies aim to become more competitive during the difficult market conditions, they might actually increase their training in a downturn (Felstead et al 2012). Our fieldwork provides examples of both strategies being used, but on balance it seems that companies have been more inclined to reduce their training costs during the recession. Some of the respondents also emphasised that it was their own responsibility to upskill. Once again, experience and on-the-job training was perceived as more valuable, especially in occupations within the ICT sector. As this respondent claimed:

*I actually get quite annoyed sometimes with training companies, because they charge a fortune...they're absolutely rubbish especially in the days of the internet. Like with all training courses, within a month if you're not using it on a day to day basis, you will lose about 20% of what you've learned during the training course and that probably decreases for about 10-5% over the next year or two. If someone else wants to waste their money and send me off to a training course then do that but I am not paying for it myself... I am not paying 5k, 6k 8k for training course which is going to give me a return of 10% of knowledge...the math just doesn't add up...(PAR 28 Network engineer)*

Nevertheless, in general, we found that there are still some good training and career opportunities for those who work in the Irish ICT sector and financial services. It needs to be emphasised, however, that this mainly applies to higher skilled jobs. Progression is available for customer service and back office jobs, but it seems to be limited as mobility is often horizontal. Entry level positions are also relatively low-paid and fixed-term which means that individuals may move between jobs with no clear, strategic plan for building their career. With the mobility habitus and on-the-job training culture widely accepted in the two sectors, it is important for people to move in order to acquire adequate skills. Conversely workers who are not allowed access to proper training run the risk of drifting around companies for an extended period of time.

## HEALTH AND SAFETY: EMOTIONAL LABOUR AND TARGETISATION

As the majority of jobs in the ICT and finance can be described as white-collar, there has been very little concern in relation to physical health and safety of those employed in these sectors. This issue was also not raised by any of our participants. What has been problematic, however, was the ever increasing work pressure, which affected their emotional health. This issue has been recognized on the international level as studies suggest that many professional employees are increasingly subject of such pressure (Gallie 2015: 37).

One of the common themes featuring in the interviews with those who worked in ICT and finance was the growing importance of targets and, in general, the growing amount of work performed by individuals on a day to day basis. Most agreed that since the crisis 'less people do more work', especially in the financial sector. The higher end of ICT seemed to be less affected, however customer service and back office sub-sector also seemed to be the subject of 'targetisation'. Some scholars have argued that targets and marketization of jobs have been a part of a long-term shift and large-scale organizational restructuring (Laaser, 2016). As a result of this process, white collar workers often become a subject of performance monitoring which consequently intensifies and degrades their work (Carter et al 2014; Taylor 2013). Others refer to the 'full utilization of employee labour power' (Thompson 2011:362),

which involves individualised performance targets, managerial surveillance and disciplinary procedures implemented by the firm (Laaser 2016).

While the targetisation was not a new phenomenon for the white collar workers, some of our respondents claimed that their work has intensified over recent years. In financial services the economic crisis was one of the main drivers behind the increased workload across the board. The credit crunch contributed to this in a number of ways, and could also be linked with a large numbers of mortgages in arrears as well as tighter regulations on lending. As this participant, who worked in a credit union company for more than ten years, explained:

*Years ago, I suppose it was a little bit easier...people got money, it was easier to get money. And [now] you have this whole crisis with the banks and everything, so more regulations came out. So now we are killed with regulations and policies (...) let's just say you're expected to do more for less. (PAR18)*

Another participant worked in a retail bank and his role mainly involved debt restructuring. He complained about increasing targets and that if they were met, his job would not be done properly. In his opinion, some managers put too much emphasis on quantity rather than quality. As the bank aimed to save labour costs, he was also assigned tasks below his skill set. In order to meet their targets, the managers were assigning higher skilled professionals to shifts in the call centre department. It was a step down for him as he had to work with the automatic dialling system and a script:

*Everybody is like chickens. You know, like just laying their eggs every day [laughing]. That's what it's like. But I don't believe it's different from other organizations. That's just the way it is. It's open plan... Cause from a company point of view you are saving resources, with all the junior staff on the floor, and just give them phones. (PAR15)*

Targets and quantification of work were in fact most obvious in the customer service environment. Those who worked in office based call centres had their outcomes displayed on the monitor in the centre of the room which was visible to all the agents. Time spent on each call was limited and the individuals' performance was assessed by their efficiency. In some workplaces there was a target of a specific number of calls per shift which meant that the employees were discouraged from taking breaks. This was paired with the self-assessment of customer satisfaction and the two indicators were used during regular reviews. Management then applied a 'stick and carrot' approach in motivating their staff to meet (or exceed) their targets. Underperforming employees were sometimes punished by not being able to choose their shift or even warned that they could lose their job if there was no improvement. Those who over performed usually could expect some kind of a reward, most commonly a small financial bonus or gift voucher.

While some employees did not mind dealing with customers throughout the day, some found it stressful and almost exhausting. This was the case of both types of call centre work, outgoing and incoming<sup>12</sup>. It was clear in the interviews that some level of customer abuse was expected, but participants tended to adopt an attitude that could be described as 'expecting that somebody who is ringing with the problem is already upset' and therefore may be impolite to the person on the other side of the line. The issue of time control was also problematic as the work involved being helpful to the customer while keeping the call as short as possible. Finally, the overall increase in work pressure in some cases had a negative effect on workplace relations, especially between workers and management.

## SOCIAL RELATIONSHIPS IN THE WORKPLACE

Relationships at work were generally described as good and most participants get on well with their colleagues. Some socialised with people from work outside office hours, however there was a general agreement that such activities are not as frequent as they were before the crisis. Especially in the financial sector fewer events are now organised by the employer outside of the office space. According to some participants, this was not only the result of economic restrictions, but was also related to the public image of the banks. As one bank worker explained:

<sup>12</sup> In general, call centre work can be divided into two types: outgoing and incoming. The former involves the agent ringing the client in order to, for example, offer them a new product. In the latter type it is the customer who contacts the call centre.

*I think it's just because of the way the economy was and we were the bank. And they couldn't be seen giving people bonuses and stuff, after ripping the country off. We couldn't even wear our tags and people wouldn't go out, there was no more Christmas parties. We couldn't be seen in public. 'What are they doing over there? Having good time? Bastards'. You know what I mean? (PAR01)*

Nevertheless, especially in the ICT sector, companies focused on team activities within the workplace. These included specific events aimed at team building and attempts to provide entertainment space in the office building. Some firms participated in the 'Great Place to Work' campaign, which aims at transforming workplaces into more 'employee friendly'. As one aspect of such a transition, employees were able to use game rooms or spaces in which they could relax during their working day. This seemed to be related to the growing expansion of the Internet companies which are branded as being 'fun'. However the attitude has not always translated well into the Irish environment. A participant who worked in a large Irish software company admitted that while they have a game room in their office, this room is only used for meetings rather than actual 'fun'. Earlier research conducted in Ireland suggested that when such 'branded fun' was introduced, most of the Irish workers were overly sceptical towards these practices (Cushen and Thompson 2012; O'Carroll 2015). Our fieldwork suggested that while the more experienced workers still have such attitudes, younger individuals were not opposing them to the same extent; some of them actually enjoyed this environment. One of our participants who had a significant experience in his field, was very sceptical about the 'fun' activities at his workplace. He referred to the HR and Marketing teams as 'Propaganda Department'. In his opinion the activities were tailored towards younger employees and were not favoured by those who had worked in the industry for many years. As he told in the interview:

*And I mean there was hundreds of all these people going 'Thank you to Alicja, who works in the Research Department for all her help and her assistance'. 'Thank you to Michael for giving me support'. Right? And when I looked at it, I thought to myself 'Jesus, is this somebody from the 'Propaganda Department' filling these in at home? And just sticking them up? Maybe?' And then I thought – 'You know, I am actually in the minority here. This is the normal culture'. (PAR15 Financial officer)*

Finally, even if the overall relationships at work were positive, there were some tensions and potential conflict situations, especially for those who worked in jobs which involved increased targets and tight deadlines. This participant, whose deadlines were set on a monthly basis, described it as follows:

*Well, I'm going back to this month end thing. [...] Especially with this kind of finance/accounting kind of thing. If there is a monthly deadline – that's the time when it's most stressful. But it's not just for me, it's for everybody. Because everybody has to work through getting this done. And it's a lot of teamwork as well, because I can't do certain things if the other people are not finished. They can't do if I am not finished, as well. So it's kind of like feeding back and forth. So when I am doing something – if I did mistakes through the whole month, they are going to come back and tell me 'oh, this is wrong and this is wrong'. [...] Correcting those mistakes can put me off the schedule a bit. So that's the reason why month end is kind of like most stressful in terms of getting everything done. (PAR02 Financial analyst)*

These types of tensions were brought up by the majority of respondents who worked at the higher-skilled end of the two sectors. This was clearly linked with the level of responsibility and financial consequences for the company in case of any significant mistakes. For those whose targets have increased over the recent years, tensions occurred not only amongst colleagues but also applied to their interactions with supervisors and managers. Once again, with 'fewer people doing more work' and stress levels constantly increasing, these conflict situations seemed to be inevitable.

## TRADE UNIONS

Trade union density in the Irish financial services and ICT has been relatively low and is falling. This is especially the case of multinational companies who, in general, do not favour the trade union movement and collective bargaining. There are some niche areas, namely Irish financial firms such as banks, credit unions and insurance companies, which are still unionised. This is not the case for employers who can

be broadly classified as part of International Financial Services. This is how a trade union representative explained the union's lack of presence in the multinational financial industry:

*It's a difficult environment to get organisation in. And it's a difficult environment for people to feel relevant in at the moment. So we would have had in the old days, when there used were, what they called 'Capital Markets' in each of the banks, a kind of a strategic presence there. But that's moved now, they kind of moved out from that. We would still have some people in the capital markets area working in the IFSC, but we wouldn't have huge penetration there. Broadly speaking, in the IFSC, we are not there. (IBOA representative)*

The IBOA (Irish Bank Officials Association) has been the main organizer in the Irish banking sub-sector of financial services. The union was recently reorganised and rebranded to Financial Services Union in order to appeal beyond traditional banking. The union also has members in the ICT sector as some support staff, had been originally employed by the banks and were moved to an outsourced provider. As these members were covered by the TUPE<sup>13</sup>, they continued their work with the new employer and retained their membership first in the IBOA and now in the Financial Services Union. There are also some areas of insurance sub-sector which are organized by Unite. Call centre workers are mainly part of the CWU (Clerical Workers' Union). In the ICT sector the only part where unions have a presence is in the telecommunication companies, but this usually applies to their permanent staff and not to any outsourced or agency workers.

### Mark's story

Mark has worked in the banking sector since he graduated from college in the 1990s. He spent a number of years in an Irish Bank from which he was made redundant after the crash. He then secured a fixed-term contract with a Multinational Financial Institution.

The Irish Bank was unionised and Mark remained a member after changing jobs. His new workplace does not support union membership. Mark told us that in the Multinational Financial Institution employees were not willing to bring any of their issues to the management.

Mark never hid his membership from people at work. His colleagues frequently suggested to him that this would not be viewed well by the managers.

The Multinational Financial Institution decided to prolong fixed-term contracts to some of their staff. Mark's contract was not renewed.

All the union representatives confirmed that it has been extremely difficult to organise in both sectors. Employers were not particularly willing to engage with the trade unions and in addition unions seem to be no longer appealing to younger people. This is how one of the experienced worker, who was a trade union member working in a multinational financial company explained both sides of the lack of the union 'culture:

*I have suggested, on a number of occasions, I've mentioned unions on a number of occasions to a number of people. I was told on a few occasions: 'you will get fired for that'. This is the attitude. 'You will get fired, if you start talking about unions'. There seems to be... yeah, this goes back culture of it. There is a culture of non-unions. Keep your head down...*

Later in the interview he referred to young people's resistance to unions:

*One story actually, which is quite interesting: When they gave an Easter Egg to everybody, one of my colleagues said to me, passed a remark, because he knows that I am a trade union member, and he said... And he really doesn't like the [Irish Bank]. And he knew that I worked in the [Irish Bank] before. And he said 'See Mark, you*

<sup>13</sup> TUPE is the regulation on Protection of Employees on Transfer of Undertakings and applies to workers employed by a business that is taken over by another company. According to this regulation, the new employer is obliged to take on the existing employees and their terms and conditions of employment are automatically transferred (citizeninformation.ie)

*wouldn't get this.... You wouldn't get this Easter Egg if you worked in the [Irish Bank]. And I said to him... I said: 'OK, you wouldn't get an Easter Egg if you were working in the [Irish Bank], but you would get union representation, that would fight for a 1 or 2 percent pay increase, which would enable you to buy a hundred Easter Eggs' [laughing]. Do you know what I mean? But he didn't see the connection. (PAR15)*

This was also confirmed in the interviews with some of our younger participants. Some of them were openly not interested in joining trade unions. Some viewed unions only as 'problem solvers' and thus did not feel the need to become a member if their working conditions were acceptable. Finally, there was an element of fear emerging in the interviews as some of the participants felt that any open support for trade unions could put their job at risk.

Nevertheless, those who were members viewed the trade unions in a positive way. This was especially the case of those working for companies which were affected by the economic downturn. According to those employees, the unions provided them with help when re-negotiating terms and conditions of their employment. This included such issues as pay and holiday allowance. Finally, employees who were affected by the move towards outsourcing also felt that they benefited from the trade union membership as it allowed them to ensure that their contracts with the new employer remained the same.

## CONCLUSION

There is no doubt that there are many good jobs in the Irish financial services and ICT sectors. Most of the jobs are white-collar, office-based, generally well-paid and have relative security. Furthermore, the majority of our participants were at least content with their current jobs and did not have any serious concerns in relation to their working conditions. Nevertheless our fieldwork revealed certain patterns which may suggest a shift in employment conditions in these two sectors. While these do not apply to all employees, and in fact may only relate to a minority of individuals, their emergence should require more scrutiny.

First of all, the growing importance of customer service and back office jobs in the Irish white-collar occupations suggests a degree of polarisation within the ICT and financial sectors. Even though job titles do not reveal the true nature of work involved in these jobs, they are often low-skilled, mundane and have limited career paths available. Individuals working in such jobs are tightly controlled over their working day while the increasing targets can cause physical exhaustion and emotional stress. Contracts are also frequently short-term which increases the overall insecurity experienced by individuals. Some companies also place their customer service staff at home. Traditionally 'work from home' has been perceived as desirable and offering employees a flexibility that may suit one's lifestyle. The new type of working from home, however, is somewhat different, with workers constantly monitored through on-line tools and thus not having any autonomy to determine their working time. Working at home is no longer an option but instead is imposed on the employee; flexibility is thus removed.

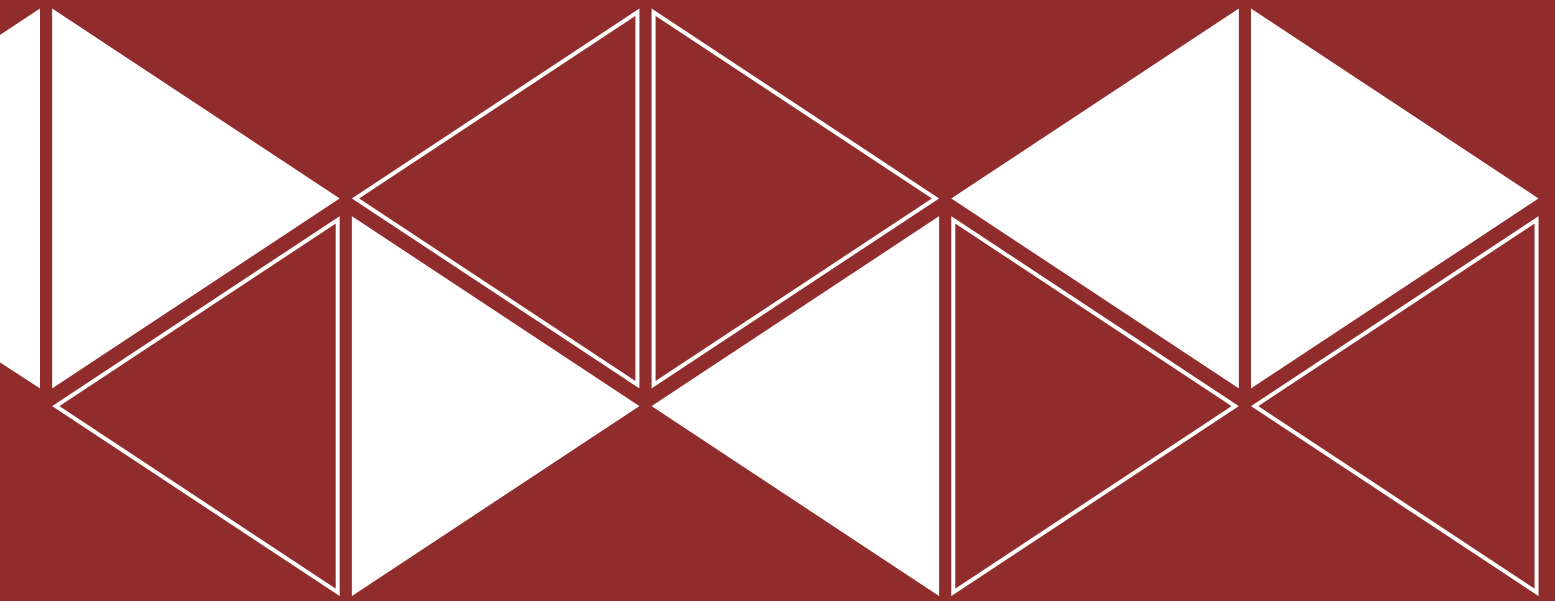
Secondly, there the important notion of the 'boundaryless career' existing predominantly in the ICT sector, but also in some occupations within financial services. In this career model, job mobility increases employability as skills are improved through diversification of experience. What has emerged in our fieldwork is that the experienced workers not only accepted, but also often at least desired this form of career which allowed them to have yet another dimension of flexibility. Whilst our findings do not suggest that this form of career is not available for the new entrants, there is strong evidence that some of them may experience difficulties in the competitive labour market. This can be mainly related to the fixed-term nature of many of the new contracts offered by the employers. 'Intelligent career' paths are thus accessible to those who can afford it; those who need to secure new source of income immediately are risking putting together a CV which will no longer be attractive to a potential employer in the future.



ENFORCED FLEXIBILITY? WORKING IN IRELAND TODAY

# CHAPTER 7

## CONCLUSION





## Chapter 7

### CONCLUSION

What has happened to some jobs in Ireland today shows that is no longer good enough – if it ever was – to accept the mantra that any job is better than no job. Certainly, relatively very few jobs are unambiguously ‘bad jobs’ on all possible dimensions. Yet it is a remarkable poverty of ambition to tolerate some of the jobs described in this report just because nothing better is available or because workers manage to extract some meaning and some reward from the most unrewarding situations. Public policy needs to discuss the quality as well as the quantity of jobs.

The first section of this chapter summarises the main findings from our research and notes its limitations. The second section suggests one way of understanding what has happened to work: some changes that were initially wanted by workers have been turned inside out and made into requirements placed by management on workers. Whereas in different ways different types of workers want their work to be more flexible, flexibility is now enforced by management on workers. The chapter concludes with some indications for policy. These are not detailed policy prescriptions, but indications of the direction of travel needed if Ireland and Europe are to achieve ‘more and better jobs’.

#### WORK IN IRELAND TODAY

##### Polarisation of earnings and occupations

Chapter 3 showed how the distribution of gross earnings in Ireland is one of the most unequal in the OECD. However, once taxation and especially social transfers have occurred, the actual distribution of income received by households is not particularly unequal by European standards. At least to date, the Irish welfare state has ensured that the lived experience of inequality in Ireland is closer to Europe than America.

Comparing the **earnings** profiles of our four sectors confirms the extent of low pay in hospitality. Indeed, as Figure 4.2 highlights, most workers in the sector are low paid. By contrast, earnings in construction (Figure 5.5) are around the national average and significantly higher again in financial services and ICT (Figure 6.1a; Figure 6.1b). The collapse of construction therefore had an immediate ‘hollowing out’ effect on the overall earnings distribution, since it removed a large number of jobs where earnings were in the centre of the national distribution. Our fieldwork however also identified significant downward pressure on wages in the sector through casualisation: the growth of bogus self-employment amongst craft workers, the growth of agency work amongst labourers and general operatives. The latter group includes recently arrived immigrants and workers from Northern Ireland who are a new source of cheap and obedient labour. Furthermore, we also identified the apparent emergence of some relatively low paid jobs within customer service in both financial services and ICT. All of this suggests some tendencies towards further polarisation of earnings *within* as well as between sectors.

Chapter 3 also showed that in Ireland there are some signs of a polarisation of the occupational structure – the growth of both lovely and lousy jobs (see especially Eurofound 2015). Detailed analysis of such macro-level **occupational change** was beyond the scope of this report, but we can make some tentative observations. The current organisation of the hospitality sector means that most hospitality jobs are in low skilled occupations, so any expansion of the industry means relatively more ‘lousy’ jobs overall. In construction the collapse of employment shifted the occupational profile upwards, since the number of construction professionals did not fall as fast as that of the manual occupations. However, the largest fall was amongst labourers, and in any case these short-term changes do not necessarily indicate a long term trend. In both finance and ICT there has been a growth of low skilled work in the customer service area, although this is partly masked by occupational labels. Indeed, as the case of both hospitality and construction makes clear, an occupational title can remain the same while the content of the work is degraded over time.

### Job quality

Turning to conventional aspects of job quality, our fieldwork identified some often undiscussed problems of **health and safety** within hospitality, ranging from industrial injuries in catering to occupational hazards in accommodation. Whereas some interviewees expressed concern that casualization in construction might be undermining the industry's safety record, we found no clear evidence that this was the case.

Especially in finance and ICT **work intensity** and work pressure have increased in both the well paid jobs and in the lower end jobs in call centres. On this dimension at least there is no evidence of polarisation, but rather an across the board deterioration in job quality. Work intensity is also related to autonomy and multi-tasking, with the range and variety of decisions taken by workers actually increasing. Whereas this can be seen as an erosion of traditional job roles, as for example by some workers in construction, taken by itself it is hardly a negative change.

**Working time** has become problematic for low paid workers in hospitality and to some extent for workers in construction. For many workers their hours are dictated by management on a very short term basis. For workers on low hourly rates, only long and regular hours can generate adequate weekly earnings, but these are by no means always available. Working hours in construction have always fluctuated, but this became a bigger issue during the crisis.

### The changing social relations of employment and imposed flexibility

The relatively minor changes in the different dimensions of job quality as conventionally defined have occurred within more fundamental and ongoing changes in the employment relationship itself. As an institution in many ways the firm has been *hollowed out*: the relationship between the firm and its employees is reduced to a market contract devoid of institutional protection and normative – or moral – regulation.

This is most observable in the extent to which employment has become a short-term arrangement. This has become more extensive in hospitality and in construction, but is also apparent in the situation of younger entrants in financial services and ICT. In many ways understanding this as 'insecurity' is misleading. Firstly, short-term commitments by employers do not necessarily mean that actual turnover is high. Secondly and more importantly, employees do not necessarily experience this as a problem. This is especially the case for well-paid and relatively well established professionals in finance and above all in ICT, for whom job mobility is practiced and valued. Less well paid workers can also experience such insecurity as an opportunity rather than a threat. Our earlier research (Wickham et al 2009) identified an example of the unusual case where flexibility suited both sides: during the boom workers in hospitality were able to move easily from one short-term job to another without any concerns over insecurity, while employers wanted to make no long term commitments.

Such comparisons highlight that 'flexibility' is sometimes wanted by workers, sometimes by managers, and on occasions, by both. Logically enough, it is also possible to imagine a situation where *neither* group wants flexibility. 'Flexibility' itself has of course many different meanings, such as flexibility in terms of tasks ('internal flexibility') and in terms of working hours ('external flexibility'). Thus taking the example of non-standard working hours, Figure 7.1 charts these four possibilities. On the left side of the chart employers want regular standard work, on the right hand side employers want non-standard work (e.g. variable hours, etc.). Conversely in the top half of the chart employees want flexibility, in the bottom half they do not. Whereas employers often claim that they are providing flexible work which employees want (top right hand cell), the reality today for most situations is that flexibility is imposed (bottom right hand cell).

**Figure 7.1 Voluntary and Involuntary Non-Standard Work**

<i>Flexibility imposed on employers</i>	Employees + <i>Mutually agreed flexibility</i>
Employers -	Employers +
<i>Shared inflexibility</i>	<i>Flexibility imposed on workers</i>
	Employees -

In other words, whereas employees may well want flexible hours or at least non-standard hours to suit the other parts of their life, what now happens is that employers impose hours on employees that suit them and the demands of the business. This is very clear in the cases we have described in the hospitality sector. In construction something rather similar has occurred: in the past many building workers have wanted to be self-employed, valuing the independence and autonomy that it allowed. Now however self-employment is imposed on some building workers for the convenience of the main contractor. Equally, in financial services and ICT, skilled and well qualified workers have welcomed the opportunity to 'job hop' from one interesting position to another, but now the career model firms impose on younger entrants compels such mobility, whether the workers want it or not.

Once this imposed or *enforced* flexibility becomes central to the employment relationship, it may become more difficult for people to build a secure identity around their work, to have a sense of a long term career, and even to have good personal relations in the workplace. In hospitality and construction, older workers had gained meaning from a long career in the industry, but they doubted that this would be available to the next generation.

For nearly all of our respondents, work brought some form of companionship through sociability with their fellow workers. Some changes, such as the increased fragmentation of the workforce on building sites, have undermined this. The social relations in the workplace are more important to some than others, but for nearly everybody they remain good. In the growth sectors of finance and especially ICT we see a final and intriguing form of inversion and imposition: for some workers at least, 'fun' is something they are now compelled to have at work!

## RE-INSTITUTIONALISATION AND ANCHOR POINTS

Such enforced sociability has been parodied in novels such as Dave Eggers' *The Circle*. The novel is hardly a completely realistic description of the internal life of the high tech firms in Ireland today, but certainly these are hardly places where autonomous employee voice is encouraged. Nonetheless such workplaces do re-invent the firm as a social entity and even as a moral community. They cannot however replace the erosion of employment institutions in the wider society.

For many commentators, *any* regulation of employment weakens business competitiveness and must therefore be rejected. There are two reasons why such arguments are wrong. Firstly, some limits on market relationships are essential because business exists in society which is composed of human beings. There is doubtless a 'business case' for slavery and for child labour, but (hopefully) nobody in Ireland wants de-regulation to allow them. Some minimal regulation is a crucial part of any civilised society. Secondly, some regulation benefits both firms and workers, even if employers initially find it irksome. Thus 'beneficial constraints' (Streeck 1997) can compel employers to take actions – such as training – which are in their long term interests but which they probably only undertake if compelled to do so. Thus some forms of regulation can push employers towards a 'high road' competitive strategy competing on quality rather than just price; some regulation can prevent competition becoming a race to the bottom.

Some of the issues this research has identified in Irish workplaces do not necessarily require more regulation, but merely the enforcement of existing regulation. For example, bogus self-employment in construction is facilitated by a tax system that virtually encourages employers to break regulations defining what is a labour only contract. It is however clear that the extent of variable and irregular hours in the hospitality sector does require actual regulation, probably as proposed in the recent report on zero hours contracts in Ireland (O'Sullivan et al 2015). Regulation and legislation is however meaningless if not enforced. Here the fact that the National Employment Rights Agency has been integrated into the Workplace Relations Commission must be a cause for concern.

More generally, other researchers have identified 'anchor points' for job quality which can restrain the processes of de-institutionalisation which generate bad jobs in the contemporary labour market (Lehndorff 2015). A national minimum hourly wage is clearly crucial and its importance in helping to prevent any further deterioration of earnings in Ireland during the crisis is obvious. Secondly, and more complex, the extent of sector minimal wage agreements is crucial. Especially important here are both the extent to which unions manage to extend agreements from organised enterprises to the sector as a whole, and the extent to which national regulations protecting the employment relationship are enforced.

Public policy in Ireland has now recognised the importance of a national minimum wage and its maintenance during the crisis was an important protection for low paid workers. However, in hospitality the Joint Labour Council has been abolished and in construction Registered Employment Agreements have been terminated. Thus the second anchor – sector wide agreements – has been weakened and even removed. This is interwoven with the weakening of employee voice through the erosion of trade union representation. Restoring effective sectoral level minima is central to tackling the problem of bad jobs in Ireland today.



ENFORCED FLEXIBILITY? WORKING IN IRELAND TODAY

# APPENDIX 1

THEMATIC GUIDELINE



# Appendix 1

## THEMATIC GUIDELINE

### INTRODUCTORY QUESTIONS

#### **Demographical Information**

Age, nationality/place of origin, family situation

#### **Education and Career History**

What kind of professional/third level qualifications do you have? Any additional training/certificates?

Job history to date (including how you got this job)

Any international mobility?

### CURRENT JOB

#### **The Nature of your employment: What do you actually do at work?**

What do you do in the course of your work, for example, what is a typical day at work like for you?

Does it change on day-to-day basis?

Do you have a job description?

How closely does it relate to what you actually do every day?

Is your work varied or is it repetitive?

#### **The Nature of the Business**

What does your employer's business do?

How big an organisation is it? How many employees?

Is it unionised?

#### **Employment Contract and working hours**

Do you have a contract? How long is it for?

Do you mind telling me what you earn each week/month? Is this subject to an annual review or is it a fixed amount?

Are you happy with your salary? Is it enough to get by?

What hours are you contracted to work for your employer?

Who controls your hours of work/shifts? Any flexibility?

Would you prefer to work for more or less hours? Do you feel that you have enough spare time after work?

Who decides how you spend your breaks? How do you spend them? (where and with whom)

Do you have to travel for work? How often? Do you like it?

What kind of procedures are in place for dealing with dismissal or disciplinary matters? Have you ever been subject to formal procedures?

What kind of opportunities are available to you for promotion? Have you been promoted? Have you been encouraged to apply for promotion?

Do you think you could do the job of the person above you?

#### **Supervision and Management**

What aspects of work are you responsible for?

Can you vary or control your own pace of work?

If you are unsure how to do something at work, who would you ask for advice?

Who supervises your work? Who tells you what to do?

How do they carry out their supervision?

How do you get on with this person(s)?

How mixed is the hierarchy in your workplace?

Do you supervise anyone in your workplace?

Who do you tell what to do? How do you do this?



### The Physical Environment

What is your workplace like? (type of building/space/light/noise)

Do you physically move around in the course of your work day or are you in one location?

Is your workspace near the rest of the organisation?

Are particular work responsibilities located in separate areas?

### FUTURE PLANS

What kinds of career paths are available for you in your company?

How realistic it is?

Are you planning to change jobs in the future?

If yes, then what kind of work you would be looking for?

What is your ideal job?

What would you need it to get it?

Are there jobs in your area/sector that you consider as bad?

**Any changes since the recession?** More pressure? Same number of people/number of tasks?

Have there been any other changes recently that affected your work?

Do you like your job? What would you change if you could?

### SCALE

#### RANKING OF DIFFERENT FACTORS (Scale 1-5)

1 \_\_\_ 2 \_\_\_ 3 \_\_\_ 4 \_\_\_ 5

Wages

Working Time

Job security

Career Development

Relations with colleagues at work

Relations with your supervisor/manager

Collective Representation

Job satisfaction (actual nature of the job, tasks etc.)



ENFORCED FLEXIBILITY? WORKING IN IRELAND TODAY

# APPENDIX 2

## SIGNIFICANT INFORMANTS



## Appendix 2

### SIGNIFICANT INFORMANTS

1. Trade Union Official	ICTU
2. Research Officer	Unite
3. Organizer (construction)	Unite
4. Organizer (construction)	SIPTU
5. Organizer (hospitality)	SIPTU
6. Trade Union Official	SIPTU
7. Research Officer	SIPTU
8. Organizer (call centres)	CWU
9. Organizer	CWU
10. Trade Union Official	IBOA
11. Communications Manager	IBOA
12. Organizer (bars)	Mandate

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# APPENDIX 3

INTERVIEWEES



Participant ID	Gender	Sector	Occupation
PAR01	M	Financial	IT Support
PAR02	M	Financial	Financial Analyst
PAR03	F	Hospitality	Fast Food Worker
PAR04	M	Construction	Plumber
PAR05	F	Hospitality	Catering Assistant
PAR06	M	Hospitality	Guest Relations
PAR07	F	Hospitality	Tour Guide
PAR08	M	Hospitality	Night Porter
PAR09	M	ICT	Software Support
PAR10	M	Hospitality	Barman
PAR11	M	Hospitality	Barman
PAR12	M	ICT	Consultant
PAR13	M	ICT	Technical Support
PAR14	M	Construction	Bricklayer
PAR15	M	Financial	Assistant Manager
PAR16	M	Construction	Bricklayer
PAR17	M	Construction	General Operative
PAR18	F	Financial	Business Manager (middle-level)
PAR19	M	Hospitality	Barman
PAR20	M	Construction	General Operative
PAR21	M	Hospitality	Restaurant Assistant Manager
PAR22	M	Hospitality	Chef
PAR23	M	ICT	Customer Support, Senior Agent
PAR24	F	Financial	Marketing Executive
PAR25	M	Construction	Bricklayer
PAR26	F	Hospitality	Floor Manager
PAR27	F	ICT	Technical Support
PAR28	M	ICT	Network Engineer
PAR29	M	Construction	Civil Engineer
PAR30	F	Hospitality	Accommodation Assistant
PAR32	F	Financial	Financial Officer
PAR33	M	Construction	Bricklayer
PAR34	M	Construction	Bricklayer

ENFORCED FLEXIBILITY? WORKING IN IRELAND TODAY

# APPENDIX 4

THE QUARTERLY NATIONAL HOUSEHOLD  
SURVEY (QNHS) DATASET





## Appendix 4

### THE QUARTERLY NATIONAL HOUSEHOLD SURVEY (QNHS) DATASET

The micro-data from the QNHS is available to researchers through the Irish Social Survey Data Archive. Analysis of this data has been used in tables and charts where the source is given as 'QNHS (own analysis)'.

The QNHS is carried out quarterly and the ISSDA data always derives from the second and fourth quarters of each year. For this analysis we have always used second quarter data, so figures for any one year refer to the second quarter (so 2015 should be read as 2015Q2).

In this publicly available data many categories are aggregated. This is especially important in relation to occupation, so for example it is not possible for us to distinguish occupations such as 'bricklayers' or 'carpenters' within the category of craft workers.

There are some specific issues in the QNHS in relation to the topic of this report. The QNHS distinguishes between 'self-employed with employees', 'self-employed with no employees' and 'employees' and we have used these categories in this report. However, from our interviews it became clear that some workers are self-employed in tax terms but consider themselves 'really' PAYE workers. Such people may very well have reported themselves as 'employees' in the survey. Equally it is clear that some workers who are currently self-employed have retained their trade union membership. However, the QNHS data treats all self-employed as ineligible for union membership and so their trade union membership would not be recorded.

Since the QNHS is a survey of households it only records those normally resident in the State. Accordingly, workers living in Northern Ireland and currently employed within the State will not be enumerated. Our interviews indicate that the numbers involved here are not trivial.

Finally the QNHS itself is a sample survey and results are therefore grossed up to refer to the entire population. Although the sample yields a relatively large dataset, cell numbers become small and estimates therefore unreliable for small sub-groups. In particular where cell numbers (before grossing) range between 30-49 the CSO stresses that these should be treated with caution; numbers below 30 are not reliable and are indicated with (\*) in our tables.

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# APPENDIX 5

SCIENTIFIC ADVISORY BOARD



## Appendix 5

### SCIENTIFIC ADVISORY BOARD

The Scientific Advisory Board (SAB) helps to safeguard the scientific quality of the research project. Members have been invited to join on the basis of their expertise in employment studies. Throughout the duration of the project the SAB received updates on the progress of the project and saw the initial four sector reports. In particular, members have reviewed a first draft of this final report of the project.

#### MEMBERS

Professor Bill Roche

*Professor of Industrial Relations and Human Resources at UCD.*

Bill is one of the most highly profiled scholars of industrial relations in Ireland.

Professor Séan Ó Riain

*Professor of Sociology, Maynooth University.*

Séan has expertise in employment studies with a particular focus on institutional regulation.

Dr. Michelle O'Sullivan

*Lecturer in Industrial Relations, University of Limerick.*

Michelle's recent work focuses on the legal regulation of employment; she currently leads a project on low pay in Ireland.

Professor Catherine Casey

*Professor of Organisation and Society, University of Leicester.*

Catherine has a particular interest in the quality of work and new modes of corporate governance.

Professor Andy Danford

*Professor of Employment Relations, University of Leicester.*

Andy is joint editor-in-chief of the journal *Work Employment and Society*.

Dr. Ivana Fellini

*Assistant Professor of Economic Sociology, University of Milano-Bicocca.*

Ivana has a particular interest on employment in the construction industry, one of our case study sectors.

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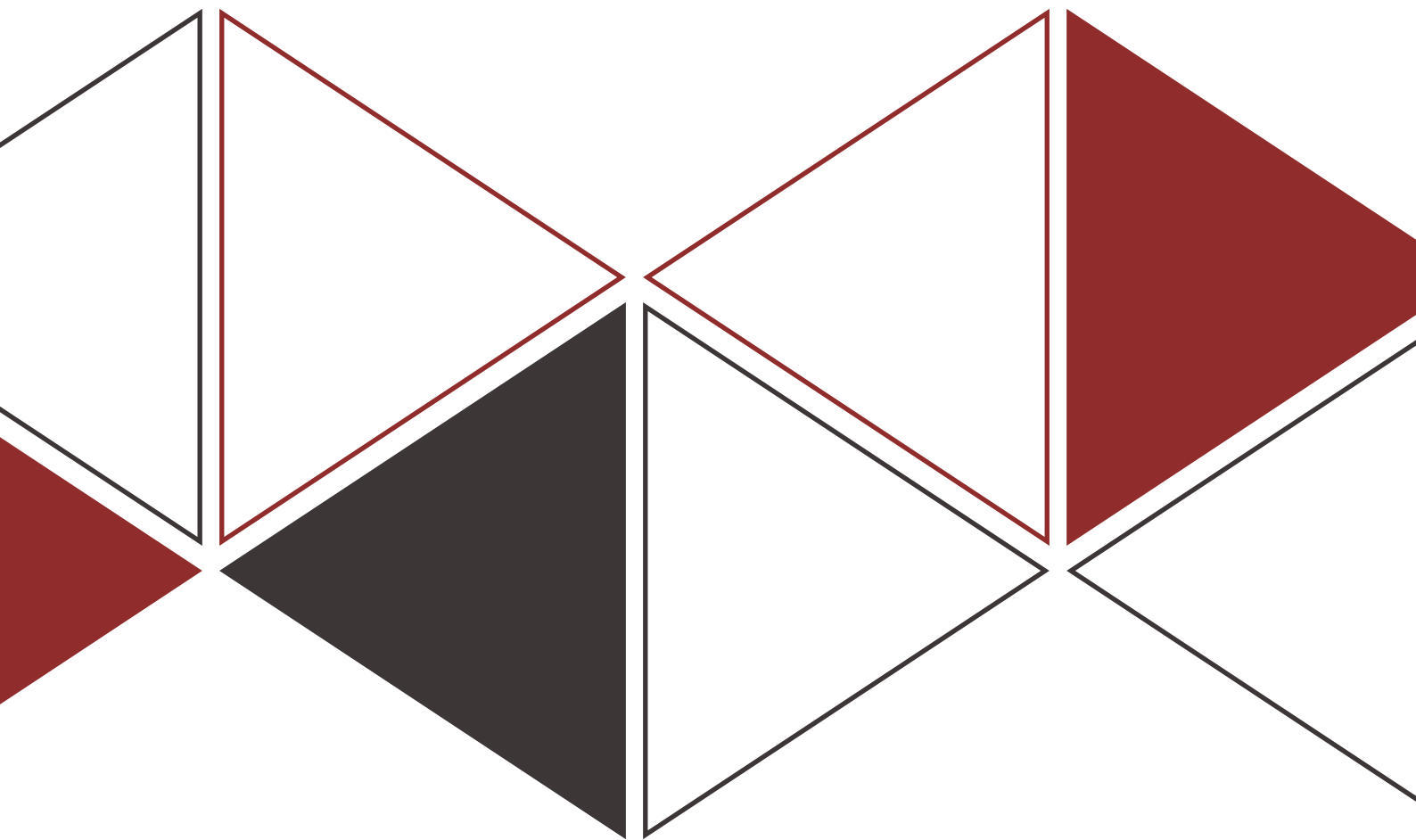
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**TASC**  
Castleriver House, Second Floor  
14-15 Parliament Street  
Dublin 2  
Ireland

Telephone: +353 1 616 9050  
Email: [contact@tasc.ie](mailto:contact@tasc.ie)  
Web: [www.tasc.ie](http://www.tasc.ie)

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