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## The Ballroom Tango of Youth Temporary Employment

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This paper outlines the experience of the tango of temporary casual employment for youth in Australia. A case study of a large Australian supermarket chain is used to examine the costs and benefits of this form of employment for both parties to the employment relationship. The paper argues that the firm's lack of commitment to their casual labour force is mirrored in their employee's casual approach to employment with the firm. As in the ballroom tango which fails to connect the upper torsos of the dancers, youth casual workers are joined in an employment relationship, but the commitment does not extend to the head and the heart.

#### Introduction

The ballroom tango, while having its roots in the sensuality and close embraces of the Argentine tango, is a very different dance, and a perfect metaphor for youth temporary employment. In the ballroom tango, the feet remain close to the floor, and move first, followed by the body weight; the steps are staccato in a 'slow, slow, quick, quick, slow' rhythm where the dancer rushes to step and then pauses or holds before rushing on to the next step. Even the 'close embrace' movements of the ballroom tango fail to connect the upper torsos of the dancers. Such is the tango of temporary employment.

Temporary workers are attractive to employers who want just-in-time employees in order to meet fluctuations in customer demand, especially within the service sector (Nickson, Warhurst, Lockyer & Dutton, 2004). By using temporary workers, service sector employers are largely able to match labour supply to customer demand with considerable precision and save on labour costs as a result (Campbell, 2001). There are also costs for employers adopting an employment strategy reliant on temporary employment, but these are less well quantified (Allan, 2000). Clearly temporary employment also has advantages and disadvantages for employees (Walsh & Deery,

1999). For employees, temporary work can provide: a means of entering the workforce and gaining experience; an income, some flexibility in the number of days and hours worked, and perhaps a higher hourly rate of pay, but rarely a predictable self-supporting income. The costs of temporary employment for employees are often shorter working hours, and thereby lower wages, less access to training or promotional opportunities, and less predictable working hours. Often it is youth who are both attracted to the flexibility provided by temporary employment, and exploited by its nature.

This paper focuses on the experience of young workers employed under temporary or casual employment contracts in Australia. The first section of the paper defines youth and temporary employment in the Australian legislative context. The second section reviews the literature on the advantages and disadvantages of temporary employment from the perspectives of the employer and the employee. The third section uses qualitative interviews with management and a mix of survey and interview data drawn from a study on labour use strategies in supermarkets to explore this ballroom tango of youth and temporary employment. The paper argues that the firm's approach to their casual labour force is mirrored in their employee's casual approach to employment with the firm.

## **Defining Youth and Temporary Employment**

Youth are defined in most Australian regulatory instruments as those less than 21 years of age. Pay rates for youth are set as a proportion of the adult rate until the worker attains the age of 21 and is considered an adult (Lewis & McLean, 1999). These rates vary, depending on the industrial instrument, from 30 to 50 per cent of the adult rate for those under 16 years of age to between 85 to 100 per cent for those aged 20 (AIRC 1999). Youth are therefore attractive to employers because they are much cheaper than adult workers, three for the price of an adult in some instances. Youth are also prepared, and often prefer, to work at times of the day and week generally considered 'anti-social'. Many of these young workers are students, and this leads to a tango between the expectations of youth and their study and lifestyle commitments, and the expectations of their employers, in relation to working time arrangements. Temporary employment, or casual employment as it is known in Australia, takes various forms. Traditionally, casual employment is provided under a contractual arrangement either directly with the worker, or via a labour hire agency. Labour is supplied for a set period, or to perform set tasks. An employee on a casual employment contract is engaged on an hour by hour basis with a separate contract of employment for each period of employment (Creighton & Stewart, 2005). Casual employment can be full-time or part-time, but the majority of casual employment is parttime (Pocock, Buchanan & Campbell, 2004). The duration of the working day and the duration of the employment contract is therefore entirely at the employer's discretion.

Casual employment has a longstanding existence in the Australian regulatory framework. Historically, it was a means of dealing with seasonal fluctuations in demand for workers in occupations like shearing and waterside work (O'Donnell, 2004). Casual workers were generally paid a higher hourly rate to compensate for the lack of an on-going employment relationship and the benefits associated with permanent employment, such as annual leave, sick leave, and compensation for severance of employment (Burgess, Campbell & May, 2006). The premium for casual employment status is generally 20 per cent more per hour. This form of employment is a result of the evolution of various regulatory instruments in Australia and differs from the understanding of casual work in many other countries. While the justification for casual employment has traditionally been the need for numerical flexibility in order to meet fluctuations in demand, more recently, casual employment has been widely adopted by employers to avoid regulation designed to protect workers against unfair dismissal, sudden changes to working hours, and the payment of superannuation.

The use of casual employment contracts in Australia is extensive and growing (Burgess, Campbell & May, 2006). In 2005, 13 per cent of full-time employees and 59 per cent of part-time employees in the Australian labour market were engaged under casual contracts. So, on average, some 27 per cent of the Australian workforce are employed as casual workers. The density of casual employment is higher within the service sector industries, with casual employment comprising 45 per cent of all retail industry employment and 58 per cent of employment in the accommodation, cafe and restaurant sector (Burgess, Campbell & May, 2006: 10). Part-time and casual employment is the most prevalent form of employment for youth and students. Employment, with no guarantee of on-going employment, such as casual employment, establishes a loose bond in the employment relationship, such as in the ballroom tango, where there is a connection between the dancers, but the embrace is not close and the relationship staccato. It also establishes a pattern whereby workers with casual employment status are called in to work at short notice, the quick steps of the tango rhythm. The counterpoint slow rhythm occurs when business is slow and the workers with casual status are sent home by the employer. While there have been some attempts to improve legislative protection for employees on casual contracts, particularly in relation to unfair dismissal provisions, it is relatively easy for employers to circumvent these protections. The following section reviews the literature on the costs and benefits of youth and casual employment.

#### **Benefits and Costs of Casual Employment for Employers**

For employers, the primary benefit of employing workers on casual contracts is that it enhances numerical flexibility, so that workers can be brought in and out of the workforce when necessary to deal with fluctuations in demand. Casual employment contracts are also widely used for regular on-going part-time and full-time work, 'because of habit or probationary screening practices, and because of the reduced on-costs' (O'Donnell, 2004:16). Regulation of the use of permanent part-time labour has reduced the flexibility with which it can be deployed and casual labour avoids this. It is also easier to terminate the employment of a worker on a casual contract, since you simply do not allocate them any hours. This enables employers to avoid the payment of benefits that accrue through length of service (sick leave, annual leave, holiday leave, long service leave), the entire performance management process and the likelihood of unfair dismissal proceedings, as well as the right to notice of termination. Using casual contracts therefore makes workers cheaper and reduces the administrative costs of calculating leave entitlements. Although, authors such as Smith and Ewer (1999) suggest that the use of casual contracts is driven as much by ideological beliefs as opposed to calculations of cost.

The prevailing impression in the employment literature is that employing workers on casual contracts reduces employment costs for employers. More recently though, literature is emerging which suggests these may be false economies. In particular, since workers on casual contracts

generally work shorter hours, more are required to provide staff coverage, which extends the administrative burden of managing their recruitment, selection, induction and payroll (Allan, 2000). Burgess, Campbell & May (2006) argue that workers on casual contracts are less committed to the goals of the organisation and therefore less productive. Similarly, Hall (2000) suggests that the use of unnecessary levels of casual employment may reduce the capacity of the organisation to innovate and thereby limit financial success. While these costs are difficult to quantify, the cost of using casual employment can be quantified in relation to staff turnover. Firms that adopt the widespread use of casual contracts experience higher levels of staff turnover (Boreham et al., 1996; Whitehouse, Lafferty & Boreham, 1997; Price, 2003). As a result, recruitment and induction costs increase, as well as the administrative costs associated with managing the personnel and payroll records of a greater number of employees.

#### **Benefits and Costs of Casual Employment for Employees**

Casual employment contracts are often promoted as a bridge between unemployment and the labour force, and as such purely a transitional form of employment. While this may be the case for some workers, for many casual employment is the only form of employment offered by employers and therefore becomes a trap, instead of a bridge (Tam, 1997). It is apparent though, that many Australians employed on casual contracts prefer their casual employment status as it allows them to juggle work commitments and other commitments, and hence gives the worker a measure of control over their working time arrangements, even if this control extends only to a right of refusal to work at a given time (Whitehouse, Lafferty & Boreham, 1997; Price, 2003). The right to refuse to work occurs at the same time as either overt or self imposed pressure is brought to bear on employees to accept work at times that do not suit them in the belief that if they do not take the hours offered, no more will be forthcoming (Weller, Cussen & Webber 1999).

There is, however, a consensus in the employment literature that casual employment is bad for workers (Burgess, Campbell & May, 2006). This belief stems from the fact that workers in casual jobs have fewer rights and benefits than those workers with permanent on-going employment. Workers on casual contracts are less well remunerated than workers with permanent employment. Although, most industrial instruments state that casual workers should be paid a premium of around 20 per cent in exchange for loss of benefits such as annual leave and sick leave, researchers suggest that this is not full compensation for their loss (Smith & Ewer, 1999). Others suggest that even where a casual loading should lawfully be paid, many workers do not actually receive it, or that casuals are classified as performing lower level jobs than their permanent counterparts, even if they are performing the same tasks (Campbell, 2004). Workers on casual contracts receive less training and other organisational benefits (Burgess, Campbell & May, 2006). Similarly, they are often the ones exposed to the greatest risk to their health and safety, in part, as a result of their lack of training.

The benefits and costs of casual employment are exacerbated with youth employment. For the employer, youth are measurably cheaper to employ than adult workers, suitable for low skill entry level jobs and available to work weekends and late nights when needed (AIRC 1999). The rationale for youth pay rates is that young people come to an employer with less knowledge, experience and skill and therefore are not as productive. As a result, employers are more likely to offer young people non-permanent employment (Worth, 2005). For youth, a job provides a means of earning an income, although young people are unlikely to be offered permanent full-time positions, and they will earn much less than their older counterparts performing the same tasks. Casual employment therefore mirrors the loose connections of the ballroom tango, with both parties moving in the same general direction, but holding themselves apart and the commitment and sense of permanence that comes with eye contact is largely absent.

## Methodology

The primary data for this paper was collected by a series of interviews with 22 human resource management personnel, store managers and store-based supervisory personnel within Australia's largest supermarket retailer. In addition, ten employees were interviewed and a survey of 272 employees was undertaken. With an employee complement across the three stores of 533 workers, this represents a 51 per cent response rate. The sample comprised permanent full-time employees (32 per cent), permanent part-time employees (22 per cent) and casual employees (46 per cent). As such, the sample was representative of the employment structure of the organisation as a whole (permanent full-time 31 %, permanent part-time 23%, and casual 46%).

The labour usage practices of three stores, all within a 60 kilometre radius of Brisbane, the capital of Queensland, were investigated. The data was supplemented with an analysis of the organisation's website, employment agreements, company HR documentation and staff rosters from the three stores. Initially, semi-structured interviews were conducted with all participants. Follow up interviews were undertaken with the store managers and the Regional HR manager yearly over a three year period. The interview questions focussed on how the organisation structured its labour usage, the degree to which store-level managers could influence the structure of labour usage, and the costs and benefits associated with these choices.

## **Research Findings - The Demand Side of the Organisational Story**

The case study organisation, FoodCorp (a pseudonym), is the supermarket division of a larger retail group that includes discount department stores, consumer electronics and liquor outlets. FoodCorp is one of Australia's largest private sector employers, with around 100,000 employees in the supermarket division as at December 2004, 34 per cent of whom were aged 15-19 years, and 46 per cent of all workers were engaged on casual contracts. The organisation's human resource philosophy is encapsulated in the phrase 'the FoodCorp way'. The culture and values of the 'way' include:

We take pride in ourselveswe DO make the difference.We're a team working towards a common goal, and learning from each other through coaching and listening.We live by mutual respect and honesty.We encourage initiative, recognise and reward success, and create an environment where everyone can succeed.We encourage our egalitarian culture (FoodCorp, 2001:16).

The phrase 'the FoodCorp way' is used widely within stores and in the corporate literature, but the rhetoric often fails to match the reality.

The store-based decisions on staffing are severely constrained by decisions made elsewhere within the organisation- usually Head Office (Manager 18, Interview 17 June 2003). Head office set budgets for sales and wages, as well as the entire range of controllable expenses: phone, electricity, cleaning and wrapping.

It's pretty restrictive. We get a profit report at the end of each month and that tells us everything from sales, to costs, to wages and how we're going in line with the guidelines they've set down (Manager 18, Interview 17 June 2003).

This cost-cutting approach influences labour use strategies within the firm.

All employees are initially employed on casual contracts, unless they are skilled tradespeople. The career path is from casual to permanent part-time to full-time, to 3IC or 2IC and then department manager (Manager 19, Interview 29 July 2002). Permanent part-time positions are either filled from in-store applicants or advertised within stores in the region (Manager 13, Interview 14 May 2002). Within stores, it is the job of individual managers to identify staff with career potential (Manager 18, Interview 17 June 2003). Since it is up to the store's management team to identify potential management talent, the process is not transparent and leads to accusations of favouritism. As one employee stated on the system of career progression:

Unless you get along with your boss, you don't stand a chance. [Pointing to list of advertised positions on board] You can apply for any job up there, but you've got to go through the store manager to get a recommendation of a reference. So if you don't get along with the powers that be, you don't stand a chance (Employee 8, Interview 6 June 2003).

Similarly, the move from a casual to a part-time position or to acquire longer hours requires the approval of the store manager and hence is subject to the discretion of the individual manager.

Store managers have the task of dividing the store's salary budget for each period amongst the departments within the store. They calculate the cost per hour per department, based on award rates and the mix of full-time, part-time, casual, junior and senior staff in a given department (Manager 19, Interview 29 July 2002). A labour management software package calculates the number of hours that department managers are allocated to run their department each week (Manager 13, Interview 18 December 2001). The number of labour hours allocated is:

based on sales, production levels and gets into the amounts of certain types of labour that are required, for example, how many baker hours, packers hours etc. It is up to the individual department manager to determine the break up of seniors, juniors, in liaison with store management (Manager 13, Interview 18 December 2001).

According to Manager 13 (Interview 12 December 2001), "there are no set quotas for different forms of employment status. It is really just how it pans out". Yet, a senior HR Manager

admitted that she has set targets for casual employment, although these are not rigidly applied (Manager 19, Interview 29 July 2002).

I like to measure it more on hours than heads....I think around 25 but you've got areas, in Byron Bay, that's got to have more flexibility than say, Mt Ommaney because of the transience and change in sales, et cetera. So I have said to my stores that you need to look at that on a store basis. I can't stand here in my office and say this is the per cent for the whole region, because you know, Warwick could be very fixed whereas Byron Bay can't be (Manager 19, Interview 29 July 2002).

The budgetary constraints and system of establishing fixed and variable hours, based on patterns of sales, constrains store and department managers in their staffing choices. These constraints are further exacerbated by the division of stores into separate departmental cost centres.

When recruiting, it is the responsibility of the department manager to request the type of employee they require from head office based HR staff. In general terms, the organisation's HR personnel tried to recruit people who met two criteria: reasonable personal presentation and communication skills, and a satisfactory fit with existing staff in terms of availability to work (Manager 19, Interview 29 July 2002). After an initial group interview at head office, applicants that the HR personnel regarded as suitable were then interviewed by the relevant department manager. The number of applicants interviewed at store level was at the department manager's discretion and was usually three, although some department managers preferred to interview six people for each position (Manager 13, Interview 18 December 2001). There was no written policy that employees should start on casual contracts, but most managers appointed workers as casual workers so that they could assess their suitability and avoid the likelihood of unfair dismissal cases. As one HR manager stated:

Very rarely would stores put in a shop assistant full-time, in fact they'd never do it. The only full-time positions they'd recruit for is when we've got a skill shortage, like Bakery Managers (Manager 19, Interview 29 July 2002).

As a result of these policies and practices, the proportion of different types of labour contracts across the three stores was dominated by employees on casual contracts, as the 2003 structure of employment shows (refer table 1).

# Table 1.Employees by type of employment contract, June 2003.

	Type of employment contract, number and percentage			
	Permanent full-	Permanent part-	Casual	Total
	time	time		
Store A	77 (34%)	55 (24%)	94 (42%)	226
Store B	63 (41%)	24 (16%)	67 (44%)	154
Store C	43 (28%)	38 (25%)	72 (47%)	153

Under the terms of the firm's collective employment agreement, employees on casual contracts are engaged on an hourly basis at any time and on any day of the week with no fixed rostering arrangements. In reality, these employees are required to nominate, one week in advance, which hours they are available for. Casuals work a maximum of 38 hours per week across 5 days, unless the individual employee agrees to work across 6 days. They can be engaged for a minimum of 3 hours and maximum of 10 hours per start and their working times are subject to change at any time before they commence work daily. Hence casual workers provide the organisation with significant flexibility. Casual employees receive a 20 per cent loading in addition to the ordinary hourly rate for their job classification. FoodCorp's wage rates for shop assistants are 23 per cent above the Federal minimum wage, and workers on casual contracts receive the additional loading on top of this rate. Youth rates apply to those under 21 years. Workers under 16 receive 45 per cent of the adult rate, and those 16 and under 17 years of age (50%); 17 and under 18 years of age (55%); 18 and under 19 years of age (65%); 19 and under 20 years of age (77.5%); and 20 years of age (87.5%).

The existence of youth rates encourages department managers to recruit young people simply on the basis of cost savings. As a regional HR manager said:

You've got a wage budget for the cost of doing business, and the school kids want to work at night and Saturdays and that's where you get your cheaper labour component, so you do it (Manager 19, Interview 29 July 2002).

As such, the decision is affected by the beliefs and prejudices of each manager; however, the opportunity to acquire labour at a lower cost by recruiting young people benefits a department's wages budget. While the firm professed a push towards cross training to deliver functional flexibility, at store level this just equates to ensuring all employees are register-trained (Manager 13, Interview 14 May 2002). For this reason, and because departments are individual cost centres, an employee designated as a grocery employee will generally spend their entire working day performing duties within the grocery department.

Rostering software allocates meal breaks depending on how many hours it is since a person started work. Permanent and casual employees who work more than 5 hours on any day receive an unpaid meal break of between 30 and 60 minutes, and workers, who do a minimum of 4 hours, but less than 7.6 hours, are also entitled to a 10 minute paid rest pause. Employees, who work a minimum of 7.6 consecutive hours, not including the meal break, are entitled to two 10 minute rest pauses. The timing of rest pauses is entirely at management's discretion (Manager 4, Interview 10 July 2001).

The minute customer flow dies off, staff are sent on breaks. If it is really busy then they don't go to tea at all. They will get a longer break on another day or get to leave early instead. People have refused to go early and found that they've missed out altogether because it has got really busy later (Manager 4, Interview 10 July 2001).

Hence, while the certified agreement states that staff are entitled to rest pauses, the day-to-day demands of the business means that staff do not always receive these entitlements. Similarly, if the store becomes busy, staff are called back to work from their tea breaks early.

The consequences of this pattern of labour utilisation were high levels of employee turnover. Turnover levels varied according to the employment status of workers. Within the region that covers the stores included in this research, staff turnover was 34 per cent in mid 2002 (Manager 19, Interview 29 July 2002). The vast majority (70 per cent) of employees leaving the firm were those on casual contracts, 17 per cent were permanent part-time employees and 13 per cent were full-time employees. These levels of turnover, especially amongst casual employees were the primary reason why 'most retailers try to increase PPT and permanents' (Manager 19, Interview 29 July 2002). However, permanent part-time employment was only appropriate where there was relatively fixed demand (Manager 1, Interview 27 February 2001).

The high level of turnover was also a function of the organisation's recruitment policies. One HR Manager stated, turnover was 'not really a reflection of our organisation because most of these people are students who go off and become doctors and other jobs' (Manager 13, Interview 18 December 2001). While this may be an accurate appraisal, the levels of staff turnover did reflect the recruitment policies. The organisation's policy of recruiting everyone except skilled tradespeople as casual workers initially, and then promoting them to permanent jobs via the

internal labour market had several effects. First, the policy excluded all those potential employees who were not in a financial position to accept short hour's casual work and this reduced the pool of potential applicants. It also limited potential applicants to people in the secondary labour market and unable to gain permanent employment elsewhere. Second, the organisational practice of promoting from casual to permanent part-time was potentially a slow process and it was likely that employees tired of waiting and moved elsewhere to organisations offering full-time employment. While this recruitment policy clearly had benefits for the organisation, especially in relation to limiting exposure to unfair dismissal claims, and assessing employee performance before committing to permanent employment, the benefits for individual workers were not so apparent. Indeed, it could be argued that the only people who could afford to take a job in FoodCorp were students and employees who were not primary income earners in their households.

As a result of the high levels of staff turnover the organisation instituted a number of retention strategies. In the case of retaining young people, the organisation initiated a Youth Development Committee (YDC), which offered a range of fun activities with a view to developing awareness of the potential benefits of retailing as a career (Manager 13, Interview 8 December 2001). Associated with the YDC was the use of Traineeships and certificated training. FoodCorp's certificated training was adapted from the national syllabus and was FoodCorp specific, thus reducing the portability of the skills, which potentially bound workers to the organisation.

One of the major issues for FoodCorp was achieving a balance between the flexibility offered by the employment of young, inexpensive casual workers and the enormous cost to the organisation of recruiting and training casual employees. One of the strategies the organisation chose to deal with this issue was the centralisation of recruitment to Head Office (Manager 13, Interview 14 May 2002). This shift enabled the organisation to achieve economies of scale by recruiting for a group of stores and ensured that the quality of the recruitment decision improved by using experienced recruiters. Other attempts were made to reduce the overall cost of the recruitment process by introducing online recruitment. This enabled the organisation to reduce the clerical costs associated with transferring applicant details from a paper based employment format.

An additional cost minimisation strategy associated with recruitment was the reduction in the time taken to induct new recruits over the research period. The procedure was reduced from three days to one day, plus an additional day for register training. Given the numbers of people recruited each year, and the fact that induction training was paid training, this represented savings for the organisation of at least eight labour hours for each new recruit. Reducing the period of induction training also resulted in department managers becoming more accountable for the performance standards of individual workers within their department as they were required to sign off on an employee's achievement of competency (Manager 13, Interview 14 May 2002).

Another strategy was a reduction over the period of the research in the overall number of employees in each store and an increase in the working hours of those remaining. Longer hour's jobs were part of a retention strategy designed to encourage people, especially young people, to remain with the organisation.

The high levels of staff turnover were exacerbated by difficulties in recruiting people in some locations. Recruiting school-aged casuals was difficult in the Western suburbs of Brisbane, where Store A was located, since many children attend private schools and their parents were 'more school focussed than work focussed' (Manager 19, Interview 29 July 2002). Store C also experienced similar problems in not being able to get people to work (Manager 6, Interview 10 July 2001). It appeared that the policy of recruiting employees as casuals for short hours relied on a level of labour supply that was untenable in a relatively tight labour market.

Across the stores examined, different managers appeared to take very different approaches towards managing the process of labour scheduling and dealing with employee resistance. This also created problems for the HR personnel, as some store level management 'do a pretty good job but there's one or two you pick up at the end' (Manager 19, Interview 29 July 2002). In Store A, flexibility on the basis of the individual worker and their needs was more apparent.

What you've got to respect is, people need quality time and if you're going to work in an industry that has the spread of hours that we do, you've got to recognise people have wants and needs too. So you've got to have a staff base big enough to fluctuate with that situation. That is, that they give us their availabilities and we work to those availabilities. With a sufficient staff base then we have the opportunity to meet the needs of our own. Those people can still have a personal life and a work life. Department managers have a

roster that's on a 4 week cycle. They know exactly where they stand. If they have a wedding or something of that nature we look to help them change that roster for that given day. They all know what their roster is and stick to it (Manager 3, Interview 10 June 2003).

The situation was somewhat different in Store B and Store C where the needs of the business were paramount and there was less flexibility (Manager 18, Interview 17 June 2003; Manager 21, Interview 27 June 2003).

At face value, casual employment appeared to offer FoodCorp complete freedom to use labour at will as a variable commodity, calling workers in when needed and sending them home when they're not needed and thus creating the loose bond found in the ballroom tango. However, in order to be able to achieve this, the organisation required a compliant workforce. Employing vast numbers of young students provided the organisation with cost benefits, but created control problems as well.

Since casual employees had no guaranteed hours each week, they were asked to notify their manager one week in advance which hours they were available to work. A range of managers across the company, commented on how a reliance on young casuals actually reduced labour scheduling flexibility because control over the days they are available to work passes to the casual employee.

They want to go off to school each week and they want exams off and they want the sports carnival off, you know, this off, that off. They've tried in some stores to lock them in, but you get a fair bit of resistance to that (Manager 19, Interview 29 July 2002).

The biggest issue staffing the store is the fact that most casual workers are school children. The store doesn't have many uni students. School children are under so much pressure to perform at school these days, that when exams or other things come along, kids say they're not available and we have difficulty staffing the store' (Manager 17, Interview 12 June 2002).

The stores had different methods for reducing this employee control over working time. In Store B, management tried to lock employees into permanent part-time hours. This was promoted as benefiting both employees and the employer.

If you make a person ppt or permanent, they've got more stability in their life and they're more inclined to stay loyal to the structure. If they've got casual hours, they might get

three hours a week, or ten, or whatever. They have not got any commitment and the minute you lose one, you've got to go and replace that person. That's the biggest cost involved (Manager 18, Interview 17 June 2003).

This manager did not find permanent employees restricted the organisation's labour use flexibility.

If you negotiate with them and you ask them to be available on different rosters- just remember we trade from 8.00 in the morning until 9.00 at night, Monday to Friday, 8.00 to 6.00 on Saturday, 9.00 to 6.00 on Sunday- if they make themselves available across the full spread of the week, we can then utilise them. If they all said, I can only work 8.30 till 5.30; we would have all this labour sitting there doing nothing. So, it's how you negotiate contracts with people!' (Manager 18, Interview 17 June 2003).

This manager was observed to be the least open and friendly in their interaction with employees, and a suspicion that there was a fine line between 'negotiation' and 'coercion' in this store was later supported by results of the employee survey.

In Store A, applicants were asked about their availability in the interview process and then reminded of this when they said that they were not available at certain times.

Not necessarily, we make it very clear that once we've trained people we expect that they stay true to the availability which they have provided. We know that changes. We know that they have exams. We know all sorts of things and we take that into account, but it has been the case where some who say they have weekend availability all of a sudden have everything on at the weekends and say they can't work and we have to sit down with those people and remind of them of their initial employment agreement that we had on interview. By virtue of the nature of our business we need a proportion of our people to work those slots. We try to be fair and spread it around and I certainly think it works both ways, those people who are fair to us, get a good deal. Those people who are only in it for themselves are only making it tough for themselves, and that's not a threat, that's basically reality. We accommodate people who accommodate us. Life is give and take (Manager 3, Interview 10 June 2003).

A very similar situation existed in Store C, although there it was stressed that the needs of the business came first (Manager 21, Interview 27 June 2003). Managers in Store C noted that the store had 'lots of trouble with people not turning up' and that 'reliable staff tend to leave because they treat FoodCorp as a stepping stone' (Manager 4, Interview 10 July 2001; Manager 6, Interview 10 July 2001). This store also experienced problems 'finding people eager to do the job. Many just don't have any pride, they just want to come along and get the money' (Manager 7, Interview 11 July 2001).

To summarise, the budgetary processes behind the structure of labour usage within FoodCorp act as a catalyst for the widespread use of casual labour. The firm's decision to make short hours casual contracts the entry point for employment within the firm is short sighted in that many potentially loyal and hard-working employees leave the firm within their first year. In part, this practice is a logical response to the unfair dismissal legislation that existed at this time (and no longer does), but it creates a tenuous tango-like bond between the employing firm and the worker. In the ballroom tango the dancers are together at the waist, but separate at the torso and eye contact and full engagement with each other are limited. Casual employment is similar, in that the worker is legally employed, but for variable amounts of time each week with no guarantee of on-going employment, so joined, but not fully committed. The firm's lack of commitment provides benefits in terms of cost minimisation and numerical flexibility, but at a cost of high levels of staff turnover, resultant recruitment and induction costs, and employee resistance.

#### **Research Findings - The Supply Side of the Organisational Story**

In much of the literature on employment status, it was asserted that casual employees are not employed on this basis by choice and that they are exploited in the labour market. In order to ascertain whether or not this was the case, employees were surveyed at the three FoodCorp stores. The survey sample comprised 272 valid responses. Of the total sample, 267 respondents identified their job title and were therefore able to be classified in accordance with the nature of their job. The sample included 18 managers, 15 supervisory staff, 214 service assistants and 20 skilled tradespeople and specialist clerical employees. Of the 265 who responded to the questions related to student status, 50 employees identified as school students and a further 75 identified as university or Technical and Further Education (TAFE) College students. This meant 46 per cent of the sample were students. Only two school students (4 per cent) held permanent employment status, whereas 24 (32 per cent) of university and TAFE students had permanent employment status. The remaining student employees were casuals.

The employees were asked to identify their current employment status and indicate their preferred employment status. Of the permanent employees surveyed, 99 per cent wanted to be permanent employees and 1 per cent did not. Of the casual employees surveyed, 66 per cent

wanted to be casual employees, while 34 per cent wanted permanent employment. This suggested that the majority of employees within the company were satisfied with their employment status. One of the reasons for casual employee's satisfaction with their employment status was the fact that the majority were unlikely to be the main income earner in their household. Only 10 per cent of the employees on casual contracts surveyed were the main income earners in their households. Of those casuals with main income earner status, over half had another job. In line with the firm's staff turnover statistics, the number of casual employees with main income earner status in their household reduced dramatically after a year's tenure. Either these workers left FoodCorp for a better job or had been transferred to a permanent position within FoodCorp.

There were other potential reasons why casual employees wanted casual status. First, casual employees received a penalty loading of 23 per cent, so casual employees could have perceived the additional pay made the uncertainty worthwhile. Casual employees also have the ability to state their availability, which gives them a measure of control over their hours, even if it extends only to the right of making themselves unavailable, and this might be perceived as a benefit. Additionally, employees were generally satisfied with their pay. Of the total permanent and casual employees surveyed, 60 per cent were satisfied with their pay, while 26 per cent were neutral and 15 per cent disagreed. While only 45 per cent of permanent staff agreed that they were satisfied with their pay, while 24 per cent of casual employees stated that they were dissatisfied with their pay, while 24 per cent were neutral. Where the respondents were youth, 14-19 years, they were slightly less likely to be satisfied with their pay (61 per cent). Pay rates, especially for junior employees, were not high so it is possible that these workers have very low expectations of their earning capacity.

An examination of patterns of working time highlighted two consequences of existing working time arrangements. Generally, most casual workers wanted longer hours and a sizeable group of permanent workers wanted shorter hours. Of the casual employees surveyed, only 6 per cent wanted fewer hours of work, while 51 per cent wanted longer working hours and 43 per cent were happy with their existing hours. While longer working hours would mean higher wages, there is no apparent correlation between satisfaction with pay and desire for longer hours. The survey results also demonstrated that casual employees felt that they had more influence and

control over their working time arrangements than permanent employees. Of the casual employees surveyed, 53 per cent agreed that they had influence over the days on which they worked and 16 per cent disagreed. Eighty per cent of casual workers responded that they felt they could refuse additional hours. The casual workers that did not feel that they could refuse hours were service assistants, aged between 14 and 19 years. Casual employees within stores were often overheard saying 'if you don't accept the hours you are given then you won't get any' and it is perhaps these employees who do not feel that they can refuse hours. This situation leads to a perception that youth are indeed more malleable when it comes to accepting extended working hours at short notice.

Another issue related to casual employment status that arose in the literature was that since casual employees had no guaranteed hours, they had no regular income. Yet, some authors argued that many casual employees were not truly casual, since they had regular hours. In order to assess the 'regularity' of working hours, respondents were asked about their degree of satisfaction with the regularity of their working hours. Forty seven per cent of casual employees expressed satisfaction with the regularity of their working hours, which suggested that some casual employees were indeed 'regular' casuals, whereas others were not. Approximately the same percentage of casual (20 per cent) and permanent (18 per cent) staff gave a neutral response, while 13 per cent of permanent employees and 33 per cent of casual employees indicated dissatisfaction with the regularity of their hours.

After noting management complaints about casuals refusing to work and casual employee's complaints that they had to accept hours, respondents were asked whether casual employees had a greater influence over their working time than permanent employees. The statement asked was whether 'Casual staff have more influence over their working time than permanents'. Forty-five per cent of permanent staff and 51 per cent of casual staff, agreed with this statement (including 58 per cent of all managers), while 36 per cent of permanents disagreed and only 19 per cent of casuals. These findings suggest that an opinion on who has the most control depends very much on the individual worker's personal circumstances and assertiveness.

Management within the organisation all asserted that an internal labour market operated to promote employees from short-term casuals to management roles. A series of statements were included on the survey to test management assertions and employee awareness of these policies. These statements included, 'If I wanted to, I could have a long term career with this organisation' and 'When it comes to permanent jobs at this organisation, current employees are favoured over outsiders'. There were differences between permanent and casual employees in their awareness of the organisation's internal labour market. While 69 per cent of permanent employees agreed that you could have a long-term career with the organisation, only 41 per cent of casual employees agreed. This demonstrated that the message about the possibility of a permanent career with this organisation was not filtering through to casual employees very well. Additionally, 36 per cent of casual employees disagreed with the statement. Not surprisingly, those with longer periods of tenure were more likely to agree that a career with the organisation was possible. Likewise, 66 per cent of permanent employees were aware that current employees were favoured over outsiders, but only 50 per cent of casual employees agreed that this was the case. Indeed, 12 per cent of permanent employees and 21 per cent of casual employees disagreed with the statement. Clearly, FoodCorp need to do a much better job of communicating the fact that they operate an internal labour market to their employees.

As well as determining whether employees were aware that the organisation operated an internal labour market, given the high levels of turnover, the survey also asked whether employees wanted to remain with the organisation. Employees to respond to these statements; 'I would like a long term career with this organisation' and "I want to still be working here in 12 months'. Of the casual employees, only 19 per cent wanted a long-term career with FoodCorp, 25 per cent were neutral and 56 per cent disagreed. More employees wanted to still be working for the organisation in 12 months than wanted a long-term career with the company, which suggested that many employees perceived the job as a short-term position. Of the employees who agreed that they wanted to still be working for the company in 12 months, 51 per cent were casual. The percentage of casual employees who gave a neutral response was 22 per cent, while 28 per cent of casuals did not want to still be working with the company in 12 months. These figures suggest that levels of staff turnover within the organisation show no sign of abating in the next year.

This organisation encouraged training amongst its permanent employees as a retention strategy, but provided casual employees with no access to training beyond the initial induction period. Since this practice was perceived in the literature as detrimental to casual employees, survey participants were asked to respond to the statement 'I am satisfied with how much access to training I have'. Overall, 51 per cent of casuals were satisfied with their access to training while 15 per cent of casuals were dissatisfied. The high levels of satisfaction with training access amongst casual staff suggested that either they were not aware that they were missing out on training opportunities or that they did not care. In the light of findings elsewhere, the latter appeared more likely.

## **Conclusion and Discussion**

FoodCorp made extensive use of casual youth labour. This practice allowed the firm to meet fluctuations in customer demand and more importantly for managers to meet budgets for labour which were calculated at departmental level. The firm used casual labour as a port of entry to the organisation's internal labour market. This practice reduced the potential applicant pool to those without main income earner status in their households, primarily youth and students. One of the effects of not providing permanent employment was that the firm suffered high levels of staff turnover and the flow-on recruitment and induction costs. An allied effect was difficulties in exerting control over employee working time, since casual employees had the capacity to declare that they were unavailable and to refuse additional hours at short notice. In some instances, the reliance on youth labour created significant staffing difficulties when student labour all wanted not to work at the same time, such as for schoolies week, university exam period or school holidays. The organisation's lack of commitment to employees was mirrored in many cases by the employee's lack of commitment to the organisation.

Remarkably few casual employees recognised that the organisation had an internal labour market and even fewer expressed a desire to have a long-term career with the organisation. This lack of desire for a career was also apparent in the number of casual workers who were satisfied by their access (or lack of access) to training, and their pay. These findings suggest that the workers viewed the firm as a temporary arrangement, in much the same way that the organisation treated their labour. Hence, the ballroom tango of mutual dependence, but only as far as the waist, as the commitment of the head and heart is missing in these dance partners.

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