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Issues paper for discussion at the Global Dialogue Forum on Employment Relationships in Retail Commerce: Their Impact on Decent Work and Competitiveness
(Geneva, 22–23 April 2015)

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Preface

This paper has been prepared by the International Labour Office as a basis for discussion at the Global Dialogue Forum on Employment Relationships in Retail Commerce and their Impact on Decent Work and Competitiveness, to be held in Geneva on 22 and 23 April 2015, as part of the ILO's Sectoral Policies Programme.

The Governing Body of the ILO decided at its 317th Session (March 2013) that a Global Dialogue Forum for the commerce sector would be held in the 2014–15 biennium. [1] The purpose of the Forum would be to enable the tripartite sectoral constituents to discuss how the diversification of employment relationships in retail commerce is impacting decent work and the competitiveness of the enterprises in the sector with a view to developing a consensus on the way forward.

Subsequently, at its 320th Session (March 2014), the Governing Body further decided that, in addition to Government representatives from all interested member States, the Forum would include eight Employer and eight Worker participants, selected following consultations with the respective groups of the Governing Body. In accordance with established practice regarding attendance at Global Dialogue Forums, other interested Employer and Worker participants may attend.

The ILO's Sectoral Policies Programme, as defined by the ILO programme and budget, aims to support governments and employers' and workers' organizations in developing their capacity to deal equitably and effectively with the social and labour problems affecting particular economic sectors. It also offers a means of alerting the ILO to specific social and labour issues at the sectoral level.

[1] ILO: *Sectoral Activities Programme: Proposals for 2014–15*, Governing Body, 317th Session, Geneva, March 2013, GB.317/POL/5.

Contents

Acknowledgements

This issues paper draws from a variety of sources, including ILO and other publications, most notably: a 2012 report by Eurofound, *Working conditions in the retail sector*; the ILO report *Non-standard forms of employment*, prepared for discussion at the Meeting of Experts on Non-Standard Forms of Employment (Geneva, 16–19 February 2015); a forthcoming report for the 104th Session of the International Labour Conference on labour protection; a 2006 ILO report, *The employment effects of mergers and acquisitions in commerce*; and a 2008 ILO issues paper, *Vocational education and skills development for commerce workers*. Reference has also been made to a variety of academic studies and national statistical databases.

The paper was prepared by John Sendanyoye (Sectoral Policies Department – SECTOR), with valuable comments and inputs from a number of ILO colleagues, most especially Mariya Aleksynska and Janine Berg, both from the Inclusive Labour Markets, Labour Relations and Working Conditions Branch (INWORK), and Cornelius Gregg of the Skills and Employability Branch (SKILLS).

1. Introduction

1. As the ILO Director-General observed in his Report to the 102nd Session of the International Labour Conference: "Today, about half of the global workforce is engaged in waged employment, but many do not work full time for a single employer. The supposedly 'atypical' has become typical; the 'standard' has become the exception. Views are strongly divided about whether and how this matters for the attainment of decent work for all and, if so, what if anything should be done about it." [1]

2. An employment relationship exists when an employee works under the subordination and dependence of another person. It "establishes a legal link between a person, called 'the employee' or 'the worker', and another person, called 'the employer', to whom she or he provides services under certain conditions in return for remuneration". [2]

3. Various ILO meetings for the sector have underlined the strong link between decent work [3] and the staff commitment and customer loyalty in retail commerce. They have noted that problems can arise, in the absence of meaningful consultations or transparent dialogue, and the fact that employee insecurity can seriously erode labour–management relations and even the enterprise's long-term survival.

4. With the emergence of new forms of work over recent decades, it has become increasingly difficult to identify whether an employment relationship actually exists. How to prove there is one, and how new forms of employment modify the notion of the existence of an employment relationship, is currently a subject of hot debate. This debate is very important because inadequacies or gaps exist in the legal framework or its interpretation or application, which facilitates attempts to disguise the relationship, and yet its existence determines the respective rights and obligation of the parties concerned. [4]

5. No industry has experienced greater diversification in its waged employment over the last four decades than retail commerce, where different forms of atypical, non-standard employment practices have now attained standard status. As noted in the ILO report for discussion at the Tripartite Meeting on the Human Resource Implications of Globalization and Restructuring in Commerce: [5] "Up to the 1970s most discussions on salaried

[1] ILO: *Towards the ILO centenary: Realities, renewal and tripartite commitment*, Report of the Director-General, International Labour Conference, 102nd Session, Geneva, 2013, Report I(A), para. 71.

[2] ILO: *The scope of the employment relationship*, Report V, International Labour Conference, 91st Session, Geneva, 2003, p. 22.

[3] The concept of "decent work" stems from the ILO's mandate to improve social justice, and refers to the need for women and men to be able to obtain decent and productive work, in conditions of freedom, equity, security and human dignity. It covers six dimensions: opportunities for work, freedom of choice of employment, productive work, equity in work, security at work, and dignity at work. Diversification of the employment relationships in retail commerce needs to take these considerations into account.

[4] ILO: *The employment relationship: An annotated guide to ILO Recommendation No. 198*, Geneva, 2007.

[5] ILO: *Human resource implications of globalization and restructuring in commerce*, report for discussion at the Tripartite Meeting on the Human Resource Implications of Globalization and Restructuring in Commerce, ILO Sectoral Activities Programme, Geneva, 1999, p. 20.

employment were either implicitly or explicitly based on the model of a "standard" employment relationship with the following characteristics: the existence of only one employer and workplace; the existence of an indefinite work contract; full-time work; and the existence of some degree of social and legal protection." The report also noted, however, that even during the 1970s, this standard employment relationship was far from universal (especially in many developing countries), and that non-standard or atypical forms of work were on the rise in many countries. A study by the ILO Governing Body Working Party on the Social Dimensions of the Liberalization of International Trade [6] noted that in the 12 countries that were already members of the European Union in 1987, part-time work, as a share of total employment, rose from 8.9 per cent in 1987 to 10.2 per cent in 1990 and to 12.2 per cent in 1997. Temporary employment had also increased since the mid-1980s in all sample countries except Japan (where it is now very high and growing) and the Republic of Korea (where at the time it had decreased substantially). In many developing countries, non-standard employment often took the form of "unprotected" employment without a written work contract or without legally established social security coverage. The study indicated that then (as now), in the great majority of countries, women were the most represented in low-skilled, part-time and precarious employment. It was nevertheless underlined that the rise in non-standard work did not necessarily mean a higher degree of precariousness. Part-time or temporary work might be voluntary in the case of certain individuals. The study noted, for example, that in 1997, 58.5 per cent of part-time workers in the (then) 15 countries of the European Union (EU) did not want a full-time job, and a further 9.5 per cent combined part-time work with school education or training. The share of voluntary part-time workers was even higher among women.

6. Another ILO report, prepared for discussion at the 2003 Tripartite Meeting on the Employment Effects of Mergers and Acquisitions in Commerce, already noted that in commerce a considerable proportion of workers were on temporary contracts and remained on them for long periods, and that part-time and temporary employment that might be considered non-standard in other industries had attained a certain degree of acceptability in the sector, especially in retail trade. [7] An even earlier report on new forms of employment and working time in the service economy [8] in 2001 similarly drew attention to the trend towards higher part-time rates in the retail industries of six European countries (Denmark, Finland, France, Germany, Portugal and Sweden) covered by the study. The report noted that the underlying reality of retail labour markets in all the countries studied was one of substantial reorganization, with the big chains trying to shape the structure of their workforces in accordance with their cost-cutting and flexibility priorities. As a major part of their cost-cutting procedures, large retailers had, in addition to the widespread introduction of new information and communication technologies (ICT) at all stages of the goods handling process from logistics to checkout, been in a drive to achieve "lean" staffing levels. In most large retail companies, the core objective of human resource (HR) management was to keep staffing levels at the absolute minimum; there must be neither too many nor too few workers present and being paid at any given point in time. The

[6] ILO: *Progress report on the country studies on the social impact of globalization*, Governing Body, 274th Session, Geneva, March 1999, GB.274/WP/SDL/2, para. 53.

[7] ILO: *The employment effects of mergers and acquisitions in commerce*, Report for discussion at the Tripartite Meeting on the Employment Effects of Mergers and Acquisitions in Commerce, ILO Sectoral Activities Programme, Geneva, 2003.

[8] S. Lehndorff and E. Mermet (eds): *New forms of employment and working time in the service economy (NESY)*, Part III, "The case of the retail trade sector", presented to a conference organized by the European Trade Union Institute (ETUI) and the Institut für Arbeit und Technik (IAT), 26–27 April 2001, Brussels, Belgium.

reason for this is the increased flexibility that can be derived from a high part-time rate to increase management's room for manoeuvre by making it possible to deploy more people during periods of peak activity, which are usually short but vary from day to day. A long-standing tradition in the Nordic countries, particularly in Denmark, holds that the large retail chains could not function (at least in the short term) without high-school and university students working evenings and weekends. Nevertheless, fragmentation of employment and working times in the retail trade has hidden costs for companies. High rates of staff turnover, in particular, make HR management in large retail companies very difficult. Various problems connected to high rates of staff turnover associated with this kind of labour force meant that HR policy in large retail trade organizations became a delicate balancing act; the core problems were the strong link between staff loyalty and customer loyalty and the risks related to excessive internal market fragmentation and an unstable workforce.

2. Factors and trends underlying employment relationships in retail commerce

7. The sector consists of a variety of forms (such as shops, electronic commerce and open markets), shop sizes and formats (from small shops to hypermarkets), products (food, non-food, prescription and over-the-counter drugs, and so on), legal structures (such as independent stores, franchises, integrated groups) and locations (urban/rural, city centre/suburbs, and so on). It also has close links with a multitude of upstream and downstream markets. The result of all this is that the sector's configuration affects both economic competitiveness (in that efficiency affects price levels) and social and geographical cohesion.

8. The factors driving the retail sector's labour demand and employment practices encompass evolving legal frameworks, shifting demographics, changes in economic circumstances and consumer preferences, globalization, new forms of competition, an increasing awareness of the need for sustainable practice, and technological innovations. All these represent a source of both opportunities and challenges for the industry.

9. There are significant opportunities for retail in rising global incomes and the mounting appetite for consumer goods and services among the world's growing middle classes. However, globalization also presents the industry with the challenge of powerful multinational competitors expanding into new markets from their own saturated domestic markets, increasing the breadth of brands, products and services available to global consumers while also benefiting from their unparalleled economies of scale and purchasing power.

10. Working conditions in the retail sector are closely influenced by national labour market institutions and employment regulations. Deregulation, especially of opening hours, has significantly increased liberalization in the sector, although both labour law and collective bargaining on the one hand and local-level regulation on the other may considerably affect the final outcome towards increasing local differentiation.

11. The sector has grown considerably, undergoing a huge transformation over the past two decades due to technological innovations and the growing dominance of large retailers. Self-employment has declined while part-time jobs have increased due to the greater flexibility in working hours they offer. The shift towards more diversified employment has substantially affected career patterns, with both labour market and sectoral regulations generally favouring such changes.

12. The proliferation of diverse forms of employment is one of the most spectacular and important evolutions in working life, reflecting changes in labour market regulation, technological innovations and rising female labour market participation. The standard work arrangement of the twentieth century was characterized by several main features: it (a) was full-time, (b) continued indefinitely, (c) was performed at the employer's place of business under the employer's supervision, and (d) in many cases came with a range of statutory protections, benefits and entitlements, such as a minimum wage and protection against unfair dismissal. In contrast, a wide range of new forms of work differ from the standard model in a variety of ways.

13. However, the debate on the growth of these new forms of employment and their impacts is hampered by the absence of universally accepted definitions and vocabulary and the scarcity of reliable data for a large number of non-OECD countries. This becomes a major limitation in any attempt at generalization, and drawing conclusions from reviews of the literature. The topic can also be further complicated by dynamics such as the presence of a third party in triangular relationships, such as a temporary employment agency.

2.1. The special role of e-commerce

14. The growth of online retailing represents both a fundamental challenge and an open-ended opportunity to conventional bricks and mortar retailers. A rising number of consumers around the world are now using the Internet regularly for their purchases, browsing for their needs online using a wide range of smart devices to compare prices before they buy. They then use online sellers (who may be "pure play" retailers, without physical outlets or even manufacturers and international distributors) to deliver directly to them, sometimes from offshore. Consumers now routinely research and select products online, even when they complete those purchases in the store. Many established bricks and mortar retailers have responded by adding an online channel to their existing offering, often making use of their established infrastructure to deliver a full retailing service to their customers.

15. More worrying from the point of view of conventional store-based retailers, consumers are now able to "free ride" on their services by browsing and investigating products in store, taking note of product details and then completing their purchase online, where it is often much cheaper. A vast array of goods and services are now available online from anywhere for 24 hours a day. With reduced search costs, recent advances in shipping, and innovations in technology, banking and payments, purchasing goods online is often easier, securer and cheaper. Whether they are headquartered abroad or in the country of their consumers, online retailers typically have lower overhead costs and can therefore appeal to some consumers from both a price and convenience standpoint.

3. Employment in the retail trade in selected countries

16. Retail has traditionally served as an effective entry point into the labour market, particularly for people seeking flexible hours and conditions. The industry is a huge employer, frequently accounting for the largest share of employment in many countries. Figures from the ILO labour statistics databases (ILOSTAT) show, for instance, that in 2013, the sector provided close to 19.3 million jobs in the 28 Member States of the European Union (EU28) (see table 1 below). Women represented over 62 per cent of workers in the sector. In November 2014, the US retail industry employed approximately

17 million people, representing 13.5 per cent of the country's non-farm workers. [9] In Australia, it was the second-highest employing industry with more than 1.2 million people or 10.5 per cent of the entire Australian workforce. [10] In 2012, the Japanese retail sector employed 7.83 million people. [11] Employment in Canadian retail grew 2.4 per cent per year from 2002 to 2009, and employed 2 million people, or 11.9 per cent of the total working population, in 2009. [12]

Table 1. Employment in EU28 retail trade in 2008–13 (in thousands), **broken down by sex, year-on-year variation and share of women**

	Total	Male	Female	Variation on previous year (%)	Share of women (%)
2008	19 671	7 332	12 339	–	62.7
2009	19 310	7 197	12 113	-1.8	62.7
2010	19 135	7 174	11 961	-0.9	62.5
2011	19 166	7 186	11 980	0.2	62.5
2012	19 209	7 270	11 939	0.2	62.2
2013	19 282	7 329	11 952	0.4	62.0

Source: ILOSTAT.

3.1. Employment remains concentrated in micro-enterprises but in mature markets is increasingly shifting to large enterprises

17. As noted in an earlier ILO issues paper, [13] the overwhelming majority of retailers remain small. In Japan, for instance, establishments with fewer than ten employees account for 81.4 per cent of the total sector staff. [14] In Australia, 41 per cent of the retail workforce are employed in large enterprises (those that employ 200 workers or more), while 38 per cent are employed in small-sized enterprises (those that employ fewer than 20 workers). [15] For the EU28, 60 per cent of the industry's staff work in micro-workplaces (1–9 employees),

[9] US Bureau of Labor Statistics: *Labor force statistics from the current population survey*, 2014.

[10] Australian Workforce and Productivity Agency: *Retail workforce issues paper*, July 2013, http://www.awpa.gov.au/publications/Documents/Retail%20workforce%20issues%20paper%20-%20FINAL.pdf.

[11] Statistics Bureau of the Japanese Ministry of Internal Affairs and Communications: *Statistical Handbook of Japan 2014*, p. 107.

[12] Industry Canada: *State of Retail: The Canadian Report 2010*, https://www.ic.gc.ca/eic/site/retra-comde.nsf/vwapj/qn00001_eng.pdf/$file/qn00001_eng.pdf.

[13] ILO: *Vocational education and skills development for commerce workers*, Issues paper for discussion at the Global Dialogue Forum on Vocational Education and Skills Development for Commerce Workers, ILO Sectoral Activities Programme, Geneva, 2008.

[14] Statistics Bureau of the Japanese Ministry of Internal Affairs and Communications, op. cit.

[15] Australian Workforce and Productivity Agency, op. cit.

compared to 42 per cent for the economy as a whole. The equivalent percentages of retail workers in small and medium-sized workplaces (10–249 employees) in the EU28 is 36 per cent, while large workplaces of 250 or more employees account for merely 5 per cent: a much smaller share than that of the EU28 overall economy, which account for 46 per cent and 12 per cent respectively of jobs in these sizes of enterprises. There is nevertheless a very wide disparity between the industry in the mature and highly saturated retail markets of the older EU Member States and those of many new Member States in terms of concentration of both sales and employment. As noted in the 2008 ILO issues paper for the sector, [16] UK retail enterprises with 500 or more workers accounted for 66.5 per cent of its sales and 64 per cent of employment in 2005, demonstrating how large retailers have become highly dominant in mature markets.

3.2. Occupational and demographic profiles in retail

18. In the United States, more than half of employment in the retail industry in 2013 was concentrated in just three occupations: retail salespersons (approximately 4.2 million employees), cashiers (around 2.8 million employees), and stock clerks and order fillers (roughly 1.24 million employees). First-line supervisors/managers accounted for another 1.1 million jobs, while customer service represented approximately 300,000 jobs. [17] Table 2, below, provides an overview of US retail employees by major occupation in May 2013. In Australia, comparable jobs represent the industry's key occupations (sales assistants, retail managers, brand managers and retail supervisors; buyers, merchandisers and merchandise planners; and shelf fillers).

Table 2. Employment in the largest occupations in the US retail trade, May 2013

Occupation	No. of persons employed
Retail salespersons	4 196 800
Cashiers	2 755 130
Stock clerks and order fillers	1 239 270
First-line supervisors of retail sales workers	1 104 490
Hand labourers and freight, stock and material movers	321 750
Customer service representatives	294 270
Automotive service technicians and mechanics	292 790
Pharmacy technicians	266 230
General and operations managers	219 260
Combined food preparation and serving workers, including fast food	205 350
General office clerks	188 990
Pharmacists	183 160
Hand packers and packagers	179 160
Light truck or delivery service drivers	171 470
Bookkeeping, accounting, and auditing clerks	166 430
First-line supervisors of office and administrative support workers	162 840

[16] ILO: *Vocational education and skills development for commerce workers*, op. cit., table 3.1.

[17] US Bureau of Labor Statistics: *The changing face of retail trade*, Dec. 2014, http://www.bls.gov/careeroutlook/2014/article/print/retail-trade.htm.

Occupation	No. of persons employed
Food preparation workers	154 850
Shipping, receiving, and traffic clerks	150 880
Butchers and meat cutters	121 230

Source: US Bureau of Labor Statistics.

19. For the United Kingdom, similarly, sales occupations accounted for a majority of retail workers (around 1.5 million employees), followed by management roles (around 570,000 employees) and low-skilled occupations such as shelf fillers and trolley collectors (approximately 330,000 employees). [18] The importance of retail for sales occupations is also reflected in the fact that the sector employs just under 70 per cent of all UK sales staff. In a similar vein, it is worth noting that in the United States, retail salespersons and cashiers combined made up nearly 6 per cent of total employment.

20. Traditionally, retail has employed a large proportion of young people, particularly students. Data from Eurostat (available only at the level of the wider commerce sector) shows that each year from 2009 to 2013, workers aged 15–24 years accounted for 22 per cent of Europe-wide retail jobs. There were, however, significant variations among countries. During the period, this age cohort had the highest share (an average 29.3 per cent) in commerce employment in Norway, but accounted for an average of only 16.2 per cent in Romania. Equivalent averages were 27.8 per cent for the Netherlands, 25.8 per cent for the United Kingdom, 19.5 per cent for France and 17.8 per cent for Germany. Turkey had a share of 18.6 per cent for the same age cohort. The share of women employed in commerce in the EU was slightly higher than that of men for this age group, accounting for 52 per cent for 2008 and 2009, and 51 per cent for the rest of the period. However, again, there were country variations, with women's share highest in Norway (a non-EU member) with an average of 56 per cent women's share for the six-year period and lowest in another non-EU country, Turkey, whose share of young women in the 15–24 age group employed in commerce stood at only 30.6 per cent for the five-year period.

21. Whereas the share of women in EU retail employment fluctuates regularly around 62 per cent, table 3, below, shows that men represent more than 70 per cent of workers in the wholesale trade industry. It is therefore important to take this into account when analysing gender representation on the basis of the commerce sector combined, in which retail remains larger in terms of both overall employment and number of enterprises. But because wholesale employment is heavily skewed in favour of men, the combined commerce sector employment tends to understate women's share when only the retail subsector is being considered. Figures for Japanese commerce illustrate this point. In 2012, there were 372,000 wholesale establishments compared to 1.03 million in retail, accounting for approximately 4 million and 8 million workers respectively.

[18] ILO: *Vocational education and skills development for commerce workers*, op. cit., para. 19.

Table 3. **Employment** (in thousands) **for EU28 wholesale trade in 2008–13, broken down by sex, year-on-year variation and share of men**

	European Union (28 countries)				
	Total	**Male**	**Female**	**Variation on previous year** (%)	**Share of men** (%)
2008	11 988	8 698	3 290	–	72.6
2009	11 621	8 471	3 150	3.2	72.9
2010	11 398	8 353	3 045	2.0	73.3
2011	11 281	8 257	3 024	1.0	73.2
2012	11 166	8 186	2 980	1.0	73.3
2013	11 479	8 401	3 079	-2.7	73.2

Source: ILOSTAT.

22. Table 4, below, presents overall retail trade employment figures for selected non-OECD countries for the years for which data is available. These figures underline the importance of the sector in women's employment in all the countries, except for Egypt, where that share in the combined wholesale and retail trade figures was only 11 or 12 per cent for the 2011–13 period. For the countries for which retail-specific data is available, women's share in the sector's employment hovered close to half or was more. Retail-specific data were also unavailable for South Africa, which probably explains why women's share in overall sectoral employment is slightly lower than half for 2011 and 2012. As already noted above, men tend to dominate in wholesale trade jobs.

Table 4. **Employment** (in thousands) **in retail trade in selected non-OECD countries, 2010–13 ***

	2010		**2011**		**2012**		**2013**	
	Retail employment	**Share of women** (%)	**Retail employment**	**Share of women** (%)	**Retail employment**	**Share of women** (%)	**Retail employment**	**Share of women** (%)
Argentina	1 735	47	1 639	47	1 660	45	N/A	–
Costa Rica	233	48	255	49	237	47	236	54
Egypt **	N/A	–	2 572	11	2 585	12	2 688	12
Guatemala	N/A	–	742	59	1 048	58	1 117	56
Malaysia	1 112	46	1 180	46	1 234	47	1 340	49
Mexico	7 253	57	7 577	58	7 902	59	7 794	58
South Africa **	N/A	–	2 407	46	2 406	46	N/A	–
Thailand	N/A	–	4 140	58	4 059	57	4 087	59

N/A not available * There are data gaps for various countries over different years. **Disaggregated data for wholesale and retail trade are unavailable.

Source: ILOSTAT (ISIC-Rev.4).

3.3. The diverse forms of employment in retail commerce: Full-time, part-time and temporary employment

23. The retail industry suffers from the perception that it is low-skilled and has poor career prospects, and is often seen as a short-term, stopgap employment option. Too many people feel that the industry is undesirable as a long-term career, because of the belief that there are few opportunities for career progression. A number of the industry's characteristics fuel these negative perceptions: its traditionally higher than average employment of part-time and temporary casual workers is coupled with a higher than average staff turnover. The prevalence of these kinds of workers in the industry has enabled businesses to have flexible and adaptable staff scheduling, while also providing employees with opportunities to balance work with other responsibilities, such as caring or study.

24. In Australia, for instance, 24 per cent of retail employees had been with their current employer for less than 12 months in February 2010, compared to 18 per cent across all industries. Only 15 per cent had been with their current employer or business for ten years or more, compared with 24 per cent across all industries. [19]

25. It is nevertheless important to note that, despite such perceptions and an increasing diversification in employment relations in the retail industry, the share of full-time permanent employment in many advanced industrialized countries, especially in Europe, remains dominant. Data from Eurostat (which is available only at the commerce sector level) shows that for the EU28 as a whole, the share of full-time employment in the sector was 78 per cent in 2008, declining only slightly to 77 per cent by 2013. However, as with other employment aspects, the share of full-time staff in commerce employment differs widely among countries. In Romania, the share of full-time workers in commerce ranged from 97 to 98 per cent during the period, while in the Netherlands, they accounted for only 46–47 per cent.

26. The same Eurostat data shows that the average share of part-time workers in commerce during the 2008–13 period was 22 per cent, with Romania's share ranging between 2 and 3 per cent (that is, those not in the 97–98 per cent of full-time employment), while in the Netherlands, they accounted for 53–54 per cent of part-time workers in the commerce sector. Part-time employment allows retailers to match staffing to peak days and hours, reducing "excess" labour, especially in the context of new just-in-time inventory management systems, and also to cover longer opening hours. Part-time workers thus act as both "gap fillers" and "time adjusters".

27. Analysis of 2009 Australia at Work data shows that, while women dominate retail employment, their jobs tend to be part-time and lower skilled, while men tend to hold more physical jobs or more senior, permanent full-time positions. Skilled positions in retail are more likely to be occupied by full-time staff, with part-time workers occupying less-skilled roles.

28. In Japan, data from the 2014 Statistical Handbook of Japan shows that regular full-time employees in retail commerce constituted only 30.3 per cent of the industry's workforce. Regular, "other than full-time employees" (defined in Japan to include workers referred to as "contract employees", "non-regular members of staff", "part-time workers" and similar), accounted for 50 per cent of the retail workforce, while temporary workers

[19] Australian Workforce and Productivity Agency, op. cit.

represented 5.5 per cent. Loaned or dispatched employees from or to separately operated establishments accounted for the rest.

29. According to the European Foundation for the Improvement of Living and Working Conditions (Eurofound), some countries often exclude part-time workers from certain pension and social protection entitlements. A 2009 report commissioned by the European Commission's Directorate-General for Employment, Social Affairs and Inclusion [20] notes that only 77 per cent of part-time employees have access to unemployment benefits and 80 per cent to sickness benefits. Austria, Denmark, France, Germany, Ireland and the United Kingdom limit their access to both benefits, while Belgium, Finland, Netherlands, Portugal, Spain and Sweden have some limits on access to unemployment benefits.

30. Temporary work has a major impact on employment trends in the industry. It is associated with high staff turnover rates and business variation according to both anticipated and unanticipated changes. Commerce has a relatively low share of temporary employment and instead favours part-time work. The average share of commerce in EU temporary employment during the period of 2008–13 was 13 per cent, varying from a high of 19 per cent in the Netherlands in 2012 to a low of 9 per cent for the United Kingdom from 2011 to 2013.

31. With regard to temporary agency work, Europe has witnessed a wave of liberalization measures, involving the introduction of new non-permanent contracts as temporary agency work in Norway (2000), staff leasing and on-call jobs in Italy (2003), reducing restrictions on hiring workers on a non-permanent basis (in Italy, 2001, and in Greece, 2011), and the use of temporary employees for longer periods of 18 to 36 months (Greece, 2011). Spain, however, went in the opposite direction in 2006, converting temporary contracts to permanent contracts for those who had worked for at least 36 months for the same employer. [21]

3.4. Pay and working conditions

32. Working times and their organization is a key element of the changes in the retail sector, reflecting the increasing price competition, which is transferred as pressure on both wages and working times. In the United States, figure 1, below, shows how the wages and salaries in the sector in 2011 were very much below the average for the economy as a whole. While the median hourly wage for all US workers was US$16.57, that for all retail trade workers was only $10.88, representing an effective discounting of retail jobs by a substantial 34 per cent vis-à-vis the economy-wide wage rate. Presumably this largely reflects the high prevalence of part-time and low-skilled work in retail compared to the rest of the economy. The figures were even lower for retail sales persons (at $10.10) retail stock clerks and order fillers ($9.73) and cashiers ($9.05). These averages, of course, conceal large occupational variations, as the mean hourly pay for first-line supervisors of retail salespersons was $17.46. The ILO issues paper on older workers' needs in relation to changing work processes and the working environment in retail [22] also noted that, in

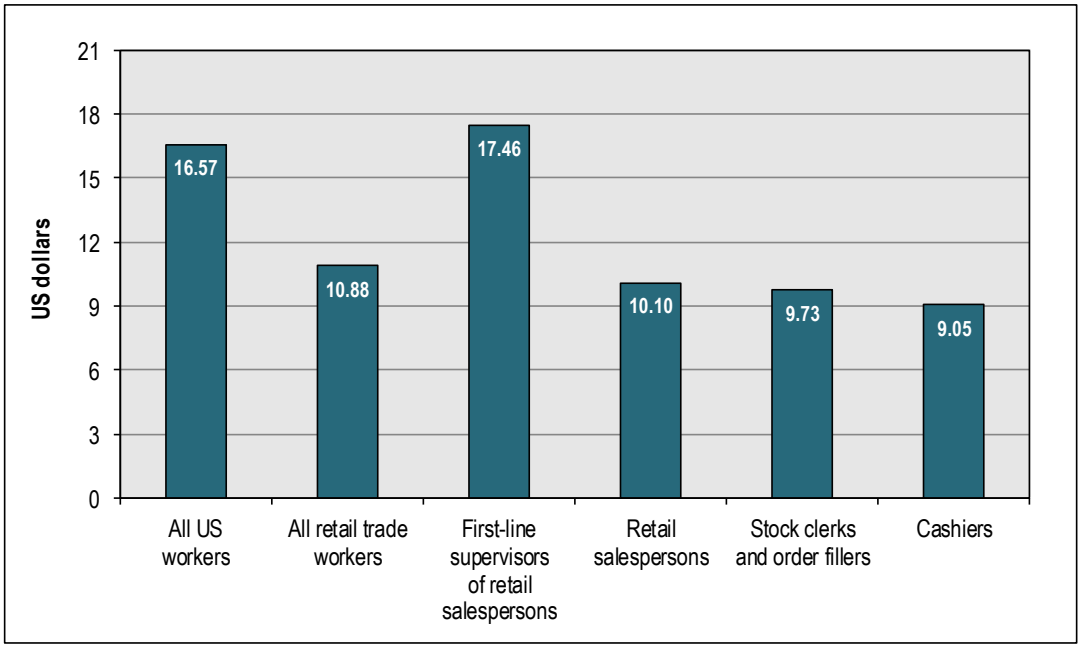
[20] Alphametrics: *Flexicurity: Indicators on the coverage of certain social protection benefits for persons in flexible employment in the European Union*, 2009.

[21] Eurofound: *Working conditions in the retail sector*, Dublin, 2012.

[22] ILO: *Adapting work processes and working environments in retail commerce to older workers' needs*, Issues paper for discussion at the Global Dialogue Forum on the Needs of Older Workers in relation to Changing Work Processes and the Working Environment in Retail Commerce, ILO Sectoral Activities Programme (Geneva, 2011).

Australia, although the retail trade industry accounted for 12.5 per cent of the total hours worked in the economy in 2007–08, wages and salaries in the sector represented only 7.5 per cent of the all-industry total. In May 2006, the average hourly rate of pay for adult, full-time, non-managerial employees was 19.60 Australian dollars (AUD) per hour, compared with the all-industry rate of AUD26.30.

Figure 1. Median hourly wages for all US workers and key retail sector occupations, 2011 (US$)



33. Another report [23] submitted to the European Commission, citing a comparative 2004 study by Eurofound based on research by the European Industrial Relations Observatory, noted that, in most European countries, monthly wages in distributive trades (commerce plus distribution) were substantially lower than those in manufacturing. It is important to note that the retail industry has by far the lowest pay among the three components of the distributive trades supersector. The relatively high share of part-time female workers in retail employment was an important factor in this pay gap, although the report also noted that even when the figures are adjusted for part-time work, women in some European countries still earn substantially less than men.

34. Much of the information in the following sections is drawn from a highly comprehensive report on working conditions in the European retail sector prepared by Eurofound in 2012. [24] The report captures and presents the diversification of the retail trade's employment practices and their impact on both decent work and enterprise competitiveness.

[23] A. van der Giessen and F. van der Zee (eds): *Investing in the future of jobs and skills: Scenarios, implications and options in anticipation of future skills and knowledge needs; Sector report: Distribution and trade*, May 2009.

[24] Eurofound, op. cit.

3.5. Gender pay gap

35. The gender pay gap is a significant issue in the retail sector. According to the Eurostat indicator, all EU28 countries apart from Hungary have a gender pay gap in the wholesale and retail trade industry which is much higher than in the overall private sector economy, especially in Malta, Poland and Slovenia.

36. According to the Austrian Work Climate Index (aggregated data for 2005–08), for instance, an average monthly net income of €980 marks out retail as a low-wage sector, with a 32 per cent gender pay gap (men: €1,330 per month; women: €890 per month). This is mainly due to the high share of part-time contracts among female workers in the sector, concentrated in large retailers. In large companies of over 500 employees, the average monthly wage was €900, in small and medium-sized enterprises (20–499 employees) it was €1,120 and in companies with less than 20 employees it was €480. Subjective satisfaction with wage levels in the retail sector is below average (51 per cent compared to 64 per cent for the economy as a whole), especially among part-time employees (45 per cent).

37. According to Italian social security data, women earn around 20 per cent less than men when working full-time but 11 per cent more when working part-time. [25] This is largely due to the number of weeks worked by non-permanent workers; the same relationship does not hold for those working on a permanent basis. The most likely explanation for such a divergent trend is that women working part-time tend to be more senior than men working part-time and that such a gap is increasing as women consider part-time to be a stable working arrangement of their choice, while men consider it as a temporary status and are more successful in achieving a full-time position, independently of the current employer. Among large Italian retailers, the gender gap is due to the combined effect of the higher share of women employed on a part-time basis and the fact that highly qualified jobs are offered only on a full-time basis, although the underlying working times are unpredictable.

4. Career prospects and employment security

38. Career prospects changed dramatically during the decade 2001–10. With the exception of migrant workers, self-employment in retail trade declined due to competition from large retailers and online shopping. The widespread introduction of ICT-driven innovation by large retailers created new positions requiring medium and high skill levels, which provided opportunities for an increasing share of part-time and temporary employees. However, such a career pattern is not straightforward, due to the skills mismatch, and work–life balance and career expectations. Employers' search for increased flexibility in the workforce is a final factor hampering the emergence of a new career pattern.

5. Working-time arrangements

39. Analysis of data from the European Working Conditions Surveys on working times reveals that marginal part-time work (that is, 20 hours or less per week) is increasingly concentrated among women (rising from 20 per cent in 2005 to 23.2 per cent in 2010), in the youngest age group (15–24 years old) (from 26.3 per cent in 2005 to 42.2 per cent in 2010), among non-permanent workers (from 18.2 per cent in 2005 to 31.1 per cent in

[25] Eurofound, op. cit.

2010) and among low-skilled manual workers (from 23.4 per cent in 2005 to 27.3 per cent in 2010). [26]

5.1. Overtime

40. Overtime is reported as being more extensively used in the retail sector than in the overall economy in Bulgaria (reported by 43.4 per cent of employees), Czech Republic (especially in medium-sized enterprises, reported by 62.4 per cent of men and 49.6 per cent of women), Lithuania, Poland and Portugal. Italian large retailers make widespread use of overtime for part-time workers because of increased unpredictability of customer inflows and in order to cover Sunday shifts.

5.2. Shift work

41. Shift work increased from 18.7 per cent in 2005 to 20.6 per cent in 2010. It was most widespread among younger workers (27.8 per cent of those aged 15–24 years and 23.8 per cent of those aged 25–39 years in 2010 – an increase since 2005), non-permanent workers (from 23.4 per cent in 2005 to 34.5 per cent in 2010 compared with 24.4 per cent among permanent workers, whose share remained stable over the period), low-skilled clerical workers (22.4 per cent in 2010) and low-skilled manual workers (25.7 per cent in 2010).

6. Transitions between different employment statuses

42. The aforementioned comprehensive Eurofound report from 2012 shows what can and has been done in Europe to promote transitions between different employment statuses. [27] In most EU countries, debate and research on the employment relationship has concentrated on career opportunities for part-time and non-permanent workers to move into full-time and permanent positions respectively. [28] A number of factors play a key role in favouring or hampering transitions from part-time to full-time work and from temporary to permanent employment. They include qualifications and skills development at work, work–life balance and skills shortages.

43. According to the Austrian Work Climate Index, [29] for instance, part-time workers in retail (40 per cent of whom work in large retailers) have a shorter job tenure than employees with full-time contracts (49 per cent have a job tenure of less than three years compared to 40 per cent of full-time workers) and they take more frequent career breaks (89 per cent compared to 61 per cent of full-time workers) with an overall longer duration (62 months and 37 months respectively), which is substantially higher than the national average. They also face a higher risk of unemployment (6 per cent were unemployed in the past year) than full-time workers (4 per cent). Overall, retail employees' satisfaction with career opportunities (50 per cent) is slightly below average (54 per cent); however, there is a marked difference between full-time (58 per cent satisfied) and part-time employees

[26] Eurofound, op. cit..

[27] ibid

[28] ibid.

[29] ibid.

(39 per cent satisfied). There is also a gender gap, as men are more satisfied with their career opportunities than women (54 per cent and 47 per cent respectively).

44. Similarly, according to the Bulgarian Work Climate Index for 2010, the retail sector ranks last for professional development and with the highest propensity to change jobs. This is due to low wages, attracting an unqualified workforce or students who work in the sector temporarily, while workers with qualifications look to sectors paying better wages.

45. In Italy, part-time work in 2009 was said to be much more widespread among non-permanent workers (57.1 per cent) than among permanent staff (36.8 per cent), although the figures show a lower increase with respect to 2005 (3.9 per cent and 5.9 per cent respectively).

46. In several countries, collective bargaining has been able to require employers filling vacant full-time posts to give preference to part-time workers seeking full-time employment. This is the case in Germany and some company-level collective agreements in Italy.

47. Notwithstanding such agreements, involuntary part-time work continues to be widespread, especially among the lowest skilled.

48. In Denmark, part-time workers are supposed to have the same working conditions in terms of career progression and employment security as those typical for full-time workers. However, a study carried out by Danish trade unions found a difference in career opportunities between part-time and full-time workers, especially in those retailers characterized by special products, special knowledge and customer experience.

7. Skills and training

7.1. Skills, qualifications and occupations

49. Most part-time workers in European retail are women, while men tend to be in jobs with a higher professional status. In France, for instance, part-time work increased has particularly among the lowest skilled; cashiers and sales people are largely women (85 per cent and 76 per cent respectively), and they account for the majority of part-time workers in the retail sector. The claim by 36 per cent that they want to work more hours suggests that over one third of the overall retail workforce are involuntary part-time workers, indicating that over one third of part-time workers are underemployed relative to the hours they would like to work. These people are concentrated among large retailers (44 per cent of involuntary part-time workers) as cashiers and employees in self-service outlets (41 per cent). The phenomenon is more pronounced among young people, with almost half of young part-time employees in the retail trade and craft business stating they would like to work more hours. In Germany, a 2009 survey of earnings disaggregated by sex and professional status found that 57.7 per cent of men and 40 per cent of women who work part-time were unskilled or low-skilled, whereas the figures were 22.6 per cent and 27.4 per cent respectively among full-time workers. [30]

[30] Eurofound, op. cit.

7.2. Training opportunities

50. Providing training opportunities for employees is an important factor both in promoting transitions from non-standard to standard employment contracts and in meeting companies' skills needs by offering career opportunities to employees. However, according to continuing vocational training (CVT) surveys carried out by Eurostat in 1999 and 2005, the share of companies in the commerce sector providing continuous vocational training declined from 64 per cent in 1999 to 62 per cent in 2005 in the EU25 countries.

51. Employer-paid training increased in the overall economy between 2005 and 2010, especially among permanent employees. However, participation in training was much lower in the retail sector than the average for the overall economy, primarily due to low participation in micro-enterprises, which account for a larger share of the retail sector than in the overall economy.

7.3. Career progression

52. One example of a company establishing a clear link between a training programme and career progression is the Slovakian affiliate of a major UK retailer, which launched a plan offering all employees the opportunity to develop their own potential and knowledge through training and development programmes.

53. Another large retailer in Belgium is said to offer generally good career paths for its low-skilled employees by devising internal recruitment policies and promotion opportunities. This is the favoured approach for overcoming skills shortages for ICT technicians and traditional occupations such as butchers. However, it is unclear whether such opportunities are also offered to part-time and non-permanent employees.

54. A 2009 intersectoral agreement signed by French social partners and implemented by the retail food industry establishes a joint fund to promote career security, funded by a share of the compulsory contribution for training (1.5 per cent of the wages bill) paid by companies with at least ten employees. This fund finances leave for individual training and training plans. The agreement builds on a 2008 initiative negotiated between a major French retailer and trade unions which introduced a web-based toolkit allowing its employees in its French sites to search all current vacancies and which displays the skills profile for each vacancy.

8. Initiatives by governments and social partners

8.1. Flexibility

55. Social partners in the retail sector have been seeking to regulate working arrangements in a way that safeguards companies' need for flexibility and employees' desire for better quality of work, especially in terms of work–life balance and opportunities for more stability and/or jobs with longer hours, ensuring higher earnings and better integration at their workplace. The two main points that need to be addressed are working times and transitions from non-permanent and/or part-time jobs towards permanent and/or jobs with longer hours.

56. In all European countries, there is much debate about the transformation of working-time arrangements in the retail sector, both in terms of the impact on workers' well-being and

the problems related to enterprises' competitiveness. There is general pressure to increase shop opening hours. As a result, there is a need to increase flexibility in working-time arrangements on the one hand, and, on the other, to improve the collective framework agreements and national and local bargaining on this issue. Unions have mostly been unsuccessful in opposing increased flexibility and extended working times.

8.1.1. Contractual arrangements

57. In Germany, where there is a welfare system in support of unemployed and low-income people, in order to prevent transitions from standard part-time to marginal part-time work, the sectoral agreement regulates that part-time workers may have their working time reduced by the employer, but not below the threshold of the unemployment insurance contribution. In Finland, a collective labour agreement in 2005 stipulated that part-time employees must have the same occupational health-care entitlements as full-time workers.

58. In the United Kingdom, zero-hour contracts, under which part-time workers must be available for work without having minimum working hours, are a significant feature enabling flexibility in retail. While this kind of employment arrangement may suit people who only want occasional income and are entirely flexible about when they work, it comes with unpredictable work schedules and incomes, making it unsuitable for those with any family and other responsibilities or who need a steady income. Following controversies surrounding this kind of contract, the UK Government launched broad consultations on its use which, in June 2014, resulted in a ban on the continued use of exclusivity clauses in contracts which do not guarantee any hours. It also expressed its intention to improve information available to workers on zero-hour contracts and employers, and to encourage the social partners to develop sector-specific codes of practice on fair use of such contracts. [31]

59. In the United States, in order to mitigate the negative impacts of "just-in-time" scheduling, common in the retail industry, eight states and the District of Columbia have introduced "reporting-time pay" laws requiring employers to pay a minimum amount to employees who report to work for a scheduled shift, even if work is not provided to them. [32]

60. Given that part-time work is wanted by companies but not always by workers, trade unions generally ask employers to prioritize increasing part-time workers' hours, where they request it and there is an opportunity.

61. In general, trade unions are attempting to unify workers' rights and opportunities in a sector characterized by a high degree of diversity in the types of employment contract offered within and across different companies.

62. Given the spread of temporary jobs in the United Kingdom, the Union of Shop, Distributive and Allied Workers (USDAW) has focused on agency workers, particularly in supermarkets, and launched a campaign to raise awareness of their rights and to inform permanent workers about the potential effects that increased use of agency workers may have on their own working conditions.

[31] ILO: Report for the recurrent discussion on the strategic objective of social protection (forthcoming).

[32] ibid.

63. Irregular work is problematic in the retail sector, with a high concentration in small companies. There are different degrees of irregularity in work, from the lack of a contract to failure to comply with workers' rights (for example, using a part-time contract instead of a full-time one or masking a salaried employee as "self-employed").

8.2. Promoting training

64. Training is crucial in a dynamic sector such as retail. In general, public programmes, with collaboration between institutions and social partners, are devolving to strengthen the link between education, training and job profiles. The programmes seek to standardize competencies and to involve workers directly in their educational and training programmes.

8.2.1. Initial training

8.2.1.1. Government initiatives

65. Most countries have made significant efforts to develop initial training by establishing job profiles, accreditation systems and vocational pathways (as in most EU countries) or to update them (as in EU15 countries) with a consolidated initial vocation training system.

66. Skills accreditation has also been developed at the sectoral level in Greece and Latvia, integrated with social partners' training agencies. Notwithstanding such efforts, the most frequent complaints reported by social partners are that new recruits often have no qualifications and that employers have their own qualification systems.

67. Apprenticeships are a key gateway for skilled positions in Austria and Germany, where the retail sector is the main provider. In the United Kingdom, non-permanent contracts have tended to be the usual entry point for low-skilled and unskilled workers.

8.2.1.2. Tripartite initiatives

68. Government initiatives have often been integrated into tripartite action. This is the case in Germany, where social partners together with the Federal Institute for Vocational Education and Training reached an agreement in 2006 on facilitating access to initial vocational training for unskilled workers and for unemployed persons, including by fostering development of multimedia training materials and e-learning.

8.2.1.3. Social partner initiatives

69. In some countries, employers' associations actively promote vocational training for high-skilled positions, especially managerial ones. For instance, the initiatives of the Swedish Retail and Wholesale Development Council adopt a wide spectrum of training measures aimed at promoting career opportunities in the retail sector. The apprenticeship programme "Retail Store Apprentice" targeted at students in secondary education is one approach that seeks to cover strategic sectoral skills' needs.

70. However, the social partners in the United Kingdom indicate that there are relatively few dedicated qualifications available for entry into the sector, apart from fashion retail.

8.2.2. Continuous vocational training

8.2.2.1. Government initiatives

71. Some countries have long-standing training systems providing the skills required by the retail sector, while others only set up their CVT system during the past decade.

72. In Denmark, the State's adult vocational training system provides a wide catalogue of courses, including over 100 different courses targeted at, and widely used by, the sector, ranging from conflict management and coaching to managing customer complaints and providing customized sales service.

73. In Norway, some retail chains have their own training institutes for their employees, including part-time employees.

74. In the Netherlands, employees have the option to obtain an "experience certificate", issued by training institutes, which recognizes skills acquired at work (that is, without formal training) and may ultimately lead to a recognized diploma.

8.2.2.2. Tripartite initiatives

75. Countries with consolidated CVT systems have updated them by revising qualifications, evaluating ways of supplying training, and reviewing tools to balance individuals' competences and training needs.

76. Measures such as revising professional profiles, organizing training into modules and developing e-learning tools, such as those devised in Germany for apprentices, can also be applied to CVT activities. These measures have been included in pilot projects such as the EU-funded European Commerce Competence (EuCoCo) project to develop and implement the first European qualification system for commerce, in cooperation with sectoral social partners, Germany's Federal Institute for Vocational Education and Training and the Association of German Chambers of Industry and Commerce.

8.2.2.3. Social partner initiatives

77. A number of countries have further developed their lifelong learning systems by establishing and updating professional standards and by promoting training centre accreditation. This is generally carried out a by public authority after consultation with the social partners or by national and sectoral tripartite bodies In some countries, this involves bilateral institutions pooling funds from enterprises at the sectoral level to support training at the local level.

78. In 2010, Danish social partners in the sector signed an agreement introducing a competence development fund under which, after nine months on the job, employees are entitled to undertake two weeks each year of relevant training of their choice. In Italy, interprofessional training funds were established in the late 2000s, and bilateral bodies focused on compulsory training such as on occupational health and safety.

79. In the United Kingdom, an online skills assessment tool has been developed by the National Skills Academy for Retail to enable employers to gauge whether employees require further skills training.

80. Sectoral skills councils in various countries provide key information about sectoral trends and act as expert systems for training policies. In some countries in the process of creating their training systems, training agencies linked to the social partners have contributed actively by providing input for sectoral professional profiles.

8.2.3. Examples of good practice at the company or local level

81. A large French retail group is among the most active in France in the field of training and development, with employee training programmes leading to a certificate. Some 1,000 employees have attained the certificate since its introduction in 2005. This is complemented by a professional development programme which provides workers with basic skills in a number of areas.

82. In most countries, the proportion of enterprises covered by training programmes increases as the size of enterprise increases. Projects to promote training in small and micro companies have been launched in Portugal, while in Italy the costs of compulsory training on occupational safety and health are pooled by bilateral bodies, which were promoted by social partners in the early 1990s, and then integrated into training funds.

83. An academic who has studied the industry extensively reports that, when retailers view their staff as an essential source of their competitive advantage and as a driver of sales and profits rather as a cost to be minimized, they create a virtuous cycle. [33] Investment in employees allows for excellent operational execution, which boosts sales and profits. A number of large low-price retailers in the United States and Spain have created such a virtuous operating cycle. These retailers give their employees fuller training, higher pay, better benefits and more-convenient schedules than their competitors do. The retailers also make an effort to provide career progression opportunities for their staff by promoting mainly from within, with many executives at the companies having started on the shop floor. Instead of varying the number of employees to match traffic as many other retailers do, they vary what employees do by training them to perform a wider range of tasks. As a result of cross-training in a variety of functions, employees have more predictable schedules and are always busy, and customers get faster service from more-knowledgeable employees. When customer traffic is high, employees focus on customer-related tasks; when it is low, they focus on other tasks. Not surprisingly, staff turnover at these retailers is substantially lower than at their competitors, while sales per employee are much higher.

9. Effects of diversified employment relationships on workers and enterprises

9.1. Effects on workers

84. Workers can be affected by their employment status in a variety of ways, ranging from their ability to access the labour market and transition between jobs, to their earnings, access to social security benefits, access to training, occupational safety and health, as well as their ability to exercise their freedom of association and collective bargaining rights. [34] Non-standard employment can contribute to improved employment outcomes and better work–life balance, provided that the working conditions of the jobs are decent and that this kind of employment is voluntary. Challenges arise, however, when it is involuntary, or when workers who wish to transition into standard employment are unable to do so. The background report to the Meeting of Experts on Non-Standard Forms of Employment

[33] Z. Ton: "Why 'Good Jobs' Are Good for Retailers", in *Harvard Business Review*, Jan. 2012.

[34] ILO: *Non-standard forms of employment*, Report for discussion at the Meeting of Experts on Non-Standard Forms of Employment (Geneva, 16–19 February 2015).

scheduled for 16–19 February 2015 notes that the extent of involuntary part-time work can be analysed through the prism of underemployment, defined as when persons: (a) are willing to work additional hours; (b) are available to work additional hours; and (c) have worked less than a given working-time threshold (chosen according to national circumstances). The prevalence of such workers – including those on zero-hour contracts with zero predictability of when they might be scheduled or how much income they might earn – in the retail workforce illustrates this point.

85. As noted above, ample data from Europe presented in the Eurofound report confirms that a substantial proportion of non-standard workers in retail commerce, whether in part-time or temporary employment, earn much less than their more permanent, full-time counterparts, even when controlled for their fewer working hours and their predomination in low-skilled occupations. Such a situation is contrary to the principle of equal pay for work of equal value embedded in ILO standards and in most countries' national legislation to the extent that the work undertaken by non-standard workers is of equal value. A relevant question is what additional value permanent full-time employees provide to their employers relative to non-standard workers.

86. Many workers in diversified non-standard employment also have limited or no access to employment-based social security benefits. Unless mechanisms are put in place to ensure social security coverage for workers in diversified employment relationships, they will be subject to greater social risks than fellow workers in more standard employment relations, including those employed with the same enterprise or even at the same workplace. [35]

87. The effect of diversified employment relationships on access to employer-provided training has already been discussed extensively above, on the basis of the 2012 Eurofound report. [36] In sum, empirical evidence suggests that part-time and temporary staff in retail face sizeable disadvantages with respect to training.

88. Diversification of employment relationships into non-standard arrangements is also perceived to be leading to the deunionization of workplaces, lowered levels of health and safety, and the deterioration of working conditions in industries, ultimately resulting in an erosion of broader labour market standards. Workers in non-standard forms of employment may experience difficulties in joining trade unions or in attaining coverage under collective bargaining agreements. In a few cases, this is the result of explicit legal exclusions that prevent certain groups of workers from organizing and bargaining, but in many others, it is the result of the difficulties imposed by their status. [37] But whatever the exact cause, when it comes to freedom of association and collective bargaining rights, the most common challenge faced by workers in diversified employment relationships that depart from the conventional standard form of employment is an inability to exercise those rights in practice. [38]

[35] ILO: *Non-standard forms of employment*, op. cit.

[36] Eurofound, op. cit.

[37] ILO: *Non-standard forms of employment*, op. cit.

[38] ibid.

9.2. Effects on enterprises

89. Despite the fact that literature on the effects of non-standard employment on enterprises is more limited than that on the effects on workers, research findings focused mainly on industrialized countries highlight the fact that diversified employment relationships transform organizations' HR management practices. [39] In general, the greater the proportion of non-standard workers in an organization, the less the organization will invest in those workers' training. The HR department then shifts its focus from training and development to identifying the sets of skills needed from the market and procuring them for the organization in an efficient, cost-effective and timely manner. This, however, can lead to a gradual erosion of company-specific skills. Nonetheless, in an industry such as retail, where the largest component of the workforce is in low-skilled occupations, the need to retain company-specific skills may not be of great concern. Diversification of employment relationships into non-standard arrangements also shifts the onus of career planning from the organization to the individual worker. As individuals develop portable skills, they can move from employer to employer more easily, which affects an enterprise's ability to retain its standard workers. Organizations have found that the more they fragment their internal labour market by blending standard and non-standard workers, the less organizational loyalty, commitment and engagement they can expect from their standard employees. [40]

10. How might ILO sector constituents respond to the diversification of the employment relationship?

90. The ILO has long conceived the standard employment relationship as usually involving full-time work, under a contract of employment for unlimited duration with a single employer, and protected against unjustified dismissal. This remains the dominant model of employment relationship in most advanced industrial nations. Yet it is important not to assume that this is the only model. Indeed, the growing diversification of employment relationships, with the retail industry at the fore, confirms that it is far from being the only model. The shift towards service and knowledge production and the expansion of part-time work, fixed-term contracts and agency work are all perfectly normal nowadays. These changes reflect the influence of wider developments in politics and society, including, for example, the increased number of women entering the labour market and the changing patterns of family life. In turn, relationships between workers and their employers themselves influence broader societal issues, and this is then reflected in such areas as health and well-being, quality of life, personal development and individual and corporate citizenship.

91. The employment relationship is also one of interdependency. Within it, a degree of cooperation from both employers and employees is required in order to secure their respective goals. While employers may invest in their capacity to deliver goods and services, it is their employees who must deliver them. Equally, employees can obtain material reward for their efforts only if they enable employers to meet their commercial and organizational goals.

[39] ILO: *Non-standard forms of employment*, op. cit.

[40] ibid.

92. These are the fundamental considerations that policy-makers and retail sector constituents will need to take into account when they work on developing consensus to balance the interest of retailers for greater organizational flexibility and workers' concern for decent work outcomes from the diversifying employment relationships.