Managing Work in the Low-skill Equilibrium: A Study of UK Food Manufacturing

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Abstract

The concept of the Low Skills Equilibrium (LSE) denotes a mutually reinforcing set of mechanisms that generate a pattern of low skills and low productivity. The idea has been a powerful one in both analytical and policy terms. There is growing emphasis on the need to study the LSE at the level of the firm. This paper does so by focusing on a sector, food manufacturing, which has been explicitly identified as representing an LSE. It then narrows the focus to small firms, which are likely to lack the resources to move to a high value-added path and which thus reflect low-skills issues particularly clearly. The paper deploys data from 27 firms in the east and west Midlands of England. It addresses four issues: how is it that a low-skill sector continues to survive in a modern economy, what is the nature of the equilibrium, how far is a low-skills route determined by market forces and what does working in a low-skill job mean for autonomy and work intensification?

The key conclusion is that low-skills jobs of this kind are likely to continue to exist. They will not disappear as part of any shift towards a high-skills economy. But they are also not of a fixed character, and some firms were in principle open to new ideas: they were not locked into an unchanging equilibrium. In policy terms, an approach that is based upon increasing the supply of qualifications, or of hoping that firms of this kind will commit themselves to formal accreditation, is some way from the concrete realities of small firms. An approach needs to reflect the specific markets in which they operate and to be targeted accordingly. At firm level, public support might be made conditional on firms at least addressing skills and work organization issues. At a wider level, an approach can also build on firms' willingness to engage in informal networks by promoting local sector-level initiatives that firms could trust. There is evidence that such bodies are welcomed and would fill a gap and potentially offer models that other sectors could emulate. But a major stimulus would need to be a restriction on the availability of cheap labour; closing of a low-wage option would require firms to focus more attention on skills than they currently do.

Introduction

The idea that the UK is marked by an equilibrium of low skills, low wages and low productivity has made a major contribution to academic and policy debates (Finegold and Soskice, 1988; Finegold, 1999; Lauder, 1999). The bulk of this debate has turned on skill formation at national and to a degree sectoral level: commentary has addressed the supply of and demand for skills (Glynn and Gospel, 1993; Keep and Mayhew, 1999) and the meaning of 'skill' (Grugulis et al., 2004), while major empirical studies have compared the UK economy with others (Crouch et al., 1999). Some analysts ask what a high skills economy might look like (Brown, 1999), while others stress that low-skill jobs are likely to continue and that a focus on high skills alone can lead to neglect of important groups of workers (Crouch et al., 1999: 210). This latter theme is central. If it is hard to escape a low-skill equilibrium (LSE), not least because of major societal changes that this would entail (Grugulis et al., 2004: 14; Lloyd and Payne, 2004: 211), then we need to look at what is happening to low-skill jobs.

This paper accordingly follows the injunction to examine skills at the level of the firm (Lloyd and Payne, 2004), for the concept of the LSE is 'arguably best understood at the level of the individual organisation' (Wilson and Hogarth, 2003: vii). Such an approach remains relatively rare, though there is an emerging literature on which the paper builds. It looks at food manufacturing, which has been explicitly characterized as being in a low-skill equilibrium (Wilson and Hogarth, 2003: 54-6). One key reason for this position is that products are of a 'low margin' type (Dench et al., 2000: 19), so that there is little market pressure towards a more high-skill approach.

Within this sector, the paper focuses specifically on small firms, for it is such firms which are most likely to face competitive pressures that militate against up-skilling and to lack the internal resources to pursue a skills-based approach (Storey and Westhead, 1997; Ashton et al., 2005). Small *workplaces* (not firms) and workplaces not owned by larger organizations are the least likely to deploy a high-value-added product strategy (Mason, 2004). Such firms are, moreover, often run and staffed by people from ethnic minorities, a group whose labour market disadvantage is well-known. As explained below, we do not focus on firms right at the bottom of the labour market. Such firms are tightly constrained by circumstances. Though

important for showing how consent is generated even in unpropitious conditions (Edwards and Ram, 2006; Jones et al., 2006), such firms are likely to do little more than illustrate how an LSE works. We look here at firms close to the bottom, which are those targeted in policy debates as candidates to move up the value chain.

The paper addresses four issues.

- First, how is it that a low-skill sector continues to survive in a modern economy? The answer turns on the supply of low-wage jobs and demand for them.

- Second, what is the nature of the equilibrium? The argument here is that the concept of an equilibrium is too static: there may be a pattern or syndrome of low skills and low productivity, but this has to be reproduced, for otherwise the relevant firms would disappear, and it is also shifting and variable rather than fixed.

- Third, how far is a low-skills route determined by market forces? Dench et al. (2000: 51) make the interesting remark that the skills needs of high performing firms in the sector are not different from those of the lower performing. Kitching and Blackburn (2002: 29) also report, from a survey of small firms, no association between levels of competition and training provision. We follow this idea by showing varying connections between market positions and skills strategies.

- Fourth, we address employees' views of skills and training: what does working in a low-skill job mean and in particular does low skill equate with low autonomy and work intensification? We show that it does not, for reasons to do with the limited Taylorization of work and the importance of face-to-face social relationships.

The paper first outlines extant evidence on these four issues and derives hypotheses that stem from the LSE model. It then summarizes the context of the food industry and explains the data and methods. Evidence is presented in relation to each issue in turn. Finally, implications for the LSE model and for policy are addressed. The key policy implication is that there is scope for action: the LSE is not inescapable. But that action needs to be more targeted and sensitive to context than has been the case to date.

Debates and Hypotheses

The term a low-skills equilibrium connotes 'a self-reinforcing network of societal and state institutions which interact to stifle the demand for improvement in skill levels' (Finegold and Soskice, 1988: 22). Keep and Mayhew (1999: 6) underline the

popularity of the idea, and add that 'Finegold now believes' that the contrast between low- and high-skill states may not capture the possibility of intermediate positions, though they do not cite the basis of this belief. It is also notable that the equilibrium idea was not discussed further by Finegold and Soskice: it remains a summary term for a linked set of influences. The concept of an equilibrium in economics denotes a position that is in balance and that may be more or less stable; the implication is that the set of influences tends to make the LSE highly stable, though it is also accepted that there may be exceptions to it.

For present purposes the two key issues are whether intermediate positions exist and what the dynamics of the LSE might be at the level of the firm. This approach follows the lead of Wilson and Hogarth (2003: 5-9) who argue that the idea of an equilibrium is too static and that it is preferable to think in terms of paths or trajectories that are chosen by firms and that reflect the interplay between the position of a firm in its product market and the types of skills and work organization that are in place.

Issues 1 and 2: Survival of low-skill sectors and nature of 'equilibrium'

The question of the survival of low-wage sectors has been addressed by Edwards and Ram (2006). They focused on sectors – such as clothing manufacture and restaurants – that are even more marginal than those studied here; for example there were failures to comply with the National Minimum Wage whereas all the firms analysed below paid at or above the minimum. Their answer focused on the 'demand' for the relevant positions: firms occupied them because their owners lacked alternative opportunities, while there was a ready supply of workers, either from the indigenous population with few other choices or from an increasing supply of labour from (legal) eastern European migrants or (often illegal) migrants from Asia.

The obvious point here is that, if these highly marginal firms continue to survive, then those slightly further up the ladder are even more likely to be attractive to workers. Against, this, however, are two sets of threat. First, some of the firms studied by Edwards and Ram (see also Jones et al., 2006) used illegal practices, in employment and other areas. They were to a degree insulated from the mainstream. The present firms could not in general follow this approach. Related to this, their workers might have been prone to move on to even better jobs. Second, there is the question of market niches. In Rainnie's (1989) terms, very low-wage firms are

'isolated' from the mainstream because they occupy niches that are too small and unprofitable to attract larger ones. By contrast, some food manufacturers are known to be highly 'dependent' on large firms, particularly when they supply supermarkets. Such dependence can mean either that large firms invade a niche when it appears attractive or that they put cost pressures on existing occupants. Either result will produce threats to firms and are likely in turn to reduce any interest in skills: in the first case, the firm will not survive, while in the second cost pressures will lead to a desire to minimize labour costs.

The LSE hypothesis is thus that firms will survive through low-skill strategies. The opposite view is of course that there is a high-road option. Though the broad analyses of this option discussed above indicate clearly that this is unlikely, empirical studies certainly point to moves up-market, albeit in special circumstances and to a limited degree. Studies of the impact of the NMW have pointed to a 'niche shift' strategy whereby firms identify a relatively profitable niche and occupy it, with accompanying improvements in wages and training (Arrowsmith et al., 2003). Similarly, there is differentiation within the restaurant sector, with some firms being able to occupy relatively secure niches (Ram et al., 2001). We thus need to assess the issues of:

- whether there is a single LSE, or whether firms create varied positions;
- how far it is possible to find a position other than at the very bottom of the labour market;
- and how stable and sustainable such local and non-minimal equilibria are.

As for the nature of institutions, many that affect low-wage sectors will be the same as those influential in the economy generally such as the financial and educational systems. Nothing will therefore be said about them here. The interest is the distinctive context of small firms, and here we enter the literature on business support agencies. The LSE argument is that the UK is weak in such agencies. In the words of Crouch and Trigilia (2001: 219), central government 'has tried to fill the gap with agencies that can relate to local firms, but these have lacked local embeddedness and expertise' while another potential source of network, formal business associations, 'have never been strong'. It is also the case that there have been major efforts to improve the situation through the Business Link system of advisors to small firms and the introduction of the Small Business Service in 2001 (Curran and Storey,

2002; Bennett and Robson, 2003). We thus need to assess how far such institutions have been able to move food manufacturing out of its low-skills position.

Issue 3: Market pressures

This issue leads to that of the role of the market. Within the small firms literature, there is a well-established hypothesis that relationships with large firms determine what the small firms can do. According to Rainnie (1989), firms that are dependent on large ones – the classic example being suppliers of clothing to large retail chains – are under constant pressure to minimize costs. It is possible to escape such dependence if the firm occupies a niche not yet exploited by large firms, but this will of necessity be a low value-added one. Only those with a degree of independent market power can avoid the low value-added (and hence low skills) trap.

This hypothesis has been criticized for its market determinism, of two kinds (Ram and Edwards, 2003). First, the approach is one-way in that large firms are seen to have all the market power, and the pressures on small firms are felt to be very direct. Second, market pressures are said to determine what goes on inside the firm, with the result being low wages and managerial autocracy – a view endorsed by for example Blyton and Turnbull (2004: 288). This view is commonly labelled the Bleak House picture (see e.g. Bacon et al., 1996). Yet research has found that such market pressures are mediated by social relations at the point of production; Ram (1994) for example identified a pattern of negotiated paternalism, rather than autocracy, among highly dependent clothing manufacturers.

The LSE debate also sees the product market as critical, though the mechanism is different. Rather than dependency on large firms or the fact of being stuck in a low value-added that leads to cost pressures on firms, it is customer demand for low quality products that allows LSE firms to survive. Whatever the mechanism, the market context is clearly seen as key, and rightly so. Edwards and Ram (2006), their criticisms of Rainnie notwithstanding, show that the market is a powerful influence on low-valued added firms. The implicit development from Rainnie is two-fold. First, the product market is not the only influence, with labour markets and relationships within firms also being important. Second, product market effects are neither fixed nor determining. They are not fixed because conditions change, for example as new niches open up. They are not determining because firms have a degree of choice over the markets in which they choose to operate. As noted above,

Asian-owned restaurants were able to define a market for 'authentic' cuisine. And some of them established a degree of control over their market niche.

How far, then, are firms constrained by their product markets? Are they driven to low skills approaches by customer pressures? And what degree of control do they have over the markets in which they operate?

Issue 4: Work organization, skills and training

The dependent variable in the LSE approach is the pattern of skills. As Grugulis et al. (2004) note, there has been substantial conceptual confusion about the meaning of skill, with some commentators arguing that 'soft' skills such as those embedded in emotional labour may be increasingly important in a service economy, while others insist on a more traditional definition in terms of educational qualifications and technical accomplishments. There is also the issue, highlighted in the post-Braverman de-skilling debate, as to whether skill pertains only to technical abilities or also embraces autonomy and control of the work process (Armstrong, 1988; Gallie et al., 1998). For present purposes, the former issue can be side-stepped: food manufacturing is not part of the service economy and issues of emotional labour do not arise. The second is central. Evidence on unionized workers in (implicitly large) firms points to a tightening of managerial control systems (Graham, 2005). The expectation in relation to low-wage and non-union manufacturing jobs would then be one of workers doing routine tasks with very little discretion. We need to address this stereotype. Data on small firms show clearly that workers are, in general, more satisfied than those in large firms on criteria such as job autonomy and relations with managers (Forth et al., 2006). But is this also true among low-wage small firms? Previous research points to a negotiation of consent, which is based on face-to-face relationships and, often, familial and kin-based mutual dependency (Edwards and Ram, 2006; Ram et al., 2001). We would thus expect some kind of negotiated order, and not straight autocracy.

Linked to this issue is that of training. Training in LSE firms is of course expected to be poor. In addition, there is the debate on training in small firms. The latter generally finds that levels of formal training tend to be low, though it is also argued that informal mechanisms may be used instead and that reliance on formal measures can mistake the reality of practice (Bacon et al., 1996; Ashton et al., 2005).

We thus need to assess the organization of training, paying attention to informal as well as formal mechanisms.

Food manufacturing

The food sector accounts for over 10 per cent of UK manufacturing employment. In relative terms its importance has increased. Employment in food manufacturing (SIC 1992, categories 151-8) accounted for 9 per cent of manufacturing employment in 1992 and for 12 per cent in 2005. It is also unusual in being relatively insulated from international trade: imports of food and beverages were 26 per cent of home demand in 2004 as compared to 58 per cent for all manufacturing while exports as a proportion of total sales were 15 per cent (all manufacturing, 50 per cent).[1] The sector is thus important, and less likely than others to disappear through globalization.

The sector's status as a low-skill sector is suggested by the admission in an official document that it suffers 'low wages and unattractive working conditions' (Skills Dialogue, 2001: ix) and the following facts: 18 per cent of employees have no educational qualifications, as compared to a national average of 11 per cent; over half of employees are in processing or other 'elementary' jobs, compared to 30 per cent of all manufacturing employees. There is, however, the paradox that its productivity indices are better than those of manufacturing as a whole. For example, German total factor productivity in manufacturing is 21 per cent higher than the British figure, whereas in food drink and tobacco it is 4 per cent lower (Improve, 2004: 6-7, 9). The explanation may be, in line with LSE arguments, that British firms are relatively good at low-value added activities.

If this is so, then there is one clear reason why the sector may remain economically important. Another is that importing perishable products is more difficult than is the case with more durable products. There are also distinct issues of national preferences for types of food. Thus, while sectors such as clothing have been in long-term decline, food manufacturing has held up relatively well.

[1] Source: *Annual Abstract of Statistics, 2006* (London: ONS), Tables 7.5 and 19.2, and earlier volumes for employment figures. The Census of Production gives more detailed data, including the distribution of 'units' (generally, workplaces) by size. The sector as a whole has more large units than manufacturing as a whole, reflecting the presence of massive corporations in parts of the industry. The more detailed four-digit SIC codes do not really help in identifying the sectors where small firms are concentrated since they refer to types of product, such as ice cream, and not specific types of firm such as the family owned.

As noted above, Wilson and Hogarth (2003: 54-6) argue, on the basis of ten case study firms of which three were small, that the industry is indeed in a low-wage equilibrium with little evidence of forces driving it out of this position; they also characterize the idea of moves up-market as 'curious' (p. 49). A study of 14 firms (which were generally medium-sized or large, with a minimum employment size of 80) similarly stresses low margins and produces evidence of cuts in employment levels and other cost-cutting measures (Dench et al., 2000: 19, 33). It also notes, however, that the greatest growth in demand has been in high value-added items such as 'ready-made meals, snacks, and luxury items' (p. 27), so that there may be some niches for relatively high-skill work, though its overall evidence suggests few moves in this direction.

This last study also refers to a 'major expansion' in demand for ethnic foods (p. 20). Such developments suggest that the sector is reconstituting itself. As we will see, several firms have developed distinct niches in the 'ethnic' market, and these are to a degree sustainable in light of growing demand for 'authentic' products – products that large manufacturers often find it hard to replicate.

Methods and data

The debate on skills has evidence of various kinds. The LSE tradition characterizes the whole of an economy. Then there are major national level surveys of trends over time (Gallie et al., 2004) and comparative studies of certain sectors (Clarke and Herrmann, 2004). At the level of occupations and firms, many studies influenced by the de-skilling paradigm have addressed large firms and groups including white-collar workers and computer programmers (Crompton and Jones, 1984; Beirne et al., 1998). Rather less attention has been given to low-skill jobs, with the exception of the service sector, and there the focus has been the large-firm issue of McDonaldization (Royle, 2000; Leidner, 1993). A major initiative is the study of *Low-wage America*, which embraces a range of sectors including manufacturing and services and which examines at a number of levels the processes of the creation of low-wage jobs and the effects on workers (Appelbaum et al., 2003). This project has now been extended to five European countries (SKOPE, 2007).

The present study, though wholly independent of the low-wage America study and its European extension, shares the concern to address skills in the context of strategies of firms. It complements these studies, first, by addressing small firms and

demonstrating the distinct dynamics of low wages and low skills in such firms. These dynamics turn on the paternalistic and dependency relations within the firms, and they add to the picture of how low skill jobs are sustained that can be derived from large-firm studies. Second, it focuses on the firm and aims to understand strategies in relation to the product market, in particular the degree to which these are shaped by firms themselves. In doing so, the study looks at workers themselves, a group not studied directly by for example Wilson and Hogarth (2003) while it is also the case that studies of training and skills in small firms tend to focus on employer perspectives (e.g. Kitching and Blackburn, 2002). Understanding how workers view their skills deepens our grasp of the nature and meaning of skill.

Gaining research access to low-wage firms is notoriously hard. Lloyd and James (2007) report that they had to approach 55 large firms in the UK food industry to generate a sample of six. Access to small firms is an even greater issue (Marlow, 2005). Taking these two constraints together suggests that a large population could not be produced for the present study. For example, in an effort to generate representative data, a very simple questionnaire was designed and sent to 90 firms of which six replied; with this low response rate, this method of data collection was not pursued. The approach adopted was two-fold: using existing contacts and approaching firms identified from searches of web sites and other sources of information such as the FAME data base. Attention was restricted to the East and West Midlands regions of England for three reasons: to control for labour market and institutional context, so that the firms come from the same basis; to address regions where food production remains relatively important; and to look at regions that are more or less average in terms of the overall pattern of wages (in contrast to high wage areas such as London and low-wage areas in the north-east). Persistent calling of firms eventually generated a set of 27, of which 22 were visited, six completed the questionnaire, and one did both. The hit rate was lower than one in ten.

This sample represents a small part of the potential population. As discussed below, an industry association covering the East Midlands has about 200 members, out of about 800 firms in its region. Even allowing for the fact that there are probably fewer firms in the West Midlands, given that Leicester is a centre for food manufacture, coverage of the industry is plainly limited. Not all food firms, of course, are small or pay low wages. Our approach was to take size as the sample criterion and then to seek out firms willing to be studied. We covered a range of firms in terms of

size (range of number of employees 2-140, mean 33) and age (range of age, 4-60 years; mean, 19). As for key features of market context and approach to employee management, we have reliable data on the 22 firms that were visited. One measure of market reputation, discussed below, is British Retail Consortium accreditation; this was held by nine. We also asked about sales growth and managers' views of their strength in the market; a range of positions was found on each. In relation to employee management, three firms had Investor in People status, and three had specialist personnel managers; two had both. These numbers are what would be expected among firms of this size generally (Forth et al., 2006).

In short, the firms cover a range of situations. They are studied, not to offer generalizations as to the extent of certain practices, but to understand the relationships between market positions and employee management, and the conditions generating LSE patterns. In particular, we chose firms of this type because we expected them to come close to the LSE model, but we did not specifically sample on characteristics such as low pay. It is thus an empirical question as to how far they display LSE characteristics.

The data are of two kinds. First, information was obtained from managers (usually the managing director) on the firm's strategy and HR policies. In some cases, more detailed interviews were possible with production or occasionally HR managers. In the 22 firms visited, there was a total of 35 interviewees; in some cases, repeat visits were made so that 43 interviews were carried out. In particular, in five firms contact was maintained over a period of a year, and in one of these there had been prior research contact giving a view over a three-year period. Interviews took place during 2005 and 2006.

Second, in eight of the firms data were gathered from a total of 98 employees. The main instrument was a self-completion questionnaire that drew from several well-established employee surveys questions on job autonomy, skills and views of managers (Gallie et al., 2004; Kersely et al., 2006); specific questions were also designed on some aspects of training and skill formation. The questionnaire was successfully piloted in a food firm (which is not included in the data reported here). In five firms, it was distributed to random groups of staff. In the other three, workers were interviewed, and none of those approached declined; 48 interviews were conducted. The overall response rate was 66 per cent, compared to the 48 per cent in WERS 2004 for 'small' firms (Forth et al., 2006: 108). Where workers were

interviewed, we asked follow-up questions to elaborate on replies, and interviews lasted between 20 and 30 minutes. The food industry has many ethnic minority firms, and workers often lack English language fluency. A particular feature in two companies was interviewing by one of the researchers in one of two Indian languages. Apart from the questionnaire-based interviews, we also spoke more informally to workers in three of the companies where detailed work was feasible. All the firms with worker interviews also included some observation of the work process; this permitted us to gain a sense of the work tasks carried out, the skills involved, and the nature of managerial control practices.

In addition to these firm level data, we also obtained some information on the sector through interviews with three state agencies and one voluntary sector-based network. Some of our management respondents were also active in industry networks, and we obtained further information on these networks from them.

The empirical data are reported in the following four sections. We first address the firms' market positions and the extent to which these promoted an LSE. Next, we report briefly on business networks and how far these counteracted low-skills tendencies. Third, firms' labour market and skills strategies are addressed. Finally, we turn to workers' experiences.

Survival of firms and market position

The firms studied here occupied reasonably defensible niches and had sustainable business models. Of the 22 on which we have the best data, nine had been in operation over 20 years, and a further nine for between 10 and 19 years. Most reported rapid or acceptable sales growth. We asked managers about the distinctiveness of their product and market threats. There was a surprising amount of confidence, which turned mainly on the quality of the product. A very small ice cream manufacturer stressed its unique and secret recipe and its ability to supply a quality product. The ethnic-minority owned firms, of which there were 16, mentioned in particular their focus on 'authentic' materials and recipes that large firms found it hard to copy. In several, the owner's wife played a key role in creating recipes.

Two factors help us to understand this pattern. First, as noted above, it is not the case that small firms as a class suffer more intense market competition than large ones. Second, the sample embraces firms above the bottom of the labour market. They

had a degree of influence within admittedly difficult product markets: these markets did not drain them of all choice.

One measure of a food firm's quality position is accreditation by the British Retail Consortium (BRC). As the technical manager in one firm explained, BRC accreditation is essential for supplying to the main retailers and a useful quality indicator in other markets. The BRC standard focuses on product quality and process control, and there is a system of annual checks. At this firm, a recent 12-hour inspection had identified 15 minor 'non-conformances' which had then been corrected. Of our 22 firms, nine had attained BRC accreditation.

This is not to say that the market was a fixed thing. The firm just discussed is a good example of the dynamic and negotiated nature of markets. It had been established for nine years and was run by three members of one family. Its MD had had no food industry background. He had recognized a potential market when friends and colleagues began to ask him to supply samosas and the like for parties, and had then established the firm, initially as a side-line. Other firms had developed their market position over a longer period. A long-established bakery, for example, had begun to supply a local branch of a supermarket, largely by accident according to the MD; this business had slowly developed, and supermarket business was now about 40 per cent of total turnover. A few firms were also developing export markets. Particularly notable here was a very small Asian producer which was building markets in Europe.

Perhaps the most surprising feature of the market was the nature of price competition and the extent of cost pressures. There are two main drivers of competition: from the top there are the familiar demands from supermarkets for price reductions, while at the bottom of the market there is the threat of undercutting from marginal firms.

These pressures were certainly evident. In the industry generally, supermarket pressure is often cited. The local press has reported the public response of Tyrell's, a firm which now produces potato crisps and whose owner had become so irritated with supermarkets when he was a potato producer that he had moved into the crisps business and refused to supply supermarkets.[2] Among our firms, the clearest

[2] A selection of press material is available on the company's web site: tyrellspotatochips.co.uk. This includes the interesting fact that Tesco began to supply the

examples came from two firms. In one relatively large firm ('Veg Products'), the operations manager complained of investing a considerable sum in developing a product for a supermarket which was then dropped; in his view, supermarkets exerted direct cost pressures but also less obvious ones such as stretched credit terms and formal or informal bans on supplying their competitors. In his view, such practices were rife, but small suppliers were unable to speak out for fear of losing the business. Another firm had taken on a large order for a supermarket which was then cancelled, leaving it with a large loss which according to one manager led to the firm nearly closing down; interestingly in relation to the later discussion of workers' role, a key part of survival had been workers' willingness to go on short time in order to help the firm out.

There are, however, two qualifications to this picture. First, the pressures were not universal. Some of our smaller firms reported rather few cost pressures, and one had even been able to develop a long-term relationship with a supermarket in which it not only had considerable control over its own products but had also been invited to act as an agent for unrelated 'ethnic' goods. This limitation of pressures seems to have reflected, first, the size of firms. As one manager said, his firm was too small for supermarkets to worry about. Second was the nature of the goods. Where very distinctive products were made, firms had more control of price. Thus the firm with the most serious complaint about price pressures supplied standardized products. As a manager in another firm neatly put it, supermarkets were 'almost honourable' in that they acted reasonably if they had established a long-term relationship, but they were also capable of being very demanding on price, particularly for standard products; this firm produced Asian breads which are relatively standard and for which price comparison was thus feasible for supermarkets.

Of the 22 firms on which we have reasonably clear information on this point, six specifically denied that cost pressures were substantial. At the other extreme were four, all very small and competing with little by way of a distinctive product, where cost pressures were very great. These pressures were of a 'bottom up' kind. The remaining 12 naturally experienced cost pressures but these varied and were not seen as dominating everything that the firms did. Such a pattern might well reflect the position of firms generally. As Forth et al. (2006: 14) show, it is not the case that

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firm's products after sourcing them on the grey market; after pressure from Tyrell's, it was persuaded to remove the firm's products from its shelves.

small firms as a group face particularly severe market pressures. Collier et al. (2007) also demonstrate that small *workplaces* are no more likely than large ones to suffer closure.[3]

The second qualification turns on firms' responses. Veg Products had diversified and had for example won several public sector supply contracts. Others avoided supermarkets by focusing on the food service market: food service firms supply caterers and restaurants, and source their supplies from a range of large and small firms. There is less intense price competition here than there is in relation to supermarkets, and several of our firms reported reasonably established working relationships in which they had some power because the food service firms depended on them for a reliable product. One firm claimed to have 95 per cent of a distinct market niche; as its owner pointed out, he concentrated on quality and distinct features of the product (such as 'freeze-store capability') and had thus retained his position, whereas others which had tried to expand to supplying larger markets had come up against really big firms and had gone out of business.

As for pressures at the bottom, one caterer certainly reported competition from people who worked from home and who lacked the proper equipment such as refrigerated vans. Generally, however, even the very small firms felt that cost pressures were bearable and that, as long as they had some distinctive quality to their product, they could continue to survive. Operating in a low-skills context meant exploiting and often developing a niche, not passively accepting a fixed market position.

Role of business networks

Is there any evidence that firms can use business support networks, either as sources of knowledge to improve skills and work organization or more generally to promote business development? Our evidence suggests a clear 'no' on the first question and a qualified 'yes' on the second.

The most notable industry association is the Food and Drink Forum, which operates in the East Midlands but has no West Midlands counterpart. The Forum is distinctive in being run by people from the industry, rather than being an arm of the RDA which is the case in some other parts of the country. It has a membership of

[3] This latter analysis examines workplaces closing between 1998 and 2004. Closure was most likely in the 25-49 range, but less likely among smaller as well as larger workplaces.

about 200 firms, which represents perhaps a quarter of the firms likely to belong to it (that is, those other than the very micro enterprises). The forum is funded through subscriptions from its members, and it also carries out contracts for outside bodies, in particular the East Midlands Development Agency (EMDA). It offers advice on a wide range of issues including food hygiene and marketing, and has been actively involved in establishing a food park, where new businesses can rent premises and receive help in growing.

The industry also has a scattering of local associations, some industry-specific such as an 'ethnic food forum' in one city, and some with a wider remit, such as an Afro-Caribbean association in the West Midlands in which several food firms were involved. These bodies are generally small and weakly funded; they rely heavily on the community altruism of their leaders, who are usually also the (extremely busy) MDs of small firms. Developing their role into a broader and more lasting presence was an issue cited by several respondents. Part of this would also entail strengthening their representative character. Some associations grew around particular communities of interest, or in response to perceived failings of official bodies. As a result, some of our firms that felt that they were outside a specific circle of influence and were thus excluded from an association's activities.

These bodies are directed at business development in general, and they do not specifically target skills. Their patchy coverage and limited funding also suggests that they exemplify the UK pattern of weak intermediary organizations (Crouch and Trigilia, 2001).

Half of the 22 food firms had no significant links with support agencies, either those funded by the state such as the Regional Development Agencies or voluntary bodies. Of these, five occupied fairly marginal market positions whereas the other six had notably stronger situations. There thus seems little association between market position and use of networks.

The other 11 had links of some kind. These were not generally to do with work organization, though there were some instances of subsidies for training courses of various kinds. The general picture was two-fold. First, there was a modest welcome for training activities and other subsidies for investment. Second, however, there was a widespread feeling that support agencies were out of touch with the needs of firms. Comments included the following:

Business Link advisers were 'useless and unprepared'.

Advisers ‘lack serious knowledge and work at a very basic level’.

Advisers ‘do not know the specific needs of this firm’.

There were two illustrations of more pro-active engagement, which suggest what might be done.

First, a bakery employing about 35 people had made contact with the Manufacturing Advisory Service (MAS). This firm is the one that we had first studied in 2002, and we can link this development to its business strategy. In 2002, the firm had occupied cramped premises which entailed an awkward flow of materials through the production process. At that time, contacts with supermarkets had begun, and the two owners expressed an ambition to strengthen the position of the firm. By 2005, its own investment had enabled it to extend the premises and rationalize the production process. The owners were active in their pursuit of advice to develop further, which led to contact with the MAS. They sought specific advice on such issues as ventilation, and during a tour of the factory the adviser noted a range of other issues. There was then an agreed programme of further consultancy, which would be free to the firm.

Second, a frozen foods firm (‘Qualityfreeze’) had developed a ‘skills passport’ which had achieved some currency through the work of local industry associations, and a copy of it had for example reached another of our firms some way away. The idea is to have a simple record of training achievements which can then be used within the firm and more generally. There was a list of 23 aspects of work, each of which was broken down into further sub-headings.

These examples illustrate possible modes of development. But they were rare and, crucially, each depended on the specific qualities of the managers of the firms themselves – respectively, a philosophy of business development and a commitment to quality, and a desire in the MD’s words to ‘punch more than our weight’.

In short, institutions as currently structured were seen as out of touch. But at the same time there was self-help both at firm level and within voluntary associations. There was thus some potential for business, and skills, development if appropriate mechanisms could be found.

Labour supply and skill formation

How does a low-wage labour market sustain itself? That is, how do firms attract workers to jobs that are poorly rewarded? Jobs were indeed objectively bad. Of the 27

firms on which we have wage data, 13 paid very close to the National Minimum Wage, and 12 paid within £2 per hour of the NMW rate. These rates were notably lower than those reported by Lloyd and James (2007) for rather larger firms. There were, moreover, virtually no profit-related or other forms of bonus, and other fringe benefits such as occupational pensions were absent. We should also note at this point the complete absence of unions; pay was set by managers with the main external reference point being the NMW.

Yet the firms reported few labour shortages, and several reported a constant stream of applicants at the gate. They were almost spoilt for choice; several, mainly in large cities, reported applications from illegal immigrants, which they turned down. By contrast, very low-wage firms in the restaurant and clothing industries continue to survive; if such firms can find labour, those studied here will have had little problem (compare Jones et al., 2006). There was thus a supply of labour from three main sources. First, there were local people who needed a job; firms in Leicester for example reported plenty of 'local ladies' needing work, not least when the hosiery industry suffered one of its periodic slow-downs. Second, there were migrants from traditional sources of supply such as India and Pakistan. One firm had struck on the ability to recruit Gujarati workers from Goa, who were entitled to Portuguese passports and who thus counted as of EU origin. Third, there were workers from eastern Europe. Several firms had recruited Poles, and two specifically argued that Poles worked harder than local workers. One Asian-owned firm with about 45 employees now had four Polish workers, and one Portuguese. As one of the Poles said, she was paid much more than she could earn in Poland. It is notable how rapidly such workers have entered what might be seen as closed Asian niches. This worker had been recruited informally: a manager in the firm bought products from her brother and had mentioned that he was looking for labour.

Turning to skill formation, our evidence supports the contention that there is little connection between firms' product market positions and their approach to skills (Dench et al., 2000: 51). To be more exact, there were two patterns. Among those in relatively weak market positions, skills were relatively unimportant. Firms survived through the nature of the product, and they recruited low-skill workers who could carry out basic operations. As one manager put it, skills were not important to his competitive position. Among the stronger firms, there was rather more choice. Some saw the product as the key competitive advantage, and several were quite explicit that

worker skills were not important. Others made skills more central. Among the latter group, a few had formal training plans in which the skills of each worker were recorded and future needs were identified.

In explaining this variation, personal choice seems to have been central. Invoking such choice may seem to be an abdication of explanation. But, as the strategic choice literature has shown, firms really do have space for choice (Child, 1997), and if we take this point seriously then individual circumstances and preferences are important. In the case of small firms, these preferences often come down to the views of the owner-manager; as the small-firms literature stresses, idiosyncrasy and preference are important influences, and managers can make choices with few constraints (Storey, 1994). Bishop (2006: 10) notes different approaches by firms in broadly similar situations.

This point may be illustrated by two firms which were located close to each other and which were both owned by people from similar Asian backgrounds. In one, the explicit approach was that skills were largely unimportant. This certainly did not mean that the firm was static. On the contrary, it was in the process of building a state-of-the art production facility. But its two owners saw innovation in the product as crucial, and felt that the process of production was relatively unskilled. In the other (Qualityfreeze discussed above), there had been an emphasis on skills from the outset. The operations manager had worked in a large store and had always believed in careful training, while the MD saw training as important in giving workers recognition and increasing their motivation.

That said, it is worth underlining that few firms had managers who had specific skills in training and staff development. Only four of the 22 had a developed managerial structure with managers for sales, quality, and so on, and of these training was generally a responsibility for operations or for personnel as a whole. Limited skills demands, and a ready supply of suitable labour, meant that firms could continue to function with little substantial attention to skills formation.

Workers and skills

As noted above, information on workers' experience of their jobs comes from 98 people employed in eight firms. We categorized them into two groups: 71 manual workers, who performed routine food preparation and packing jobs; and 27 white-collar staff, who were mainly in clerical or administrative roles. No managers or

supervisors were included. The study also embraced small firms in two other, much more high-skill, sectors, namely, the creative and media industry and information and communication technology firms. Data from 286 workers in 24 firms from these two sectors were gathered. We use them simply for comparative purposes; further information is available elsewhere (Tsai et al., 2007).

One basic fact is educational qualifications. As might be expected, manual workers had few qualifications: 46 per cent had no qualification, compared to only 15 per cent of the non-manual workers. The figure for the working population as a whole in 2001 was 19 per cent (Felstead et al., 2002).

Table 1 summarizes a series of measures of the job roles that workers undertook. The questions on job autonomy are based on well-established questions on this issue (e.g. Gallie et al., 2004). The others are mainly factual in nature; they should have no particular problems of validity and were as noted above successfully piloted in a food company. Several points stand out from the table. First, there were as expected clear differences between occupational groups, with the manual workers in food scoring low on such aspects as engagement in problem-solving. Second, however, several of these differences were occupational and not industrial, so that non-manual workers in the food industry reported levels of activity similar to those reported by the counterparts in the more highly skilled (and highly paid) sectors. The implication is that low-skill firms can contain some relatively high-skill jobs, and hence that the LSE is not necessarily a firm-level characteristic.

Third, despite these differences, the situation of manual workers was not wholly bad. The expectation from the LSE literature and also the 'small firm as Bleak House' model is that workers will be in narrowly defined jobs with very little autonomy or involvement in the work process. Yet on the each of the indicators in Table 1, around one-third of workers reported reasonable levels, in terms for example of problem-solving and job autonomy. The autonomy data are directly comparable with those of other surveys notably the Workplace Employment Relations Survey (Cully et al., 1999; Kersley et al., 2004). As shown elsewhere (Tsai et al., 2007), autonomy levels were somewhat but not drastically lower than those of workers in comparable occupations.

Qualitative data add to the picture. First, workers whom we interviewed were clear that they were given some freedom to move around the workplace. They were not tied to a fixed work station, and there was often informal rotation between jobs.

This can be related to the nature of the firm. In a small firm, the links between what any one worker does and the wider goals of the firm will be very direct. Managers were visible; in the questionnaire survey 77 per cent of manual workers reported that they saw managers, other than their immediate line manager, as least daily. Second, observation pointed to a reasonably relaxed regime. Among the eight firms, in only one was regular overtime the standard practice; in the remainder, workers worked normal hours on a predictable basis. The work process had virtually no Taylorism in the sense of tightly specified jobs or rigid performance standards. Some jobs were certainly machine-paced but they were free-standing rather than being part of an assembly line. The staffing of jobs depended on rule-of-thumb ideas rather than the principles of lean production.

This interpretation is supported by evidence from two questions about the pressure of work (Table 2). Food workers generally reported low levels of pressure, and they were significantly less likely to experience pressure than workers in the other two sectors. (We report elsewhere a multivariate model which controls for factors such as education and length of service and finds that the sector effect remains significant: Tsai et al., 2007). As one worker put it, his was not a very demanding job. In another firm, workers were clearly aware of output targets but felt that these were reasonable and achievable; moreover, strong social ties with kin and friends made the workplace reasonably pleasant. Table 3 reports information on willingness to put in discretionary effort and overall motivation. Manual workers in the food firms scored rather lower than others on the first, but not very markedly, while there were no differences on the second. In contrast to relatively large firms, where work intensification was clear (Lloyd and James, 2007), workers seemed to have a reasonable pace of work.

Turning to the development of skills, Table 4 reports data on training and also sources of learning. The most notable result is that food workers in fact report more training, and higher satisfaction with training, than those in the other two sectors. (This might be attributed to a length of service effect: if food workers are very mobile, training would simply reflect initial rather than continuing training. In fact, there were no major differences in length of service, and in multivariate models of satisfaction with training, controlling for length of service, we found a sector effect still present). There is a degree of exaggeration here in that the food industry has to meet health and safety standards so that every worker will need the basic training. It was none the less

given, and recognized by workers as 'training' rather than a mere paper exercise. And in interview, workers could identify other forms of training such as more advanced hygiene standards and most found these useful. As noted above, moreover, some firms had developed formal skills matrices to identify training needs on a systematic basis.

As for satisfaction with training, it is true that some of this can be attributed to low expectations. Workers had limited labour market opportunities, and they knew that firms' resources were restricted. In this sense, a low-skill equilibrium was sustained in part because workers were satisfied with what they had and put few demands on firms for more. None the less, it is not the case that an LSE simple means an absence of training or frustrated demand for it. It is also notable that learning from other people in the firm was widely reported, across all three sectors. It was not the case that workers did not learn.

One indicator of employees' behavioural, as opposed to attitudinal, commitment to the firm is the intention to quit. About a quarter of food workers had thought of quitting for reasons to do with the running of the firm, with no difference between manual and non-manual employees. This proportion was significantly lower than that in the other two sectors. Such commitment reflects, we would argue, the established market position of the firms (and workers thus reported high levels of job security), the lack of pressure within the labour process, and limited labour market opportunity.

We investigated whether there were any differences among the food firms in terms of the sophistication of their approach to training. We identified three firms with employee data that had the most developed approaches, and compared them to the remaining five. The results showed, first, that there were no differences in terms of the frequency of communicating with managers or other relevant features; any differences on 'sophistication' would seem to reflect some other features of the companies. Workers in the sophisticated firms reported, as we would expect, more use of appraisal systems than did other workers. There was no difference in whether any of the four job components listed in Table 1 was part of the job, though sophisticated firms were more likely to use the production of written reports. Opportunities to develop skills were also high, as was job autonomy; but work pressure was also high. This pattern, of autonomy plus responsibility, is widely reported across a range of studies (Edwards, 2005). It suggests that more advanced

systems of work organization have costs and benefits; in the present context, the benefits of a lack of rationalization were reduced, but perhaps balanced by more developmental opportunities. Overall *satisfaction* with training, and other measures of satisfaction such as reported job security and willingness to quit, did not vary between firms – again suggesting a balance of costs and benefits.

The experience of work, then, was not one of intense exploitation. Workers had a degree of space in the work process and they expressed satisfaction with training. This situation reflected limited Taylorization of work and also the closeness of working relationships. An irony, however, is that relative contentment with low-wage and low-skill jobs contributed to their continued reproduction.

Conclusions

Nature of the low-skills equilibrium

In some respects the results illustrate how at the level of the firm an LSE continues to function. A core determinant was a continuing supply of labour, which meant that the possible stimulus to up-skilling of labour shortage was absent. Lloyd and James (2007) also note this factor, which is notably absent in France where strategies of higher skill are more in evidence (Caroli, 2007). Firms had also established defensible niches that seemed reasonably secure, so that the product market was also not forcing a shift towards higher value-added production. And there was also a weak connection between product markets and skill formation. There were firms that occupied relatively up-market niches but their approach to skills was not in general different from that of lower value-added producers.

That said, some commonly anticipated concomitants of the LSE were absent. It was not the case that workers suffered an intense pace of work, and they also found levels of training to be satisfactory. This result has a paradoxical implication. On the one hand, it means that conditions in an LSE are less autocratic than would be expected. The reasons for this turn on the lack of work rationalization and the existence of close working relationships between managers and employees. On the other hand, the resulting satisfaction, combined with the ready supply of new workers, reduced any incentive to shift out of the current market position. There were, in short, few pressures within the firms themselves that might push them away from a low-skills position.

As for the nature of the equilibrium, we have identified considerable variability between firms in their product market positions and approaches to skill formation. A good proportion of this variability can be attributed to individual choice, as in attitudes to training, and to the accidents of markets, as where firms entered the food sector with little prior experience or developed a new market opportunistically.

This argument also relates to the dynamics of the case. Firms were not locked into a particular market position, and some had striven successfully to move up-market. There were also examples where outside agencies had assisted their development. The emphasis on an LSE can have the ironic effect of minimizing the value of building on such possibilities. It is certainly true that to shift the UK economy as a whole would require a major economic and political shift (Lloyd and Payne, 2004:221). But there are also more limited opportunities that the LSE idea tends to down-play. The firms studied here were remarkably open to new ideas, and some specifically wished for more. As one MD put it, citing Donald Rumsfeld, there were 'unknown unknowns', or at least they were not known to him, and he would welcome assistance with addressing them.[4]

Policy issues

Why does this matter? A simple instrumental argument is that workplaces that train their employees are less likely to suffer closure than those that do not, a relationship that also holds when small workplaces are considered separately (Collier et al., 2007). It is also the case that product strategies aimed at high value-added goods and services are intimately connected with the skills of workers (Mason, 2004, 2005). This is not of course to say that training is a necessary or sufficient condition for survival, and we have seen that in some firms its links to strategy were remote. But the broad idea of using skills as part of a national strategy for improving competitiveness has become widely established (for a critical review, see Delbridge et al., 2006). The point is not whether skills are a good thing, but what kinds of policy intervention make sense in a low-skills context.

The difficulties are very clear. Policy has for many years focused on the supply of skills, whereas one contribution of an LSE perspective was to stress

[4] The remarks of US Secretary of Defense Rumsfeld were as follows. 'There are known knowns. These are things we know that we know. There are known unknowns. That is to say, there are things that we know we don't know. But there are also unknown unknowns. There are things we don't know we don't know.' (As reproduced at brainyquotes.com).

demand, and in particular the many forces constraining employer demand for skills. The latest policy initiative, the Leitch Review of Skills (2006), speaks of a demand-led system and of strengthening employers' voice via a Commission for Employment and Skills. Yet in practice it focuses on raising supply and it assumes that employers can be persuaded to commit to a 'pledge' to train all eligible workers to Level 2 and that, even if such a commitment were forthcoming, there would be a result in terms of the use of skills in the production process (see Delbridge et al., 2006: 17 for criticism).

There is a crucial difference between observing that skills and product strategy are related and assuming that more of the former will generate desirable outcomes in relation to the latter. If firms do not have a tight connection between these two things, then more skills may have no effect, and may even be counterproductive. Moreover, firms of the kind discussed here are unlikely to respond to the call for a pledge: many are outside networks of Regional Development Agencies and Sector Skills Councils, and may thus not be aware of it; and if they are aware, they will not see its value.

One approach at this point would draw on the idea of market failure: if firms need skills, they will provide them for themselves, and unless there is evidence of market failure, for example through a lack of information, then encouraging firms to raise skills levels will be worthless or counterproductive. Some small-firms research indeed shows that firms use sources of information widely and infers that there is no market failure; the policy response is to use the money spent on support agencies as a tax rebate to the firms (Bennett, 2006). We do not take this view. The fact that, in surveys, firms can cite use of agencies says nothing about how they use them or how they think about support. It would be a naïve view of markets to think that they function perfectly except in the presence of specific constraints; markets are socially constructed (Edwards and Wajcman, 2005: 198-201). In the present context, Ram (1994) shows that 'labour scarcity' was constructed by small employers even when there was a supply of labour: the employers defined the kinds of workers whom they wanted through the lens of co-ethnic recruitment processes, and simply did not think of workers outside a particular context.

Between a supply-driven public policy and a market failures framework that questions any policy that cannot demonstrate a clear market failure lies a context-sensitive approach. As Bennett and Robson (2003: 806) put it, firms continually 'seek

ever more specialized niches'. In such a context, support needs to be sensitive to such niches rather than being of a generic kind.

Despite a large mismatch between policy debate and life on the ground, there are ways of making connections. Some of these operate directly at the level of the firm. Wren and Storey (2002) report on one UK scheme offering 'soft' assistance, in contrast to the 'hard' assistance of loans or tax breaks. The scheme, the Marketing Initiative, provided assistance to firms to use approved consultants who worked with a firm for between 5 and 15 days. The scheme produced demonstrable returns in terms of sales and job creation. Our results suggest that this may have been because the aid was indeed targeted and concrete. But such schemes seem rare. They also need time for benefits to flow, and where something 'works' it would make sense to allow it the necessary time.

The more that an approach moves from meeting express wants to considering longer term needs, the more it moves towards challenging existing constraints. For example, firms securing state aid might be required to think explicitly about related skills issues such as ways to improve work organization. A grant for new capital investment might at minimum be accompanied by a suggestion to think about skills and training issues that might arise. A stronger requirement might be that firms discuss these issues with a suitable industry body or with the Advisory, Conciliation and Arbitration Service.

A second approach would develop intermediary, local, institutions, for it is these that firms are most willing to trust (Edwards et al., 2002; Edwards, 2007). In the terms of the LSE debate, there are two broad approaches. The first operates within existing constraints and helps firms to reach local maxima. This would start by addressing what firms currently want, for example assistance that is directed at their own circumstances. An element of this might be the encouragement of existing voluntary networks. It would be feasible to help to develop them by providing state aid to the nascent bodies that currently exist, instead of offering generic schemes to individual firms. An issue here is the legitimacy of voluntary bodies. As noted above, some in the food sector focus on particular communities of interest to the exclusion of others. Such purely self-organized groups would need to demonstrate an inclusivity and legitimacy that they currently do not need. In similar vein, Ram (2006) comments on definitions of 'ethnicity', showing that bodies claiming to represent 'ethnic' firms have a very clear view of what a particular ethnic background means, whereas firms

themselves dispute such essentialist ideas and are more concerned about sector-level identities. Establishing a community of interest may require a relatively broad sector orientation, rather than trying to create ethnic or other identities; but the breadth needs to be contained in so far as the focus is strongly oriented to specific business needs.

It may in short be possible to take the idea of communities of practice and to encourage focused but inclusive groups to develop. This would, however, call for a new approach from RDAs and for the taking of risks in supporting private associations with public money. There are of course tensions here. State agencies have to choose between offering generic and targeted assistance. And they want to promote success without attempting the impossible task of picking winners. There are also tensions between what firms want, with them sometimes appearing to expect to make little effort themselves, and what state agencies can do. It is necessary to recognize such tensions. But there is scope for more constructive engagement than has been the case in the past.

None of this is to argue that food manufacture can or should become a high-skills sector. But it can change the nature of its operations. With growing demand for high value-added and niche and organic products, there is the opportunity for some firms to expand this segment of the market. And some of them may be open to a more skills-based work organization than has been the case in the past. All that said, a supply of cheap labour significantly reduces the incentive to pursue this path. Reducing this supply, for example by addressing the level of the National Minimum Wage and tightening enforcement of the payment of the wage, would be a key means to alter incentives to stay on a low-skills path.

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Table 1: Job roles and responsibilities

%	*Food*		*C&M*	*ICT*	*All*
	Manual	*Non-manual*			
N	*71*	*27*	*105*	*181*	*384*
	%	%	%	%	%
Work group often discuss work issues[(a)]	**33**	92	81	72	66
Has taken on job outside job description	**29**	52	67	56	54
Has identified a problem with work process	**42**	58	72	82	70
Takes part in problem-solving group	**17**	46	38	46	39
Any of 4 areas part of job[(b)]	**66**	96	81	94	85
Influence over: (% saying fair amount or great deal)					
pace of work	**41**	61	66	55	56
how work is done	**36**	74	71	70	64
tasks performed	**35**	46	63	58	45
'Supervisor has more influence than I do in deciding what tasks to do' (strongly agree or agree)	**80**	44	33	35	42

Notes:
Figures in bold represent a statistically significant difference ($p < 0.05$) between the relevant occupational group and the other three groups.
(a) Question only asked where workers reported working in a group; N = 238.
(b) 4 areas are: monitoring product using formal tools, dealing with customers, preparing written reports, designing new products or processes.

Table 2: Work pressure

%	*Food*		*C&M*	*ICT*	*All*
	Manual	*Non-manual*			
Job never allows time to get job done:					
frequently	12	18	**26**	**23**	22
rarely	69	60	37	35	42
Worry about work outside working hours:					
frequently	9	11	**33**	16	19
rarely	83	67	31	45	48

Note: Frequently = every day or most days; rarely = occasionally or never. In row 1, the significant difference is between the food workers as a group and the other two groups taken together.

Table 3: Effort and motivation

	Food		*C&M*	*ICT*	*All*
	Manual	*Non-manual*			
Put in effort more than minimum (great deal or fair amount)	**66**	85	87	82	81
Motivated in work (strongly or very strongly)	82	77	76	**63**	71

Table 4: Experience and views of training

%	*Food*		*C&M*	*ICT*	*All*
	Manual	*Non-manual*			
Training in 4 areas in past year[(a)]	**58**	**54**	32	41	42
Any training in past year	**70**	**70**	48	58	58
Skills learnt (to some or great extent) from:					
work group	90	85	85	87	87
senior people in the firm	76	74	81	74	76
people outside the firm	**13**	42	66	41	43
Opportunities to develop skills (very good or good)	**46**	70	69	53	57
Overall satisfied with training & development	**81**	**73**	47	46	58

Note: (a) Areas as those in Table 1; percentages based on those saying that these areas formed part of their jobs (row Ns = 47, 26, 89, 170 and 328). In rows 1, 2 and 5, the significant difference is between the food workers as a group and the other two groups taken together.