

**Working in large food retailers:  
A France-United States Comparison**

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April 24, 2010

**Working in large food retailers in France and the US:  
The key role of institutions  
Abstract**

Despite numerous similarities between the food retail sectors of France and the United States (US), there are significant contrasts in the jobs, and in particular the modal job, cashier. French retail workers, and cashiers in particular, are better paid and more productive than their counterparts in the United States. Moreover, French cashiers uniformly work sitting down, whereas US cashiers uniformly stand. We draw on in-depth, interview-based case studies of food retailers in France and the United States, as well as standard data sources, to probe the reasons for these differences. Cross-national differences in wage-setting institutions, along with other institutional differences linked to disparate shopping cultures in the two countries, are the key causes. These differences play out in interaction with distinct labour supply patterns, themselves based in part on differing institutions regarding reproduction of the labour force.

Keywords: Cashiers, entry-level jobs, job quality, labour markets, labour process, retail, wages

### **1. Introduction**

In the United States as in France, large food retailers are singled out as bad employers and retail workers are viewed as archetypes of a low-skilled, low paid workforce, experiencing harsh working conditions, low wages, variable schedules, and constrained part-time hours. In both countries, social actors have mobilized to denounce this perceived situation. Fears and debates crystallize around the rapid expansion of Wal-Mart in the United States; France experienced in 2008 the first national strike movement to mobilize massive numbers of workers at most large retailers. While such contrasts are provocative, it is necessary to go beyond them and analyze in depth the characteristics of two retail models, French and American, to understand job consequences.

In France and the US, giant food outlets exert enormous weight; the two countries are homes to the two largest global retailers (Wal-Mart and Carrefour), which have championed hypermarkets/supercenters (to cite the French and US terms) at home and abroad. But the firms operate in two institutional environments that are polar opposites in many ways: the deregulated US market and the heavily engineered French one. Very few papers, to date, attempt to address these issues. Our paper aims to extend this literature and delve deeper into institutional differences, firm strategy, and work organization. We highlight national distinctions but explore both similarities and differences. This research is based both on detailed sectoral statistics and rich case studies carried out between 2005 and 2007 for a cross-national project on “low-wage work” in industries with concentrations of such employment.<sup>1</sup>

Our “window” into this two-country comparison is cashier jobs (the largest job category) in food retail (the largest sub-sectoral category), which, as we will demonstrate, have both shared features and striking differences in job quality. The focus on cashiers has gendered import; the job is disproportionately female. In both countries, varied store formats coexist in response to the diversity of consumer preferences. Therefore, we restrict our study to food stores at the supermarket scale and larger, which are comparable across countries in sales areas, locations, and product assortments.

A quick glance at cashiers’ job content on both sides of the Atlantic may lead us to deem them very similar: an apparently simple set of tasks, extremely standardized processes, and identical

tools (cash register and scanner). But a slightly deeper gaze reveals striking differences in pay, productivity, and posture. First, French food retailers pay their employees, and in particular their cashiers, more. Second, based on commonly measured productivity criteria, French retail employees, cashiers in particular, are more productive than their US counterparts. Third, French cashiers almost invariably sit whereas US cashiers almost invariably work standing up. These differences are interesting in their own right, and also re-open long-standing discussions of why jobs differ across nations (Maurice, Sellier, and Sylvestre 1986).

These contrasts result from significant differences in institutions and available workforces. French stores operate with more regulated wages than do their US peers. In addition, US retail trade is driven by customer-oriented regulations and society, while French retailers respond to regulations restricting store creations and store opening hours. Additionally, institutional differences interact with, and sometimes help to generate, differences in the labour supply to retail that also influence observed job outcomes.

In this paper, we use comparative case studies of French and US retail food to develop this argument. In section 2 review the relevant theoretical and empirical literature. In section 3, we examine the differences highlighted above in more detail, and describe the case study data. In sections 4 and 5, we examine two possible explanations for the cross-national disparities, differing store formats and differing task configurations, but rule them out as major explanatory factors. In section 6, we develop our own explanation based on interaction effects between institutional factors, management strategies, and labour supply behaviour.

## **2. Cross-national differences in job characteristics**

The idea that common forces of markets and technology should lead job characteristics to converge around the world has a long pedigree, leading to both negative predictions (Marx 1957-59) and positive, or neutral, ones (Kerr et al. 1964). Researchers continue to this day to examine and assess forces of convergence (Bertrand and Noyelle 1988, Friedman 2007, Katz and Darbishire 2000) with some positing that transnational corporations will further drive this convergence (Barnet and Müller 1974, Ritzer 2006).

However, stubborn empirical findings of persistent cross-national differences amidst globalization have led scholars to formulate explanations for these differences, particularly emphasizing the influence of national institutions. The most influential such formulations are grounded in political economy, as is the case of the “varieties of capitalism” literature (Hall and Soskice 2001), which argues that varied institutions construct distinctive national competitive advantages. Similar explanatory strategies have emerged from development economics (Levine 2005), business schools (Porter 1990), economic geography (Christopherson 2002) and labour economics and sociology (Freeman 1994, Rubery and Grimshaw 2003). There has also been a recent explosion of case study-based and quantitative comparisons, much of it motivated at least loosely by this kind of reasoning (for example, Dieckhoff 2008, Gash, Hult and Edlund 2008, Muffels and Luijkx 2008, Russell and Thite 2008). Particularly important for our purposes is recent European comparative work on service industries including retail (Baret, Lehndorff, and Sparks 2000, Bosch and Lehndorff 2005a, Gadrey and Jany-Catrice 2000).

Though rich, existing literature is of limited help in explaining cross-national differences in retail jobs, pointing to some key gaps. “Macro” comparisons typically construct sparse typologies with consequently limited ability to explain variation: for instance, Hall and Soskice’s binary distinction between liberal and coordinated market economies is not well equipped to handle the

French case. Broad categories developed for entire political economies are often less suitable for analyzing specific sectors. Often literature in this vein moves directly from institutions to outcomes, skipping over firms' role as actors and strategists. Conversely, "micro" comparisons often examine the impact of a single institutional difference across countries, or else proceed inductively or *ad hoc*. In addition, much research examines manufacturing or globally traded production, shedding less light on service industries with local markets, such as retail (Gadrey 2000).

The work closest in spirit to our own is found in Baret, Lehndorff, and Sparks (2000), examining working time in retail in three European countries and Japan, and Bosch and Lehndorff (2005a), analyzing multiple service industries (including retail) in ten European countries. They, and we, draw inductively on case studies of specific sectors in specific countries to link micro and macro levels of analysis. However, they, and we, also start from a robust conception of multiple, interactive, spheres of influence over job quality. This approach draws upon concepts initially developed by Maurice, Sellier, and Silvestre (1986) to provide analytically meaningful categories for cross national comparison of work and employment systems. As Gadrey 2000 summarize these spheres (Bosch and Lehndorff 2005b offers a slightly different formulation though implications are similar), they encompass:

1. Market structures: product market and consumers, including product market regulation
2. Organizational structures, including management strategies, centralization, technology
3. The labour market and associated institutions and norms, public policy, managerial policies, customers, and industrial relations
4. The welfare state and gender relations including all policies and norms that affect the reproductive sphere.

Firms are central actors with discretion in this framework (sphere 2), and workers are actors as well (spheres 3 and 4). National institutions play a role in at least three of these four spheres (and arguably in some aspects of management as well). In a world of global retailers and global management consultants, we would expect the latter two factors to be most important in underpinning national differences. Labour regulations likely differ most across countries. Furthermore, in retail, the need for worker availability and scheduling flexibility imply a strong role for welfare state and gender relations. Therefore, as Jany-Catrice and Lehndorff (2005) argue, the gender dimension looms particularly large.

In this paper, we examine the interactions among these spheres and extend this earlier work in two main ways. First, we expand the comparative scope by bringing into analysis the United States, where much recent research has addressed the growth of low-wage work (Appelbaum, Bernhardt, and Murnane 2003). This provides an added test of the applicability of the four-dimensional framework. We also go beyond the two earlier comparative volumes, which focus on working time, by adding new variables to be explained: pay, productivity, and posture, with attention to differences in tasks and work schedules as well. One previous article, Gadrey and Jany-Catrice 2000, does compare France and the United States in terms of pay and productivity, finding that the U.S. retail sector "finances" a higher-service offer via lower compensation. Although an important antecedent to our work, the Gadrey and Jany-Catrice article is a quantitative accounting for staffing differences that does not draw on qualitative data and only alludes briefly to institutional differences.

With that, we turn to our findings.

### **3. Differences in pay, productivity, and posture**

In terms of the comparison most relevant for labour demand decisions (nominal exchange rate conversion) and the one most relevant for labour supply decisions (relative pay), French retail

offers higher compensation. Table 1, panel 1 compares absolute pay levels between the two countries: Using a Purchasing Power Parity (PPP) conversion allows us to compare the standards of living; by this standard, in the aggregate, workers in large French food outlets are better paid than their US counterparts, but French cashiers in particular earn slightly less on average (though more in our specific cases). However, from the viewpoint of transnational corporations able to convert currencies and make global location choices, a nominal exchange rate conversion is more relevant; by this criterion, French workers are on average more expensive. Moreover, the desirability of the cashier job within a country depends primarily on the *relative* level of pay, in comparison with other alternatives. Using two-thirds of the median hourly wage in each country as a cut-off point for low wages, we discover that French retail workers are far more likely to be well paid in relative terms (Table 1, panel 2).

**[TABLE 1 HERE]**

Note that higher pay in France does not necessarily imply *adequate* pay, both because of the higher French cost of living and because of the part-time employment that is common in retail in both countries.

A second striking difference concerns productivity performance (Table 1, panel 3). Sales per square foot of selling area are, remarkably, nearly three times as high in large French retail establishments, bespeaking much more intensive use of space. Even if we examine all retail (of which food sales is the largest component), value-added per employee-hour is almost 12 percent greater in France. And when we zoom in on target item scanning rates, a key measure of cashier productivity in both countries, we find a higher rate in France. This higher productivity makes higher compensation economically sustainable for firms.

As noted above, a third difference, not shown in the table, is that French cashiers sit whereas U.S. cashiers stand.

We bring a unique set of case studies to bear on this comparison. Based on a common methodology used for a cross-national research project on low-wage work in the US and five European countries, our case studies provide a globally representative sample of large stores within large retail food companies: 6 outlets in France, 8 stores in the US, from various chains and regions. Between 2005 and 2007, using very similar though not identical questionnaires, we conducted interviews with corporate HR executives, store managers, cashiers, shelf-stackers, and where possible representatives of worker organizations—an average of 25 interviews per company/banner—and observed work activity.

**4. Small market and organizational differences are insufficient to account for differences in key job characteristics**

**4.a. Store formats**

One possible source of difference in jobs is the national mix of food store formats. Perhaps a greater role for large stores in France generates higher pay and productivity. Our analysis omits convenience and “mom and pop” stores but even within large food stores, various formats coexist in both countries to respond to the heterogeneity of customers’ demands: hard-discount, “supermarchés classiques”, “hypermarchés” in France; and conventional supermarkets, superstores, warehouse stores, and supercenters in the US. Hypermarkets and supercenters differ

from standard supermarkets in both larger floor area and a much wider assortment of non-food items.

Category definitions differ across countries, making a head-to-head comparison difficult. Nonetheless, Table 2 reveals broad similarities in store formats. In both countries, large outlets dominate food sales but in fact this dominance is somewhat more pronounced in the US. The larger share of hypermarkets in France than of supercenters and warehouse stores in the US is primarily an artefact of a lower selling area threshold for the French category. The much greater floor area of US supercenters compared to French hypermarkets stems in part from this definitional difference, but also presumably reflects the more recent rollout of supercenters and hypermarkets in the US and the well known lower density typical of US development. France has a larger overall average store size, but the difference is small. Given similar store areas and France's greater sales per square foot (Table 1, panel 3), average sales per store are considerably higher in France.

[TABLE 2 HERE]

In brief, there is little to indicate that larger food stores in France explain differences in pay and productivity. And by construction our case study samples include a mix from conventional supermarkets to stores the size of a supercenter or hypermarket. We must look elsewhere for an explanation of the differences we have found in pay, pace, and physical position of cashier jobs.

#### **4.b. Tasks**

- The mix of tasks bundled into cashier jobs are, for the most part, identical across the Atlantic. The French “SBAM” (smile, hello, good-bye, thank-you) would be recognizable to any US shopper. However, there are several noteworthy differences: US cashiers almost invariably identify and weigh produce, whereas in France consumers are responsible for these tasks in many settings
- French cashiers must remove anti-theft tags from liquor and clothing, whereas in the US such tags are rare in the typical grocery order
- US cashiers usually bag groceries or at least assist the bagger and customer with bagging; in France the customer is expected to bag
- French cashiers typically do more to monitor for theft, including checking overhead mirrors and a panoramic lens at cash register level, checking goods on the belt (e.g. examining multi-packs of bottles for hidden small items), checking inside customers' bags
- French cashiers must count their cash at the end of a shift or when unloading a full register; in the US, supervisors count cash.

The fact that US cashiers stand is connected to bagging. A human resource executive in a US chain explained: “If you're sitting, it would be hard to swivel around and stand to bag. So that would be the most important reason that US cashiers stand.” Interestingly, the ergonomic literature shows that both models—exclusively upright *and* exclusively seated postures—have negative health consequences. Ideally, workstations should accommodate both positions (Lehman et al. 2001). This literature also shows that productivity and satisfaction are not significantly different in the two positions. So standing versus sitting cannot explain differences in productivity and pay between the two countries.

Bagging by US cashiers does not explain the difference in scan rates, which are calculated only for times when the register is online. At first glance, US cashiers' task of recognizing and weighing produce seems a possible explanation for slower target scan rates. But this explanation

is unsatisfactory. The very high scan rate objectives are also found in French hypermarkets, where cashiers *are* expected to weigh produce. In fact, given French cashiers' expanded responsibilities for anti-theft monitoring, one might expect them to scan more slowly! A last source of productivity disparity could be the scan technology but there is no evidence that French retailers use more advanced technology.

Relatively small differences in the tasks of cashiers in France and the US are consistent with the clear divergence between sitting and standing. But they do not explain the rather large differences in pay and productivity between the two settings.

## **5. Institutional contrasts with significant impact on job characteristics**

### ***5.a. Institutional contrasts with direct effects - Labour regulation***

Both countries show direct institutional effects in the labour regulation sphere, meaning institutional features that impact job quality directly rather than, for example, via changing the decision terms of firms or employees. Contrasts in labour regulation play the most direct role in this two-country comparison, as also noted by others (Gadrey 2000).

First and foremost, the sharp difference between the high value of the minimum wage in France and the low US minimum wage plays a key role in the stark contrast in incidence of low-wage work in retail. In France a high national minimum wage value (SMIC) relative to the national median wage contributes to the lowest incidence of low wages in retail of six countries in a cross national study (Carré et al 2010). In 2006, the French minimum wage stood at 68% of the median wage. With a definition of low-wage workers as earners of less than two thirds of the median net hourly wage of full-time staff, this virtually drove the proportion of low-wage workers to 0%. It has since lost ground.)

The US minimum wage has lost real value over the past 30 years, under intensive lobbying by industries employing low-wage workers, particularly retail and food service. By early 2007, the real minimum wage had declined to only 30% of the median wage<sup>2</sup>. The US Congress implemented a relatively small increase in 2007, with scheduled increments for 2008 and 2009. States may set a minimum above the federal level, and in 2007 thirty did (US Department of Labor 2007). Where implemented, state minimum wages are about 20% higher than the federal one (Dube, Lester, and Reich 2009).

The minimum wage affects the situation of retail workers in two ways: it affects both entry level wages and the reservation wage. In both countries, food retailers set entry-level pay at or slightly above the minimum wage. Using the nominal value of the US minimum wage implemented in July 2008 (\$6.55) as a yardstick, 1-in-12 US retail workers—and 1-in-5 part-time, frontline retail workers—fell below the benchmark in early 2007, while only 1-in-19 private sector workers fell short (Carré and Tilly 2008). Furthermore, the minimum wage is one key factor in the reservation wage. Its high relative value in France, combined with the RMI (Guaranteed Minimum Income), contribute to a higher reservation wage economy-wide.

Second, the US's lack of mandated hourly pay and benefit parity between full-time and part-time workers contributes to the high incidence of low-wage work in US retail relative to France. In fact, part-time work is a primary means of establishing a lower pay scale and excluding workers from employer-sponsored benefit plans. The contrast in pay alone is clear. In 2007, part-timers in

retail earned 67 percent of full-timers' hourly wages (and 31 percent of full-time weekly earnings), a disadvantage markedly exceeding that of part-timers economy-wide (77 percent of full-time wages) (Carré and Tilly 2008).

Third, a clear France-US contrast in handling health issues plays a part in determining cashiers' physical position. France has a mandatory industrial medicine system in which employer-paid medical personnel diagnose injuries and chronic illnesses, especially repetitive trauma disorders. Social Security monitors the incidence of reported job related accidents and illnesses, in part because work-related sick leave and medical expenditures are covered by a national, universal, system. Social Security and the Ministry of Labour have safety overseers who may impose production process changes. Historically, because cashiers were full-time, these institutions have weighed in on the physical stress related to standing for long hours. Retailers have followed their recommendations.

Since the mid-1980s, with increased part-time employment, the French authorities have advocated for a mix of sitting and standing based on ergonomic findings. Firms have not complied, due to fear of customer reaction and above all because of space limitations: changing position requires more distance between check-out desks and thus fewer workstations. So in the last 15 years, authorities have pressed companies to optimize the ergonomics of checkouts. Consequently, retailers have "voluntarily" established minimal standards for cashier workstations that in turn have helped to increase productivity norms, but have ultimately been accompanied with *expansion* of occupational illnesses (Boitel et al. 2006).

The US has no equivalent national system of industrial medicine. Instead, firms respond to the rising premia for private (but legally mandated) workers' compensation insurance that covers medical expenses and lost earnings related to workplace injuries. Firms respond primarily to accidents with acute consequences and less to chronic and stress related conditions. Similarly, the national Occupational Safety and Health inspection system is usually responsive rather than pre-emptive. Ergonomic concerns do not loom large for retailers (Vega 2005).

### ***5.b. Contrasts stemming from the market sphere - Shopping regulations drive work strains***

Transatlantic differences in regulation of shopping itself, part of the product market sphere, exert *indirect* effects on cashier job outcomes. French store opening hours and anti-competitive regulations induce concentrated peak hours with (exceedingly) high customer flows—with consequent pressures for cashiers. In contrast, US customer-oriented regulations lead to the provision of relatively more services and greater job burdens but for shelf-stackers rather than cashiers.

US food retail workers ubiquitously work one weekend day, and often evening schedules. In the near-absence of regulations, large stores are open 7 days a week and at least 15 daily hours with a trend to 24-hour operation. In contrast, French food store hours are restricted hours by regulations and custom. French supermarkets are typically open from 9am to 8pm and hypermarkets close at 10pm; both can open 5 Sundays a year, with additional exceptions for tourist zones and since August 2009 also for some retail zones facing extreme customer flows. In central business districts, or in tourist zones, stores can remain open 16 hours a day. Despite a slight increasing trend, approximately an hour over a decade, shopping hours remain concentrated. Still, even with these restrictions, retail workers frequently experience shift work because of set-up time and clean-up tasks under European Union food safety requirements.

In the two countries, store hours also reflect social schedules and rhythms of family life which in turn strongly shape sharply contrasting shopping behaviours. French customers carry out only marginal purchases after dinner-time (7-9pm), except for shift workers. Peak shopping hours concentrate Monday-Friday 5-8pm and on Saturdays, largely as a result of the limit on Sunday opening. This limit constrains peak hours to about 20-25 hours per week (3 hours Monday-Friday plus 5-10 hours on Saturday), whereas US stores typically have about 36 peak hours (4 hours on weekdays and 8 hours on each weekend day).

Moreover, France historically has had a Malthusian policy limiting the growth of local surface areas for food sales. Restrictions were reinforced in 1996 and only partly removed in 2008. The policy was designed to shelter retailers in place from excessive competition. France has the strictest zoning rules in the OECD competitive database (Boylaud and Nicoletti 2001). By contrast, and consistent with a consumer-oriented economy, entry is almost free in the US, except for local ordinances imposing bans or costs on big-box stores.

As a result, large food retailing sales areas reach only 3.2 sqf per inhabitant in France<sup>3</sup> as compared to 5.5 sqf in the US<sup>4</sup>. This rate is even lower in the largest metropolitan areas. The problem is acute given a much larger at-home food consumption market in France: in 2006, food-at-home spending per capita was 2,600 Euros in France in contrast to 1,800 dollars in the US.

The combination of these temporal and physical shopping limitations on such a large market dictates that French stores unavoidably experience massive customer flows during peak hours. The two studied hypermarkets welcome 10,000 visitors on weekdays, and 25,000 on Saturday.

French regulations promote an organizational choice that optimally uses the floor space to maximize the number of cashiers and warrants an intensive (and stressful) organization of work, in particular for cashiers. In a hypermarket with 100,000 sqf sales area, fifty cashier stations can operate simultaneously. Sitting reduces the space per cashier, allowing stores to maximize the number of cash registers. High scanning rates keep check-out lines flowing briskly. Nonetheless, French shoppers often experience long waits during peak periods.

The US focus on customer satisfaction has also generated regulations escalating the burdens of certain categories of workers—though not cashiers. Product labelling is the most striking example. In France, shelf-stackers simply mark the prices of products on the shelves; digital posting is spreading and allows tens of thousands of price changes daily with negligible labour costs. In the US, consumer information rules mandate the systematic (hand) labelling of all individual dry goods and some bulk produce items, generating a significant workload for shelf-stackers and contributing to lower measured productivity.

More broadly, without barriers to entry, large US retailers face sharp price competition heightened by the aggressive expansion of Wal-Mart and the adoption of its practices by other retailers. Retailers' cost-cutting strategies increase downward pressure on wages. In contrast, given barriers to entry in France, profits are simpler to extract. The pre-tax income of French supermarkets was 3.9% of sales in 2005, almost twice that of US supermarkets (1.9% for fiscal year 2006-2007).

### ***5.c. Contrasts stemming from the reproductive sphere - Labour demand meets labour supply***

The height of the wage floor and the length of store opening hours both shape retailers' labour preferences. But what employers want is only half the story. A set of institutions and norms also shape available labour supply. The meeting of labour demand and labour supply—each deeply influenced by institutions—generates differing outcomes in cashier jobs.

### *In the United States*

The overall rate of part-time employment in retail in the US grew over time from the 1950s onward, reaching its current level (28 percent in 2007) by the end of the 1970s (Tilly 1996, Table 2.5). Retrospective accounts single out the extension of store hours as a precipitating event. “As hours started expanding...you couldn't efficiently staff without part-timers, unless you wanted to have overlapping schedules and redundancies,” said the personnel director of a supermarket chain in the late 1980s (Tilly 1996, p.146). Part-time employment adds two advantages for retailers. The first is that by intricate scheduling of part-time employees, stores are able to match staffing closely to demand, shedding “excess” labour hours. A corollary is that US retailers particularly want a large mass of short-hour part-time jobs—with the option to adjust hours upwards. The second advantage is to achieve lower hourly pay and benefit savings. Management strategies thus drove the spread of part-time hours.

In the US, as elsewhere, the part-time workforce consists overwhelmingly of young workers, especially students; women of all ages; and a smaller number of older workers (US Bureau of Labor Statistics, 2008a Table 22, Carré and Tilly 2008). Thus, as retailers elevated the rate of part-time employment, they reached out to women and young people. US labour market and welfare state institutions support the availability of these groups. US high school students generally have shorter school hours and years than their French counterparts—about 799 instructional hours per year (Silva 2007, Table 1)—leaving substantial afternoon and summer time available for work. In France, in contrast, the typical 15-year old receives 1147 hours of instruction time per year (OECD 2007, Table D1.1). It is also socially normal for a US high school student to work: 35 percent of persons aged 16-19 were employed in the average month during 2007 (US BLS 2008 Table 3), A retail job is seen as a “good first job,” as one manager put it. In France, the norm is quite different, with only 9 percent of 15-to-19-year-olds employed in 2006 (INSEE 2008, T207).

It remains the norm in both countries that women are chiefly responsible for child care—but the institutional context for this norm differs dramatically. The US lacks any national system of child care provision (Albelda 2008), in contrast with France where almost half of two-year-olds and nearly all three-year-olds participate in a universal preschool system that extends to age six (Kamerman *et al.* 2003). US law requires only 12 weeks of *unpaid* maternity leave (and that only in the half of the workforce in larger businesses), quite different from France which requires at least 16 weeks paid at the normal salary (Clearinghouse on International Developments 2008, Tables 1.11, 1.14; Boushey and Tilly 2009). These distinct institutional constellations make for a large number of female part-time job seekers available in the US, and a considerably smaller one in France.

Thus, in the US, employers seeking low-wage part-time workers, including a large contingent of short-hour workers, come face to face with students and mothers seeking part-time jobs, many of them content to earn wages that will supplement other family income sources.

### *In France*

In France, retailers' labour demand is shaped by the high SMIC and the shorter store opening hours. Both drive retail employers to extract higher productivity. Concurrently, like US retailers, they aim to have part-time workers available for added hours as needed, so they wish to deter employees from taking a second job. In addition, in their attempts to mirror a desired middle-class clientele, French retailers seek workers with more polished social skills, and prefer white, native-born workers. In summary, their strategies have led French retailers to design especially demanding jobs, and to seek to be especially selective in filling those jobs.

At the same time, French labour supply is not as permissive for employers as in the US. As already stressed, youths spend longer hours in class, and social norms emphasize study over work. Persons aged less than 25, who make up 29 percent of the US retail workforce (US BLS 2008a), account for only 19 percent in France. French mothers, supported by a generous maternity leave and available child care, are likely to seek full-time rather than part-time work. In French retail in 2007, more than 61% of the part-time young workers and 46% of part-time women employees would like to work longer (Labour Survey, 2007).

In France, earnings norms focus on the monthly wage package, in contrast with the US where, at least for supplementary earners, the hourly wage is most salient. Given this normative focus, French retailers offering low hourly wages in part-time jobs would be doubly cursed in the labour market, because low wages and short hours compound to a much lower total monthly pay. In contrast with the US perception of cashiering as a "good first job," to French eyes, cashiering is often a job of last resort.

Importantly, not all French institutions have the effect that might be expected. French retail unions have won a minimum hours threshold of 26 hours. However, the policy is subject to exceptions for students and for those who "voluntarily" choose to work fewer hours. In practice, our case studies and standard statistical sources concur that the great majority of cashiers work under 26 hours. Nonetheless, extremely short hours are less common in France than in the US. Whereas eighteen percent of US retail workers usually work less than 15 hours per week, and 34 percent less than 20, in France, only 10% and 16%, respectively, do so.<sup>5</sup>

The net effect is that as demand meets supply, French retail employers seek more from their employees but the available French workforce is less disposed to work part-time jobs. Retailers are only able to square these two exigencies by offering an "efficiency wage" (Akerlof and Yellen 1986) designed to attract and retain desired employees and elicit ongoing effort. The alternative, as many managers pointed out, would be unmanageably high turnover, absenteeism, and pursuit of second jobs that would limit the availability of part-time workers.

A final demand-side norm bolsters the adoption of higher wages for cashiers. In France, some high-end retailers believe their image requires that their workers earn enough to buy in their stores. Once again, this points toward a higher pay level.

## **7. Conclusion: The institutional bases of cross-national job differences**

Starting with the observation of differences in pay, productivity, and posture among retail food cashiers between France and the US, we have developed an argument that points to institutional divergences and shopping cultures as the key differentiators. Stemming from the labor market sphere, direct institutional effects, above all the difference in minimum wage, affect pay and posture. In the product market sphere, different shopping cultures have generated very different

regulations on store hours, driving the productivity gap. Differences in labour supply emerge from divergences in reproductive institutions (schools, child care). All of these institutional influences are mediated by management strategies aimed at lower costs, flexible staffing, and adequate service. The findings affirm the usefulness of the “four spheres” framework proffered by Bosch and Lehndorff (2005b). Though Gadrey (2000) and Jany-Catrice and Lehndorff (2005) suggested that labour market and welfare state spheres should be particularly influential, in our comparison all four dimensions made significant contributions, forming integral parts of a complete explanation of job dimensions under study.

Looking to the future, it is important to point out that institutions themselves are mutable. There is some prospect that the US and France will move to mitigate the least sustainable aspects of their respective models: low wages (US) and an injurious pace of work (France). To the extent that this occurs, we will see a certain degree of convergence between the two sets of jobs—to the benefit of workers in both countries.

**Funding**

This work was supported by the [name suppressed] Foundation, grant 85-05-03.

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## Endnotes

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<sup>1</sup> In each of the countries, a research team conducted case studies of large retail companies in food retail. European case studies were conducted between March 2005 and September 2006, and US ones, between May 2005 and April 2007. In principle a case consisted of interviews of company-level executives plus a store visit, with interviews of store managers, front-line workers, and (where relevant) union or works council representatives. In practice, the degree of access varied by company, although the large majority of cases conformed with this ideal profile. Worker interviews and focus groups zeroed in on our two target jobs of cashiers and stock clerks/salespeople, although in some cases teams interviewed other employees (such as supervisors) as well.

The US sample was designed to be twice as large as the others because it represents in some sense the “baseline” for international comparisons and the industry is larger. The samples are quite strongly comparable across countries. Case study teams used similar, though not identical, protocols for semi structured interviews. In addition to these case studies, each team reviewed descriptive data from standard national data sources about the quality and characteristics of retail jobs.

National studies on retail have been published or presented: for France (Askenazy et al (2008)) and for the US (Carré and Tilly (2008) and Carré *et al* (2007)).

<sup>2</sup> Authors’ calculations from US Department of Labor 2008, US Bureau of Labor Statistics 2008b, and CPI-U index.

<sup>3</sup> Including classic supermarkets, hard-discount stores and hypermarkets. Figures for France in this subsection are estimated using Fédération du Commerce et de la Distribution facts 2007, and INSEE databases.

<sup>4</sup> US figures in this subsection come from Food Marketing Institute Supermarket Facts 2007. A supermarket is any full-line self-service grocery store generating sales volume of \$2 million or more annually.

<sup>5</sup> US numbers (2007) computed from March 2007 Current Population Survey; French numbers (2006) from Esbjerg, van Klaveren, and Voss-Dahm forthcoming.

**Table 1: Profile of French and United States Retail**

<b>Gross hourly wages of retail workers in France and the US</b>			
	<b>France 2006 (in 2007 \$)</b>		<b>US 2007</b>
	<i>PPP<sup>1</sup></i>	<i>Nominal exchange rate</i>	
All retail	\$13.58	\$16.91	\$14.85
Large food stores (supermarket or larger)	\$13.25	\$16.49	\$12.31
Cashiers in large food stores	\$11.56	\$14.39	\$12.16
Cashiers from our cases	\$9.25-12.02	\$11.51-\$14.96	Start at \$5.15-10, top \$7-20.83
<b>Percentage of workers falling below low hourly wage<sup>2</sup> threshold in France and the US, 2003</b>			
	<b>France 2003</b>	<b>US 2003</b>	
All retail	18%	37%	
Food retail	19%	48%	
Cashiers in retail	29%	70%	
Cashiers in food retail	30%	69% <sup>3</sup>	
<b>Retail productivity measures for France and the US PPP</b>			
	<b>France</b>	<b>US</b>	
Annual sales per square foot of selling area (large food stores)	\$1,348 (2007)	\$582 (2007)	
Annual sales per hour (large food stores)	\$ [260 - 290] (2007)	\$139 (2007)	
Value added per employee-hour (all retail) <sup>4</sup>	\$29.33 (2005)	\$26.25 (2005)	
Typical targets for items scanned per minute by cashiers	25 (up to 30)	20 (up to 25)	

**Notes:**

1/ PPP denotes a purchasing power parity exchange rate.

2/ Low hourly wage threshold is defined as 2/3 of the economy-wide median hourly wage.

3/The percent of cashiers below the low wage threshold is 66% in both Discount Stores and General Merchandise stores.

4/ Sales and value-added converted using nominal exchange rate.

**Sources:**

**Gross Hourly Wages:** France – wages from DADS, INSEE. US – Wages for “All retail” computed from March 2007 Current Population Survey (CPS). All other wages except sample wages calculated by imputations combining March 2007 CPS data with Current Employment Statistics 2004 and 2007 annual averages (US Bureau of Labor Statistics 2008b), along with weights from the Quarterly Census of Employment and Wages 2007 (US Bureau of Labor Statistics 2008c). In brief, we used CPS to determine current wages and occupational differences, combined with CES data to determine sub-sectoral differences and weights. Imputation details available upon request. PPP conversion factor and French consumer price index from OECD (2008); nominal exchange rate from US Federal Reserve Board (2009).

**Workers below low hourly wage:** France - DADS, INSEE; US - March Current Population Survey

**Productivity Sources:** Sales per square foot or per hour: France - estimations using FCD (French food retail employer federation) *Rapport de branche 2008*, for employment, sales and surface and Labour Force

Survey /Emploi (2005) for hours ; US - from Food Marketing Institute 2009. Value-added per employee-hour in national currency: computed from EU KLEMS 2008; exchange rate: from US Federal Reserve Board 2009. Scan rates: from case studies.

**Table 2: Profile of large food stores in France and the United States**

	France 2007	US 2002	US 2006 (imputed)
<i>% of total food sales</i>			
Supermarkets	33.1%	66.4%	65.4%
Hypermarkets/supercenters	33.0%	15.1%	20.3%
All large food retailers	66.1%	81.5%	85.8%
<i>Average square feet per store, 1000s</i>			
Supermarkets	11.7	11.8	--
Hypermarkets/supercenters	61.0	123.9	--
All large food retailers	18.9	16.5	--
<i>Average annual sales per store, \$1000</i>			
Supermarkets	\$12,239	\$5,975	\$6,471
Hypermarkets/supercenters	\$102,648	\$65,677	\$71,114
All large food retailers	\$25,482	\$8,492	\$10,135

**Notes:** French figures from 2007, US figures from 2002 (most recent Economic Census). For US, “Hypermarkets/supercenters” corresponds to the “Warehouse stores and supercenters” category. French sales converted to dollars using nominal exchange rates.

**Imputation procedures for US 2006:** % of food sales based on  $\text{sales}_{i,2006} = \text{sales}_{i,2002} * (\text{establishments}_{i,2006} / \text{establishments}_{i,2002})$ , where *i* denotes a size category. 2006 count of establishments from County Business Patterns (US Census Bureau 2008a).

Average annual sales per store:  $\text{store sales}_{i,2006} = \text{store sales}_{i,2002} * (\text{total sales}_{i,2006} / \text{total sales}_{i,2002}) / (\text{establishments}_{i,2006} / \text{establishments}_{i,2002})$ , with total sales for the sub-sector from Annual Retail Survey (US Census Bureau 2008b).

**Sources:** France - FCD (French food retail employer federation) *Rapport de branche 2008* or INSEE *Compte du commerce 2008*. US - All from US Economic Census 2002: sales from US Census Bureau 2005a; area from US Census Bureau 2005b.