

# Fair work in the foundational economy: experiences in retail

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## Summary

There is growing interest in the foundational economy, but there is also some concern about the terms and conditions of employment in parts of it.

This report brings together insights from employees, their representatives and employers in retail - a key foundational sector. It finds that:

- Retail work is predominantly low paid, with the effects of low hourly rates of pay being compounded by widespread use of low hours or variable hours contracts. Many workers feel under real financial pressure as a result.
- As well as hourly rates of pay, retail workers sometimes experience reductions in other pay-related benefits such as paid breaks.
- Cuts to staffing, rising workloads, additional tasks related to Covid-19 and limited investment in staff training are putting staff under significant pressure in the workplace. Many retail workers are experiencing poor mental health as a result.
- Weak management was widely experienced, with reports of favouritism, inconsistent application of policies and lack of regard for employees' well-being. This sometimes resulted in workers attending work despite being sick.
- The Covid-19 pandemic has increased workers' concerns about health and safety, particularly in respect of implementing good practice, enforcing customer compliance with requirements and abuse by customers.
- Trades union membership is relatively low. Some retail employers do not recognise unions or take active steps to limit their influence in the workplace. Some employees are not aware that they can join a union, perceive them to be unrepresentative of their interests and too costly. This creates a vicious circle for unions.

If the foundational economy is to be central to efforts to regenerate the Welsh economy, especially after Covid-19, then terms and conditions in retail, and in other foundational sectors, must be improved. Stronger worker voice, better management practices and fairer contractual arrangements (particularly in terms of hours and pay) should be at the core of improvement efforts.

# 1. Introduction

The foundational economy is attracting increasing interest in Wales as a way of encouraging stable, local economic activity and employment. The foundational economy is very varied, ranging from the provision of essential services such as water, energy, housing and health care, to so-called ‘overlooked’ sectors that are mostly dependent on household expenditure.

Some parts of the foundational economy are associated with terms and conditions that are worse than average. If the foundational economy is to be the cornerstone of Welsh economic policy, the quality of jobs within key parts of it will need to be improved if low pay and poor conditions are not to be entrenched in the labour market.

The Bevan Foundation was awarded funding from the Welsh Government’s Foundational Economy Challenge Fund to identify ways in which the prevalence of fair work could be increased in it, focusing on three key sectors. This report summarises the experiences of workers and employers in retail, offering insights into job security, pay, health and well-being, and worker voice for workers across each sector. It is part of a set of reports, with others covering key data, experiences in social care, experiences in hospitality and evidence on effective interventions.

## 1.1. Fair work in the foundational economy

The foundational economy comprises the provision of goods and services that are essential to everyday life, such as food, housing, health, and social care, as well as some services such as personal care and hospitality. The concept has become popular in Wales in recent years, and it is seen to have considerable potential for growth especially in areas with weaker economies. Although much attention has been given to the potential of the foundational economy, employment within the sector has relatively poor terms and conditions with issues of low pay, job precarity, and insecure work. This is particularly evident in hospitality, retail, and social care, hence the focus of this research.

The Fair Work Commission was set up by the First Minister to consider how the Welsh Government could promote fair employment practices across Wales. The commission published a set of recommendations in spring 2019 and defined fair work as a workplace where workers are “fairly rewarded, heard and represented, secure and able to progress in a healthy, inclusive environment where rights are respected”. The six characteristics outlined within the definition are:

- fair reward
- worker voice and collective representation
- security and flexibility
- opportunity for access, growth, and progression
- safe, healthy, and inclusive working environment
- legal rights respected and given substantive effect.

The promotion of equality and inclusion is integral to all six of the characteristics.

## 1.2. The retail sector in Wales

Retail is a large sector in Wales and is diverse in both the size and structure of businesses, and the types of products sold and to whom. The sector is Wales' largest private employer, accounting for 9 per cent of all businesses, 6 per cent of gross value added (GVA) to the Welsh economy and 137,000 jobs in 2019<sup>1</sup>. Of these figures, supermarkets dominate, accounting for 43 per cent of all jobs in the sector, of which nearly two-thirds are part-time.

The COVID-19 pandemic has dramatically disrupted retail, with impact differing greatly between online stores and brick-and-mortar retailers, and those classed as essential versus non-essential. Essential retailers, including food, off licenses, pharmacies and other services have experienced a surge in demand during the pandemic, while non-essential stores are faced with ongoing closures, a move to click-and-collect services, and high levels of workers placed on the furlough scheme.

## 1.3. Methodology

We began with four interviews with key stakeholders with key insights into fair work across Wales. Following these discussions and desk-based research, topic guides were produced to engage with workers, worker representatives and employers in each of the sectors. In total, ten workers – over half of whom worked in supermarkets – were interviewed, a slight over-representation than in the sector as a whole. Five worker representatives and two employers were also engaged in the research. To supplement the qualitative experiences of those interviewed, the Bevan Foundation published an online survey aimed at engaging workers across Wales for their experiences of fair work in their employment. In total, 86 workers in the retail sector provided answers and the results, alongside the experiences interviews have informed this report.

While the number of interviewees and survey respondents is modest, their experiences echo the findings of government surveys of employees' terms and conditions as set out in our key data report.<sup>2</sup> They also illustrate the significant cost to employees of working for low pay, living with job insecurity, and facing substantial workplace stress.

The engagement with employees, their representatives and employers took place in January 2021, at a time the sector was under significant pressure from restrictions associated with Covid-19. We have endeavoured to reflect these exceptional circumstances in our findings. The engagement was undertaken by a team at Miller Research Ltd.

## 2. Working conditions and job security

Poor conditions and job security were key concerns voiced by those working in retail, with interviewees presenting a variety of issues around their contractual arrangements, staffing conditions, limited opportunities for career progression, weak management structures, and the future impact of the COVID-19 pandemic on the sector. Each of these issues will be explored in greater detail below.

### 2.1. Contractual arrangements

Stakeholders highlighted the prevalence of part-time and flexible contracts<sup>3</sup> in retail, with full-time positions typically only offered for managerial roles. Worker representatives explained that these contracts offer flexibility and cheaper labour for employers, but meant staff were almost always chasing extra work to cover their basic needs. Almost all workers interviewed were dissatisfied with the numbers of hours they currently work and spoke of the difficulty of gaining more hours; often only obtaining these when overtime as a scheme was made available by employers.

One supermarket employee explained: “Initially when you join, you’re given loads of hours but after 6 months they cut you off, so you’re left with up to 16 and competing with everyone else for overtime”. Another worker described how she had moved departments on a part-time contract with the promise of more hours but was faced with a cut to twelve hours from twenty, and now depended on overtime to supplement her salary.

These issues were further compounded in some instances where staff worked overtime but had their regular hours cancelled or worked their normal hours but were sent home early. It was recognised amongst workers and worker representatives that for many people working in retail, the continued cut back of hours and inconsistency in shift patterns made their work particularly precarious, with second jobs becoming the norm.

### 2.2. Staffing

A common theme that arose was that as retail businesses grow, staff numbers shrink, leading to stores being understaffed with a large flow of customers. Several worker representatives explained that there continues to be fewer people working in larger supermarket stores on lower hours, which increases workloads and is stressful for employees. One interviewee, for example, described how after a full-time colleague left, her hours were split into four 8-hour shifts across other areas in store, rather than re-employing someone new for a full-time position. This led to herself and other people in the department doing the equivalent of two jobs in the same number of hours, placing “immense” amounts of stress onto staff. She expressed that these types of issues were further compounded when colleagues took holiday or time off sick – the latter of which had intensified during the pandemic – and that her employer had provided no means to alleviate pressure on workers.

### 2.3. Training and skills development

Another issue raised was an inherent skills gap in the sector and lack of opportunities for employees to better themselves at work. One worker representative explained that alongside a shift by

employers to low hour, flexible contracts they had also witnessed a dwindling in the investment in people. Two supermarket workers stated that they had been offered no training or skills development since joining their retailers in 2015 and noted that previous 'job for life' schemes that focused on personal development had now ceased.

Others explained that despite online skill courses being available through their employer, these lasted no longer than ten minutes and were less useful compared to the in-store hands-on training that staff should receive. Some workers also described how limited hours constrained their ability to move up the ladder and progress in their workplace. They expressed that often they could not take their flexibility arrangements with them when trying to move to higher roles.

A lack of opportunity for workers to diversify in their role led to feelings of insecurity amongst some interviewees. There was a fatalistic view from workers that jobs were designed in a way that made them easily replaceable in the sector. One interviewee explained "I know because it's retail, they could replace me tomorrow if they wanted to. Keeping the job is more important to staff than we are to our managers".

## 2.4. Weak management

Poor management skills and the frequent restructuring of teams were other issues faced by workers. The quality of conditions experienced by workers and representatives was described to be strongly linked to the quality of their manager, relationship with them, and whether they followed company policy.

Several supermarket workers referenced favouritism as an issue they had dealt with at work which led to unfair treatment. One employee explained that when working in an old department, managers would put forward certain employees for overtime before offering them to staff on lower hours. Another explained how promotions and supervisor roles had been given to some employees, without making other staff aware of the opportunity to apply beforehand.

One supermarket worker representative described his experience of witnessing managers inconsistently following sickness policy and offering little support for different people's needs and working conditions. He explained that his employer's strict three per cent absence allowance was imposed unfairly on workers and built around preferential treatment. Despite some staff following company policy for planned operations or long-term sick leave, they received higher absence percentages – and no sick pay – than others who were absent from work for longer periods without disciplining. This made many staff feel particularly insecure in their work, describing how "People come into work ill because they're scared of being disciplined". The representative explained that lack of empathy and clear favouritism for some employees had created low morale, and a greater division between managers and workers.

Some workers also explained that the frequent altering of team structures was an issue, with managers changing departments regularly. This created challenges for staff who would become accustomed to working under a new manager who would then move on soon after, and that in some cases managers were being moved onto departments without appropriate training. One supermarket worker, for example, explained that a recent restructure had brought a new manager onto their team with no experience or training working in the department. Rather than bringing in better management with a suitable background, he said that these restructures created further

challenges through being labelled 'colleague led', meaning that the responsibility for training any new members of staff was shifted down to employees rather than managers. Coupled with low staffing levels, these types of changes "created impossible tasks" for workers and added pressure.

## 2.5. Covid-19 pandemic

The long-term impact of Covid-19 on the role of workers in retail was another theme to emerge. Workers voiced their concerns of redundancy as employers moved to quick 'hire and fire' contracts during the pandemic, and increased probationary periods for new staff. Generally, however, those interviewed working in supermarket retail felt more secure in their work than those working in stores classed as non-essential.

For other workers interviewed on furlough, the question of whether their role would exist as the economy emerged from the pandemic loomed. One worker from a clothing store worried that the recent shift towards and preference for online shopping would be the way of the future for their employer, putting staff in direct competition with technology.

## 3. Pay

Issues relating to pay across the retail sector varied and ranged from poor conditions, inconsistencies in pay, rates that did not reflect the workloads of employees, and underpayment. It was recognised that although trade unions were helping to improve pay in the sector, more representation was needed to strengthen collective bargaining.

### 3.1. Conditions in the sector

There was a shared view by stakeholders that in-work poverty within retail is a growing issue, especially for workers on part-time and flexible contracts. One worker representative explained that although wages have increased in the sector, employers continue to cut hours to offset this growth, meaning that workers' overall earnings remain consistently low. Workers shared concerns over how fellow colleagues supported themselves on low hour contracts, sometimes only working up to three hours a week despite being contracted for up to nine. In these cases, it was expressed that people were coming to work and losing money by doing so. Amongst survey respondents, the most cited issue of concern for retail workers was improving pay with 50 per cent of respondents considering this the most pressing issue.

One worker described, for example, how the money she spent on parking and lunch equated to an hour's work, and that for people only on 12-hour contracts, every penny counted. It was acknowledged by several workers that many of their friends in retail would top up their wages through claiming benefits. Others expressed that if it were not for having the financial support of a full-time partner, they would struggle.

One worker described how she struggled financially to support her family during the pandemic, needing to work fewer hours so that she had flexibility for child-care. However, because she was on an 8-hour flexible contract she was deemed ineligible for claiming up to 30 hours of free childcare through the Welsh Government's 'Childcare offer for Wales' scheme<sup>4</sup>, and was therefore not able to work more and increase her earnings. In these instances, one worker representative described flexi-contracts as a "prison cell", whereby although colleagues needed the flexibility at work for family commitments, they were locked into a system of low hours, low pay, and limited progression.

### 3.2. Inconsistencies in pay

Another theme that arose was that pay in retail was also inconsistent across the sector. Worker representatives explained that hourly pay in some supermarket retailers, for example, was up to £10 an hour, while in other stores, workers still received only the statutory national minimum and living wages. One worker expressed that although movement to the national living wage (NLW) was a step forward by government, this did not reflect the true cost of living as she witnessed increases in food prices and her own bills over the pandemic. One employer voiced that all retail businesses should be paying staff, at the very least, the Living Wage Foundation's voluntary Living Wage<sup>5</sup>. Despite representatives recognising that there had been increased union campaigning, more support was needed from the government.

Within stores themselves, two workers discussed recent cuts in their skill supplements, even though they had been specially trained for certain departments. This was viewed as unfair given that they

had worked towards qualifications for the role, and they called for trained positions to equalise supplements across the board.

### 3.3. Pay does not reflect the workload

The question of whether pay reflected workloads fairly was also raised. Several workers, for example, described how although they had recently received an hourly pay increase, this was agreed in exchange for losing pay in other areas of their work. These included cuts to annual bonuses, changes to long service award schemes, and paid breaks now being deducted off their working hours. Coupled with poor staffing conditions, some workers expressed that they were now working twice as hard for the money they earned, with one stating “we’ll be top paid but with a sign that says work harder, faster and longer”.

### 3.4. Underpayment

Two workers had regularly experienced issues with being underpaid by their employers, though this was not an issue reported by the majority of those interviewed. Workers acknowledged that in these cases, they would only be paid for missing hours if they were discussed with managers, but otherwise underpayment was overlooked. Both argued that more could be done to ensure workers are paid for all of the hours that they work in the sector.

### 3.5. Collective bargaining

The role of collective bargaining<sup>6</sup> in creating fair pay for retail workers was viewed as important by those interviewed. Worker representatives explained that where union representation is strong, negotiating teams and bargaining are also strong, with higher chances of seeing changes to pay and conditions that improve work quality, though this was not the case for all.

It was recognised by stakeholders that a lot of workers in retail are still not represented by unions. Although bargaining was taking place in the sector, worker representatives highlighted that unions still had limited flexibility to talk to staff by some employers, and that for retailers who did not recognise trade unions, representatives were rarely allowed to act on behalf of the staff. One union representative explained that they were only allowed to go to disciplinaries, and that limited measures were in place to discuss issues with staff and encourage sign-up from new members. This made collective bargaining more difficult, with several unions needing at least 50 per cent representation for agreements to be recognised, or a ballot or petitions by half of all employees. Another worker representative described how ballot voting was unfair and hence decisions were not always representative of the whole workforce. He explained that this is because voting for wage increases and changes to conditions often took place on a specific day of the year, and if staff were on holiday or had taken sick leave, they had no way of taking part in the voting. He also expressed how the system for collecting votes was outdated, still taking place using a cardboard box and paper slips then being counted by managers in store, which made the process feel “un-secure” and in need of modernisation.

One worker representative described how the success of collective bargaining also relied strongly on management and their personal opinions of unions.

### 3.6. Cost of union membership

The role of trade unions in retail is covered more broadly in Section 5, but a number of workers highlighted that the cost of joining a union was a key barrier to increasing representation and bargaining in their workplace.

One representative explained that for workers on low hour flexible contracts, staff generally could not afford to spend their money earned on union membership fees. Another commented that people struggled to see the benefits of paying for union membership when costs equated to two hours work on an 8-hour contract. Without the members, however, it was recognised that unions struggled to get recognition from employers and struggled to get sufficient participation needed for successful collective bargaining on issues such as wages.

## 4. Health and Well-being

The Covid-19 pandemic has placed increased stress on the health and well-being of workers in retail. Issues around worker safety and work-related mental health have been exposed during the pandemic and presented new challenges for the sector moving forward. These are explored in greater detail in this section.

### 4.1. Worker safety

#### **Covid-19 (Impact, measures, and effectiveness)**

Feeling unsafe at work was commonplace for supermarket workers during the pandemic, often due to the escalation of verbal abuse from customers. Workers expressed that they were encountering aggressive, and in some cases, violent responses when confronting those not wearing a mask, making them feel unsafe at work. For those in smaller convenience stores, this feeling was compounded as staff numbers were lower, and stores often had no security guard. Several workers – particularly women – feared a backlash from customers when working alone. One worker explained how she had requested a guard in store on an afternoon and evening but was told this could only be supported if hours were cut back from members of staff. This made her feel that her employer under-valued their safety despite providing vital services as a key worker.

Although workers recognised that many supermarket retailers were now giving them the right to challenge customers, many expressed that up to this point they had limited means to protect themselves and refuse entry in store, and that enforcement is not something that should be the responsibility of shopfloor staff.

Another issue raised was the lack of guidance from employers and management on how to adapt to the ongoing pandemic. Workers voiced that there had been no training to deal with Covid restrictions in some stores, with weak top-down guidance leaving many workers to establish what was safe and what was not amongst themselves. Whilst there was a general recognition that new legislative measures introduced for retail had been fairly effective, there was a consensus that the public was quickly de-sensitised to these measures, putting staff at risk. One worker representative explained “these measures come in stores strictly at first but within 3-4 weeks they phase out – people’s attitudes have changed towards the pandemic now”.

Retail workers did suggest that although measures to improve Covid compliance would make them feel safer the vast majority believed that their employer had dealt adequately with providing PPE throughout the pandemic. Of the 84 survey’s respondents 57 suggested that they felt that they had the right equipment since the beginning of the pandemic and only 7 suggested that they have faced a serious lack of required equipment.

One employer interviewed described how safety at work has been inconsistent across the sector during the pandemic, and that staff Covid training should be a top priority for retail businesses. They explained that rigid Covid-safe policies and training sessions help to protect both workers and customers in store and provide an iterative blueprint for establishing best practice.

## 4.2. Discrimination

One worker shared her experience of racial harassment in the past from customers, though this was not an issue reported by the majority of those interviewed. She explained that current system in her work for reporting discrimination and abuse was slow and often not prioritised. This worker had to report an incident of consistent slur from a customer five times before the abusive customer was banned from the store. This caused substantial anxiety and caused her to feel poorly supported by her employer in combating issues of racial abuse – an issue she argued needs more robust policies for dealing with in the workplace.

## 4.3. Stress and mental health

An overwhelming number of workers expressed the negative effects on their mental well-being that came from working in retail. They were caused by many of the factors that this report has explored, ranging from poor working conditions, pressured workloads from understaffing, weak management, low pay, and safety during Covid-19. An overwhelming number of interviewees said they had had past struggles with depression and anxiety at work. This was supported by the experiences of survey respondents with only 13 of the 84 retail workers suggesting they were not stressed in their role. The majority of respondents considered that working in the retail sector was either mildly or moderately stressful.

## 4.4. Lack of work-related health & wellbeing support

Worker representatives voiced that despite the pressure in retail, support for mental health in the sector varied and few interviewees were aware of effective initiatives imposed by employers to reduce anxiety or target well-being amongst staff.

This lack of support from their employer on mental health was echoed by workers. One supermarket worker described the lack of support she had received during a difficult period of her life. She had approached a manager to explain how she was struggling to cope at work following movement into temporary housing, after which she was laughed at and received the reply “got a habit of moving houses, do you?”. She expressed that this staff member had no training in directing her towards the right help, and that there were generally few people she felt comfortable approaching at work to discuss issues. Others expressed that while there were hotlines in handbooks and staffrooms for people to call, few members of staff used these as they found them more isolating and would rather speak to someone in person. For some, no strategies or actions existed within their stores to address poor mental health.

Only one clothing retail worker shared a positive experience of mental health support at work, whereby staff champions were qualified in tackling the signs of declining employee wellbeing and held monthly mental awareness meetings to discuss support mechanisms. An employer interviewed expressed the importance of workers feeling safe and supported to talk about their mental health, describing how recognising and promoting staff well-being was essential to creating a safe, healthy, and fair workplace.

## 5. Effective Worker Voice

For workers, having a strong voice to share issues and shape the standards that they are affected by is an important element of promoting fair work. Those interviewed, however, expressed that workers' voices were not strong enough in the retail sector, and described the role of trade unions in strengthening those of employees.

### 5.1. Strength of voices

Although all workers felt that it was important to have a strong voice in the decisions made within their workplace, no worker interviewed felt like theirs was heard. Worker representatives described how although they represent the interests of workers, their colleagues had come to accept the lack of support they receive from management, and that many employers focus on profit.

One supermarket worker explained that speaking to managers often felt like a power imbalance; one that sapped workplace morale. He explained that managers would delegate tasks without knowing workers' names, and often finishing the job came before employee issues and well-being. This was evident in the lack of systems his employer had put in place for staff to report and feedback issues to senior management at work, which made resolving conflicts and workplace disputes long-winded and "not worth reporting".

Despite workers agreeing their voices were small, one retail clothing employer explained that the sector needs to empower worker voices, as many companies rely on the workforce to keep stores viable. It was explained that happy workers are vital to businesses and can increase footfall by up to 70 per cent if customers like employees. Support and attention from the top were viewed by workers as vital for changing homogenised and hierarchal approaches to voices being heard in retail, alongside increasing unionisation.

It is worth noting that the views of retail workers who responded to the survey differed, with 79 per cent describing managers as seeking the views of employees or employee representatives as either 'very well' or 'fairly well'.

### 5.2. Trade unions in retail

A large majority of workers interviewed were trade union members and explained that the main reason for becoming unionised was to strengthen their voice within the sector and obtain legal backing and support to address work-related issues. One worker explained that the strength of unions is that they have an understanding of what is happening in retail, and what is seen as fair across the board. Unions were then viewed by some workers interviewed as tools to "fight your corner" as they needed to, with several becoming members following the experience of witnessing unfair treatment at work.

Although many workers recognised the strength of trade unions, it was recognised by union representatives that their role was slowly diminishing in retail and that coverage of membership was decreasing. This was replicated in the survey with only 15 per cent of respondents being a member of a trade union.

As previously mentioned in this report, cost was a key barrier for some workers to unionisation, but for others, a lack of information around the role of unions and their benefits was another hesitation. One supermarket worker explained that unions are advertised less than they used to be, and that until a colleague explained their role, she had not considered joining. For others interviewed, a lack of communication was compounded by the idea that core representation appeared to be predominantly “middle-aged white men”, which was unattractive for younger workers who voiced that older representatives were less relatable or approachable. Survey respondents were clear that they were not in a trade union due to not knowing that they could join or never having been asked.

## 6. Conclusion

Despite retail being considered a priority sector in Wales, overall, the experience of those interviewed was one of few working hours, lack of career structures, job insecurity, below average pay, unsafe and stressful work, and weak voices. In what follows, conclusions are drawn on the issues described with recommendations provided.

Of those interviewed, supermarket workers experienced some of the worst practices in the sector, with negative comments across each of the five topics discussed. One high-street clothing employer and worker voiced more positive experiences around mental health and wellbeing conditions at work; though it was recognised that overall, for non-essential retail, job insecurity was a common issue in stores due to ongoing closures and furlough of staff as a result of the pandemic. No employers of independent retailers or workers were interviewed as part of the research and as such conclusions cannot be made for this area of the sector.

### 6.1. Working conditions and job security in retail

Those interviewed repeated concerns over the dominance of part-time and flexible contracts in retail, associated with fewer working hours and minimal staff numbers in-store. This puts significant pressure on workers, many of whom sought after overtime to cover their needs and found workloads stressful, often describing how they worked the equivalent of two jobs in one. Across the sector, it was suggested that more pressure is needed from trade unions (supported by the government), to push employers in offering full-time, or at the very least, minimum 16-hour contracts – with the option of flexible and socially acceptable working commitments – to alleviate the demands that staff are currently facing.

Although career progression in the sector is important, workers also raised concerns around the recognised skills gap in retail with limited career structures and in-work training in place. This led to feelings of insecurity amongst workers, who described their roles as “easily replaceable” and that where flexibility was needed for childcare and other commitments, they often could not take their arrangements with them into higher-level roles. It was expressed that more support is needed at government level to incentivise good jobs in retail and progression. Some worker representatives suggested that the government needs to give employers more reason to invest in their people, through providing support for up-skilling and training that promotes better work.

Another issue affecting the quality of several workers conditions was poor management structures that led to unfair treatment at work. Worker representatives described the overall fall in the quality of management and training in recent years, with workers describing the favouritism witnessed in stores, whereby certain staff received higher hours and progression opportunities, and also whereby managers followed policies for some but not for others. There is a need for improvement and greater investment by employers to ensure that managers receive professional and mandatory training to adhere to inclusive workplace policies.

### 6.2. Pay

Although interviewees recognised that pay has increased across the sector, it was voiced that in-work poverty is increasing in retail due to the continued fall in working hours. This makes earnings

consistently low for those already on part-time, flexi, or zero-hour contracts who need flexible conditions to reflect their personal commitments. These issues were compounded in some cases where low hours also made workers ineligible for government childcare support. It was suggested by some interviewees that as working hours continue to decline in retail more funding is needed by government to enable workers who need flexible employment to 'top-up' their income during quiet periods. Amendments to eligibility for the Welsh government's free childcare scheme to those on contracts as low as 8 hours was also supported, to help flexi-workers obtain more hours and higher pay.

Interviews highlighted that there are also distinct variations in the rates of pay across retailers in Wales. Some workers were still only paid the national minimum and living wages, which were argued by worker representatives to not reflect the true cost of living in Wales. This was compounded by poor staffing conditions which meant that staff were also working twice as hard for their money, and in some cases, had received hourly wage increases in exchange for losses to earnings in other areas. Taken together, several interviewees voiced that there is a need for all retailers to commit to paying staff – at the minimum – the Real Living Wage, to reflect the conditions workers currently face and make fair work the norm.

### 6.3. Collective bargaining

Collective bargaining between workers and employers is a critical ingredient for improving pay and conditions in retail. However, despite several retailers engaging in collective bargaining, worker representatives expressed that this is becoming more difficult in the sector, due to their diminishing engagement with staff. Representatives suggested that bargaining could be improved if the government offered more support to trade unions through legislation, and guidance for employers, which would allow them to hold meetings to discuss issues on a regular basis and promote unionisation. To make the bargaining process fairer, there was also a call for voting to become more modernised and to be completed online, so that all members of staff were able to partake.

### 6.4. Employee health and well-being

Feeling unsafe at work was a particular issue for workers from Covid-19, particularly due to heightened verbal abuse from customers and limited guidance from employers on how to respond to the ongoing pandemic. These issues were compounded where shopfloor workers were expected to enforce regulations rather than trained security staff – who in some instances, were not present in smaller stores. Across retail stores, worker representatives voiced that there is a need for employers to procure guards to protect staff and enforce government regulation more stringently, alongside the distribution of guidance and blueprint Covid training policies to ensure resilience for the future.

Discrimination at work was another concern raised by one worker, who felt unsupported by her employer due to their failure to quickly tackle persistent racial abuse. She suggested that greater action was needed by employers in the form of stricter and more cohesive systems to address issues around the prejudicial treatment of workers.

One of the greatest issues faced by retail workers both prior to and during the pandemic have been issues surrounding mental health and staff well-being, with a lack of associated support. Although it was recognised that new online tools to support staff were useful, workers suggested that there is a need for development of mental health ambassadors/councils within stores themselves. This was

evident in the limited number of workers who felt comfortable approaching managers to talk about their issues and found existing 'virtual' initiatives half-hearted. Here, professional training amongst employees/managers on how to recognise the signs of poor mental health and provide suitable support will be invaluable to creating safer, healthier, and fairer workplaces in the sector.

### 6.5. Effective worker voice

Despite trade unions playing an active role in addressing work-related challenges in the sector, those interviewed felt that overall voices were weak. Within stores, workers felt there was often a power imbalance between themselves and managers and called for stronger platforms and avenues through which issues could be fed back to senior staff.

When discussing barriers to trade union membership across the retail sector, workers claimed that cost, a lack of advertisement and information, as well as narrow existing representation were key barriers to unionisation. For some workers on flexi and part-time contracts, union membership fees were too expensive for the limited hours and pay they received. Greater flexibility in memberships, discounts or government incentives could increase representation. Creating working groups that encompassed the diversity of the workforce to create solid pan-representation was also suggested. This included the development of student representatives, disabled workers reps, ethnic minority reps and more, to engage with and strengthen all voices in the sector. Here, government support was viewed as key to promoting the successful work that unions do and attract more workers toward unionisation.

## Endnotes

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<sup>1</sup> [https://brc.org.uk/media/191630/welsh-budget-report-2017\\_fa\\_1.pdf](https://brc.org.uk/media/191630/welsh-budget-report-2017_fa_1.pdf)

<sup>2</sup> A. Green and P. Sissons (2021) Fair work in the foundational economy: key data. Bevan Foundation.

<sup>3</sup> Flexi-contracts are designed to offer employees a more flexible working week. They involve the employee working a set number of 'core hours' with the ability to vary the hours outside of this.

<sup>4</sup> Eligibility for 'The childcare offer for Wales' requires parents to be working at least 16 hours on average a week.

<sup>5</sup> The Real Living Wage is a voluntary UK hourly pay rate based on living costs on a basket of household goods and services. The rate is £9.50 across the UK and £10.85 in London.

<sup>6</sup> Collective bargaining is a form of social regulation through which employers and trade unions negotiate about pay and other terms and conditions of employment and jointly determine workplace standards and rules.