

Low pay and working time: The case of contract cleaners

Iain Campbell
Manu Peeters
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Background

- Low pay service sector project - interviews with contract cleaners in 2005-2006
- We approach low pay from a particular angle, looking at the way low pay can be anchored in certain working-time arrangements, such as short hours and unstable jobs. See CASR project on quality of part-time work amongst sales assistants, solicitors, police, and cleaners.

Outline of the argument

- Low pay is usually discussed in terms of hourly rates of pay. But even if the hourly rate is reasonable, pay may still be too low because the job does not offer enough hours, or because the work is sporadic.
- Contract cleaning is a potent example.
- There is a substantial problem in contract cleaning around short hours, experienced by many as underemployment.
- Short hours are linked to the organisation of work, the structure of the contracting (and sub-contracting) processes, and strategies of cost-minimisation that favour intensification.
- This is part of a broader trend affecting low-skill service sector occupations.

Cleaning services industry

- Contract cleaners = employees of contract cleaning firms.
- Cleaning services industry: cleaning of commercial buildings and offices (49%); education premises (12%).
- Contract cleaning firms respond to tenders from property owner/managers.
- Labour costs are main item in expenses.
- Some large firms and a tail of small firms: Spotless, Tempo (now part of ISS).
- Low barriers to entry, constant formation of new micro-firms, eager to win contracts.
- Competitive industry... but NB: growing phenomenon of sub-contracting in private sector, where firms win a contract and then lay it off (at an even lower price) to other firms or individuals.

Contract cleaning workforce

- Constant turnover of contracts, firms, workers + relatively low skill requirements + short hours = ease of entry for workers.
- In past decades, contract cleaning has been an important channel into the paid workforce for recently-arrived migrants lacking English-language proficiency and recognised qualifications.
- Also important for other categories of worker – students, second job holders... + some working illegally (visa overstayers, foreign students, pensioners not declaring income, immigrants on 'temporary business visas').
- Males and females.

Table 1: Contract Cleaners, Employees, June 1999 ('000)

	Full-time permanent	Part-time permanent	Casual	All employees
Male	11905	21282	12029	45217
Female	8778	23969	12710	45456
persons	20683	45251	24739	90673

Source: ABS *Cleaning Services Industry, Australia 1998-99*, Cat. no. 8672.0

Characteristics of cleaning

a) hourly pay rates

- Regulated by awards, eg in Victoria the Building Services (Victoria) Award 2003:
- Ordinary time for full-time: (\$14.49); ordinary time for part-time: \$16.66; + penalty rates for Saturdays, Sundays and public holidays; + shift payments.
- Official hourly rates are reasonable (but cf WA).
- There is some avoidance of standard official rates, through cash-in-hand payments, underpayment of penalty rates, use of trainees, 'distancing strategies' (labour hire, independent contractors).
- But a reasonable floor for hourly rates persists.

Characteristics of cleaning

b) low pay and short hours

- *"Well, "Shane's Cleaning Service System, can I say that, that's where I work, they don't pay badly per hour but they do keep the hours pretty low between the cleaners. Like I know a friend of mine... He was doing like near 40 hours a week or something, and they just cut one of his jobs, about 15 hours a fortnight or something. Yeah, and he was really angry about that and, because it was quite a bit of money for him, and it sort of soured the relationship between him and the people... I think, well cleaners in general, I think, they get a fairly high rate. They don't get many hours but that's the way the company works it I think. Somehow they can... They're a bit, you know, sparse in how much they offer it around to each of us..." (VIC1)*
- Low pay stems from short hours.
- Hours are connected to contracts ('jobs')... Contract cleaners work on specific jobs (generally as part of a team). They may work on one or more than one job for the same employer.
- Jobs change or disappear all the time, often because contracts have turned over. As a result, hours and pay are unstable. There is constant downward pressure on hours.

Characteristics of cleaning

c) short hours and underemployment

- Some employees are satisfied with their working-time arrangements.
- But many are resentful of the pressure on hours and instability. They can chase more jobs with the one employer, an additional job from another employer, or a replacement position that would guarantee sufficient hours and pay.
- At any one time many contract cleaners experience underemployment.

Characteristics of cleaning

d) short hours and high workloads

- Specific contracts are defined in terms of hours and tasks and workloads.
- Hours come with explicit norms of performance: *"We get given a certain hours to where we work. And you know some of the time it's just not enough. The people expect you do what you've got to do, say 3 hours; well you could be doing it in 4 and a half."* (VIC 12)
- This generally implies a prescribed level of work effort or work intensity (though other options would be innovation in technology or work organisation, some non-performance or occasional performance of tasks, some corner-cutting on quality, etc.).
- In Australia, contract cleaning has a high level of work intensity.
- Current cleaning rates in Australia – 850-950 sq. metres per hour. See US cleaning rates.

Characteristics of cleaning

e) high workloads and intensification

- High work intensity is the result of a process of intensification.
- Intensification is an ongoing process that is anchored in the structure of contracting: the constant turnover of contracts, tenders judged on price, competition amongst contracting companies, pressure for cost-minimisation, the easiest option seems to be intensification...
- Intensification is usually associated with a turnover of contracts, which leads to either: a) a cut in hours for the same tasks; or b) retention of the same hours but increase in tasks (commonly achieved by cutting the number of team members).
- Intensification is interlinked with short hours.

- *"this industry is really a quite a nasty one with contracts, bidding and companies of course always want to have the thicker icing on the cake. So it's not them that suffer in the end it's the cleaners... We're the ones that cop the cutting of hours or cutting of the job, new contractors come in."* (VIC14)
- *"there is so much competition for the work that's available. There are sales people out there who are out there tendering who are willing to undercut the competition, so they'll try to cut their prices, and the only way you can cut prices is to cut labour. So, they think: we'll make our people work a bit harder and we'll get our commission bonuses for the job. On the one side you've got contractors cutting each others throats to get work, and on the other side you've got property owners taking the lowest price for each job."* (Employer2)

Explaining short hours and low pay

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- Dominant dynamic of intensification
- The limits of intensification.
- Sub-contracting is a new challenge. It can involve cost-minimisation through intensification but also cost minimisation through other ways, eg avoidance of standard hourly rates.
- What is the impact of WorkChoices?

Contract cleaning in the wider context

- Contract cleaning has distinctive features, but it is also symptomatic of general trends.
- "An extreme example of a larger trend towards short-hour work in low-paying service industries" (Watson et al. 2003, 128).
- A parallel case is in retail.
- Emergence of 'fragmented time regime' (Rubery, Ward and Grimshaw 2006).

Figure 1: Unemployed and underemployed persons, Australia, 1978-2006 (%)

