

*High Touch and Here to Stay:
Future Skills Demands in Low-Wage
Service Occupations*

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Our Labor Market is Not George Jetson's!

- Alan Blinder's (2007) typology of potentially off-shoreable jobs
 - Many service occupations are not off-shoreable
 - Technology may alter these jobs, but not replace them
 - "Personally delivered" services are here to stay
 - Face to face contact
 - Service occupations are projected to grow by 19% through 2014, adding 5,257,000 new jobs (overall employment is project to grow by only 13%)
 - Eleven of the 20 occupations with the largest projected growth are service occupations
 - All 11 have very low (<\$20,180) or low (\$20,190 to \$28,570) annual earnings

Our Task:

- Understand the skill demands in service occupations
- Review economic and case study/ethnographic literature on service occupations
- Suggest policy agendas for training and education for service occupations

Measuring Skills in Service Occupations

- Many of the service occupations currently require relatively little formal education and pay relatively low wages
 - Economic literature on wage inequality *a priori* defines these jobs as 'unskilled'
- Dictionary of Occupational Titles (DOT) does not adequately capture skills in service occupations
 - Interactive aspect of jobs complicates
 - Hard to measure soft skills
 - Biases of DOT field officers
 - Gendered occupations

Based on this:

- Conflation of skills and proxies of skills may mask skill demands
- Need to understand the impact of gender and race in conceptualizing skills
- Must look beyond nationally available surveys that may not be able to easily measure skills



- Use case study/ethnographic work to see if jobs that have traditionally been treated as low-skill because of technical aspects/formal qualifications may indeed represent higher skilled work, as they require interactions involving complex communication and other skills

Qualitative Work

- Offers rich and detailed data about workers
- Uses purposive not probability sampling
- Small sample size of job holders

What does the research tell us?

- Interactive service work—worker is part of the product sold
- Ritzer (1996) McDonaldization of jobs
 - Focus on speed, technology, routine and scripts
 - Streamline of service work, relegating it to low-skill

– However



Challenges to this:

- Hochschild (1983) emotional labor
 - Organizational feeling rules and scripts
- Leidner (1993)—customer adds ambiguity so workers have to adapt scripts
 - Require non-routine problem solving skills
- Hampson and Junor (2005) articulation work
 - Skills involve a blend of emotional, cognitive, technical, and time management skills, performed often at speed and at varying levels of complexity and autonomy

Examples:

- Gatta (2002) restaurant servers:
 - must manage multiple tables at once, engage in creative rapport with customers, use technical skills (IT) to input and manage customer food orders so that they can be processed, and in some restaurants, steer customers to higher priced foods and drinks without appearing manipulative
- Newman (1999) fast food workers:
 - Must listen to orders, communicate with customers, send out a stream of instructions to co-workers who prepare food, pick up the food, check orders, and then receive money and make change for the customer

Aesthetic Skills

- Nickson, Warhurst and Dutton (2004) study of the Glasgow hospitality industry found overwhelmingly that both interpersonal communication and self-presentation were central to service work.
 - the right appearance and personality took precedence over technical qualifications of staff
- Pettinger's (2004) London retail found:
 - fashion-orientation is one facet of brand-strategy [used by the stores] and the ability to present a fashionable appearance is one of the skills needed by sales assistants in many stores

- Sherman (2007) luxury hotel workers use observational and active listening skills to:
 - Personalize and customize experience of guests
 - Discern needs of guests based on subtle cues
 - Understand the nuances of cultural capital and possess a working knowledge of cultural centers
- Hampson and Junor (2005) bank tellers:
 - Must be able to develop abstract understanding of organizational networks and information flows; piece together rapidly assimilated information; ensure follow-through and follow-up; accept responsibility for coordinating and maintaining information flows; and, in some cases, tacitly help to develop systems and procedures

Impact of Gender and Race

- The skills associated with service work—the emphasis on sociability, caring, nurturance, communicating and making customers feel good, etc—are frequently deemed as natural feminine qualities and the skill content of these jobs is typically unnoticed and poorly rewarded in the labor market
- But femininity as a market requirement is racialized along interactional and non-interactional work (front of the house v. back of the house)

Implications for Wages

- Skills-biased technological change: introduction of computers puts a premium on higher-skilled workers.
- The theory may not work with service occupations:
 - Computers may not be a substitute for them, but a complement
 - Researchers have not adequately identified the skills in occupations that rely on emotional and interpersonal skills

- Using Levy and Murnane (2005) five categories of human skills, service occupations are: manual, non-routine tasks
- Service occupations that are complemented by technology should be seeing higher pay---but that is not the case
 - Glomb,et al (2004) jobs requiring more emotional labor are associated with lower wages if the job has low cognitive skills and higher wages if the job has high
 - The added emotional labor can make the job interesting, while in low-cognitive jobs, the added emotional work is just stressful

Gender and race implications for wages as demand is growing but these jobs are predominantly female, disproportionately minority and immigrant

Training and Education

- Literacy crisis needs to be addressed
- Retraining of workers in social skills, emotional labor, caring labor, aesthetic labor, information technology skills
- Training in generic skills and social competencies, and then employers can train workers in the technical skills and knowledge (Barum, 2002)
- Need a full understanding of skills in service occupations to direct training to meet the growing demand.