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WORKFORCE FLEXIBILITY:
IMPLICATIONS FOR WOMEN WORKERS [1]

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INTRODUCTION

Recently, some European analysts have argued that the flexibility of U.S. workers with respect to wages, production functions, and the distribution of work time have provided the U.S. with singular advantages in comparison with many Western European countries (OECD 1986). According to these analyses, the relatively greater flexibility of the U.S. workforce is measured in widening wage dispersion, in the use of technology to redesign jobs, and in an increasingly "contingent" workforce, one whose work time can be altered to respond to short term shifts in the demand for a good or a service. These labor market characteristics are used to explain the relatively higher employment growth in the U.S. than in most Western European nations. They are also perceived by some as central to a U.S. strategy to improve its industrial competitiveness in the

world economy. Within the U.S., however, increased flexibility as manifested in more part-time and temporary jobs is dismissed as a cyclical phenomenon, likely to disappear as the economy improves (Norwood 1987).

For women workers, who constitute the majority of the contingent workforce in the United States, the debate over whether shifts in employment patterns are the result of cyclical fluctuations or structural changes is of more than an abstract interest. For if flexibility is a relatively long-term structural feature of the U.S. economy based in changes in the way we produce goods and services, the implications for women's employment opportunities will be dramatic. We could, for example, expect to see new forms of labor segmentation emerge as internal labor markets diminish in importance and as work time is redistributed among different segments of the workforce and within occupations, and as more work is carried out through subcontracting rather than in large firms. In addition, since many of the policy remedies developed to promote women's advancement in the economy (including "comparable worth" and affirmative action) are based on an organization of production that will employ an ever smaller portion of the workforce, this disadvantage will be doubled. In this paper I will make the argument that increasing labor flexibility and, particularly, the trend toward more part-time or contingent work represents a structural change rather than a cyclical fluctuation. I will then briefly describe the characteristics of the contemporary female contingent labor force and lay out some of the implications of flexibility for women's employment prospects and for emerging patterns of labor segmentation.

C ontinent Labor Demand

The presence of a large and expanding contingent workforce in an advanced industrial economy raises perplexing questions, for until quite recently the development of a mature industrialized economy was associated with movement toward full employment in full-time jobs. Assumptions about the character of employment in such an economy were an extension of assumptions about the trajectory of firms. According to both historical experience in the post-World War II era and the prevailing theoretical interpretations, firms in an advanced industrial economy organized production in order to take advantage of the economics of scale and scope associated with production for a mass market. As the scale and scope of activities expanded in vertically and horizontally integrated firms, and with investment in mass production technology and in job skills, there was a concomitant demand for regular, full-time workers.

Until approximately 1965, the composition and direction of the post-war economy reinforced the conception of an industrial trajectory toward full employment, meaning full-time employment as well as employment of all people who wanted to work. The lead sectors in the post-war era (including automobile production, steel, and chemicals) were characterized by vertically integrated mass production firms with developed internal labor markets and full-time jobs.

Part-time work was negligible in durable goods manufacture, transportation, communications, utilities, and government and was limited to a few "backward" sectors, including agriculture, services, and retail sales. In two major areas of part-time employment, agriculture and unpaid family employment, overall employment dropped between 1959 and 1965 (Norse 1969:112).

The characteristics of "peripheral workers" (as contingent workers were called in the 1960s) further reinforced the prevailing notion that part-time work was a remnant of the early phases of industrialization. Peripheral workers were low skilled and concentrated in particular demographic groups: women and minorities. Their peripheral status was attributed to two major factors: 1) choice of part-time work as a result of compelling alternatives (i.e., education or family responsibilities); and 2) lack of acculturation to the workforce. To some extent these characterizations were based in facts since women, the fastest growing group in the part-time workforce at that time was seeking part-time work to accommodate their family responsibilities. Thus, historical experiences shaped ideas of the form of employment expected in an advanced industrial economy. These ideas, in turn, shaped our categories, the way we measure employment. Unemployment, for example, became the measure of economic hardship. Part-time work was considered an insignificant phenomenon, a state attributable to worker preference or supply characteristics.

Reinterpreting the Post-War Experience

The economic events of the past 20 years have caused us to re-examine the mass production model of advanced industrialism and to reinterpret the post-war industrial experience (cf., Bluestone and Harrison 1982; Markusen 1985; Piore and Sabel 1984). Although critiques of models of industry trajectories have taken a variety of forms, there is general agreement that there is no natural industrial trajectory from small, specialized firm to large vertically integrated mass production firm. Instead, the structure of production organization is contingent on firm response to competitive conditions in a particular industry and in the economy as a whole. This contingent interpretation of production organization is being elaborated in an economic literature that is evidencing renewed interest in firm decisions with respect to short term changes in product demand (Baily 1974; Piore 1980; Topel 1982) and non-wage labor adjustment costs (Abraham 1986; Hart 1984). We are now in a position to question many of the employment assumptions associated with mass production models but are severely hampered by data gathering methods and classifications fixed in now invalid assumptions about production organization. The existing definition of part-time work, for example, is that of a completely equivalent substitute for the full-time worker. The part-time worker "backs up" the full-time worker during peak hours or for short shifts (Owen 1978). However, the way that part-time workers are being used in the contemporary economy suggests a differential allocation of labor than that captured by this definition. Many part-time workers, temporaries, or self-employed contractors are not the equivalent of a full-time workforce, but are increasingly doing work designed specifically for part-time or, more broadly, contingent labor force. To develop analytical categories that more accurately reflect the emerging distribution of work time, we need to relate that distribution to changes in production organization. These changes have been widely attributed to a series of worldwide economic shocks including the oil crisis of the early 1970s, but have occurred within the context of longer-term shifts in market conditions. Firms responded to this new competitive environment in a variety of ways, some of which might appear contradictory. Large firms in uncertain product markets diversified, attempting to spread the risks of uncertain markets by spreading their profit-making activities across sectors. They continued to expand markets geographically, albeit in

particular market segments; more firms now operate in national and international markets as opposed to regional markets.

The initial process of conglomeration and extension of markets failed to solve the problems of uncertainty in product market and production inputs, however. These strategies simply exposed diversified firms to uncertainties in a range of different product markets. Over the past ten years, however, a hybrid solution has emerged. On the one hand, continued processes of merger and diversification have increased the concentration and horizontal integration of finance and distribution activities in fewer larger firms that operate across industrial sectors. At the same time an increasing portion of production inputs are being obtained on the market rather than produced within large firms. The risks associated with uncertain input costs and production for uncertain markets have been dealt with by 1) outsourcing or subcontracting particular production activities; 2) just-in-time inventory systems; 3) network subsidiary firms; and, most significantly for this analysis, 4) flexible or contingent labor strategies. All of these responses attempt to reduce the risks associated with uncertain product and service demand and fluctuating input costs by transferring production transactions to the market where inputs, including labor, can be purchased on an as-needed basis. Although technological innovations have not, in and of themselves, caused changes in the production process, they have interacted with them and enabled the concentration of some production activities and the decentralization of others. They have also altered the social relations of production in some specific ways -- for example, reducing dependence on employee loyalty by improving the ability to specifically monitor employee output.

From Peripheral to Contingent Worker -- Changes in Labor Supply

The characteristics of the contemporary flexible or "contingent" workforce differ considerably from those of "peripheral" workers 20 years ago. This is attributable to changes in labor supply, particularly the female labor supply. The present extent of flexible work options would, in fact, not have been possible without a significant reconstitution of the labor supply. To understand how the contemporary flexible labor force was created, we need to look back to the period during which a large portion of the male labor force was employed in vertically integrated firms (from the 1950s to early 1970s) and a flexible female labor supply developed complementary to the full-time workforce. This flexible workforce was highly concentrated in certain segments of the female population, particularly married women.

In the late 1950s and early 1960s, the primary group of women entering the labor force were those at the end of the traditional childbearing years -- most were over 35. (The labor force participation rate of women 45-54 grew from 34 percent to 48 percent between 1950 and 1960.) These married women entered the labor force in order to provide supplementary household income. Since many of this first wave of workforce entrants were the spouses of men employed full-time, their part-time jobs paid for increased consumption, such as children's college educations. The contribution these women made to household incomes served to decrease household income inequality since working class women were more likely to work than middle class women (Paulson 1982).

Employers modified work in order to employ these workers because their traditional supply of full-time clerical workers, young unmarried women, were in short supply because of the small cohort born during the 1930s. Thus the expansion of clerical jobs obscured a

demand for workers to be drawn from the female labor supply; the demand, however, was met by another, older age cohort. The labor force participation pattern of women shifted from one of work before marriage to one of work before child rearing and then a return to the workforce. In 1960 the average woman spent 20.1 years in the workforce compared to 41.1 years for a man. By 1970, this average woman's work life had expanded to 22.3 years while that of men dropped to 37.8 years (presumably as a result of more early retirements). As the economy began to undergo the series of crises described earlier, young women of the "baby boom" cohort tended to postpone marriage and remained in the full-time labor force. Married women with young children, however, remained out of the labor force until the mid-1970s at which point their labor force participation rose dramatically. The labor force participation rate of women 25-44 years of age grew from 48 percent to 71 percent between 1970 and 1985. Among mothers of minors, the labor force participation rate rose from 40 percent in 1970 to 59 percent in 1984. It is this group of young, educated suburban mothers who have expanded the pool of part-time or flexible clerical workers and low-level administrative workers. However, for most of these women, the salaries they earn are no longer supplementary but necessary to the maintenance of the household income (Paulson 1982). The reasons for this shift are complex, based in a decline in the predictability and level of male wages and in changes in family formation (Harrison, Bluestone and Tilly 1986). Two-thirds of American women now employed are widowed, divorced, have never been married or have husbands whose annual income is less than \$15,000 a year. By 1980, the average woman's work life had extended to 29.4 years while that of men was 38.8 years. Recent statistics show a dramatic increase in the length of women's work life. The bimodal pattern of work, followed by child rearing and a return to work is being transformed into one of lifetime employment. Thus, the overall trend toward increased female labor force participation, from 36.7 percent in 1965 to 54.5 percent in 1985 must be disaggregated to see the relationship between female labor force participation and economic change.

Along with women workers, the flexible or contingent labor supply includes two other demographic groups -- older workers, many of whom are retired from full-time jobs, and younger workers who are continuing their education. Both male and female part-time workers tend to be either older or younger than the population as a whole, and women part-time workers tend to be concentrated at either end of the age spectrum to an even greater extent than men. The enlarged supply of older workers is a consequence of both increasing life expectancy and earlier retirement. In 1960, 9 percent of the population was over 65 years of age while in 1983 it was 12 percent. This population group has retired at an earlier age and received a higher level of transfer payments in the form of social security and pension benefits than any previous generation. These transfer payments provide a base income, but have also encouraged part-time labor force participation, particularly for the "young" elderly. We are now witnessing a subtle shift toward part-time employment among this younger retired group who are being hired by some employers to take service jobs formerly filled by teenagers (such as those in fast food establishments) or clerical jobs in regions, such as the Northeast, where there is a shortage of workers from the traditional female pool.

The situation of young part-time workers is somewhat more complex because, while their relative numbers in the population have declined, a higher proportion stay out of the full-time labor force longer than was previously the case. In 1960, 38 percent of the population was under 20 while in 1983, that portion was 30 percent. Among this relatively smaller group, educational expectations increased enormously between 1960 and the present.

Of persons aged 25-29 in 1940 only 13 percent had a year or more of college education. By 1980, the comparable figure was 45 percent. Just as transfer payments subsidized early retirement, increased years of schooling created a larger group of young people dependent on transfer payments or loans for a portion of their incomes. As loan programs have diminished and as more employment related to education is taxed, students must supplement marginal income with part-time work while they pursue their studies. The significance of expanded educational opportunities, however, goes beyond the provision of a short-term supply of low wage but over-qualified part-time workers. The dramatic changes that occurred in U.S. higher education in the 1960s also led to the expansion of the supply of skilled flexible workers who are employed in many high growth service industries.

Analyses of the role of universities in the 1960s show that the "democratized" higher education of the 1960s principally increased educational opportunities for the sons and daughters of the white ethnic mass production or expanded public sector workforce, while continuing to exclude members of minority communities (Nasaw 1979). These women and men, many of whom attended newly established or expanded state and community colleges, have become the "semi-professional" and technicians of the contemporary services sector. Their middle class equivalents who attended universities (also in large numbers) have moved into management or the professional services sector.

In effect, the relative prosperity that accompanied the period of mass production in the United States supported education and social welfare programs as well as transfer payments that reduced the portion of the population who needed to be in the labor force full-time and encouraged personal investment in general education and job skills. The demographic shifts which characterized this period, particularly the movement of the baby boom into the labor force, combined with this expanded state role to create a much larger supply of people who wanted or needed to work part-time or intermittently. Social as well as personal involvement in general education and job skills has increased the pool of people available to be hired on the external job market rather than "brought up" through the structure of the firm.

The Components of the Flexible Female Workforce

Part-Time Work

In 1985, one out of every six U.S. workers, or an average of 18 million, was a part-time worker. This yearly average figure understates the dimension of the part-time work experience, however, because a much larger proportion of the workforce was employed at some point during the year. Nearly two-thirds of all part-time workers are women. Approximately 30 percent of women work part-time in comparison with 12 percent of men. If female part-time and intermittent or part-year workers are combined, over 40 percent of all employed women work less than full-time (9 to 5, National Association of Working Women 1986).

Over half of women's jobs in services and retail are part-time and approximately 30 percent of all jobs held by female clerical workers. In two recent firm surveys, one by the Bureau of National Affairs and the other by Dunn and Bradstreet, over 90 percent of the respondents in banking, insurance, and retailing reported using permanent part-time employees, primarily in clerical jobs. Large firms are more likely to employ part-time workers than small firms (Bureau of National Affairs 1986).

The proportion of women who work part-time by choice, has risen only slightly since 1965 in comparison with the involuntary part-time female work force. Voluntary part-time women workers are more likely to be married than involuntary part-time workers. Although predominantly employed in clerical jobs, a larger proportion is now employed in professional technical occupations. However, more women now work part-time involuntarily, making up 60 percent of the involuntary part-time work force. (Between 1979 and 1985, the involuntary part-time work force increased by 60 percent while the voluntary part-time work force increased by 6.5 percent; 9 to 5, National Association of Working Women 1986.)

Married women still make up the majority of the female part-time work force (60 percent). This is particularly attributable to employer preference for a white middle class, well-educated female worker who will work for relatively low wages and whose husband's full-time job presumably provides a subsidy in the form of benefits that cover the entire family.

Temporary Work

Although part-time jobs still dominate the flexible labor market, other forms of flexible employment are expanding more rapidly, particularly temporary work. About two-thirds of the temporary help labor force is composed of women. Temporary work is most frequently associated with the temporary "industry," one of the fastest growing in the United States, averaging an 11 percent growth rate between 1972 and 1985 (Colins 1985, cited in Applebaum 1985). Between now and 1995, the temporary help industry is projected to grow 5 percent annually in comparison with a 1.3 percent growth rate for all industries. Temporary workers fill approximately 760,000 job openings a day but from two to five million people per year hold positions as temporaries (Mayall and Nelson 1982). As the temporary agency becomes more established as a labor market institution, more and more firms are restructuring work to use a permanent temporary labor force to do certain jobs.

However, the temporary industry employs only a small portion of temporary workers. The largest portion is "direct hires," employed as on-call workers in large firms and more and more frequently in local, state, and federal government agencies. The federal government is one of the largest employers of temporary workers and, under revised regulations, can hire "temps" up to four years without providing benefits or job security. Approximately 300,000 workers in the executive branch, including the postal service, are currently employed as temporary workers. The vast majority of temporary government workers are female clerical workers.

Independent Contractors

The number of women who identify themselves as sole proprietors has increased substantially with the vertical disintegration of production and the subcontracting of various services that were formerly carried out by employees within firms. Most of these sole proprietors have been incorrectly identified as female entrepreneurs, a notion contradicted by the fact that 91 percent of female "firms" have no employees. The vast majority of these independent contractors form another component of the flexible labor force, working as call secretaries, copy editors, and graphic artists for firms in the burgeoning business services sector.

Flexibility For Whom?

Part-time work is still defined as "providing employment for the millions of Americans who do not want full-time work" (Owen 1978:11, emphasis mine). The conventional image of the part-time worker is that of a teenager working after school in the local drug store. While these jobs still exist, the variety and range of part-time employment has expanded considerably and with it, so has the range of people doing part-time work. Critical to an understanding of the expansion of part-time, intermittent, or subcontracted work is its role in a reorganized production structure. Part-time and intermittent work schedules are now a strategy for achieving labor flexibility rather than a solution to a labor shortage or extended business hours.

What constitutes flexibility for employers does not necessarily equal flexibility for workers. Also, men and women are differentially affected by the expansion of flexible work because of their different positions in the labor market and their differing family responsibilities. These differences are manifested in a variety of ways, but are exemplified by the limitations of the new job flexibility for women trying to combine home and work responsibilities. As was suggested earlier, one of the explanations for the presence of part-time jobs is a desire on the part of women to combine home and family responsibilities. Thus, the recent stabilization in the number of voluntary part-time jobs has been interpreted as a result of the desire of women to move into full-time jobs. The decline in this one category, however, has been paralleled by growth in other types of flexible work which are also dominated by women, including involuntary part-time work, temporary work, and home work (Applebaum 1985). And, as Applebaum suggests, "...there is no evidence of an increased desire for such alternative work styles by women" (Applebaum 1985:33). Thus, a relative decline in voluntary female part-time workers is a product of employers' utilization of a wide range of flexibility options, not the consequence of women moving into the full-time labor force. As employers have restructured their employment patterns to use the most effective contingent work patterns available (given the supply of workers), the number of part-time jobs available to married women with children has, in fact, declined. This trend has possibly been exacerbated by the competition for predictable part-time work from other segments of the population, such as people wanting full-time jobs but taking part-time jobs instead. In most cases, the newly available flexible alternatives (such as temporary work) are not predictable in the same way as permanent part-time work, and thus are often less satisfactory solutions to the need to combine family responsibility with wage work.

The growth of labor flexibility may also be pushing more women into multiple job holding in order to achieve a basic income. The number of multiple job holders or "moonlighters" has increased to approximately 5 million people from 4 million in 1970. As with part-time work, the reorganization of production raises questions about the definition of moonlighting as a secondary source of income. The industries with the highest proportion of employees who hold second jobs are public administration, education, entertainment, and recreation. Thirty percent of moonlighters work in services in their second job. Many more moonlighters are likely to be women than was the case in the past; their share of moonlighting nearly doubled between 1969 and 1979. These multiple job holders tend to be employed in education or health services in their primary job. It is the increased

propensity of women to hold second jobs that accounts for the increase in professional and technical multiple job holders.

Men moonlighters tend to hold a full-time primary job and a part-time additional job. Nearly half the women, in contrast, hold two part-time jobs. Two-fifths of the male moonlighters were self-employed in their second job. Given that self-employment is strongly associated with "off-the-books" work, these figures strongly suggest that women hold jobs in the reported economy while men are more likely to freelance for barter and unreported cash payments as well as for reported income (Sekscenski 1980).

Men and women also differ in their reasons for taking a second job. Multiple job holding by men appears to be more cyclical, increasing during periods of economic expansion and decreasing during periods of recession. Multiple job holding by women increased linearly between 1960 and 1980 (Applebaum 1985:55). When queried as to their reason for working more than one job, more men than women tend to cite enjoyment of the work and saving for the future. Women, particularly minority women, work multiple jobs in order to meet regular expenses (Sekscenski 1980).

Flexibility cannot longer be explained (if it ever could) as an aid to women trying to juggle the need to work with the responsibilities of rearing a family. And, though supply factors are critical to explaining the extent of the flexible labor force, they cannot be used to account for the configuration of flexible labor alternatives that are emerging. These are more effectively understood with respect to the various needs of employers relative to changing production organization; in other words, with respect to labor demand.

Contingency and New Forms of Labor Segmentation

The expansion of contingent labor force options and the increased portion of the workforce employed in jobs that are less than full-time and without benefits suggests that present day employment figures in the United States cannot merely be interpreted with respect to the number of jobs created or eliminated. One must also look at how the organization and distribution of work has changed. Two part-time jobs may exist where one full-time job existed before. And, those two part-time jobs may have a different content than the full-time job they replace. Work that once took place within a large firm (or within the public sector) may now be subcontracted to small firms or individuals who provide goods and services across industries. These subcontractors, in turn, may employ a variety of people "on-call" in order to remain flexible with respect to the market for their service. Risk is thus transmitted downward to the subcontractor and finally to the worker whom must adapt with a variety of income formation strategies.

Despite strong evidence of a trend toward labor force flexibility in national labor force statistics, we are only beginning to acquire information on why and how particular industries reorganize and redistribute work. Thus, any statements we can make about the effects of these changes on working time, job ladders, skill acquisition, and wage distribution are largely based on industry case studies. By looking at how changes in production organization affect labor demand and allocation, however, we can derive some preliminary conclusions about processes of labor segmentation.

To interpret the effects of changing production organization on processes of labor segmentation, we need to see how trends toward increased labor flexibility intersect with already existing labor segmentation patterns. We know, for example, that women workers

are concentrated in a very few occupations and industries, principally in "quasi-domestic" services such as food preparation, nursing, and clerical work. They tend to be disproportionately employed in small firms and they hold jobs that take advantage of generalized skills in the female population. These existing characteristics of the female labor force intersect with a set of emerging patterns in production organization. Among the most important of these are: 1) the shrinking of internal labor markets and a reconstruction of the bargain between capital and labor and also between male and female segments of the "core" labor force. This is evidenced in a trend to hire more women on the external market as contingent workers and to rescind the effects of patterned bargaining which extended to women in industries with internal labor markets; 2) an expansion of jobs which are flexible with respect to work time; and 3) a redefinition of skills, working conditions, and working time within occupational categories. The titles of jobs held by men and women are becoming more similar as more people move into white collar jobs. Wage divergence between men and women continues, however, determined less by occupational title and more by such factors as access to work hours, firm size, and the relative relationship of subcontracted production activities to the central mission of those large firms which continue to control finance and distribution of goods and services. New forms of segmentation are therefore emerging at two scales: at the level of the firm and at the occupational level.

The Decline of Internal Labor Markets

Historically, women have found it difficult to strike the same wage bargain as male workers in large firms in the durable goods manufacturing sectors of the economy. The internal labor markets (which characterize automobile, iron, and steel production), as well as the modern transportation and communication industries and large public bureaucracies provided these so-called "mass collective" worker with a bargaining position, as long as firms were producing for a mass market. Women and minorities were beneficiaries of the internal labor market as a result of industrial (rather than craft) unionization and through patterned bargaining. This institutional process continued the segregation of women in particular jobs in the industry, in return for higher wages for work that required generalized rather than specialized skills. The small set of firms in which women were employed in internal labor markets are those in which women achieved the highest wages. They include Communications, Chemicals and Allied Products, Electric Gas and Sanitary Services, and Transportation Equipment (Sacks 1986).

As production organization has changed, large firms are reducing the size of their core workforce. Those workers with the greatest bargaining power, the male workforce with firm and industry specific skills, have struck new wage bargains with management. These agreements have restricted their influence on working conditions and wages of other workers (primarily women and minorities, but also young male labor force entrants) to whom core labor force conditions were extended by virtue of patterned bargaining and industrial unionization.

Under current conditions, therefore, we see a precipitous decline in the protections afforded women once employed in high paying jobs in mass production industries. In some cases, such as that of the airline industry, the declining number of women in full-time jobs with full-time benefits and seniority provisions can be directly linked to wage

bargains made by their male colleagues (pilots and machinists) to contain their own losses by freeing the firm to hire more vulnerable segments of the workforce on the external market. At the same time, the labor supply has been expanded by redefining jobstouse workers with what is now an expanded range of generalized skills. The increased educational level of the female population and declining differences in the female labor supply from place to place has made the location of these types of production activities much more sensitive to locational wage differences in the female labor force (Christopherson 1985). In addition, many of the skills used in these jobs are increasingly developed in training programs outside the firm, including temporary help services. Since firms may confidently depend on the external labor market to provide an adequate supply of workers, they do not have to maintain more than a skeleton workforce in an internal labor market. And, without investment in an employee's skills, the firm has little incentive to retain the employee over a long period of time (cf., Noyelle 1986).

Related to the process of internal labor market decline is the tendency of firms, whether large or small, to subcontract or purchase on the market many of the production inputs or services once provided by employees in the firm. The reason for this movement to the market is again one of flexibility in response to rapid and unpredictable changes in the market for any particular good or service. There are different types of subcontractors, including capacity subcontractors, who replicate activities carried out within the firm and allow the firm to maintain only a core labor force; suppliers subcontractors who supply production inputs, and specialty subcontractors who provide specialized services (Holmes 1986). Just as men and women are differentially allocated to these activities within the firm, there are gender differences among the labor forces of production activities purchased on the market. Women tend to be concentrated in capacity subcontractor activities, such as circuit board stuffing in the electronics industry. In supplier subcontracting, they are concentrated in the business services, such as travel agencies. And, in specialty subcontracting, they are concentrated in activities such as catering.

As activities are removed to the market, women are concentrated in the most competitive sectors of subcontracting activity and in those with the most tenuous relationship to the central mission of firms. In contrast, men are more highly represented among supplier subcontractors and among the most skilled and highest paid specialty subcontractors (such as computer programmers and research engineers). There are several implications of this reorganization of production and its gender composition. First, because of bidding for more specialized services, inequalities between providers of more specialized services and less specialized services are likely to increase. Secondly, subcontractors will be additionally differentiated with respect to their relationship to the central mission of the firm. Suppliers who produce direct production inputs and very specialized services on long-term contracts are much more likely to be buffered from demand shocks than short-term contractors (such as caterers) or capacity subcontractors (such as secretarial services). Third, movement back and forth between the security of the pared-down large firm structure and the risky but more lucrative subcontractor market is likely to be higher among suppliers subcontractors and highly skilled specialty subcontractors than among capacity subcontractors (by nature of their role in the production process) or specialty subcontractors who fulfill less essential roles. As a consequence, these subcontractors will be in a more secure position because of their personal relationship with firm management.

Although we have only fragmentary information on these processes, what we now know suggests that the trend towards subcontracting will potentially increase the wage and occupational mobility disparities that existed between men and women under conditions of segregated employment in large firms. Subcontracting makes inequalities less visible, and harder to address because of the small size of most subcontracting firms and the competitive environment in which they operate.

The Segmenting of Occupations By Work -Time and Working Conditions

At another scale, we can see a second emerging source of labor segmentation deriving from changes in work -time and working conditions both within and among occupations. The evidence here is also preliminary, based primarily on case studies, but suggests that as the flexible labor force grows, its composition is changing and segmenting within relatively more homogeneous occupational categories. Intra -occupational differences are emerging based on the distribution of work -time, and on the basis of firm size. These may translate into significant income differences even for those workers in the same occupation who earn the same hourly wage.

Increasing convergence in the gender composition of occupational titles actually masks intra-occupational differences. For example, more women may now be classified as managers but women managers are more likely than men managers to work for small firms and to work part-time. A higher proportion of men classified as managers work in managerial positions in large firms with higher wages, work stability and extensive benefit structures.

In addition to these trends that differentiate men and women within certain broad occupational categories, other evidence drawn from industry case studies shows that as an industry moves more production to the market, new sources of segmentation may open up within even skilled work forces and occupational groups. Among the most important of these is the development of differences within the work force with respect to hours worked. Workers who earn the same hourly wage may be distinguished from one another on the basis of their access to work at the high hourly wage (or to higher overtime wages). Women may define themselves occupationally as skilled workers in, for example, accounting or advertising, but work fewer hours at those occupations than their better -connected male counterparts. As a consequence, whereas labor market segmentation has been associated with the inter -occupational distribution of jobs among different segments of the labor force, we may now see more intra occupational segmentation based in allocation of worktime (Christopherson and Storper 1987)

These examples suggest that changing production organization and the increasing use of contingent labor create questions that concern the effects of new work patterns on different segments of the labor force. We will not be able to answer these questions or to develop ways to deal with the implications for women unless we begin to conceptualize employment in terms that reflect 1980s production organization rather than 1940s production organization .

Policy Implications --The Undermining of Affirmative Action

The amelioration of job segregation has been based on the belief that if women were more evenly distributed across occupations, discrimination would be made more difficult, and

that pressure on particular firms would have consequences throughout the economy because of their function as leaders in an economy moving toward full employment in large, rationally organized mass production firms. Both of these assumptions are questionable under current conditions. To see the effects of the redistribution of work time, we must look both at emerging patterns among the labor force being hired outside the firm (the externalized labor force) and at what is happening in the firm that employed women in insecure jobs and at relatively high wages. Change in the relative position of women and minorities in these large firms was seen as central to the strategy to improve employment opportunities because they were perceived as modern and rational; as opposed to more backward sectors dominated by small scale production. Moreover, it was assumed that the rest of the economy would follow the lead of these firms with respect to wages and promotion policies.

The Equal Employment Opportunity decrees of the 1970s attempted to breakdown barriers to better paid male jobs in exactly those industries, such as insurance, telecommunications, and transportation which were about to restructure their production organizations using new technology (in the case of insurance and telecommunications) or as a result of increased competition and subsequent mergers (in the case of airline transportation) (Baran 1986; Sacks

1986). As a consequence of EEO decrees, firms in these industries did hire more women into "professional" positions and allowed women to enter previously male dominant job categories. Given the current trends in production organization, these advances will have limited effects on the relative position of women in the targeted industries and, contrary to what was intended, on the economy as a whole. For, as the restructuring of these industries proceeded in response to changing competitive conditions, many activities formerly carried out within the firm have been moved to the external market to be carried out by subcontractors and by contingent workers. Thus, policies to ameliorate inequalities in employment must deal with a much more complex and ambiguous labor market. The always fragile bargain between the male and female segments of the core workforce has been broken. The influence of the large firm on overall employment policy has been purposefully reduced. And, more and more production and employment is being carried out by small firms and by workers with only a temporary relationship to any one firm.

A Postscript

The emerging sources of labor segmentation and its configuration are considerably more complex than that which can be captured by a description of "insiders versus outsiders" or "core versus ring." In addition to their descriptive inadequacies, however, there are political reasons for reconstructing the language we use to describe these patterns and processes. The use of the old terminology of the "dual labor market" reproduces a conception of the labor market that has historically neglected the multiple sources of labor market segmentation, allocating women along with minorities to the "black box" of the labor reserve army (Walby 1986). In reality, as opposed to the theoretical construction of the mass production labor market, the clerical labor force was never part of the internal labor market in the same way as production workers, even though they frequently benefited from patterned bargaining agreements which included them. Clerical workers with generalized

skills were hired on the external market and, apart from rare exceptions, had fewer opportunities for upward job mobility than male production workers. Ideally, a nanalysis of the configuration of labor segments in the emerging flexible labor forces should not only produce policy interventions relevant to the emerging conditions of production, but also a new language of segmentation. This new language based in social relations within the workforce (as well as between capital and labor) will, perhaps, also help us to rethink the descriptive devices we have used in the past to describe discontinuities in the labor force .

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