Pay progression in routinised service sector work: navigating the internal labour market in a fast food multinational company

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ABSTRACT

The United Kingdom's widespread use of low-skill, low-paid employment has been well documented. It has been argued internal labour markets (ILMs) benefit such workers, affording them with opportunities for progression. Relatively little is known, however, about the impact of ILMs on entry level workers undertaking routinised service sector work. Drawing on qualitative data, this article explores the prospects on offer in a market leading, fast food multinational company. Potential enabling features include on-the-job training, a transparent and integrated pay structure and a professed culture of progression. Occupational movements to positions above the low-pay threshold are, however, relatively rare. We conjecture this contradiction is the result of the business context in which the firm operates. The findings suggest that in sectors where price leadership strategies dominate, escape from low pay is likely to be exceptional, even within large organisations featuring some of the classic characteristics of 'pure' or strong ILMs.

1 INTRODUCTION

Getting into and progressing in work has been identified by successive governments as the best route out of poverty (e.g. Devins *et al.,* 2014: 9; see also Taylor, 2017: 11). From this perspective, the recent record high numbers of people in work have been depicted unambiguously as evidence of 'a buoyant jobs market with plenty of opportunities available' (Gov.uk, 2018a). Notwithstanding the impressive headline statistics, around 19 per cent of UK employees are engaged in low-waged work— (D'Arcy, 2017: 4–5), defined as earning less than two thirds of the hourly median earnings (Lloyd and Mayhew, 2010: 429). Such employment is notoriously difficult to escape, and numerous studies have identified how active labour market participants, the 'working poor', become entrapped in cycles of recurrent poverty. (e.g. Shildrick *et al.,* 2012; Tomlinson and Walker, 2010). These data have fuelled discussion concerning how to improve progression in low-paid, low-skilled work, and various formulations have been suggested. According to Devins *et al*. (2014: 6), internal labour markets (ILMs) 'based on coherent packages of work and learning related practices are recognised to be an effective means of supporting the development

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of workers'. Indeed, the classic literature on ILMs (Doeringer and Piore, 1971) argued such structures benefit low-skilled workers, affording them with company specific skills, career advance and opportunities for pay progression that are largely sheltered from external pressures. The precise impact of ILMs on pay and career progression opportunities for low-skilled workers has, however, received limited critical attention, and a more complex understanding of work settings is required. It has long been accepted that employment arrangements in ILM firms show more variation than is generally recognised (e.g. Osterman, 1982: 353). That is, there is a diversity of ILM systems subject to a process of change (Grimshaw and Rubery, 1998: 218). A key dynamic has been the significant downsizing of ILMs in response to pressures both internal and external to the organisation (Grimshaw *et al.,* 2001). Where they remain, this is likely to be in a highly variegated format (Grimshaw *et al.,* 2001: 36–37) with, for example, some jobs assigned to the ILM and others open to external candidates. The various permutations open the way for both tall and truncated career paths. Certainly, some organisations provide estimates of the proportion of unskilled workers that progress to more senior positions (UKCES, 2012: 25). More fine grained data are needed, however, on the hierarchical distance travelled, the opportunities that exist for lateral movements and the extent to which workers are in receipt of portable skills and qualifications enhancing their broader market power. The overall aim of this article is therefore to evaluate whether modified or hybrid ILMs can offer opportunities for career and pay progression for low-skilled workers in the manner that pure or 'strong' (Simms *et al.,* 1988: 6) ILMs formerly did for an earlier generation.

This account addresses such issues by drawing on ongoing research (2015-) in a fast food multinational company (MNC). The context is apposite. The use of ILMs has been well documented in this sector (e.g. Gould, 2010: 795), and fast food has been described as the 'ultimate melting pot' for the working poor (Newman, 1999: 145), employing those with 'a dearth of alternative employment options' (Leidner, 1993: 50). The article is structured as follows: initially, an overview is provided of the relevant literature, followed by a summary of the methodological approach underpinning the study. The results section explores the workings of a well-established ILM in the case study organisation. In the concluding section, the various empirical observations are afforded theoretical scrutiny.

2 LITERATURE REVIEW

2.1 Low-pay and the erosion of internal labour markets

The widespread incidence of low-skill employment has been well documented (e.g. Lloyd and Payne, 2011; Yates, 2017). Critical accounts (e.g. Lloyd and Payne, 2011; Yates, 2017) have identified a range of problems associated with this including limited access to training, precarity, that is, temporary or transitory employment status, and the failure of organisations to structure jobs around childcare. A closely related dynamic is the high proportion of low-paid workers that has altered little in 20 years (D'Arcy and Finch, 2017: 4). According to the Social Mobility Commission, of all those low paid in 2006, by 2016, just one in six (17 per cent) were 'escapers' (D'Arcy and Finch, 2017: 1).

An important (and closely related) contextual backdrop to the high incidence low pay is the growing dominance of market-driven employment policies and practices. A direct outcome has been the declining importance of traditional labour market

institutions, for example, trade unionism, tripartism and collective bargaining. A further well-documented dynamic has been the erosion of ILMs. This is significant because such structures have been identified as supporting employee development in low-paid, low-skilled service sector jobs (Devins *et al.* (2014):6).

Research on ILMs developed in the 1970s (e.g. Doeringer and Piore, 1971). The need for control and predictability, vis-a vis the supply of labour (Osterman, 1982: 356), and indeed the desire to avoid unionisation (Osterman, 1982: 357), was seen as promoting the development of internal allocative procedures. Within this format, the boundary between the internal and external market was depicted as clear, the two being linked only at the ports of entry (Kerr, 1977: 30). The basic theoretical question about ILMs was concerned with why long-term, structured relationships arise between a firm and its employees and the consequences for the parties involved (Siebert and Addison, 1991: 790). Research for the most part focused on employers and efficiency considerations. Doeringer and Piore (1971) argued employers stress the development of firm-specific skills that are maintained within the organisation because they offer higher returns to the employer than general training. Workers were thus retained by being promoted through a hierarchy of jobs. In reality, the contours of ILMs were more complex than that captured by such early 'stylised facts' (Osterman, 1982: 349), and workers were not totally insulated from external pressures. As such, there were 'incremental adaptations' of ILM theory (see Camuffo, 2002: 283). Osterman (1982: 49) cautioned against viewing ILMs as monolithic in their employment arrangements, suggesting a variety of permutations were possible. It was accordingly observed how within a single firm several distinct industrial relations sub-systems might coexist. These might include, for example, 'primary' employees with stable jobs and career prospects and 'secondary' employment consisting of poorly paid, high turnover jobs with virtually no opportunities for promotion (Osterman, 1982: 349).

In an era when terms such as 'downsizing' and 're-engineering' have entered the everyday business lexicon, the modern format has become more amorphous still. Various commentators (e.g. Grimshaw *et al.*, 2001: 24; Devins *et al.*, 2014: 38) have identified the erosion of the principles associated with ILMs, for example, steady career progression from low-skilled to high-skilled roles, transparent and integrated pay structures and internal training. This is significant because such characteristics provided a potential route out of low pay, sheltering internal applicants from the 'full blast' (Ford *et al.*, 1984: 44) of the competitive pressures existing in the external market.

The erosion of pure or stable ILMs is beyond doubt. There is, nevertheless, evidence indicating ongoing managerial support for 'hybrid' or modified formats. The structural key note is a greater degree of permeability between the internal and external context, with ports of entry occurring at multiple levels. The implications for employees, specifically low-paid, low-skilled workers, have, however, received limited attention. What evidence there is suggests opportunities for progression have been significantly compromised. Cox *et al.*'s (2008) analysis of the impact of ILMs on low-skilled NHS workers (cleaners and health care assistants) indicates the skills development component of ILMs may be limited where favourable market conditions are absent. The study points towards a 'patchy infrastructure' of both job ladders and support for the progression of low-skilled workers. Similarly, in highlighting the presence of 'complex configurations and changing conditions' driven by 'market led solutions', Grimshaw *et al.* (2001: 50), suggest the impact on low-skilled workers

within traditional ILMs has been 'dramatic'. One outcome is the process of delayering, which has given rise to limited opportunities for internal career progression. US data indicate a similar picture. Research by Lane *et al.* (2003) into the operation of ILMs in food services indicates the probability of moving up from the lowest quartile has declined. Specifically, the growing focus on credentialism has reduced the opportunities for entry-level workers to rise to managerial positions (Lane *et al.,* 2003: 266).

While such material usefully frames potential areas of research, there are some clear omissions and limitations. The ILM research tradition has tended to focus on managerial discretion, strategy and choice (e.g. Grimshaw *et al.,* 2001; Lane *et al.,* 2003) at the expense of an employee-centred perspective. ILMs have certainly been downsized, and the resultant 'openness' to external pressures has adversely affected job security and opportunities for promotion. Structural properties are neither constraining nor enabling *tout court* (Archer cited in Fleetwood and Hesketh, 2010: 273), however, and workers are capable of formulating strategies to pursue courses of action they think might result in their career needs being met. In terms of the residual components of ILMs, the creation horizontal rather than vertical job ladders (e.g. Grimshaw *et al.*, 2001: 50) might, for example, stifle immediate pay progression but nevertheless represent an important opportunity through the openings provided for the acquisition of a broader set of skills. This article accordingly examines the progression opportunities afforded to low-skilled workers in a fast food MNC operating a hybridised MNC. The context is apposite. As Lane *et al.,* 2003: 230) have observed, the caricature of the burger flipper has become a symbol in public discourse for a rapidly expanding category of low-end jobs. This article therefore seeks to (i) explore which jobs are assigned to the ILM and evaluate if these are short or long shifts on the occupational scale; and (ii) determine if there are barriers between certain strata. Such dynamics will set the parameters for progression. At a theoretical level, the work aims to provide an understanding of the manner in which competitive pressures, sub-sectoral influences and agentive actions influence the workings of the ILM.

3 METHODOLOGY

This work is concerned with the theme of career mobility. The study adopted an in-depth, qualitative approach to extract details about important phenomena including agential capacity, career expectations and cultural norms. The extraction of such data lends itself naturally to a qualitative approach (Strauss and Corbin, 1998: 11) given its sensitivity to the lived experience of individuals.

This article draws on qualitative data derived from discussions with customer facing employees (hereafter referred to as 'crew' or 'team members'), managers and support staff in 'QSRco'*,* a fast food MNC employing over 10,000 workers in the United Kingdom and Ireland; further contextual information is provided in the empirical section. The research reported here took place between August 2015 and July 2019. The material is of a commercially sensitive nature: data were provided on restaurant sales, customer satisfaction scores, aspects of corporate strategy and so forth. Standard BSA ethical guidelines were therefore adhered to regarding informed consent, voluntary participation, anonymity and data security.

The study organisation has a professed culture of mobility. Attribution theory (e.g. Godard and Delaney (2000:490) suggests a tendency to inflate the success of

innovations, particularly those 'owned' by various managerial players. To test the credibility of such claims vis-à-vis progression, it was important to obtain a stratified sample of testimony from all levels of the corporate hierarchy.

Crew members reported a variety of experiences. The data from this cohort were gathered in a busy corporate-owned high-street restaurant via 19 one-on-one semi-structured interviews lasting an average of 30 min. The majority were aged under 23, and seven were teenagers. Six were in full time education, and there was a balance of genders. All were on permanent, mostly part-time contracts. The number of hours worked varied from 8 to 40 h per week. The data from the restaurant managerial hierarchy (i.e. team leader, assistant manager, manager and area manager grades) and training support staff, all of whom had management experience (34 respondents, with an even make up of genders), were obtained via a combination of one-on-one semi structured interviews, joint interviews and small focus group discussions (three to five respondents) that varied in length from 40 to 1 h 20 min. The meetings—18 in total—took place at three locations: two recently opened 'drive-thru' restaurants and an off-site training venue operated by an independent third party. Follow-up meetings were held with three participants. The sample was ethnically diverse and included participants from a number of countries beyond Britain including Pakistan, Poland, Brazil and Kenya, working in a variety of restaurant formats. The vast majority worked in the 'corporate' division of the business, that is, restaurants owned and operated by QSRco. This article draws on responses from those in franchised units where they refer to matters determined centrally, for example, training and H&S. Head office discussions (12 interviews in total ranging in duration from 30 to 49 min) were also held with personnel working in various functional areas, for example, staff development, reward and resourcing. These were used to verify important details relating to organisational structure, reward, training and so forth.

Respondents volunteered examples of how their mobility journeys were influenced by their own choices, the influence of peers and broader aspects of corporate culture. Such phenomena are only explicable through fine-grained data analysis. Accordingly, the interview/focus group sessions were recorded and transcribed verbatim. An amalgamation of *a priori* and emergent codes was applied manually to scrutinise the transcriptions. The coding structure was derived from iterations between analysis and data. First-order codes were developed from the literature. New codes emerged where the initial coding structure had failed to capture the data fully. Through the use of this data management tool, it was possible to systematically identify where accounts of events were only provided by a single individual, and this in turn allowed the team to verify these accounts through additional interviewing. Where it was not possible to verify specific accounts, these data were treated with caution and felt not to be a reliable or robust basis upon which conclusions could be drawn.

Feedback to senior managers took place on several occasions during the project and across different time points. During these events, explicit interpretations of events and of both interview and focus group data were given by the researchers to the management team who provided feedback on the validity of these accounts. This feedback was used by the research team to confirm data, to add to the explanation or to elaborate on the data. These feedback episodes were crucial to testing and demonstrating the credibility of the research data and the conclusions being drawn.

4 FINDINGS

4.1 Case description: the internal labour market in its organisational context

QSRco operate over 500 company-owned and franchised UK fast food outlets, taking in a variety of dining concepts including the standard high street format, 'express', food court, drive thru' and 'fusion'. Regardless of the precise format, there are four grades of customer facing personnel: team or 'crew' member, team leader, assistant manager and restaurant manager. The latter reports to group area managers who have responsibility for between 6 and 10 'restaurants'. QSRco is emblematic of the low-skill, low-wage end of the catering sector where tasks have become increasingly standardised and production line orientated (Devins *et al.*, 2014: 21). Work is organised on a conventional flow line format involving the lean staffing of three work areas: front (meeting and greeting, sales, tills, packing and presenting), middle (assembly of food and drinks: burgers, shakes and so forth) and back of house (cooking and preparation of raw food). Given the requirements for product consistency and food safety, each task is routinised and governed by a strict set of rules and procedures.

In terms of staffing, QSRco has a high reliance on part-time (70%) crew workers with pay rates that track the national living wage, depending on age. There is no London weighting or does the working of unsocial hours attract a pay premium. Control of labour costs is crucially important. This is a sector where price competition is intense, with the major sectoral players facing a number of challenges including market saturation via 'fresh' new entrants (e.g. Five Guys and Shake Shack) and the need to improve the quality of food and revamp tired recipes in the wake of declining high-street footfall (Mintell, 2017). There was an acceptance that the level of pay was out of kilter with the demands of a job that can be 'very, very tough, fast paced and demanding' (senior manager, internal communications and education). One corollary was the very high level of staff turnover that varied from 70 to 145 per cent. The presence of an ILM, with the associated opportunities for structured career progression, was accordingly viewed as a potential corrective to what the same respondent acerbically referred to as an out of synch 'shit to pay ratio' for entry-level jobs. Given the stigma surrounding fast food employment (e.g. Newman, 1999), the use of an ILM with opportunities for fast-track internal progression (discussed hereafter) was similarly viewed as a useful recruitment tool. The implication here was that if such opportunities were unavailable, those seeking entry-level positions in hospitality were likely to privilege 'working for a really cool coffee brand' over 'a greasy burger shop' (learning and development manager). Internal career mobility was also viewed as vital for efficient and timely succession planning. As the company operations and training and development manager noted, 'we give a lot of people who wouldn't have an opportunity elsewhere necessarily, the opportunity to get into management and get into senior levels of management relatively quickly'. The emphasis on the internal development of managers was fuelled in part by the high turnover of external appointees.

In the discussion that follows, we provide further detail on the workings of the ILM, initially mapping the pathways for progression that are open to workers. Consistent with this tradition of research (e.g. Grimshaw *et al.*, 2001: Simms *et al.*, 1988), the findings are organised around selected components or measures of traditional ILMs, that is, recruitment based on specified hiring standards, continuous on the

job training and steady career progression from high-skilled to low-skilled positions. The subsequent section explores how successfully workers avail themselves of these opportunities.

4.2 Pathways within the internal labour market

One of the core features of strong ILMs is specified hiring standards (Simms *et al.,* 1988: 6). Reflecting the low-status, low-skilled nature of the work, the traditional approach to recruitment was rudimentary, with a heavy reliance on recommendations from friends and family followed by a 'spot interview'. In recent years, however, the process has become increasingly thorough and now includes group exercises and face-to-face interviews. The comprehensive nature of the process was justified on a number of grounds including the need to appoint staff receptive to the acquisition of customer service skills and the desire to avoid early exit. Consistent with ILM theory, however, the theme of mobility was central to such accounts. A strong ILM would be expected to allocate skills from within itself (Simms *et al.,* 1988: 8), with entrants screened not only for their capacity to do the job but also for further career possibilities (e.g. Dekker *et al.,* 2002: 110). Developing this point, one restaurant manager noted:

> You are not necessarily just having someone to cook fries or just make burgers. That's not what we are recruiting for, we are recruiting for somebody that can be a part of our culture and part of our team. So we are looking for people who show those qualities who are able to help and support each other. And ultimately we are looking for people who can grow as well, so you want to see the prospect that they can become team leaders.

Within prototypical ILMs, career progression from low to higher skilled work is contingent on the ability to learn through formal or informal practices and on-the-job training (Doeringer and Piore, 1971). Consistent with this, initial training for team members takes place through a combination of e-learning and its applied application. The organisation makes much play of the fact team members can 'earn while they learn'. This is a reference to the opportunity to join the company's Level 2 Intermediate Apprenticeship in Hospitality and Catering. The 12-month course, funded by QSRco and awarded by City and Guilds, seeks to bridge the skills gap between team member and team leader status and is aimed at those whose maths and English 'is not brilliant', who either want to progress internally or simply 'stretch themselves' (area manager). Between 100 and 200 staffs will complete the programme in any given year. Typically, these will be aged 18–22 and lack formal qualifications. The overall take up, however, was described as poor, a complaint being not much information was provided from the 'get go' (team leader). One restaurant manager, however, suggested there was in any event a lack of employee interest. The implication here was the prospect of examinations in maths and English, replete with homework, was not an attractive option for those who had exited school at the first opportunity.

There was nonetheless a belief the work itself instilled basic soft skills. Team members referred variously to time management, team working and interpersonal skills while confidence building was a crucial issue for those with anxiety disorders. Certainly, the scope for development was limited, given the tightly controlled environment and tedious nature of the work. However, those in full-time education were upbeat stating the acquisition of generic skills complemented their long-term career

aspirations beyond the ILM. Consider here, for example, an 18 year old studying travel and tourism, attracted by the potential to acquire customer service experience,

> This is a good jumping off point because you get to work hands on with customers … You have to learn how to be confident with manners … The way you look – presentation is important, very important.

Consistent with the structural features of strong ILMs (e.g. Grimshaw *et al.,* 2001; Simms *et al.,* 1988), QSRco offers a regulated job ladder that facilitates steady vertical career progression through incremental promotion opportunities, allied to an integrated pay structure. While there is significant pay compression at the bottom end of the hierarchy, pay structures are in line with traditional ILM characteristics being transparent with pay differentials fixed over time (Simms *et al.,* 1988: 6). Team leaders, the first rung on the managerial ladder, earn just 50 pence above the national living wage. Substantive pay progression does occur, however, within the salaried bands. The typical pay for assistant managers is £18,500–19,000 per annum. Salary rates for restaurant managers vary depending on the format and size of the unit. Restaurants are banded by sales and complexity. Sales can vary significantly from £6,000 per week to in excess of £100,000. A drive thru is deemed more complex than a high-street unit because of the need to manage customers from different directions. Managers are progressed through larger and more challenging units. The average managerial pay is approximately £27,000. However, bonuses can take the salary of managers in the more prestigious restaurants to well above £50,000. Such highly visible paths of internal mobility, allied to the training opportunities on offer, offer clear opportunities for career advancement and pay progression. The following section explores the extent to which workers successfully avail themselves of these openings.

4.3 Evidence of progression

> Off the top of my head you are probably talking 80 percent of restaurant managers [that] are home grown. We are very proud and boast about the fact (Senior Manager).

> One of the things QSRco does is it's very good at spotting talent and then once it does spot talent, or it sees the initial seeds of talent, I think we have the resources and the materials and the training to be able to develop that person (area manager).

As evidenced by the above quotes, QSRco makes much play of the opportunities on offer, and mobility is deemed central to corporate culture. Team leader status represents the first rung on the corporate managerial ladder. This position is a pivotal component of the organisation's strategy to 'stretch the capabilities' of staff (area manager) and the development of low-skilled workers. The vast majority are recruited internally and those that successfully navigate this initial career rung are typically championed by their restaurant management and encouraged to view the job as more than just a way station or fun place to earn money. Managers are extolled to be 'people growers' and staff development (along with, e.g. sales and customer satisfaction) is a core component of their balanced scorecard. The management of the progression process can nevertheless be unsystematic and capricious. One 46-year-old team member with 10 years' service complained:

> When you work in a place for this amount of years you definitely expect a reward of some sort. Having worked for QSRco for all these years I would have expected that I would be in the management level. [But] I find myself still a team member. I do not really understand the situation.

Although it might be assumed there would be significant interest in the team leader position that affords managerial experience, this was far from the case. One team leader suggested only around 20 per cent of his crew had a desire to progress, a figure corroborated by other interviewees. The small pay increment allied to considerable job demands rendered internal mobility unattractive to most. Team leaders will often be the only supervisors on duty, and the job comes with significant demands. Tasks include cashiering, security and conformance to the myriad of brand standards. In addition to such workaday pressures, a number of stressful incidents were rehearsed including customer violence, first aid issues and dealing with the fall out of staff walk outs. One team leader, combining her work with a supermarket check-out role, noted

> It's just too much work to do for one person. Answering the phone, dealing with customers and then you are having to do so many jobs at once. I get more at Tesco, 10 pence more, but at Tesco I just simply sit down, that's it. They do not have the [extra] hours. Otherwise I would be gone.

Managers accordingly noted recruitment was sometimes a 'hard sell' reporting significant push back from potential candidates. As one team member recalled

> I was thinking about it, then I asked them … I asked one of the team leaders about becoming a team leader and they said it's a waste of time because it's like five pence more. So I just gave up.

According to one area manager those interested in progressing to this level tended to be the '18 year olds that get a much bigger pay rise out of it'. The implication here was the pay compression caused by the introduction of the national living wage had acted as a disincentive for older workers.

The immediate aspiration for team leaders is restaurant manager status. Restaurant managers, who have themselves typically navigated the not inconsiderable demands of the ILM, act as important role models. The tale of one 29-year-old Pakistani was etched into corporate folklore. Formerly living in poverty in his own country without shoes, he had learnt English while working as a part-time team member progressing rapidly to area manager. Another area manager rehearsed a similarly impressive account.

> We had a lady we took on here didn't we, a lady called Sue, we took her as a cook. Within six months she went on the team leader programme. I would say then six months after that she went on the assistant manager programme. And probably within a year she was on the restaurant manager programme and then running her own store. It's as fast as you want it to be, if you are willing to put the work in.

Success and the ability to escape low-pay and navigate the ILM were, however, contingent on a number of factors. Surprisingly, qualifications were not a prerequisite, at least for restaurant managerial roles (see hereafter). The sample contained 23 respondents with experience of the two highest ranking operational roles (restaurant manager and area manager) and of these, only seven had degrees. What was crucial, however, was the necessity for managers to be 'passionate', a core mantra being the requirement for them to 'take ownership of the business'. As one area manager noted, 'we encourage all our managers to act like owners and make decisions as if it [the restaurant] was theirs'. Although this approach is ostensibly empowering, in practice, it comes at a price, most significantly, long hours. Restaurant managers are contracted

to work a 44-h week. Managerial testimony, however, indicated it was possible to be 'sucked into' 75–80 h to achieve the set targets. This is often accompanied by the blurring of work life boundaries. One respondent quipped 'QSRco is life', while another was clearly overwhelmed by the need to deal with operational matters 24/7:

> You are at your meal and your phone is going off and they [friends] are like, 'will you just put your phone away'. That's just the culture .... It could be anything. It could be from my store, there might be a problem in store, it might be head office. It might be my operations director wanting some information … There is always something, every few minutes.

The results of the analysis revealed that career progression was similarly conditional on 'cultural fit, a finding that chimes with earlier accounts (e.g. Blackburn and Mann, 1979) depicting ILMs as apprenticeships in cooperation. According to a head office HR advisor, it was not enough for managers to simply 'smash the project' and be competent technically and functionally: they had to be behaviourally compatible. Where this was not the case they might be required to 'exit the business'. One outcome was a necessity to ostentatiously demonstrate adherence to cultural norms through the use of the designated corporate lexicon. A case in point was the theme of leadership. Restaurant managers are encouraged to be 'empowering care givers' embracing the values of authenticity, reliability and compassion, demonstrating empathy towards staff; the implication being this will drive engagement and customer service. Two managers expressed dissatisfaction. One referred to the requirement to 'talk the talk' and buy wholeheartedly into the process, noting interactions with colleagues had to be peppered with an ever changing array of buzz words. Managers were formerly required to use aggressive catchphrases as motivational tools, for example, 'take the hill', 'shoot for the moon' and 'smash the records'. Recently, however, the phraseology had taken on a softer hue with staff encouraged *inter alia* 'to be authentic' and 'lead with heart'. According to an ex-employee (area manager), 'we had to learn that language like it was language we would use outside of work, it had to be ingrained in our body,' prompting the comment that 'to be cynical is not an option'. Cultural pressures were compounded because of the organisational fixation with the theme of recognition. This involves a set of interventions through which the organisation seeks to build a team ethos and make staff feel valued. The techniques are myriad including the distribution of recognition cards and postings on corporate social media. Again, it was suggested affectation was essential to progress within the ILM:

> You need to be on Yammer every five minutes and you need to have selfies with your team … if your face fits, if you play the game beautifully you will get your promotion … If you do not sing and dance, if you just want to go in and do a good job that's not seen as very positive (Ex-Area Manager).

Restaurant manager status can act as a potential springboard into internal support roles. Four had successfully moved into training roles, and there was some evidence of migration to head office functions. The most senior head office strata were, however, clearly difficult to penetrate. The sample comprised head office personnel leading a range of functions including training, rewards and resourcing. The majority were graduates, and none had experience of restaurant management. Most had been recruited from market leading organisations, for example, PWC and M&S or transferred in from other geographic regions, for example, Russia and the Americas. There was a high degree of external permeability at this level and credentialism appeared to inhibit the progression opportunities afforded to restaurant-level personnel. The organisation was in any event undergoing a major structural transformation. A

significant number of corporate-owned restaurants were in the process of being transferred to the franchised arm of the estate. One anticipated outcome was a significant reduction in the number of head office support functions. This would inevitably give rise to a smaller job pyramid, plausibly rendering positions at the apex more elusive still.

5 CONCLUSION

It has long been argued that ILMs are an effective means of supporting the development low-skilled workers (e.g. Doeringer and Piore, 1971; Devins *et al.,* 2014: 6). While studies have pointed to the sustained use of ILMs in certain low-paid sectors, for example, hospitality (McPhail and Fisher, 2008), wider evidence indicates the downsizing of such structures (e.g. Grimshaw *et al.,* 2001). Surprisingly, however, the extent to which such modified ILMs might still alleviate low pay through career progression has received limited attention. This article has sought to address this shortcoming.

The study organisation, QSRco, operated a hybridised ILM. On the one hand, it displayed certain of the characteristics of pure or 'strong' (Simms *et al.,* 1988:6) ILMs, that is, firm-specific training, a transparent job ladder with an integrated pay structure and deep succession planning. Conversely, however, it had features commonly associated with weak ILMs, that is, high levels of staff turnover (Simms *et al.,* 1988: 6) and a high degree of permeability with the external labour market at the apex of the hierarchy. While the data overall indicated a variety of experiences, they do suggest such structures can act as a bridge to progression for a minority of highly driven individuals, albeit with limitations on the hierarchical distance travelled.

QSRco had a declared culture of upward mobility. Those with the requisite potential were commonly viewed as assets, whose productive value could be enhanced by training and attachment to the firm. Some individuals, often those without higher level qualifications, had taken full advantage of these levers. Examples were provided of hard work and loyalty being rewarded with promotion through a predictable sequence of jobs. There was also a suggestion the work had equipped team members with generic, transferable skills.

Be this as it may, the vast majority of the workers in QSRco are low paid. That is, there is a very high proportion of the total workforce employed on the lowest team member grade. Most people do not escape low pay (D'Arcy and Finch, 2017: 9), and those that advance any significant distance within QSRco's ILM are very much the exception. Osterman (1982: 349) *pace* Doeringer and Piore (1971) have argued that within ILMs, different employment systems coexist. QSRco is emblematic, operating an ILM alongside a larger secondary subsystem (see Osterman, 1982: 353) that contains few advancement opportunities and limited career prospects. Blocked mobility from the former into the latter appeared to be especially prevalent in those situations where unit managers adopted an unsystematic approach to staff development, privileging the sales dimension of their performance scorecard over more people-oriented issues. Restaurant managers thus play a significant role in the operation of the ILM, acting either as barriers or facilitating movement and crossover from one sub-system to another.

Those who have with the backing of their restaurant managers are required to exhibit significant drive and resilience. As in many low-paying organisations (D'Arcy, 2017: 5), extra responsibility attracts a meagre pay rise, and team leaders

remain 'low paid' under standard definitions. Nevertheless, for those that do advance, this position affords the opportunity to develop, train and move into assistant and restaurant managerial roles. While this drives significant pay progression, it does come with a further set of pressures including long working hours and the blurring of work life boundaries. Consolidation and progression into larger and more complex units requires managers to 'play the game', that is, ostentatiously 'live the brand' (Ind, 1997) through behaviour and language that is consistent with cultural norms and demonstrative of a personal connection with the organisation. In relative terms, and taking into account the very high rate of staff turnover, only a very small minority of employees will successfully overcome these multiple demands.

There are, in any event, limitations on the potential height of the career path: the findings highlighted the presence of significant barriers between certain strata. The workforce is partitioned into three distinct bandings: team members, operations management (team leader, assistant manager, manager and training support) and head office personnel. Movement between and within the first two categories was fluid. However, it was difficult to penetrate higher positions from below. Head office roles were for the most part taken by external appointees, and there was certainly no evidence of such positions being filled by former crew workers. The majority of the senior managers interviewed were graduates, and none had experience of restaurant management.

The findings need to be placed in the context of wider competitive pressures and sub-sectoral influences. QSRco is emblematic of a long tail of British organisations in which the competitive strategy is low skill, low cost, low value added (Grimshaw *et al.,* 2008: 285). Fast food is a setting where brand success is driven by the ability to provide formulaic food, utilising relatively low-cost ingredients of consistent quality with quick service (Jones *et al.,* 2002: 44) at a low price. Cost control is crucially important and under normal labour market conditions, there is no shortage of unskilled team members willing to work at minimum wage levels, especially in an era of mass higher education. As Yates (2017: 467) notes, such 'youth jobs' provide an almost permanent supply of low-waged labour to sectors of the economy, which are growing largely because these sectors are dominated by accumulation strategies that rely on an abundant supply of cheap labour (Yates, 2017: 475). The QSCco ILM accordingly has a remarkably skewed distribution comprising a dominant substructure of low-paid, typically young, team members and junior managers (i.e. team leaders) feeding a much smaller superstructure of those paid above the low-pay threshold. This configuration dictates that notwithstanding the organisation's declared culture of career mobility, progression beyond the low pay threshold is rare. External pressures thus give rise to conflicts and contradictions in the manner in which the ILM operates (see Grimshaw *et al.,* 2001).

Notwithstanding the previous shortcomings, hybridised fast food ILMs appear to offer more opportunities for progression than those in other parts of the hospitality industry, subject to similar pressures. That is, sub-sectoral characteristics exert a moderating influence. In Lloyd and Payne's (2011) study of the UK cafe industry, for example, all unit managers in the various organisations had progressed from entry level positions in the hospitality industry. Salary levels were significantly lower, however, than in the current study, and less evidence was provided of internal occupational mobility. The restaurants of the major fast food players are heterogeneous in their spatial layout, size, revenue and numbers employed. These variability and layering appear to support career progression (albeit within the limitations noted previously), via

movement between different brand concepts. Similarly, the size and dominance of the global brands afford career opportunities including lateral moves into support functions that may not be evident in less concentrated sectors.

To sum up, it has been suggested that ILMs are an effective means of supporting the development of low-paid, low-skilled workers (Devins *et al.,* 2014). For the majority of employees in the study organisation, however, entry-level jobs are either fleeting, transitory positions inculcating rudimentary service sector skills or positions providing limited rewards and little incentive to progress. Such findings fit uneasily with government pronouncements that getting into work provides the best route out of poverty (Gov.uk, 2018b). Set within the context of considerable policy interest in progression opportunities (e.g. Devins *et al.,* 2014), the data indicate that broader institutional change is required to alter the economic and institutional context in which firms operate (Mason *et al.,* 2008: 41). In those sectors where price leadership and low-value added product strategies dominate, escape from low pay will continue to be exceptional, even within large organisations featuring some of the characteristics of pure or strong ILMs and a professed culture of progression.

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APPENDIX A. TABLES OF RESPONDENTS

Crew/team members individual interviews. All undertaken in a corporate-owned unit

	Gender	Age	Education	Nationality	In full time education Y/N?	Contractual status
1	F	19	NVQ level 3	British	N	Part-time, 20 hours
2	M	18	A Levels	British	Y	Part-time, 17 + hours
3	M	21	BTEC	British	Y	Part-time, 21 hours
4	F	49	Not specified	Romanian	N	Full-time, 40 + hours
5	M	21	Further education, 'did construction at college'.	British	N	Full-time, 40 + hours
6	M	22	Degree	British	N	Part-time, 8 hours
7	F	18	NVQ Level 3	British	Y	Part-time, 18 hours
8	M	20	A 'levels	British	Y	Part-time, 16–18 hours
9	F	16	GCSEs	British	Y	Part-tine, 26 + hours
10	M	18	Studied in Romania. Currently undertaking a BTEC in IT	Romanian	Y	Part-time, 'weekends'
11	M	23	Degree	British	N	Part time, 18 + hours
12	M	25	NVQ Level 3	British	N	Full time, 30 + hours
13	M	46	Not specified	Zimbabwean	N	Full-time, 40 hours
14	F	47	Not specified	British	N	Part time, 24 hours
15	F	38	Not specified	French	N	Part time, 22 hours
16	F	18	GCSEs	British	N	Part time, 20 + hours
17	F	18	A 'levels	British	N	Full-time, 35 hours
18	M	21	GCSEs	British	N	

(Continues)

(Continued)

	Gender	Age	Education	Nationality	In full time education Y/N?	Contractual status
19	M	50	Apprenticeship in cabinet making	British	N	Part time, 27 hours Part time, 20 hours

Respondents from the restaurant managerial hierarchy

Position	Corporate (C) or Franchised (F) owned unit	Gender	Age	Degree educated Y/N	Nationality	Type of session: Individual interview (I)/Joint Interview (JI)/Focus group (FG). Numbers in brackets denote data gathering session number
Area Manager	C	M	43	N	British	FG (1)
ast;Restaurant Manager	F	F	35	N	British	FG (1)
Area Manager	C	M	33	N	British	FG (1)
Area Manager	C	M	43	N	Canadian	FG (1)
Training Manager/Apprenticeship specialist	C	F	-	N	British	I (2)
Restaurant Manager	F	F	35	N	British	JI (3)
Restaurant Manager	C	M	-	N	British	JI (3)
Restaurant Manager	C	M	-	Y (Sociology)	British	JI (4)
Training Coachast;	C	F	41	N	British	JI (4)
Area Manager	C	M	31	Y	British	FG (5)
Assistant Managerast;	C	F	21	N	British	FG (5)
Area Manager	C	M	29	N	Pakistani	FG (5)
Restaurant Manager	C	F	30	N	British	FG (5)
Area Manager	C	F	-	N	Kenyan	JI (6)
Training Coach	C	F	-	Y ('Fitness')	Polish	JI (6)
Restaurant Manager	C	F	62	N	British	I (7)

(Continues)

(Continued)

Position	Corporate (C) or Franchised (F) owned unit	Gender	Age	Degree educated Y/N	Nationality	Type of session: Individual interview (I)/Joint Interview (JI)/Focus group (FG). Numbers in brackets denote data gathering session number
Restaurant Manager	F	M	29	Y (MA)	Indian	I (8)
Area Manager	F	F	-	Y (Sports Science)	British	I (9)
Team Leader	C	F	47	N	British	I (10)
Restaurant Manager	C	M	28	N	British	JI (11)
Restaurant Manager	F	M	34	N	British	JI (11)
Restaurant Manager	C	M	26	N	British	JI (12)
Assistant Manager	C	M	28	N	British	JI (12)
Assistant Manager	C	M	35	Y	Egyptian	FG (13)
Training Coach	C	M	26	N	British	FG (13)
Area Manager	C	F	35	Y	Polish	FG (13)
Former Area Manager	C	F	30	N	British	JI (14)
Restaurant Manager	C	M	32	Y	Brazilian	JI (14)
Assistant Manager	C	F	20	N	British	JI (15)
Restaurant Manager	C	F	27	N	British	JI (15)
Restaurant Manager	C	F	60	N	British	JI (16)
Restaurant Manager	F	M	29	N	Bangladeshi	JI (16)
Restaurant Manager	C	M	36	N	British	I (17)
Team Leader	F	M	21	N	British	I (18)

*Denotes interviewed on two occasions

Head Office Respondents

Position	Gender	Experience of restaurant management?	Degree educated	Nationality	Type of session: Individual interview (I)/Focus group (FG)
Head of HR	M	No. External managerial appointee	Y (History)	British	I
Senior Resourcing Partner	F	No. External managerial appointee	Y (Psychology)	British	I
Organisation and Development Leader	F	No. Transferred from QSRco Russia	Y	Russian	I
Schools and NVQ manager	M	No. External managerial appointee	Y (Psychology)	British	FG
Education programmes manager	M	No. Transferred from QSRco USA	Y (Psychology and MA)	USA	FG
Project Leader Recruitment	F	No. Came in as entry level HR generalist	N	British	FG
Rewards Leader	F	Yes. Joined QSRco as an assistant restaurant manager	Y	British	I
Operations Training and Development Manager	M	No. External managerial appointee	N	British	I
Learning and Development Manager	F	Yes. Came in on graduate training scheme and worked 1.5 years as restaurant manager	Y (Management and Entrepreneurship)	British	I
Senior internal communications and education manager	M	No. External managerial appointee	Y	British	I
HR Advisor	F	No. Came is as HR temp	N	British	I
Senior rewards and People Insight manager	M	No. Came in as external managerial appointee	Y (Accountancy)	British	I

APPENDIX B. KEY THEMES AND ASSOCIATED CODES

Thematic area	Code
Employee characteristics	Gender
	Age
	Capabilities, skills, qualifications
	Years/months of service
	Function and description of labour process
	Changes since started work
	Previous work history
	Career aspirations
	Hours worked
	Contractual status
	Ethnicity
	Pay
Company configuration	Structure
	Culture
	HR support
	External context
Restaurant/unit configuration	Type of unit – drive thru etc
	Number of workers employed
	Retention/staff turnover
	Franchise Y/N
Potential enablers of progression	Transparent and integrated pay structure
	Recruitment: specified hiring standards
	Continuous on the job training
	Off the job training/Accredited Qualifications (NVQ)
	Horizontal moves to support functions
Barriers to progression/ mobility	Credentialism
	Pay compression – limited financial incentive
	Lack of information on pathways

Emergent codes

Potential enables of progression	Organizationally espoused culture of progression
	Cultural fit (e.g. buy in to recognition culture) 24/7 attitude – passion for the job Proactive managerial approach e.g. use of appraisals to identify team leader candidates
Barriers to progression/mobility	Managerial antipathy (lack of restaurant managerial support/lack of interest in employee development) Employee antipathy (no desire for progression e.g. due to demands of team leader function e.g. stress, violence etc) Employee apathy (no desire for progression due to family commitments or student status)