Social dialogue as a tool for improving quality of work and working conditions in the hairdressing sector

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Abstract

This paper explores the issue of working conditions and quality of work in the hairdressing sector and how the social partners can use the social dialogue process to improve quality of work in their sector. The research focuses on eight EU Member States – Denmark, France, Germany, Italy, Lithuania, the Netherlands, Poland and the United Kingdom. The paper aims to answer two research questions: what are the current and future challenges for the hairdressing sector in relation to the quality of work and employment; and how and at what levels can the improvement of quality of work and employment be addressed by the social partners? Using a scenario-building methodology, the paper sets out four future scenarios for the sector, examined the impact of these for the social partners and for social dialogue and then devises a number of policy and strategy goals for the social partners.

Introduction

This paper is based on research carried out by the Institute for Employment Studies (IES) for Eurofound in 2013-2014. The specific objectives of the research were to:

- identify current and future challenges for the hairdressing sector in relation to the quality of work and employment
- examine how and at what levels the improvement of quality of work and employment can be addressed by the social partners, using a methodology that takes uncertainty into account, provides space for the involvement of the stakeholders, and which may lead to guidance for action.

The research took as its reference point the Eurofound concept of quality of work, which rests on four main pillars (see also Figure 1):

- career and employment security (employment status, income, social protection and workers’ rights)
- skills development (qualifications, training, learning organisation and career development)
- reconciliation of working and non-working life (working/non-working time and social infrastructures)

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1 Broughton, Andrea; Reijenga, Femke; Oostveen, Adriaan; Ledermaier, Stefanie: “Improving quality of work and employment in the hairdressing sector: Scenarios for social partner cooperation”. Eurofound 2014: http://www.eurofound.europa.eu/publications/htmlfiles/ef1426.htm
One of the key points of focus of the research was to link social partner actions and strategies to the concept of quality of work, using the indicators cited above. This was carried out by undertaking desk research in each of the eight countries, interviewing relevant national social partners and stakeholders, and carrying out a total of three focus groups of social partners, in which the main issues and strategies relevant for the sector were discussed. A small non-representative survey of salon owners and employees was also undertaken.

On the basis of this research, four scenarios of possible development in the sector were built. Scenario planning recognises that uncertainty ‘is not just an occasional, temporary, deviation from a reasonable predictability; it is a basic structural feature of the business environment’ (Wack, 1985). Scenarios are not intended to be predictive. Rather, their aim is to challenge assumptions of how the world works, as well as generate understanding of the important factors involved. The aim is to open minds to a range of possibilities in terms of what stakeholders will have to confront. These

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can then be ordered in such a way that a series of internally consistent pictures of alternative futures can be constructed. Stakeholders are not forced to choose between them but are expected to recognise the processes at work and the possible consequences. More recent versions of scenarios have become less conceptual and more practical as a means of describing a range of possible futures against which to plan.

Using all the information gleaned from the desk research, social partner interviews, focus groups and small survey, the four scenarios were built. The research enabled a range of drivers to be identified, which were assessed on the basis of their relevance, importance and likelihood. The research was looking overall for factors that had high potential impact but also a high uncertainty factor, which would serve to open up possible scenarios. Based on an assessment of the main drivers, they were grouped together in order to build four separate scenarios.

**Main themes and issues for the hairdressing sector**

The hairdressing sector in the eight countries in this research exhibits many differences in terms of factors such as the industrial relations framework, the activities of the social partners and the incidence and level of social dialogue. This reflects the diverse character of industrial relations in the sector across the EU Member States. However, overall, Eurofound (2008) highlighted the “relatively low unionisation rates, the low densities in terms of employer representation and the high polarisation with regard to collective bargaining coverage” in the sector³.

Further, from the desk research and stakeholder interviews, it is clear that there are also many common themes running through the sector in all of these countries. There are also a number of key drivers for change in the sector, which are summarised in table 1 below.

| Table 1: Some key drivers of change and affecting quality of work |

<table>
<thead>
<tr>
<th>Driver</th>
<th>Effect</th>
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<tbody>
<tr>
<td>Economic crisis</td>
<td>Reduced income, lower customer frequency, shutting of salons, job cuts, increase in self-employment, offer of free services to attract custom</td>
</tr>
<tr>
<td>Increased competition, also from foreign-owned salons</td>
<td>Negative economic effect on existing salons. Salons offering a wider range of beauty treatments in order to remain competitive; increase in the number of mobile hairdressers; emergence of cheaper segment, need for compulsory registration, decrease in revenue per salon. Also increased competition characterised as unfair (see below)</td>
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<table>
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<tr>
<th>Factor</th>
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<tbody>
<tr>
<td>Consumer demand</td>
<td>Longer opening hours, offer of wider services (e.g. high-end products, additional beauty services)</td>
</tr>
<tr>
<td>Relaxation of business regulation</td>
<td>Expansion of the sector, as it is easier to set up a salon</td>
</tr>
<tr>
<td>Technological change</td>
<td>Increased efficiency and cost reduction</td>
</tr>
<tr>
<td>Demographics - the ageing population</td>
<td>Need to cater to a wider age range of clients. Reduction in the number of young people coming into the sector’s workforce, but young hairdressers are more popular than older ones in some countries.</td>
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<tr>
<td>Availability of products for home use</td>
<td>Customers do not need to visit the salons for some treatments</td>
</tr>
<tr>
<td>“Unfair” competition - Use of products of uncertain origin, deviation from collective agreements, and illegal employment of foreign workers</td>
<td>Emergence of a further segmented dual sector. In Italy, this is reported to be the case, with risks for the health of clients and employees.</td>
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<tr>
<td>Liberalisation of opening hours (eg by law in Italy)</td>
<td>Increased competitiveness, linked to consumer demand. Further impact on work-life balance</td>
</tr>
<tr>
<td>“Attractiveness” of joining social partner organisations; degree of representation in the sector</td>
<td>Degree of organisation falling, “power” of the social partners to implement changes diminishes, deterioration of employment conditions (e.g. social protection), reduced support for companies, increasing dependence on state regulation; legitimacy of social partners actions</td>
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<tr>
<td>High fixed costs (rents, products, bills)</td>
<td>Increase in the number of chair-renters, increased opening hours, creation of enterprise networks ...</td>
</tr>
<tr>
<td>Acceleration of the trend towards non-standard forms of employment</td>
<td>Applicability of regulations on employment standards, increasing unfair competition, difficulty to report on actual working conditions and monitor and improve the quality of work, difficulty in generating a team spirit within the establishment</td>
</tr>
<tr>
<td>Access to funds to start new businesses</td>
<td>Stagnation of the sectoral development, increased pressure to go to shadow economy, outward migration of young hairdressers, change in the level of competition</td>
</tr>
<tr>
<td>Low pay relative to other professions</td>
<td>Difficulty to recruit and maintain employees in the sector</td>
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<tr>
<td>Low degree of sectoral social dialogue</td>
<td>Awareness of and importance attributed to European sectoral social dialogue at national level</td>
</tr>
<tr>
<td>Lack of required skills</td>
<td>Mismatches in the labour market, need to provide further training and qualification, potential impact on some businesses and on prices...</td>
</tr>
<tr>
<td>Introduction/increase of minimum wages</td>
<td>Impact on youth employment, further increase of self-employment, informal economy, increased staff retention in the sector, increased satisfaction...</td>
</tr>
<tr>
<td>Polarisation of the sector</td>
<td>In some countries, such as France, the past few years have seen the emergence of hairdressing salons in passegeways and corridors in airports, railway stations and shopping centres, offering cheap and rapid services and basic beauty care. There is also a trend towards some customers demanding less harmful or organic high-end products. This may have the knock-on effect of the social partners becoming more heterogeneous in order to respond to these trends.</td>
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</table>
The main issues and challenges for the sector can be summarised as follows:

- **Low wages.** This is a challenge across the sector in all eight countries and this has an impact on the inflows into the sector and the levels of qualification of new recruits. The social partners in most countries recognise low pay as a problem for the sector.

- **Dominance of SMEs.** The sector tends to be dominated by small establishments, making it difficult for them to develop and diversify the types of services that they can offer. Chains are present in most countries, although their presence is relatively small compared with the small and micro-companies. In some countries, such as Italy, there has been a focus on trying to create networks of hairdressing salons. Enterprise networks might represent a possible solution for sharing costs, for example through finding common suppliers or managing clients.

- **Dominance of self-employment.** The fact that there are large number of self-employed people and entrepreneurs in the sector means that there is limited managerial and marketing capacity.

- **Difficulties in starting out.** For those coming into the profession, becoming established can be a challenge. In Lithuania, for example, young hairdressers find it difficult to enter the labour market as there are a limited number of vacancies available for regular employment and/or they lack the financial resources necessary for starting up their own business. This can lead to young hairdressers leaving the country after completing professional training.

- **Low unionisation rates and lack of social partnership.** For the social partners, the low level of unionisation in some countries is a major challenge. This is the case in the UK, for example, and in Poland and Lithuania, where social partnership is not established. This is partly a result of the presence of such a large number of small salons and self-employed people. The main conclusions from the desk research and the survey can be summarised as follows:

- **Occupational segregation.** Employment in the sector is characterised by female employees in all countries and a relatively high level of self-employment in many countries.

- **Precarity.** There is predominance in some countries, although not all, of insecure employment. In Poland, for example, the sector is characterised by a low level of social guarantees, which are usually linked to a regular employment contract, and in case of the self-employed, mandatory social security contributions are usually derived from the minimum wage. Any additional social guarantees are at discretion of an individual hairdresser. In Lithuania, the high level of self-employed people and undeclared work in the sector mean that these individuals have relatively low social guarantees.
- **The crisis.** This has had an impact on the sector in most countries, in terms of reducing income and resulting in job losses, and the social partners are concentrating their efforts on how to ensure that salons remain competitive in the face of growing competition from low-cost competitors and in some countries a significant proportion of illegal and informal working. The social partners in some countries, such as Italy, are also looking at ICT as a way of increasing competitiveness. Another way of increasing competitiveness is to offer additional services, such as other types of beauty treatments. This also addresses customer demand for these types of additional services.

- **Health and safety.** This is a prime concern for the social partners in most countries and in some countries, significant steps have already been taken to improve issue such as ergonomically designed equipment and a reduction in the incidence of skin diseases. The concern is that the safety standards that apply to salons do not apply to self-employed and mobile workers in the same way.

- **Flexibility.** There is pressure for more flexibility in opening hours, in order to respond better to customer demand. However, this could have a detrimental impact on reconciliation of work and family life for salon employees.

- **Training.** This remains a relevant issue for the sector, in the context of increasing its attractiveness and competitiveness. The social partners and key stakeholders in all countries agree that this needs to be an issue of focus.

### The scenarios

Based on the information gathered in the research, the four scenarios were built on the basis of trends such as a re-emergence of craft sector values, the development of technology, political uncertainty, climate change, and demographic shifts. An overview of these scenarios is given below.

#### First scenario: the rosy glow of craft sector values

In this scenario, the image of the sector is much improved, due to recognition of the value of people working with their hands. This is in part a general cultural shift back to a craft culture and also, in this sector, a consequence of technology having been tried but having ultimately failed: there had been an attempt to introduce automatic washing and cutting devices into salons, but this was not popular among customers, due to problems with the operation of the technology, the lack of social interaction and some high-profile mishaps. Customers subsequently realised the importance of communication and interaction with their stylist. The social partners have been able to push through a drive to professionalise career paths, competences and qualifications.
This is a positive world for the social partners and one in which they can feel much more secure in their role. Membership levels are likely to be high as it will be easier to recruit from a more stable workforce. The social partners may also be able to recruit and engage workers during training, particularly if the social partners are involved in organising the training. In this scenario, the social partners will be seen as highly relevant, possibly as gatekeepers to the profession, or the providers of relevant services and training. However, there may still be a range of issues to deal with. For example, there might be a polarisation between salons that follow the European standard for qualifications, and those that do not, adhering only to national standards, possibly for reasons of cost.

This will be a different world to the one in which the social partners are currently operating, and while the changes are by and large positive, they may take some getting used to – the behaviours that the social partners have put into place to deal with issues at present may not be as relevant in this world. Issues such as pay and conditions, career progression and the age composition of the workforce will all need careful consideration.

Despite this increase in the desirability of the sector and the relevance of the social partners, the social partners will need to work hard to ensure that quality of work and working conditions remain favourable. They will be able to use their strong membership base and relevance to the sector to work together to pursue common goals in the area of quality of work and working conditions. They might be able to be in a position to negotiate an agreement more broadly on working conditions and quality of work for the sector at European level, which would then be implemented at national level.

One issue of focus will be pay: increasing levels of qualification will lead to increased pay, but this will increase costs for salons. Therefore, a focused dialogue between employers and unions will need to take place in order to determine levels of pay that reflect both the qualification levels of employees and the business needs of salons.

Another will be qualification levels, and how to ensure that, if a European-level framework is implemented, national salons do not get left behind because they feel, for whatever reason, that they cannot be part of it. The social partners may be able to play a role here, offering guidance to salons on how to engage with EU regulations.

One risk relating to a strong employee membership base and desirability of the sector is that the power structure between social partners could become unbalanced – the social partners will need to work hard to ensure that neither trade unions nor employer representatives are the stronger party in negotiations.

The social partners will also need to ensure that enough training places are available to young people, to avoid an ageing of the workforce, due to low employee turnover,
and that career progression is ensured within this low turnover context. An ageing workforce would have implications for health and safety issues.

**Second scenario: robohair**

In this scenario, technological advances begin to change the shape and composition of the hairdressing sector. New applications, such as automated hair-washing and hair-cutting machines, remove much of the need for stylists to engage in actual washing and cutting of hair. Nanotechnology or inventions such as products that can be taken orally or by injection to stop hair greying or change hair colour mean that there is a collapse in demand for hair dye products, taking away a large part of salons’ business and revenue stream, but also eliminating the health and safety issues connected with exposure to chemicals. The manufacturers of technological equipment become players in the sector.

This world has a range of implications for social partnership in the sector. In order to respond to this polarisation of the market, the social partners might find it logical to split into different sections in order to cater to the different players and members. On one side, trade unions and employer/trade organisations would recruit the high-tech salons and employees with appropriate high-tech skills. Their membership offer could include training in the use of technology and updates on new technological developments. For trade unions, this would mean a shift of emphasis in that they would need to be able to recruit younger members, which can be a challenge in some Member States. For employer organisations, they might find that their membership base broadens to include different actors, such as the producers of new technology and equipment.

On the other side, a different section of both trade unions and employers organisations might cater to those parts of the sector that are not engaging with new technology. These would essentially be the salons that serve older customers who want the personal touch from their stylists. Care would, however, have to be taken to ensure that the social partners organising this section of the sector are not seen as old-fashioned or somehow not as relevant or useful as the technology-oriented social partner sections. Decisions would have to be made about whether the social partners actually create new organisations to deal with these two ends of the market, or whether they could function as separate sections of one organisation.

The social partner response to these developments would depend to some degree on the level of social partner cooperation and presence of the social partners in individual countries. As the social dialogue at EU level in the sector is effective, a starting point could be to negotiate an agreement on the use of new technology, that could then be implemented in individual Member States. This would set out
provisions on issues such as health and safety, working hours and contact with the new technology, training and skills development and also possibly pay levels connected with the use of new technology.

Further, the social partners could also engage in the topic of supply material and technologies through setting up common (EU) standards on equipment and materials. Employer organisations might become more relevant by organising producers and suppliers. These organisations would seek to promote their material and would not want to be undermined by lower quality/no brand products. On the other hand, trade unions might want to ensure a good quality/price ratio of products and avoid creating supplier monopolies. This could therefore become a relevant issue in social partner negotiations.

The social partners in individual countries might also find it helpful to get involved in determining and even delivering training courses for those working with new technology. This would most likely involve working closely with training providers and the manufacturers of new technology and related products.

Collective bargaining over pay and conditions might become more complicated if the sector is more fragmented. There might be upwards pressure on pay and conditions for those in the high-tech salons and downwards pressure for those working in the more traditional salons. The social partners will need to engage and, where possible, given national arrangements, negotiate agreements or joint texts that both secure pay for workers in more traditional salons, and reflect the job content of workers in more high-tech salons. This could have the effect of increasing collective bargaining activity and relevance to members on both sides.

Third scenario: the rise of the mall

In this scenario, economic uncertainty, resulting from factors such as climate change, political uncertainty, growing scarcity of resources and an ageing population, begins to have a profound impact on the structure of the sector. The high street continues to shrink, as the popularity of the out-of-town shopping mall grows, meaning that salons are increasingly part of a larger shopping mall, and subject to its opening hours. The sector polarises between larger chains and self-employed mobile hairdressers. In addition, the presence of more chains initiates a price war, which in turn has a downward pressure on pay and conditions in the sector.

This represents quite a polarised world in terms of the structure of the sector, and this may have quite a profound effect on the development of the social dialogue. The smaller salons may decide not to be members of employer organisations, as may the growing number of self-employed mobile hairdressers. The membership base for trade unions would also be under threat, as self-employed workers are less likely to join a trade union. However, it is possible that membership levels in the larger chains
holds up and maybe increases as the number of these chains increase. Alternatively, however, it might prove harder for the social partners to organise in larger chains, as chains tend to be driven primarily by shareholder value rather than consensus with social partners.

The polarisation of the sector also potentially means a drop in the volume of social dialogue, as the membership level on both sides shrinks. The social partners would also need to think about how to adapt their social dialogue to the needs of the different parts of the sector. Alternatively, this scenario could result in an increase in company-level bargaining involving individual chains, including in countries with a tradition of sector-level bargaining.

This world could potentially have a negative impact on quality of work and pay and conditions for employees in the sector, as money is tight and salons cope with economic uncertainty. This would make social dialogue more difficult, as the social partners struggle to resolve the tensions between salons, suppliers and employees.

The social partners could try to counter the potential shrinking membership base by offering specific services to members – in the case of both trade unions and employers, this could take the form of advice and guidance on regulatory and sector-related issues. Employer organisations and trade unions could try to focus more on the self-employed segment of the sector by setting up sections for self-employed workers. Further, the social partners could try to advise the smaller salons on issues such as accessing finance. The social partners could also issue broader statements and guidelines that cover all members of the sector, in order to foster cohesion in the sector.

The social partners would also need to try to counteract falling membership by specifically targeting the larger chains, thus ensuring that membership in these organisations holds up and that there is membership among the new chains. This may, of course, be difficult, as noted above. However, a dedicated recruitment campaign and targeted help and advice for larger chains would help. Campaigns to implement regulation and help with compliance would also make the social partners attractive to chains and salons that are operating within the law and do not like the unfair competition from the “wild west” part of the sector.

Social dialogue and collective bargaining would have to focus very narrowly on trying to square the circle between salons’ needs for cost-cutting in an uncertain world and employees’ needs for decent pay and working conditions. Trade unions in particular would have to campaign very hard to defend pay and conditions for workers. This may be something of an impossible task in a world of cut-throat competition. Therefore, trade unions run the risk of seeming to be ineffective if they cannot counter this trend. An alternative strategy might be to focus on issues such as work-life balance, training and competence development, flexible working and job quality, including ensuring health and safety.
Fourth scenario: global warming leads to the dry salon

This is a world of economic uncertainty where the effects of global warming and climate change begin to increase the cost of water and energy and cause economic instability worldwide. Increased cost and low affordability, both on the part of customers and salons themselves, has a significant impact on salons: traditional treatments such as wet cuts, blow-drying and hair dyeing are still available, but are much more expensive. As a consequence, there is a growth in mobile hairdressing in customers’ homes, where the customers bear the costs of water, heating and lighting. The sector polarises into salons that offer expensive treatments for special occasions, those that offer a reduced service, and low-cost mobile hairdressers.

This scenario could have a significant negative impact on social partnership. With less money around, employers’ organisations might find that their membership base decreases as salons do not want to spend money on membership and the sector experiences a growth in mobile hairdressing and an informal market grows.

In order to counteract this, employers’ organisations would need to find ways in which to remain relevant to their members. One way of doing this would be to offer help and advice on issues such as water and energy usage, which would be useful and relevant to members. This would enable employers’ organisations to position themselves as the main source of advice and guidance to a sector undergoing uncertainty and change.

Trade unions might also be negatively affected by declining membership, as salons shrink. However, they might be able to remain relevant by campaigning for their members on issues such as working time/opening hours and trying to appeal to self-employed mobile hairdressers.

As with the first scenario, there might be some discussion about whether the social partners should split into groups that cater to the different ends of the market – the salons that offer expensive treatments and the low-cost salons. This could be in the form of separate organisations or sections within one organisation. This would enable them to focus more specifically on the needs of their members.

At European level, the social partners could negotiate an agreement on climate change and what this means for the sector, taking on board relevant issues such as water use, energy use, opening hours and use of products. This could be couched in terms of a good practice guide for employers, setting out some basic standards for employees, such as training on the use of new products, and guarantees of a minimum number of hours, in the context of reduced opening times.
The social partners could also engage more fully with relevant stakeholders, such as those that are involved in the management of water and energy, possibly agreeing joint texts or organising joint actions with them that could benefit the sector in the context of climate change. The social partners might also find it useful to forge links with the manufacturers of the different kinds of products that would be in use in this world. Different ways of working will mean that salons and their employees will have to engage with these different types of products. More involvement with the manufacturers would mean that the social partners could become more involved in devising and implementing training for these products, working with training providers and the manufacturers of these products.

The growth of self-employment is a potential threat to the social partners, as self-employed people have less incentive to belong to a social partner body. The social partners could build on what they are already doing in many countries, in order to try to attract self-employed workers to either employer representative groups or trade unions, by offering special sections catering to the needs of these workers, or offering specific advice and guidance.

In those countries that have collective bargaining on pay and working conditions, consideration would need to be taken of the changing environment, in terms of different opening hours, which could have a negative effect on pay, and different ways of working. In the salons that offer more expensive treatments, there might be an upward pressure on pay, due to enhanced expertise on the part of stylists. However, in the salons that offer more basic treatments, the pressure on pay could be downwards, as the range of tasks would be smaller and the expertise required not as great. Trade unions and employers would need to be aware of these types of issues when negotiating collective agreements that set pay and terms and conditions for the sector.

Conclusions

The hairdressing sector in the eight countries in this sector exhibits many differences in terms of factors such as the industrial relations framework, the activities of the social partners and the incidence and level of social dialogue. However, there are also many common themes running through the sector in all of these countries.

- The structure of the sector is similar across countries. It is dominated by small and micro-companies in all countries. Chains are present in most countries, although their presence is relatively small compared with the small and micro-companies. Employment in the sector is characterised by female employees and a relatively high level of self-employment. Further, there is predominance in many countries of insecure employment and the extent of the informal sector is an issue in most countries. Lithuania and Poland, and the UK to some extent, stand out as countries where there is no social dialogue in this sector. In the case of the first two countries, there is an absence of established social partners. In the case of the UK,
sector-level bargaining does not exist and trade union density is weak in the sector. The other five countries can demonstrate a range of joint actions, collective bargaining and social dialogue.

- Health and safety remains a prime concern for the social partners in most countries and in some countries, significant steps have already been taken to improve issue such as ergonomically designed equipment and a reduction in the incidence of skin diseases. The concern is that the safety standards that apply to salons do not apply to self-employed and mobile workers in the same way.

- Pay is low in the sector in all countries in this study, which has an impact on the inflows into the sector and the levels of qualification of new recruits. The social partners in most countries recognise low pay as a problem for the sector. Within the context of low pay, training and professionalisation of the sector is also a major ongoing issue, as is the challenge of improving the image of the sector in order to attract high-quality young people. Increasing pay levels would help in this regard, but this is a challenge in a sector that has a high degree of labour intensity and which is dominated by small salons.

- The crisis has had an impact on the sector in most countries, in terms of reducing income and resulting in job losses, and the social partners are concentrating their efforts on how to ensure that salons remain competitive in the face of growing competition from low-cost competitors and in some countries a significant proportion of illegal and informal working. The social partners in some countries, such as Italy, are also looking at ICT as a way of increasing competitiveness. Another way of increasing competitiveness is to offer additional services, such as other types of beauty treatments. This also addresses customer demand for these types of additional services. Further, there is pressure for more flexibility in opening hours, in order to respond better to customer demand. However, this could have a detrimental impact on reconciliation of work and family life for salon employees.

**Policy pointers for the social partners**

The information contained in this research and in particular in the four scenarios can be distilled into some policy pointers for the social partners. While we do not expect that the social partner will encounter the exact conditions described in the four scenarios, we believe that the scenarios raise very relevant issues for the social partners in terms of how they can prepare for the future development of their sector in the medium term. The policy pointers are set out below, split into issues to consider, and types of action to develop.

**Issues to consider:**
Continuing focus on health and safety. Health and safety issues are arguably the most prominent concern linked to quality of work and working conditions, evidenced by the work already carried out in this area by the social partners at EU and national level. Health and safety concerns are likely to be ongoing in the future, and developments such as demographic changes, the changing environment in which the sector operates, the commercial environment and technological change will all have implications for health and safety. It would therefore be wise for the social partners to continue their focus on health and safety issues, at both EU and national level. This could include good practice seminars looking at transferability of actions that have been successful on a national basis. Further, the social partners should make sure that they are fully involved in any discussions about the health and safety aspects, including risk assessments, of any new developments, such as technological developments, either with the government or with the producers and suppliers of the new technology.

Engaging with skills needs. The issue of skills development is pertinent to all four of the scenarios developed in this report, both in terms of attempts to address overall skills levels, and the likelihood of new skills being required in future. The social partners would maintain their relevance by getting involved, or more involved, at EU and national level, in the development and possibly even the delivery of skills and qualifications. One way of becoming involved in the development and delivery of training would be for the social partners to develop links and partnerships with education institutions. Through this, they could act as the bridge between the salons and the education providers in order to determine the types of skills needed in the sector, and be involved in the development and provision of training.

Tackling low pay. Low pay in the sector is something that is a constant concern for both employees and employers. While this is a difficult issue to tackle, skills development at national level may help to increase pay. In some countries, such as France, the social partners could lobby for a reduction in social charges, which may help the employer to raise pay rates. In countries where there is extension of collective agreements, the social partners could concentrate on ensuring that agreements are renewed and extended. In countries where there is a statutory minimum wage, the social partners could try to cooperate to ensure that the minimum wage is appropriate for the sector.

Focusing on flexible working. Work organisation is challenging in an environment that needs to cater to the growing demands of customers in a competitive environment. The use of zero hours contracts is one way of dealing with this, but this can be insecure for employees. The social partners need to think about ways to square this circle, at national level possibly involving flexible working time schedules and on-call working with minimum weekly hours.
- **Promoting work-life balance issues.** Reconciliation of working and non-working time is a key issue for a sector that is dominated by female employees. This could be a significant factor in retaining staff, in an environment where pay is low and career progression limited. In addition to flexible working schedules, the social partners could get involved in offering or running childcare facilities, which would improve the work-life balance of parents with young children. This could be carried out at EU and national level in cooperation with social partners in other sectors or relevant stakeholders.

- **Fighting the informal economy.** The informal economy threatens the existence of many salons operating in the regular economy, by creating unfair competition. This is also a major element of the scenarios we have created. While it will be difficult to eliminate the informal economy, the social partners could concentrate their efforts at EU and national level on lobbying governments to take steps to make it harder for unregulated salons and hairdressers to operate. In countries such as France, where social security charges are comparatively high, campaigns for reductions in these charges may help to reduce the size of the informal economy. Salons could also appeal to their customers to help them to combat the informal economy.

- **Including the self-employed.** The sector has a large number of self-employed hairdressers and this number is likely to increase in the scenarios we have created, a development linked to the polarisation of the sector. In order to maintain their own relevance, but also to try to improve working conditions for these individuals, the social partners could try to include self-employed hairdressers in the social dialogue process in some way, maybe through specific branches or sections. One way of trying to help those individuals that do not have full entitlement to social security, for any reason, is to set up schemes for those individuals. At national level, in some countries, the social partners are already involved in the administration of social security schemes. The degree of involvement would depend on the specific traditions of Member States.

**Types of action to develop:**

- **Action at EU level.** There is already an active and well-functioning social dialogue at EU level in the hairdressing sector, which most recently resulted in an agreement on health and safety. This forum could be usefully employed as a tool for the discussion of further issues that are likely to remain a concern in the future in the sector, such as training and development, career progression, working hours and, possibly also pay. The challenge would be, of course, to develop an overarching framework that is relevant for all Member States.

- **Bipartite monitoring dialogue.** The world changes in ways that are sometimes difficult to predict. Nevertheless, keeping a watching brief on relevant developments will help the social partners to anticipate changes and trends more
effectively. It would therefore be useful to establish and maintain a bipartite dialogue at sector level (where possible) in order to monitor change and develop ways in which to respond. It is recognised, however, that the social dialogue situation is different across countries. For example, it would be more difficult to set up such structures in countries such as Poland and Lithuania. It should also be noted that all future developments in the sector are likely to take place on a step-by-step basis rather than take the form of sudden changes. The social partners should therefore try to be aware of mid-term and long-term developments and engage with the changes as they happen.

- **Best practice exchanges.** One way in which to learn from other countries is to set up a series of best practice exchanges, possibly in the form of seminars and workshops in which selected national practices could be showcased. There are some good examples of training initiatives in some countries, such as Germany, but it should be remembered that not all of them are fully transferable across Member States, due to national differences and customs.

- **SME networks.** SMEs traditionally struggle to offer meaningful training and development to their employees, due to their small size and limited resources. One possibility, already tested in Italy, would be for SMEs to form networks in order to participate in and offer training. These networks could also be used to purchase specific tools or products that would be too expensive for each small salon.

- **Engaging with new stakeholders.** All four scenarios describe a changing world, with implications for a range quality of work and working conditions areas. In such a changing world, it will be important for the social partners to engage meaningfully with the different types of stakeholders that emerge. These could also include manufacturers of new products and technology and climate change and waste disposal advisors.

- **Connecting to salons.** It is vital that the social partners are well connected to the reality of what happens on a day-to-day basis in salons, so that they are aware of the main issues and needs of both employers and employees. This may already be the case in many countries, but there was a view, from the survey, that more could be done, particularly in countries such as France.

- **Organising differently to cope with polarisation of the sector.** Most of the scenarios contain some kind of polarisation of the sector, either into large vs small salons, high-tech vs low-tech salons, or special occasion vs low budget salons. This is likely to be challenging for the social partners, who will need to think of ways to organise in a more polarised sector. Special sections or branches at national and EU level, catering to different sectoral needs, might be a way forward. Separate collective agreements for different parts of the sector could also be concluded. However, it is still advisable to have a centralised function to ensure the
continuing cohesion of the sector and wide-ranging coverage of the social dialogue.

**Methodology**

The research was based on the following elements:

- Desk research in eight countries (Denmark, France, Germany, Italy, Lithuania, Netherlands, Poland, and the UK);
- Three focus groups with the national social partners in the hairdressing sector, in order to identify main themes and challenges;
- A small survey of salons in the eight countries, in order collect data from employers and employees in the sector;

The eight countries were chosen on the basis of their differing industrial relations and social dialogue traditions, giving an interesting mix of inputs. Details of the national researchers are given in table 2 below.

<table>
<thead>
<tr>
<th>Country</th>
<th>Team member</th>
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<tbody>
<tr>
<td>France</td>
<td>Frédéric Turlan, IRshare</td>
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<tr>
<td>Germany</td>
<td>Katrin Vitols, Wilke, Maack &amp; Partner</td>
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<tr>
<td>Italy</td>
<td>Volker Telljohann</td>
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<tr>
<td>Netherlands</td>
<td>Femke Reijenga and Adriaan Oostveen, AStri</td>
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<tr>
<td>Poland</td>
<td>Anna Kwiatkiewicz</td>
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<td>Lithuania</td>
<td>Anna Kwiatkiewicz and Inga Blaziene</td>
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<tr>
<td>Denmark</td>
<td>Wim Sprenger</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>Andrea Broughton, Stefanie Ledermaier, IES</td>
</tr>
</tbody>
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On the basis of the data gathered from these elements, outlines for four scenarios were chosen, combining themes as necessary. We gathered together a range of story snippets and built them into a narrative, based on issues that would have a high impact on the sector and have a degree of uncertainty. Elements that were relevant for the scenarios are:

- technological developments
- environmental concerns and developments (such as global warming and energy shortages)
- political uncertainty
- economic uncertainty
- polarisation of the sector in terms of consumer behaviours, preferences and needs and
- demographic trends.

The scenarios were then fleshed out with the aim of answering two questions:

- What will the future of social partnership in the hairdressing sector look like in 5-10 years?
- What strategy should the social partners in the hairdressing sector adopt in order to achieve an improvement of the quality of work and employment?

Each scenario was linked to each of the four aspects of quality of work and employment as follows:

- Career and employment security
- Health and well-being
- Skills development
- Reconciliation of working and non-working life
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Lithuania

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Rimondas Pasternackis - owner of the salon, employer) +37061888141 (AK)

Hairdresser X, working under employment contract in the beauty salon in Vilnius, face-by-face interview

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Donatas Ziogas, secretary of the Council of the Small and Medium Businesses, e-mail: donatas@vn.lt

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