This paper attempts to shed new light on the critical role of distribution in the contemporary political economy. Distribution, according to the classical Marxian perspective, was deemed a site of unproductive labour, providing the necessary movement in the circuit of capital of produced goods to end users. This paper aims to explore the role of distribution within overall production networks, integrating labour process change within the political economy of production, exchange and distribution. To move forward the theoretical and empirical analysis of the integrated and articulated movement of capital and the critical role of distribution the paper will draw on empirical evidence from grocery distribution and warehousing work in the UK. In exploring these matters the paper is initially examines the significance of retail supply chains and forwards the notion of ‘value in motion’. The empirical sections of the paper draws on research evidence from three third party logistics companies in the grocery supply chain. The paper concludes by exploring the dynamic of value in motion between monopoly retailers and their logistics suppliers.

Retail Supply Chains

Retail supply chains, subject to increasing research attention, are an essential element of the contemporary service economy within the burgeoning grocery sector. The impact of retail domination on labour in the supply chain has been addressed in recent research highlighting demanding and closely monitored requirements placed on supply organisations. The impact of these requirements appears to be that low skilled and monotonous work is subjected to increasingly pressurised regimes and requirements (Newsome et al 2009, Lloyd and James 2008). However a key aspect of the grocery sector, given the nature and perishability of the product, as Lund and Wright (2001) illustrate is the less visible processes of transportation, storage and distribution facilitated by real-time IT systems capable of linking suppliers, distributors and the retailer.

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At its most basic level, distribution and warehousing fulfils a central supply chain function; goods are unloaded, stored and repackaged in the required quantities for their final destination. Their function is based upon ‘recombining the full pallet loads of stock that are received from suppliers, into pallets of different product mixes as required by individual supermarkets’ (Lund and Wright 2006). Distribution has traditionally been regarded as a ‘necessary evil’ providing an obligatory link between production and consumption, but offering little possibility for adding value (Bonacich and Wilson 2008). More recent debates have recognised the role of the ‘logistics revolution’, intimately tied to the domination of the major retailers, can play a more important value-adding function (Bonacich and Wilson 2008, Harvey et al 2002).

The direction and the form of the ‘logistics revolution’ has been conditioned and directed by the requirements of the retailers. For Bonacich and Wilson (2008) the rise in retail monopoly power is predicated upon a number of key developments. Firstly, and with compelling historical parallels with the putting out system and the dominance of merchant capital in the early stages of capitalist development, retailers have monopolised access to consumer markets with the point of sale becoming the key driver of the supply chain (Clawson 1981, Lichtenstein 2009). The impact of this development has been to switch power within the supply chain away from production to the demands of the new imperatives emanating from the growth of monopoly retail capital. This shift in power relations has forced suppliers to cut costs making it increasingly difficult to compete on any other term than price (see also Christopherson 2006, Brenner et al 2006). Secondly, dominant retailers have, “made it close to impossible for manufacturers and service providers to pass on the costs of improvements in products and services to consumers in the form of price increases” (Bonacich and Wilson 2008 p.7) The corresponding shift in power dynamics between consumption, production and distribution has enabled the retailers to dictate the nature of this relationship positioning themselves as the key interpreter of the requirements of consumption (Glucksmann 2000).

For Bonacich and Wilson (2008) the concurrent logistics revolution which has supported the ascendency of the retailers is based upon, ‘the principle that capital not in motion ceases to be capital’. They argue the ability to ensure ‘capital in motion’ for the monopoly retailers comprises of a number of key developments; firstly the expansion of regional distribution centres strategically located at key transport hubs enabling the continuous movement and flow of goods from producers to stores; secondly the ability and capacity of IT to integrate the supply chain intimately linking in real time with consumption in store; thirdly big box store format and finally the mantra of ‘everyday low prices’ which underscores relations within the supply chain (see also Lichtenstein 2009). The impact of these developments they suggest is that the unit of competition has now become the overall supply chain.

Within the UK context the ‘logistics revolution’ is similarly regarded as being orchestrated by dominant retailers who have systematically reconfigured the supply chain under their exacting tutelage. The requirement for the constant flow of products, coupled with the retailer led IT/software systems with the capacity to harnesses these inter-linked organisations, has facilitated the establishment of a network of specialist dedicated logistics operations. Fuelled by the demands of 24/7 consumption, regional distribution centres housing fresh, chilled and ambient products ensure the constant flow of value throughout the chain (Harvey et al 2002). For Harvey et al (2002) the corresponding matrix of retailers
and specialist third party logistics companies affords the retailers the opportunity to cultivate competition between in house distribution centres and contracted out third party logistics companies (3PL).

For retailers this over-capacity and competition for contracts within the sector presents the opportunity to shape relations with logistics companies to their demanding requirements presents the opportunity to further reduce costs. Harvey et al (2002) argue this has the affect of limiting the dependency of the retailers on one organisation (in a time critical aspect of the supply chain) thereby not only managing risk but also ensuring the constant and most importantly reliable flow of goods to store. Given the nature of the contractual relations and the focus on labour costs this competition also offers the prospect of breaking down traditional working patterns and practises as well as intensifying the work process. For third party logistics companies the outcome of this competition can be more products to handle, penalties avoided, and ultimately contract renewal. As a result given the nature of the contract between these logistic companies and their customers it is unsurprising that the focus on the performance of labour becomes increasingly pervasive. Within this context the exclusivity of the labour process within warehousing and distribution as a ‘relatively autonomous’ point of production is clearly diminished. Previous accounts exploring labour process change in distribution refers to Glucksmann’s notion of the total social organisation of labour which highlights the complex linkages and relationships that impact upon labour across production networks (see Newsome 2010, Newsome et al 2011). More concretely the focus of this paper, and as discussed below, the exercise of labour power in these logistics organisations is conditioned by the competition over value capture within the supply chain (Harvey et al 2002).

**Value in Motion**

In the literature on value chains and the origins and appropriation of profit there is more than a small measure of ambiguity about the sites and sources of value extraction. Many writers thus treat the position of all workers within a given value chain with equal status: there is a common presumption that in the contemporary global economy all workers are subject to the whip hand of market competition and hence are subjugated to the imperatives of profit maximisation. This may well be the case, but this paper argues for a theoretical stance that emphasises the circuit of capital as an integrated and differentiated process: the production and exchange of commodities and the realisation of profits are distinct but connected moments in the movement of capital (value).

The role of distribution work, and specifically the emergence of the logistic companies that intervene between production companies and retailers, is central to the process of realising the value and surplus value generated through the exercise of labour power and the performance of unpaid labour time in production. The movement of commodities in the sphere of circulation involves the expenditure of labour that is productive of surplus value (e.g. transport) and labour that is necessary to ensure that products ultimately realise a surplus value in exchange but is not directly productive of value. The latter includes storage and marketing and is ultimately a cost against or deduction from surplus value (Harvey 2007, Fine and Leopold 1993). As such the drive to contain these costs in order to preserve ‘value in motion’ is critical to understanding the competitive relations between monopoly retailers, and their suppliers which embraces logistic companies and the direct producers. This paper is therefore concerned with exploring empirically the preservation of value in
motion within distribution and warehousing, as well as how this ‘value’ is fought over within the overall circuit of capital.

Research Method and the Case-Study Organisations

The three case-study organisations are third party logistics companies each operating on behalf of one of the UK major supermarkets and are located within Northern Britain. In each organisation a qualitative approach was adopted, comprising of semi-structured interviews and focus groups. Within each case-study 10-12 semi-structured interviews were undertaken with key players notably; the site manager, warehouse managers, shift managers, HR managers and union lay officials. In addition first line managers and supervisors were also interviewed. In order to explore changes in the nature of work focus groups in each organisation with warehouse pickers also took place. In total 12 focus groups were undertaken with groups comprising of approximately 6-8 operatives. The pickers participating in the focus groups were selected by management. Further interviews were also carried with full-time union officials with responsibility for the sector. Table One below depicts the case-study organisations.

<table>
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<tr>
<th></th>
<th>Mirror</th>
<th>Signal</th>
<th>Manoeuvre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size (number of Employees)</td>
<td>Large 700 employees</td>
<td>Medium 200 employees</td>
<td>Large 950 employees</td>
</tr>
<tr>
<td>Ownership</td>
<td>MNC</td>
<td>MNC</td>
<td>MNC</td>
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<tr>
<td>Relations with Customer</td>
<td>Third Party Sole Supply</td>
<td>Third Party Sole Supply</td>
<td>Third Party Sole Supply</td>
</tr>
<tr>
<td>Type of Warehouse</td>
<td>Chilled and Ambient</td>
<td>Ambient</td>
<td>Chilled, Ambient and Frozen</td>
</tr>
<tr>
<td>Union Membership</td>
<td>Yes 95% membership</td>
<td>Yes 50% Membership</td>
<td>Yes 60% Membership</td>
</tr>
</tbody>
</table>

Mirror is part of a large multi-national company and operates on behalf of Supermarket X. Operating from a purpose-built site; it houses two warehouses chilled and ambient. The site employs approximately 700 workers, supplemented at peak times with agency staff who are predominantly migrant workers on short-term contracts. It is strongly unionised with membership levels at 95% for warehouse operatives and drivers. There is a collective agreement in place which covers issues relating to pay and other terms and conditions of employment. Pay is negotiated annually, with rates of pay regarded as being relatively high for the sector. Within the warehouse there are three main job classifications notably pickers who pick stock, loaders who fill up the trucks prior to dispatch and fork-lift drivers. To ensure the required ‘perpetual motion’ of delivery to store the site operates 24/7 working time in both warehouses is organised to facilitate this constant activity with three basic shifts.
The second case-study organisation Signal is also part of a major multi-national company which operates the site on behalf of Supermarket Y. The site deals with ambient products housed in one warehouse. It currently employs 200 people with additional agency staff at peak times. It operates a two shift system, day shift and back shift. Signal is also unionised with membership levels in the region of 50%. The union is regarded as being relatively weak and tends to operate around individual issues such as discipline and grievance rather than collective regulation. Levels of pay were regarded as being average for the sector. Previously these pay levels were supplemented by a bonus scheme. However, the bonus scheme had been abandoned recently as it seen to be too costly, this had been greeted with a level of infuriation by operatives. The future of Signal had been called into question as a result of the recession and the corresponding reduction in volume. Consequently the research took place when there was a degree of uncertainty regarding the organisations long-term prospects.

Manoeuvre the final case-study organisation is also part of a large specialist logistics MNC. Providing third party logistics for supermarket Z, the dedicated site comprises of three warehouses notably chilled, ambient and frozen. Manoeuvre operates an open-book contract with Supermarket Z who is responsible for paying for all of the costs associated with running the site. Having recently secured the contract with their supermarket client Manoeuvre is in the processing of integrating its IT systems with those of supermarket Z. The organisation currently employs 950 employs but supplements with agency workers in order to secure the required organisational flexibility. The site operates 24/7 with a number of shift patterns to ensure the continuous movement of goods to store. The site is also unionised with a collective agreement in place covering issues relating to terms and conditions of employment. Management within the organisation were clear that one of the key reasons as to why they had been able to secure the contract was because of their logistics expertise and their commitment to further cost reduction across the organisation. The next section is concerned with exploring the connections between these three third party logistics companies and the retailers. In essence is it concerned with exploring the dynamic of value in motion between monopoly retailers and their logistics suppliers.

**Value in Motion: Capturing and Preserving Value**

At Mirror, the distribution centre and infrastructure is owned by the supermarket X and is branded under the Supermarket X name. Mirror supplies and manages labour necessary to run the site and deliver products to store. The benefit of operating the site thorough a third party was seen to be that Mirror had the necessary logistics expertise to meet the demanding requirements of their client. Mirror receives a management fee to manage the site coupled with a monthly budget to run the site. In return Mirror is required to meet stringent key performance indicators (KPI) which are negotiated as part of the contract and are strictly monitored. A complex system of fines and penalties were implemented with weekly updates and monthly meetings taking place to review progress and account for deficiencies. These KPI operate in key areas of the business and are predicated upon the notion of removing...
costs. Given the nature of the contract reducing labour costs are given key priority. The major KPI related to the ‘Overall Warehouse Rate’ which refers to productivity levels within the site. This rate related to the ‘the number of cases that we put out each day and the hours it takes to do that direct and indirect and management and any clerical so anything that’s involved’. Securing this rate at the required levels demanded a perpetual balancing act of ensuring that staffing levels were at the appropriate levels to meet output. Supermarket X monitored all associated labour costs such as absence rates, turnover rates, long term sickness, grievances and disciplinary action on a weekly basis.

Management within Mirror were also acutely aware that delivering on the current set of KPI as well as securing cost savings was essential if the contract with Supermarket X was to be renewed. One Mirror manager argued, ‘one of the big logistic director at Supermarket X wants to show how we’re going to provide more efficiencies....I’m looking at ways to improve like the warehouse, what we can do and that links into our shift patterns, gaining the flexibility that we can change as and when Supermarket X requires us to change. Making sure people turn up for work, making sure we’ve not got a problem with absence, making sure we don’t have any collective grievances, making sure that we don’t have disciplinaries all the time’. As a result Mirror was reviewing terms and conditions for warehouse staff and for drivers. The full-time union official responsible for the site argued that supermarket X deliberately maintained competition between third party distribution companies and their own in house distribution centres predominantly as a way of cutting costs. Recognising the impact of this competition the FT union official argued,

“Supermarket X is a funny creature because they’ve got depots throughout the UK. Some are in house and some are third party. What they do is try and benchmark the third party against their own and that’s where the competition starts. Obviously the general manager up there is a bit anxious because he wants to be up the scale a bit from anybody else. I can see he’s got pressure to try and put more output at the place, to try and be above somebody else that is an actual in house depot that’s with Supermarket X employees. It’s all very well making a profit within depot but there’s health and safety and other implications you’ve got to take into consideration if you’re pushing people to the maximum. Work is intensifying because obviously they’re trying to get above.”

The relentless search for cost savings did not take place without opposition. Union reps recognised the attempts that were being made to systematically cut ‘costs’ from the business, which included premium rates for over-time, shift premiums, sickness pay etc. Managers within the organisation recognised the contradictory pressure for cost cutting on the one hand and a highly organised site on the other which fiercely protected the established collective agreements. A recurring issue of concern in securing and maintaining the contract with Supermarket X was Mirror’s perceived industrial relations climate. The concern was that any dispute or stoppage could have an immediate impact on delivery to stores. Despite the cost pressures and demanding KPI emanating from Supermarket X it was clear that management was aware of the vulnerability that they faced if a dispute was to escalate. It was acknowledged that the relatively high levels of pay in the organisation were an attempt in part to ameliorate this risk. In addition Supermarket X monitored any additional ‘risk’ to the business such as levels of individual and collective grievances, labour disputes and ultimately it took a direct interest in wage negotiations.
In comparison, Signal was also paid a management fee for running the site on behalf of Supermarket Y. Once again Supermarket Y owned the site and the associated infrastructure. Signal operated an open book contract whereby Supermarket Y has access to and pays for all costs associated with running the site (from light-bulbs and heating to vehicle servicing and maintenance). The constant pressure to reduced costs was particularly acute within Signal, managers argued they were ‘interrogated’ to account for and eliminate any unnecessary costs to the business. One manager argued, ‘they’re always asking us where we can save money, when they come to do the budget. They’ll say right we need you to cut out another £250,000 this year. It’s our job to go and see where we can cut that out. What we can do, make them pick quicker so that we’re getting more cases per hour, better filling the back of the wagons, changing the shift pattern, any of these things looking at restructuring.’ As part of the contract a series of demanding KPI which the organisation had to achieve were set by supermarket Y, these were monitored in monthly review meetings. The KPI were enforced by a series of fines and penalties.

Given the nature of contract the pressure on labour costs was particularly acute. However, in contrast to Mirror, Supermarket Y stipulated the hourly pick rate required of warehouse staff. In essence Supermarket Y dictated, as part of a contractual requirement, how much effort Signal warehouse operatives were required to exert per hour. The site manager argued, ‘They decide on the pick rate. Obviously it’s agreed with ourselves if it’s achievable or not but Supermarket Y come up with it. That’s what they require us to do, is a certain number of cases an hour’. As a result ensuring that pick rates were maintained at this pre-determined level permeated every aspect of the organisation. In addition further KPI related to other key labour costs most notably over-time rates, the use of temporary labour, absence rates, and turnover rates.

Managers highlighted the difficulties the organisation faced meeting these required KPI because of the unpredictable demands for products, and the reduction in volume levels. This level of unpredictability meant that managers within Signal faced a constant balancing act of keeping costs down whilst ensuring that sufficient flexibility was maintained within the system to cope with unpredictable changes in volume. The necessary organisational flexibility was secured by using growing numbers of temporary labour and by altering shift patterns and working hours often with very little notice. With weak levels of union organisation, coupled with the threat of closure workers within Signal were left with little protection from the demands of their customer. Reflecting on the difficulty in opposing some of the customer requirements one union rep argued,

‘We are left with this is the situation, take it or leave it. Unfortunately you don’t always get 100 per cent backing from the guys because they say well, I’m 55 years old, they can replace me, so I can’t afford to say right we’re walking out the door, we’re going on a strike. We can’t afford to do that because if we do that we get replaced. So it’s very difficult to have power and say this is what we can do and we can cause disruption to your business and things like that’.

The nature of the contractual relationship between Manoeuvre and Supermarket Z operate on a similar basis to Mirror and Signal. Supermarket Z owned the site and all of its associated infrastructure and stock. Manoeuvre operated an open book contract
whereby Supermarket Z paid all of the costs associated with running the site. In return Manoeuvre received management fee for running the site and were required to meet stringent and demanding KPI. Failure to meet these KPI was met with penalties fines and the threat of the loss of the contract. In Manoeuvre senior managers highlighted that it was accepted that not only would the organisation hit their KPI but that they would deliver additional cost savings. The Site Manager argued, “They have bought your expertise, that’s what they want. Well, they now expect the minimum: to hit your KPI. We’ve got to budget always for a site this size but we’ve also got a contract with, if you like, financial penalties if you don’t hit certain KPIs as well. Their expectation now is you hit them as a matter of course because that’s what you do. You are logistics experts, so what else you going to bring to the business? What else are you going to contribute? Other senior managers reflected this view, the suggestion was that the large supermarkets saw retailing as their core business, so by buying in logistics expertise to facilitate retail it was imperative that it is cost effective. As a result the pressure on reducing costs and securing further costs savings pervaded the organisation.

The impact of these costs pressures meant the focus on the organisational performance generally and labour more specifically was acute. One union official responsible for manoeuvre argued,

“I think particularly where third parties are working for the majors; I think part of the problems is that these contracts are always going to come up on a three year period. So the pressure then on the contractor by the client particularly when it then goes to open season coming near the end of the contract when you will have a number of the major third party providers who will come in. The intensification then in terms of performance is quite huge and significant. I think that is also driven by the fact that some of the pressures that the clients put on the third party providers is certainly on some of the mechanisms that they will use to ensure they are able to hit deadlines and timeslots. Then the penalty clauses will be quite significant.”

Preserving Value: Closing Indeterminacy

The inescapable pressures on labour costs resulting from the contractual requirements with their supermarket customers meant that management within these organisations was concerned with securing maximum levels of effort. This can also be viewed an attempt to close down the indeterminacy of the labour process, ensuring that the stipulated pick rate or overall warehouse rate was not only delivered to customers but that cost savings were also secured in the process. In an attempt to close down levels of indeterminacy within the labour process, management within all of the organisations instigated time and motion studies, stipulated required levels of daily work effort more explicitly and ultimately monitored performance more closely.

Within Mirror, the prevailing social relations of production, which embraced strong levels of union organisation, had protected relatively high levels of indeterminacy and informality within the work process. Managers highlighted that historically there had been little understanding of what would be regarded as an ‘acceptable’ day’s effort. The
vast size of the building which harboured a multitude to places to escape, coupled with limited levels of accountability had contributed to high degrees of discretion over levels of effort. The overwhelming concern for managers within Mirror was to establish greater transparency in the workplace thereby making levels of effort more quantifiable thereby enabling levels of performance to be more closely monitored. One manager argued, ‘there was no defined work standard, how do you manage somebody’s performance if there’s no defined work standard.’

Under the auspices of satisfying the needs of the customer, management within Mirror took steps to introduce performance management. Consultants were employed to undertake a series of time and motion studies to establish a ‘measured standard’ of a day’s effort. A lengthy series of consultations took place with the union to establish an acceptable daily performance level. The HR manager argued;

“when I first came here there was just about an ongoing dispute. 18 months ago we had to try and spin this round and try and put some management control. They brought in measured standards which they called the minimum standards and that was actually measuring every activity and saying it takes this long on average to pick this number of cases or put these number of pallets away or load these number of pallets on a vehicle. So each function from in loading, checking to putting away, to replenishment were all given times to be able to move one unit. This is how driven it is now we have reports and reports and reports I mean we capture every bit of data possible, I won’t even bore you with all of that but those numbers at the bottom are the Overall Warehouse Rate which we have to try and achieve. So we’re looking at it on a daily basis rather than a weekly basis”

HR Manager Mirror

For warehouse staff this translated into how many cases it would be expected that they should pick within an hour. The union was closely involved in the subsequent concern to translate the establishment of a ‘measured standard’ of work into a performance management tool. It had insisted that the performance standards also took account of the product being picked as well as the age profile of the picker. Union officials also negotiated that any failure to meet targets would not be met with immediate disciplinary action, but that operatives would be offered coaching. Shop stewards also highlighted that any expected increases in performance levels would not jeopardise health and safety standards within the organisation. One steward argued, ‘there’s a corner to be cut everywhere if you’re willing to put half your workforce into hospital. They like to try it but they get nailed at the best of times. They like to try the health and safety, if they can get away with it, turn a blinder, but I’m sorry they’re not going to get away with that.’

The implementation of these measured standards of work also presented managers in Mirror with new challenges. Firstly to ensure levels of compliance with the new system management had attempted to ally its introduction to an incentivised pay scheme. The suggestion was, ‘we needed an incentive scheme to financially reward those people who are prepared to put in the effort.’ The concern from union members was that whilst they recognised that pay incentives maybe inevitable any attempt to individualise pay within a collective work process was unsatisfactory. Secondly it was apparent that there was a growing contradiction between securing greater levels of effort and allowing pickers greater variety in their work. ‘Picking’ particularly was regarded as deeply monotonous
and physically exhausting. The company, prompted by the union, was attempting to relieve this tedium by introducing job rotation. It was also recognised that rotating roles also safe-guarded against repetitive strain injury, an obvious hazard of working in the sector. However, the pressure to increase the overall warehouse rate was a clear incentive to allocate picking to experienced workers who could ‘rattle it out, batter it out in minutes.’ Many pickers highlighted that the opportunity to rotate roles was simply not available because of the performance targets dispatched from Supermarket X. One picker argued, ‘At the end of the day all they see is figures, they can’t get figures out the guys that rotate. It’s common sense that you know the guys don’t do the job very often, won’t push the same amount of stuff than they guys doing it regularly’

For Signal attempts to close down the indeterminacy of the labour process translated into concerns to deliver the hourly pick rates at the level dictated by Supermarket Y. Given the limited resources available and in the absence of any real collective opposition, management adopted an extremely low trust regime to secure the stipulated rate. Any attempt to incentivise pickers for attaining the required performance levels was regarded as an unnecessary cost. Management within the organisation resorted to ‘managing’ the required levels of performance by implementing closer levels of supervision, monitoring and tightening disciplinary mechanisms. First line managers and supervisors recognised the unforgiving nature of regime but acknowledged the pressures on the company to secure the hourly pick rate. Morning briefing sessions were used to discuss the previous days’ targets and disseminate the required output levels of the forthcoming day. Pickers referred to these briefing sessions with hostility highlighting that often de-moralizing nature of these meetings. Pick rates were monitored at intervals during the day culminating in a daily figure at the end of each shift. If pickers failed to meet the required rate a ‘quality of work letter’ was sent to their home highlighting that they had failed to meet the required standard. Three quality of work letters resulted in disciplinary action. Disciplinary action for under-performance was regarded as routine, with warehouse operatives stating that as many of 70 % of pickers were subject to investigation at any given time.

Within Manoeuvre attempts to secure greater levels of effort and close down indeterminacy was predicated upon securing greater levels of transparency, accountability and measurable performance targets. External consultants were employed to undertake Time and Motion studies. These studies provided the opportunity for managers in Manoeuvre to establish required norms of worker effort and ensure they were monitored more closely. The site manager suggested,

> “we re-timed all the different elements... The (warehouse management system) established a virtual map of the warehouse and it would say, ‘Well, you take X amount of time to go to get your labels from the window, go to your truck, go and get your two palettes and then it would know the distance from there to your first pick point. It would know how many you’ve got to pick and how much travelling you’ve got to go on. That makes up a time that it should take you to do that assignment you’ve got for that store.”

The required daily rate was established indicating what the average pick rate would be for a working day. However the site manager in Manoeuvre recognising that the removal of the bonus systems was proving unpopular argued, “we’ve had a number of harsh things
to do here but in the essence, basically, what we say is that we think that rate should be, based on what the average pick rates are. We used to get all this form the system and we used to have a bonus department that paid bonus, based on how much you could pick. That’s all gone now. ‘There’s no bonus department’. Pickers responded to this removal of the bonus with a degree of frustration highlighting that the impact this move had on overall staff morale. One picker argued, “See if they gave you a set thing every so often that if you pick out in time or do your work properly and they gave you some incentives to work on, the company would be a better place to work for. But there’s no incentive so nobody really gives a toss about the company.”

Failure to meet the required standard of performance within Manoeuvre monitored on a daily basis was met with immediate remedial action. Pickers highlighted the ‘strict’ nature of the regime. Failure to meet the required standard would be met with an immediate ‘informal’ conversation with supervisor. Manoeuvre a similar procedure to Signal took place whereby failure to meet the required standards was met with a warning procedure, ‘a 13 weeker’ if performance levels were not meet during this thirteen week period, pickers would be placed on a ‘26 weeker’. Any failure to meet the required levels of performance during this period would be meet with formal action. The HR manager highlighted the impact this disciplinary regime had on performance, indicating that in the absence of the bonus scheme something had to be put in place to ensure levels were maintained. Pickers in one focus group argued, “it’s got really strict. I think it has kicked in big time because before they were showing a slight amount of discretion with some of the warnings but now everything’s just automatic”

Value in Motion: Experiencing Work

Warehouse work, and picking in particular, was referred to as being deeply monotonous and repetitive. In essence picking encompasses the movement of products through the warehouse in the required amounts for dispatch to particular supermarkets. In ambient warehouses this involves moving goods from pick slots onto a truck to be placed in cages for dispatch to particular stores. In chilled warehouses, given issues of perishability and the need for time economies, products enter the warehouse are recombined into the required amounts and are dispatched at the other end of the warehouse. The pressures emanating from the requirements of the constant flow of goods coupled with the increasing intensification of work was apparent. Pickers referred to the soul-destroying nature of their work, indicating both the tiring nature of work coupled with the mental tedium. Evidence from the focus groups in all of the organisations highlighted varying ways in which pickers dealt with and coped with the tedium and monotony of the working day. Operators in Manoeuvre argued, ‘Basically, you do get that mentality where you just come in and say, ‘Right, I need to pick my cases.’ I mean, I just say, I come in do my eight hours, pick my cases an hour and go home. Just tell myself I’m only here eight hours then I’m away out again. That’s just the way you need to look at it” Others referred to the feeling like a robot at the end of a long shift, “it sounds as if you’re just a robot, but you are, really”.

Reporting on their experience of work, many pickers across the organisations reported on the physically demanding nature of the job, the unremitting speed of work, and the
constant pressure to meet the obligatory performance targets and the oppressive levels of monitoring and supervision. Pickers within all of the case-study organisations referred to the increasingly pressurised and intensified work environment with a degree of exasperation and frustration. Pickers in Manoeuvre also referred to the required levels of effort needed to ensure that attained the required performance targets. Respondents from one focus group reported,

How hard are you working?
X: It is hard.
X: You’re constant.
X: You’re constantly going.
X: Yes, you’re constantly going and you really can’t stop, you know.
X: See if you take the example, I wear this suit. When I’m taking it off at the end of my shift, that’s soaking.
X: Soaking.
X: Because you’re pushed to do the target.

Pickers in Mirror also highlighted the growing levels of monitoring and supervision compared to the previous regime. Referring particularly to the requirement to wear swatch scanners to monitor performance Pickers in the chilled warehouse reported on the indignity of feeling monitored all day by an electronic device attached to their wrist. One Picker argued, ‘It’s not so much the heaviness you just feel you’re constantly being monitored. You’re tagged. It’s like an ASBO. You’re more like a puppet.’ Pickers recognised that the scanners gave supervisors the ability to monitor their activities on a minute by minute basis.

“It creates tension because I’ve been taking in about two or three times and you know he’s got the figures in front of him and he said between 13.07 and 13.15 you know there’s no pick what were you doing between you know” Picker chilled warehouse Mirror

The dismantling of the apparatus of consent-making within all of these organisations was also apparent. This culminated in attempts to invade the porosity of the working day which were particularly evident in both Signal and Manoeuvre. Within Manoeuvre the removal of the paid time break was causing levels of consternation and resentment with workers highlighting the health and safety implications of working without a break. Moreover within these organisations the extension of the draconian performance regime also limited the opportunity for workers to re-shape or re-cast the requirements placed upon them in any meaningful way. In both Signal and Manoeuvre Tea-breaks, ‘fag breaks’ and comfort breaks were all now contingent on hitting the rate, left to the discretion of the supervisor to sanction. One picker in Signal argued,

“It’s another punishment, its more morale busting for the guy who struggles to get his rate. So no he can’t go out for a fag or anything like that or he can’t go for a coffee. But everybody is tarred with the same brush you get the same breaks and if you don’t do your rate then you’re not going for your fag or you’re not going for your coffee” Picker Signal.
Concluding Comments

This paper has been concerned with exploring the role of distribution work within the overall circuit of capital. More specifically it has focussed attention on the emergence of the logistic companies and their intervention between production companies and retailers. At a abstract level the argument has been that logistics organisations are central to the process of realising the value and surplus value generated through the exercise of labour power and the performance of unpaid labour time in production. As such they provide a necessary link between production and monopoly retailers, ensuring ‘value in motion’ throughout the supply chain. The evidence also reveals the opportunity that distribution presents for monopoly retailers to craft relations with their 3PL to cut costs and preserve value within the overall circuit of capital. In exploring the relationship between retailers and their 3PL the evidence also highlights the battle between these organisations to capture value.

At a concrete level the paper has explored how this capture and preservation of value impacts upon the labour process of these distribution companies. In all of the case-study organisations attempts to close down the indeterminacy of labour are apparent, with a particular emphasis on extracting greater levels of effort by establishing transparent standards of required performance. The resulting intensification of work is propelled further by an invasion of the porosity of the working day. The evidence shows that this leads to a dismantling of the consent making aspects of the employment relationship and in the case of Manoeuvre and Signal, the instigation of a low trust tightly controlled regimes. However the existing mechanisms of workplace regulation which includes trade union organisation, mediated some of these requirements. Within Mirror the prevailing machinery of collective regulation, coupled with high levels of union organisation influenced the way in which the demands of the customer, Supermarket X, impacted upon the nature and experience of work. Organised labour aware of its position within the supply chain was able to recast and in some cases secure concessions in what was required of it by the dominant customer. In Signal and Manoeuvre where union organisation was weak, collective opposition to the exacting and stringent requirements of the customer was less forthcoming.

References


