Informal Labour Market Governance: the Case of the British and German Media Production Industries

Arne Baumann

Work Employment Society 2002 16: 27
DOI: 10.1177/0950017022119236

The online version of this article can be found at:
http://wes.sagepub.com/content/16/1/27

Published by:
SAGE
http://www.sagepublications.com

On behalf of:
British Sociological Association

Email Alerts: http://wes.sagepub.com/cgi/alerts
Subscriptions: http://wes.sagepub.com/subscriptions
Reprints: http://www.sagepub.com/journalsReprints.nav
Permissions: http://www.sagepub.com/journalsPermissions.nav
Citations: http://wes.sagepub.com/content/16/1/27.refs.html
What is This?
Informal labour market governance: the case of the British and German media production industries

Arne Baumann
European University Institute, Florence, Italy

ABSTRACT
This article is concerned with labour market transactions in the occupational labour markets (OLM) of the media production industries of Germany and the UK. In both countries, labour markets are characterized by a high inter-firm mobility of workers and patterns of short-term employment and freelance work. In this environment, missing standards produce uncertainty about skill levels of workers and qualification needs of firms. As a result, co-operation costs increase and opportunism becomes possible. It will be argued that, in the absence of manifest labour market institutions such as apprenticeships or skill certificates, which traditionally safeguard OLM transactions, the use of intermediaries and restriction of access will take over as informal mechanisms for governing the labour market. Labour market data from interviews with media firms in Germany and the UK, and from surveys on German and British media professionals, are used in order to test this hypothesis.

KEY WORDS
freelance employment / labour market institutions / media industry / reputation / social mechanisms

Introduction

Employment patterns in the labour market of the media industry receive increasing interest as a potential example of future general trends in organizing employment. Labels such as, for example, the ‘boundaryless career’ (Jones,
1996) or the ‘new self-employed’ (Benkert and Michel, 1999) in the context of media industry analyses signal a departure from traditional concepts of the labour market and the arrival of a new paradigm. Any such new paradigm will have to incorporate the informality and reliance on personal contacts which characterize the labour market of this industry. This paper analyses these informal ways and means to communicate qualifications and find work in the media production industries of two countries, the UK and Germany.

The literature applying concepts of flexible production in order to explain the labour market in media production (e.g. Barnatt and Starkey, 1994) can account for its volatility but fails to illuminate its reliance on personal contacts. Employing standard institutional labour market theory and the concept of occupational labour markets, in contrast, can logically explain why the industry’s labour market is highly personalized and professional reputation is so important. Using findings from surveys on camera and production co-ordination professionals in the British and German labour market, and from interviews with production companies and broadcasters in both countries, this paper presents novel and representative cross-country data on labour market strategies of both individual workers and firms.

The structure of the article is as follows: first, I will present a brief overview of the industries in the UK and Germany, which will illustrate the shift from the firmly nested internal labour markets of public broadcasters to the external labour market of the booming media industry of the present time. Second, I am going to discuss the concept of occupational labour markets and the requirement of skill standards for labour market transactions. Then, I shall introduce restriction of access and the use of intermediaries as social mechanisms which capture the informality in labour market transactions and which work as substitutes for the traditional skill standards and certificates in occupational labour markets. Finally, I will test for the existence of these social mechanisms in recruitment patterns of media firms in the UK and Germany, and in the job search strategies of individuals.

**The media production industries of the UK and Germany**

The media production industries of the UK and Germany have gone through a period of considerable change during the last 20 years. Employment relations of the industries have been transformed from the well structured and clearly bounded state of public broadcasters’ internal labour markets into seemingly unstructured and boundaryless external labour markets, where the borders between ‘in’ and ‘out’ are ambivalent and career prospects chronically uncertain (Dex et al., 2000: 285). This shift resulted from a change in production models, which, in turn, introduced employment structures different from the traditional ones.

According to Tunstall, the production systems in the media production industry can be classified according to the extent of their vertical integration into
three categories: the vertically integrated broadcaster, the publisher-broadcaster and the packager (Tunstall, 1993: 6–7). While the BBC and ITV companies, as well as the German public broadcasting corporations ARD and ZDF, have traditionally followed the broadcaster model, the publisher-broadcaster is the dominant model of the present time. Here, the broadcaster is only responsible for publishing, i.e. assembling and transmitting, a programme that was largely commissioned and acquired from outside producers. In the UK, this model has emerged with the creation of Channel 4 in 1982. The initial emphasis on experimental minority services shifted to a wider political and economic reasoning when the Thatcher government announced the implementation of minimum shares of independent productions for all terrestrial programmes in 1988. As a result, ‘TV production is [now] increasingly being carried out by networks of agents (creative artists and technicians under contract to a producer or TV company), and not, as in the past, by rigid, bureaucratic corporates sourcing programmes almost exclusively from internal facilities’ (Barnatt and Starkey, 1994: 253). The success of this production pattern can be attributed to the fact that programming can be achieved relatively cheaper in small companies and networks of freelance agents where there are no fixed costs of large permanent staffs and in-house technical facilities (Tempest et al., 1997: 49). The downside, however, is that the workforce which is engaged in the independent production branch often works on a casual basis and is employed only from project to project (Barnatt and Starkey, 1994: 254). In contrast to creative artists, who are traditionally engaged for specific and therefore short-term projects, the technicians, operators and staff production personnel used to belong to the broadcasters’ permanent staff and were gradually slipping into temporary employment only with the emergence of the independent production sector (Robins and Cornford, 1992: 194; Tunstall, 1993: 12). In Germany, the publisher-broadcaster model is a result of the emergence of private broadcasters in the 1980s which tried to compete with the public broadcasters not only in terms of programming but also with respect to leaner and more efficient organization and a reduction in fixed costs for programming. While the payroll of public broadcasters accounts for 42 percent of all expenditures, that of the private broadcasters is a mere 12 percent of all expenditures (DIW et al., 1998: 79). In an attempt to react to this challenge, the public broadcasters have responded in the 1990s by outsourcing production facilities in order to circumvent collective agreements with the trade union and by marketizing their internal organization (Boldt, 1998: 81, 84).

In both countries, the UK and Germany, the production system of the commissioning and outsourcing publisher-broadcaster and the increasing number of programme hours have led to a continuing overall growth of the industry. Relatively early, the growth in productive capacities has led outside observers to wonder how the labour market would supply the needed workforce for this expansion. Colin Sparks, for example, has seen the drying up of the pool of skilled labour as inevitable in the face of an increase in labour demand (Sparks, 1989: 6–37). Thomaß (1993) documents the insufficient skill level of the workforce employed in Germany’s private broadcasters at the beginning of the
1990s, and the lack of programmes for training them (Thomaß, 1993: 35, 42). Varlaam et al. (1990) have produced a comprehensive study for the situation in the UK and diagnosed a dramatic shortage of skilled employees for the industry in the 1990s.

**Labour markets and social mechanisms**

In both the UK and Germany, the labour market of the media production industry is challenged by the transition from internal labour markets within broadcasters to an external labour market that flexibly supplies an industry of few big companies and many small producers with qualified personnel. In contrast to internal labour markets (ILM), where workers are qualified internally and tied to a firm in the long run, external labour markets rely on the mobility of workers between organizations. If workers need only minimum qualifications for doing the work required, firms can achieve flexibility by the prototypical labour market of economic theory. If firms require workers to have skills that go beyond the trivial level, however, the labour market must not only balance supply and demand but also provide workers with the necessary skills. Such labour markets are called occupational labour markets (OLM). They reconcile firms’ principal demand for qualified labour with a high variability in labour demand over time. Outside broadcasters, the media production industry can neither take recourse to ILMs nor engage in the kind of standardized, low-skill production for which secondary labour markets would suffice. Instead, the production model of the publisher-broadcaster urges production companies to rely on some form of OLM. Companies need skilled workers in variable numbers and at varying times as they try to cope with an uncertain demand environment (Barnatt and Starkey, 1994: 254; Saundry and Nolan, 1998: 418–22). At the same time, workers must be able to use their qualifications in many different companies in order to achieve employment security over the span of their working lives.

Human capital theory has suggested that the required general skills, i.e. skills that are transferable from one firm to another, are picked up through a learning-by-doing process and that workers should pay for the costs of training themselves as they reap its benefits later on (Becker, 1964/1993: 40). Institutional labour market theory, in contrast, has argued that skills cannot be general without the standardization of skills and training which, in turn, requires co-ordinating institutions on a supra-firm level (Marsden, 1986: 233; Lutz, 1987: 43). Without such a standardization, uncertainty as to whether skills are in fact transferable or not will inhibit labour market mobility. On the one hand, this uncertainty arises from the fact that the worker offering his or her skills has only incomplete information on the kind of qualifications an employer needs and whether his or her skills fit the requirements. On the other hand, the prospective employer cannot be sure whether a worker possesses the required skills for the job. Therefore, both parties face information constraints which, in
turn, can cause opportunism, i.e. the incomplete or distorted disclosure of information in order to mislead and an increase in co-ordination costs. These information constraints can be remedied by labour market institutions that serve to standardize skills and, by doing so, make them transferable. As a result, employees and employers can easily see whether offered and needed qualifications match. Traditional forms of such standardizing institutions are the medieval guild system, the modern German system of crafts with the accompanying chambers of crafts, the English system of craft unions, or the professions with their self-governing institutions (Sengenberger, 1987: 132–41). In all of these forms of an OLM, skills are standardized through uniform training and skill certification of labour market entrants. Neither of these institutional forms can be found in the labour markets of the media production industries of the UK or Germany, however. In fact, the most common route for newcomers into the media production industry in both countries is through a Beckerian learning-by-doing process where skills are picked up informally and without certification. In the UK, only 5 percent of survey respondents started their career as trainees in a formal traineeship; the most common route into the industry, 43 percent, is through assistantships with no formal structure (Dex et al., 1999). In Germany, despite its well-established training system for labour market entrants in the crafts and in industry (e.g. Franz and Soskice, 1995), only about 14 percent of survey respondents enter the media production industry through some form of traineeship. About 35 percent enter the industry through assistantships and another 38 percent through highly informal work experience (Baumann, 2000b). This leaves the labour market to cope with a considerable degree of uncertainty about qualifications needed by firms and provided by workers. I will argue in the following that social mechanisms (Granovetter, 1985; Jones et al., 1997; Hedström and Swedberg, 1998) are used as a substitute for manifest OLM institutions in safeguarding labour market transactions against uncertainty. In particular, the restriction of access and using the services of personal intermediaries are mechanisms that are employed by firms and individuals in order to form latent and informal governance structures on labour markets where formal institutions are absent.

The restriction of access can be defined as ‘a strategic reduction in the number of exchange partners within a network’ (Jones et al., 1997: 927). If transactions are concentrated on a restricted circle of partners, the number of transactions increases. As a function of the number of transactions, co-ordination is improved as the frequent interaction aligns expectations and goals of the partners. At the same time, the uncertainty about each other’s capabilities will decrease because partners learn about each other’s skills over time. This learning effect will be biggest in the beginning of the co-operation. After a small number of transactions where partners get to know each other’s work performance, the initial uncertainty will become solid information as to whether skills and job demands match in a satisfactory way. Opportunism will not be possible anymore. The restriction to those exchange partners of whose capabilities one has gained certainty is thus a way to avoid the ambiguity of missing
occupational standards. The result is relational contracting between already familiar partners. They develop strong ties that help to establish congruence of interests between them and that define and enforce contractual obligations (Campbell, 1990: 80).

The second possibility to reduce uncertainty in transactions is the use of intermediaries for learning about the reputation of potential transaction partners. Reputation can be defined as a ‘characteristic or attribute ascribed to one person...by another (e.g. A has a reputation for courtesy). Operationally, this is usually represented as a prediction about likely future behaviour (e.g. A is likely to be courteous)...and it depends on the supposition that past behaviour is indicative of future behaviour’ (Wilson, 1985: 27–8). Reputation provides information on past performance in order to reduce uncertainty for future transactions. In contrast to restricted access, where this information is provided through the mutual experience of hiring company and individual worker, it is here supplied through third parties that serve as a link between previously unconnected partners. Intermediaries are thus an alternative to mutual ties, providing the information on past behaviour that is otherwise gained from direct dealings of partners with each other. If the transmission of reputation is a common way of relaying information on reliability and qualification, all parties will be aware of the effects of the current transaction on their future chances to engage in similar transactions. Any current transaction partner may function as a future intermediary for the reputation of his opposite which, in turn, will determine the latter’s chances for future transactions with other parties. Consequently, there are two effects of reputation: it reduces uncertainty by providing information on past behaviour of potential but previously unconnected transaction partners. At the same time, it serves as a safeguarding mechanism that remedies opportunism in current transactions, as transaction partners are concerned about their reputations for future transactions.

The mechanisms of access restriction and using intermediaries are based on different kinds of relations between individual actors. In his classical statement of the strength of weak ties, Mark Granovetter proposes on the one hand that strong ties are a means to produce strong cohesion between individuals (Granovetter, 1973: 1378). At the same time, however, he suggests that weak ties are much more likely to further transmission of information between individuals than strong ties are (Granovetter, 1973: 1366). This results from the potential of a weak tie to work as a bridge between otherwise unconnected groups of individuals that are each made up by strong ties. James Coleman, on the other hand, suggests that the social capital emanating from a closed set of relations, i.e. a situation where all transaction partners have ties of the same strength with each other, allows for norms to emerge that control the behaviour of participants and facilitate exchange (Coleman, 1990: 320). If such a closure is not possible, however, intermediaries can step in as a second-best solution and act as advisers to establish trustworthy ties (Coleman, 1990: 182). Taken together, this leads us to expect that restricted access will be the dominant strategy of labour market parties when the reduction of uncertainty in the employ-
ment relation is paramount, while the use of intermediaries will be used if labour market parties seek to establish new employment relations and require information for doing so.

Labour market transactions in the German and British media production industry

In the following, I will test for the use of intermediaries and restricted access by examining labour market data in the media production industry of the UK and Germany. The data on recruitment patterns of media firms consist of structured personal interviews with production companies and broadcasters (Baumann, 2000a). In each of the two countries, the sample was made up of 20 firms that are representative for the industry in terms of size and activity (see Appendix for sampling details). Interviews lasted on average 45 minutes and were with the owner, the production manager or the head of the personnel department. They were conducted in the period July to November 1999.

Employment practices of media production firms

In the interviews, one core question addressed to interviewees related to their employment practices. It aimed at finding out how firms usually recruit employees or staff members for productions. I gave a list of possibilities to the interviewees and asked if any of these possibilities applied or, if this was not the case, which alternatives they used. The possible recruitment channels given were job advertisements, agencies, media handbooks/guides, the records of former employees or staff members, or the use of an informal network of colleagues. Where the number of permanent employees seemed to allow for it, especially in the case of broadcasters, it was also asked if firms filled jobs through internal promotion and relied on internal labour markets.

Job advertisements require generally known job titles to work as a matching agent in the labour market. The less standardized job descriptions in job advertisements are and the less both firms and workers can relate to job titles, the less efficient job advertisements will be, since the match between applicants’ skills and the requirements for the job becomes increasingly accidental. We may thus expect to find few firms using job advertisements in the media industry as it lacks generally standardized job descriptions. Agencies differ from job advertisements as they allow for the communication of considerably more information than just a job title or description. This information could refer, for example, to work experience and employment in the past, but also to personal characteristics such as flexibility or openness. Depending on their degree of specialization on a certain clientele, agencies may be able to match workers’ skills and the qualification requirements for a job to a high degree even though jobs are not standardized. It would thus be likely to find many firms in the media industry that use agencies for finding employees or staff members.
Handbooks or guides, in contrast, often only cite the general field of work and the address of the listed persons. Usually, no information is given on their work experience. This may work if the field of work in which persons are listed gives enough information on a person’s skills but it will not work if this classification is either too vague or too broad in order to allow firms to pick their candidates. In a labour market with missing standards, as in the media production industry, we therefore do not expect widespread use of handbooks or guides. Using the records of former employees or staff members, the next item on the list of given recruitment possibilities, embodies the strategy of restricting access. Here, firms go back to those people they have successfully worked with before and hence minimize the risk of a mismatch between skills and needed qualifications. According to the hypotheses spelled out above, using the same circle of persons again and again should be the dominant recruitment channel for firms in the media production industry. Alternatively, firms could make use of a network of colleagues in order to find the right employees. This corresponds to the strategy of using intermediaries as a substitute for standardized job descriptions. By asking colleagues about their experience with a potential employee, the latter’s reputation becomes the prime means for firms to select candidates for employment. As outlined, we expect this to be also a dominant recruitment channel in the media industry, albeit only to the extent that new employment relations must be established.

In Figure 1, we see the means for the relevance of the various recruitment channels for German and British production companies and broadcasters. The scale extends from 3 for the highest relevance to −1. This is due to the fact that channels sometimes were not commented on by the interviewees and thus implicitly declared irrelevant (0 = no mention) and some of them were explicitly declared irrelevant (−1 = not relevant). By and large, the data meet our expectations. First of all, there is a clear division between broadcasters and production companies. For German and British broadcasters, the most relevant recruitment channel is internal promotion, followed by job advertisements. Both these recruitment modes are of minimal or of no relevance for production companies. This indicates the continued existence of ILMs within broadcasters where job ads are used in order to recruit entrance-level employees who then move up within the internal market. Despite the shift to a publisher-broadcaster model, broadcasters therefore continue to use recruitment policies typical for the ILMs of integrated broadcasters. It must be assumed, however, that ILMs cover a decreasing number of production staff and increasingly centre on administrative staff. For production companies in both countries, the most relevant recruitment channels are the hiring of regular staff and the use of networks of colleagues. In Germany, the regular use of the same staff dominates the use of colleagues as intermediaries. In the UK, the two means of recruiting staff are equally relevant. All other recruitment channels slip into the area of no relevance. The foremost of these is the use of job advertisements, which in both countries is the most irrelevant recruitment channel. Handbooks and guides are also of no relevance in either country. Agencies are accorded a lower relevance
than expected. They are not relevant at all in Germany and only of some relevance in the UK.

The residual recruitment channels

A closer look at the non-relevant recruitment channels of Figure 1 will illustrate why they do not work in the non-standardized labour market of media production. It was pointed out that job advertisements can be expected to address a clearly defined circle of respondents only if the given job titles can be understood unambiguously in terms of needed skills and expertise. In the absence of generally understood skill standards, job ads will produce a low hit rate. One German producer describes the phenomenon:

The problem with job advertisements is that the spread is too wide. We have done that already. If you look for, say, a production assistant for movie production, every Tom, Dick and Harry will apply. We don’t place ads in newspapers anymore because 70 to 80 percent of application letters are not even relevant for what we look for!

(D2, my translation)

Handbooks and guides are of use if the categories in which people are listed convey enough information for firms to make an accurate selection. It was suspected that the lack of skill standards in the media production industry would make this impossible. And, indeed, handbooks are only used as address books
and not as guides to professional qualifications. The following quote from a British producer illustrates this:

I don’t use The Knowledge [common British media handbook] to find people, I use The Knowledge to kind of see if someone I am thinking of is in there and to find the telephone number, but I don’t use it actually to engage people.

(GB16)

In contrast to the UK and due to legal reasons, agencies or agents are only a recent phenomenon in Germany, which is why they are not yet of relevance as a recruitment instrument. If in existence as in the UK, they can reconcile the demands for flexibility in labour demand and certainty about qualifications with each other. From the way one producer describes the advantages of agencies, it can be expected that they will gain in relevance in the future:

We definitely use agencies for what I call the one-day people, in other words people who just work in the studios...because it is an easier way than ringing them all up individually. And there are agencies now that represent all the more reputable technical staff. So we can just make one phone call and have access to all the people you want. And they can tell you whether or not they are available.

(GB15)

**Restriction of access and the use of intermediaries**

All of the above three recruitment channels fulfil a residual function in comparison to the repeated recruitment of former staff members and recruitment by recommendations of colleagues. By looking closer at the answers of interviewees, the expected sequential relationship between restricted access and the use of intermediaries becomes apparent, which cannot be seen in Figure 1. Intermediaries become important only if new contacts are needed or the preferred and already known ones are not available.

Firms in both Germany and the UK choose to work with persons they have worked with before whenever they can. The reduction of uncertainty in terms of the qualifications of workers is the most cited reason for this. One German producer describes this as follows:

Naturally, I take mainly people I have worked with before. It is simply because you want to use people who you know and of whom you know that they are good!

(D11, my translation)

It has to be noted, however, that qualifications are not understood narrowly but in very broad terms and include personal characteristics as well. Another German producer describes this in the following manner:

The first criterion is whether I have worked with people before. The industry depends very much on persons. And the job usually goes to the people you know...That’s how the industry works – personal trust, we work very much on the basis of personal trust. If you put together a team, it is important to know that people deliver good quality on the one hand, but on the other hand it is also important to
know that they can work in teams and are not too complicated. Otherwise they will blow up the team.

(D5, my translation)

Often, production projects rely on a cascade of groups of individuals, a so-called tree. The producer will select the heads of the production departments, e.g. director, camera, light and sound, and these heads in turn will staff their departments. In terms of reducing uncertainty and co-operation costs, the result of such a tree is twofold from the perspective of the production firm. On the one hand, co-operation costs are reduced as trust in the heads of departments and their choice substitutes personal knowledge of individuals. On the other hand, an element of uncertainty is reintroduced as an otherwise closed circle of people is being opened up again. As a result, the producers ask the heads to select and present people but keep the right to veto any of them. A German producer describes this:

I always get the important people first, cameraman, costumes, all the heads of departments. The heads of departments then suggest their people and we talk about whom they want as an assistant, whether that person is okay, etc. And if there is somebody I do not want to have in my production, then the head of department has to look for somebody else.

(D5, my translation)

The use of the regular staff reaches its limits where the regular staff is either not available, does not fit the production budget or the production firm is in need of fresh talent. Answering the question whether she works with a closed circle of people, a British producer said:

I guess so. But there are variations which mostly result from people not being able to make it for your productions because they are engaged somewhere else.

(GB17)

The use of recommendations of colleagues becomes important in these instances. This procedure of communicating reputation is usually initiated by the producer who tries to find out more about potential employees through a third person, usually a colleague in another firm. Often this person is contacted personally:

If we have people already on the team who we know well and who can be relied on, and these people have already worked with others who may become staff members, then we ask them what they think about these people. If this is not possible, then we look at the productions somebody has done and call up anyone who was involved in this production and who we know and ask them for their opinion on the person in question.

(D4, my translation)

Thus, in order to work as transmitter of reputation, the third person must be reputable her/himself. This results from the fact that the transmission of reputation is dependent on an undistorted communication of information, for
otherwise recommendations become a source of uncertainty instead of certainty. Therefore, the status of the transmitter becomes crucial. In all cases of communicated reputation, the transmitter was a person known to the producer, either through her own reputation or, and this was true in almost all cases, through personal knowledge:

Usually when you talk to somebody enough you will find somebody you have in common, somebody who you know and trust to ring up and ask, ‘X has been around – what do you think of him?’, and you know that this person will give you an honest opinion. So, it’s a matter of talking around...and the longer you’ve been around – that’s what it gets down to – you do know most of the people around!

(GB9)

The communication of reputation is also dependent on the reach of the network of personal contacts. In the media production industry, the size of this network increases with the years of industry affiliation and with the number of productions one has participated in, but is also a result of active networking and an ethos of mutual information provision:

I know that our production managers and set co-ordinators are careful to remain in touch with competitors in order to exchange experiences about freelance staff.

(D10, my translation)

I think the companies are very much aware of the fact that we need each other. The exchange is pretty open. I think the feeling of competition is not very strong – and you can’t help but deal with somebody or other at some point.

(D4, my translation)

The use of regular staff and the use of intermediaries are the two most relevant recruitment channels for production companies in the media production industry of both Germany and the UK. In contrast, recruitment channels that require skill standards in order to work are not of relevance. In the following, I will compare these findings with the labour market strategies of individual workers in the media industry in Germany and the UK in order to see whether the same results apply.

Labour market strategies of individual workers

The following is based on two surveys, one on German camera and set co-ordination professionals conducted by the author in winter 1999/2000 (Baumann, 2000b; see Appendix), and another conducted by the British Film Institute including a larger range of professions in the British media industry and covering the years 1994–8 (Dex et al., 1999). Both used postal questionnaires. From the latter, a sub-sample of camera, light and sound professionals and production co-ordination professionals was taken in order to allow for close comparability of results. In our context, we want to know how respondents commonly find employment. Both surveys contained a list of possible ways to get a job. Although given answers vary slightly between surveys, there is
Table 1  Way of finding job by camera/light/sound professionals (n = 25) and production managers/co-ordinators* (n = 85) in British media production industry.

<table>
<thead>
<tr>
<th>Great Britain</th>
<th>Connection through personal contacts</th>
<th>Formal/app speculative applications</th>
<th>Direct approach from company</th>
<th>Application for advertised job</th>
<th>Other</th>
<th>Agency</th>
<th>Pitching project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freelances in %b</td>
<td>45.7</td>
<td>14.3</td>
<td>20.0</td>
<td>8.6</td>
<td>17.1</td>
<td>8.6</td>
<td>5.7</td>
</tr>
<tr>
<td>Rank</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>5</td>
<td>3</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Employees in %b</td>
<td>32.3</td>
<td>32.3</td>
<td>23.1</td>
<td>18.5</td>
<td>12.3</td>
<td>1.5</td>
<td>1.5</td>
</tr>
<tr>
<td>Rank</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>All in %b</td>
<td>37.0</td>
<td>26.0</td>
<td>22.0</td>
<td>15.0</td>
<td>14.0</td>
<td>4.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Rank</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>

* Corresponds to professional categories 'Production Support' and 'Managerial/Executive Producer' in Dex et al., 1999.
* Percentages sum to more than 100 because respondents could tick more than one alternative.
Source: Dex et al., 1999.

Table 2  Way of finding job by camera professionals (n = 92) and set co-ordination professionals (n = 33) in German media production industry.

<table>
<thead>
<tr>
<th>Germany</th>
<th>Connection through industry insider</th>
<th>Direct approach from company</th>
<th>Approaching employer personally</th>
<th>Formal/app speculative application</th>
<th>Agency</th>
<th>Application for advertised job</th>
<th>Other</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freelances in %a</td>
<td>70.1</td>
<td>48.5</td>
<td>35.1</td>
<td>5.2</td>
<td>5.2</td>
<td>2.1</td>
<td>0.0</td>
<td>97</td>
</tr>
<tr>
<td>Rank</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Employees in %a</td>
<td>33.3</td>
<td>46.4</td>
<td>35.7</td>
<td>14.3</td>
<td>0.0</td>
<td>10.7</td>
<td>0.0</td>
<td>28</td>
</tr>
<tr>
<td>Rank</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>6</td>
<td>5</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>All in %a</td>
<td>62.1</td>
<td>48.0</td>
<td>35.2</td>
<td>7.2</td>
<td>4.0</td>
<td>4.0</td>
<td>0.0</td>
<td>125</td>
</tr>
<tr>
<td>Rank</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>6</td>
<td></td>
</tr>
</tbody>
</table>

* Percentages sum to more than 100 because respondents could tick more than one alternative.
Source: Baumann, 2000b.

enough correspondence to compare the results, which are displayed in Tables 1 and 2 according to employment status.

For freelances, we can see that in both countries connecting through personal contacts and industry insiders is quoted most often. Hence, the use of intermediaries is the most important way of finding a job. We cannot gauge from the data, however, what exactly is the nature of those intermediaries, especially in the UK. Personal contacts may comprise those stemming from an individual's working environment (colleagues) as well as those stemming from an individual's social background (e.g. family or university friends). In Germany, the given answer explicitly defined industry insiders as former colleagues or
employers. This difference is noteworthy because the origin of the ties with the intermediary may actually alter his or her function. Whilst colleagues and industry insiders may communicate an individual’s reputation for doing his/her job, family or university friends may serve as purely societal intermediaries who act as guarantors for an individual’s social standing. If the latter is the case, then intermediaries do not work as a substitute for skill standards by transmitting professional reputation but may actually promote social exclusion by closing the labour market to those with an adequate social background. At least for the beginning of an individual’s working life when professional reputation is not yet existent, there are strong indications that societal intermediaries play an important role in finding jobs in the media production industry (Blair, 2001: 159). The second ranked way of getting a job for freelances in both countries is the direct approach from companies, which corresponds to production companies’ use of regular staff. Ranked after these two dominant routes are various ways to the job in the UK, which are grouped in the category ‘others’ and the freelances’ personal approach towards the company in Germany. Only then follow those ways that require skill standards (applications, job ads) and agencies. The results for freelances therefore corroborate our expectations of the substitution of social mechanisms for formal job matching, albeit in reverse order compared with production companies where restriction of access was more important than intermediaries. For employees, the situation is more ambiguous. In the UK, formal applications and the use of personal contacts are equally important for finding a job, followed by the direct approach from the employing company and job ads. In Germany, the first ranked way for getting a job is the direct approach from the employing company, followed by personally approaching the employer and the connection through industry insiders. Formal applications and job ads follow next, yet with a higher percentage than in the case of freelances. In both countries, social mechanisms are thus of considerable importance for employees as well. At the same time, however, there are two particularities in comparison to the results for freelances: In the UK, the frequency of using formal applications is unexpectedly high. In Germany, intermediaries are less important than direct informal links to or from the employing company. An explanation for the importance of formal applications may lie in the fact that 76 percent of British employees in the sample are members of broadcast staff while this is only true for 44 percent of German employees. Hence, the pronounced use of formal ways into employment in the UK may to a large extent just constitute the mirror image of the continued existence of ILMs within broadcasters where jobs are filled through formal application procedures. The importance of direct links in Germany may be an indication for a different logic in finding permanent employment compared to the project jobs of freelances. While transmission of information on existence and needed qualifications is the crucial determinant for securing a project job, the mutual commitment that is represented by permanent employment resembles the logic of seeking strong ties and requires direct interaction between parties in order to rule out uncertainties as far as possible.
In line with the different characteristics of the two social mechanisms with respect to uncertainty reduction and information transmission, the results illustrate a difference in labour market strategies of companies and individuals, in particular freelances. Restricted access requires long-lasting strong ties in order to align mutual expectations and establish certainty about each other’s qualifications. Intermediaries, in contrast, can act as weak ties that work as communication bridges between otherwise unconnected groups of individuals. As a result, the two recruitment channels differ in the extent they substitute OLM-style institutions for standardizing the labour market. Restricting recruitment to already known staff members is a closing mechanism based on strong ties, while the use of intermediaries is a diffusive mechanism based on weak ties. Restriction of access substitutes certificates for frequency by using the same exchange partners over and over again. By so doing, it erects barriers for outside workers who want to enter the circle of staff members. Consequently, it inhibits the mobility of workers between firms. The use of intermediaries, in contrast, substitutes certificates for communication by transmitting somebody’s reputation through a network of third parties in which the individual and the company are also members. Whether this network interacts only sporadically or on a regular basis, as is likely when productions are staffed in the tree-like manner described earlier (see also Blair’s (2001: 161–3) concept of semi-permanent work groups) is only of secondary importance with respect to its diffusive feature. The essential point is that the boundaries for finding a job are not confined to the personal contacts with any one employer but extend to the perimeter of the network.

It is thus logical for individuals in terms of achieving employment security to rely primarily on the use of intermediaries and not only on their personal links to any one employer. By using third parties, both the dissemination of information about themselves, i.e. the communication of reputation, and the collection of information about firms that look for staff are extended beyond the confines of personal ties. Consequently, the chances for finding employment and employment security will increase. For firms, on the other hand, it is logical in terms of reducing transaction costs to rely primarily on their regular staff and less on intermediaries. Employing the already familiar people again and again means reducing uncertainty about existing skills almost to zero. By comparison, using intermediaries relies on communication of second-hand experience, which, in turn, may be distorted. The threat of opportunism and high co-ordination costs looms larger. Thus, where firms act on the logic of reducing transaction costs by creating strong ties, workers rely on the information advantage of weak ties for achieving employment security.

**Conclusion**

This article has presented findings on recruitment patterns in the occupational labour markets of the media production industries of the UK and Germany. It
was illustrated how, in the absence of manifest labour market institutions such as apprenticeships or skill certificates, informal mechanisms govern transactions on the labour market. Freelances and production companies use intermediaries and the restriction of access in order to limit uncertainty about qualifications and future employment opportunities. Based on labour market data from the industries, it was possible to show that freelances prefer using the intermediary mechanism for finding employment, while production companies resort primarily to the mechanism of restricting access to employees with whom they have worked before. This reflects different strategies in the labour market, namely achieving employment security on the part of individuals and reducing transaction costs on the part of firms. With the exception of employees and the use of agencies, individuals and companies display the same tendencies in both the UK and in Germany despite the national differences in labour market institutions, especially with respect to training and qualification (e.g. Oulton and Steedman, 1994; Scherer, 1999). The relative youth of the industries’ external labour market and the similarity in organizing the production process characterize recruitment patterns more than national forms of labour market governance. Whether this will hold true for the future and recruitment patterns continue to be industry specific will depend to a large extent on whether traditional vocational training will gain ground in the German media production industry, which deviates more from its national blueprint than its British counterpart where comprehensive OLM institutions are absent on the national level. Apart from the likely adaptation of national patterns, however, the establishment of skill certificates and formalized training can also be expected to decrease the importance of reputation and intermediaries. In comparison to current practices, the entrance to the labour market for newcomers who neither have professional reputation nor personal contacts would be considerably facilitated by such a formalization. Moreover, despite the probably enduring importance of personal reputation in an industry that remains based on innate skills like creativity and inventiveness, the objectification and formalization of skills and qualifications would have beneficial effects on individuals’ mobility and employment security as well as on recruitment practices of firms. As substitutes for traditional OLM institutions, the use of intermediaries and the restriction of access achieve a certain amount of certainty in transactions, but they are caught in interpersonal relations that formal institutions may manage to transcend.

Appendix: data and methodology

1 Interviews with production companies and broadcasters in Germany and Great Britain (Baumann, 2000a).
2 Survey on camera and set co-ordination professionals in the German media production industry (Baumann, 2000b). Selection of freelance workers: systematic selection from camera and set co-ordination sections of industry
### Table A1  Characteristics of interviewed companies (type, activity, size, location)

<table>
<thead>
<tr>
<th>ID no.</th>
<th>Type of company</th>
<th>Type of activity (series; documentary; news/current affairs; fiction/drama; talk/game shows; production – all; production services; broadcasting/production; other)</th>
<th>Permanent employees (grouped in intervals)</th>
<th>Freelance employees (grouped in intervals)</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>D01</td>
<td>Production Company</td>
<td>Production – all</td>
<td>20–30</td>
<td>No information</td>
<td>Cologne</td>
</tr>
<tr>
<td>D02</td>
<td>Production company</td>
<td>Documentary</td>
<td>6–10</td>
<td>20–30</td>
<td>Cologne</td>
</tr>
<tr>
<td>D03</td>
<td>Production company</td>
<td>Documentary</td>
<td>11–20</td>
<td>20–30</td>
<td>Hamburg</td>
</tr>
<tr>
<td>D04</td>
<td>Production company</td>
<td>Fiction/drama</td>
<td>6–10</td>
<td>50–100</td>
<td>Munich</td>
</tr>
<tr>
<td>D05</td>
<td>Production company</td>
<td>Fiction/drama</td>
<td>6–10</td>
<td>30–50</td>
<td>Cologne</td>
</tr>
<tr>
<td>D06</td>
<td>Production company</td>
<td>Fiction/drama</td>
<td>1–5</td>
<td>No information</td>
<td>Munich</td>
</tr>
<tr>
<td>D07</td>
<td>Production company</td>
<td>Production – all</td>
<td>6–10</td>
<td>30–50</td>
<td>Cologne</td>
</tr>
<tr>
<td>D08</td>
<td>Production company</td>
<td>Production services</td>
<td>1000–2000</td>
<td>100–500</td>
<td>Munich</td>
</tr>
<tr>
<td>D09</td>
<td>Production company</td>
<td>Production – all</td>
<td>500–1000</td>
<td>1000–2000</td>
<td>Munich</td>
</tr>
<tr>
<td>D10</td>
<td>Production company</td>
<td>Production – all</td>
<td>30–50</td>
<td>500–1000</td>
<td>Munich</td>
</tr>
<tr>
<td>D11</td>
<td>Production company</td>
<td>Production – all</td>
<td>1–5</td>
<td>50–100</td>
<td>Munich</td>
</tr>
<tr>
<td>D12</td>
<td>Production company</td>
<td>Fiction/drama</td>
<td>6–10</td>
<td>30–50</td>
<td>Munich</td>
</tr>
<tr>
<td>D13</td>
<td>Production company</td>
<td>Production Services</td>
<td>100–500</td>
<td>100–500</td>
<td>Cologne</td>
</tr>
<tr>
<td>D14</td>
<td>Production company</td>
<td>News/current affairs</td>
<td>No information</td>
<td>No information</td>
<td>Munich</td>
</tr>
<tr>
<td>D15</td>
<td>Production company</td>
<td>Production – all</td>
<td>100–500</td>
<td>2000–3000</td>
<td>Munich</td>
</tr>
<tr>
<td>D16</td>
<td>Private broadcaster</td>
<td>Broadcasting/production</td>
<td>500–1000</td>
<td>50–100</td>
<td>Berlin</td>
</tr>
<tr>
<td>D17</td>
<td>Private broadcaster</td>
<td>Broadcasting/production</td>
<td>500–1000</td>
<td>500–1000</td>
<td>Cologne</td>
</tr>
<tr>
<td>D18</td>
<td>Public broadcaster</td>
<td>Broadcasting/production</td>
<td>3000+</td>
<td>1000–2000</td>
<td>Munich</td>
</tr>
<tr>
<td>D19</td>
<td>Public broadcaster</td>
<td>Broadcasting/production</td>
<td>3000+</td>
<td>3000+</td>
<td>Cologne</td>
</tr>
<tr>
<td>D20</td>
<td>Public broadcaster</td>
<td>Broadcasting/production</td>
<td>3000+</td>
<td>3000+</td>
<td>Hamburg</td>
</tr>
</tbody>
</table>

**Great Britain**

| GB01   | Production company | Other | 1–5 | 20–30 | London |
| GB02   | Production company | Documentary | 6–10 | 11–20 | London |
| GB03   | Production company | Production – all | 11–20 | 100–500 | London |
| GB04   | Production company | Fiction/drama | 1–5 | 30–50 | London |
| GB05   | Production company | Documentary | 1–5 | 11–20 | London |
| GB06   | Production company | Production – all | 30–50 | 50–100 | London |
| GB07   | Production company | Other | 1–5 | 1–5 | London |
| GB08   | Production company | Production – all | 1–5 | No information | London |
| GB09   | Production company | Documentary | 6–10 | 50–100 | London |
| GB10   | Production company | Fiction/drama | 1–5 | 50–100 | London |
| GB11   | Production company | Fiction/drama | 1–5 | 30–50 | London |
| GB12   | Production company | Talk/game shows | 6–10 | 30–50 | London |
| GB13   | Production company | Documentary | 6–10 | No information | London |
| GB14   | Production company | Production – all | 6–10 | 11–20 | London |
| GB15   | Production company | Talk/game shows | 11–20 | 30–50 | London |
| GB16   | Production company | Production – all | 11–20 | No information | London |
| GB17   | Production company | Fiction/drama | 6–10 | 50–100 | London |
| GB18   | Production company | Fiction/drama | 6–10 | No information | London |
| GB20   | Public broadcaster | Broadcasting/production | 3000+ | 3000+ | London |
guidebook Der Produktionskay. Selection of employees: camera and set co-ordination employees of two public broadcasters (3000+ permanent employees each), one private broadcaster (500–1000 permanent employees) and one large private production company (500–1000 permanent employees).

Notes

1 The traditional German craft system is in a nascent state in the German media production industry; the UK industry has introduced the NVQC framework, which is administered by Skillset, the industry’s National Training Organization.

2 I am grateful to Colin Crouch and an anonymous referee for making me aware of this possibility.

References


Arne Baumann

Arne Baumann studied political science, economics, law and industrial relations at the Universities of Passau, Germany and Vienna, Austria. He is a PhD researcher at the European University Institute, Florence, Italy and is currently guest researcher at the Max-Planck-Institute for the Study of Societies in Cologne, Germany.
Address: Max-Planck-Institute for the Study of Societies, Paulstr. 3, 50676 Cologne, Germany.
E-mail: baumann@iue.it