
REPORT

IN-WORK POVERTY, ETHNICITY AND WORKPLACE CULTURES

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This report examines opportunities for progression from low-paid work among workers across a range of ethnicities. It draws on in-depth interviews carried out with 65 low-paid workers, 43 managers and eight workshops with key stakeholders.

Case studies were undertaken into nine large organisations from the public, private and voluntary sectors. These included local authorities, the NHS, an international hotel chain, facilities management companies and housing associations. Four of these organisations were based in Scotland and five in England, and the research was carried out in urban and semi-rural locations.

The UK government has emphasised employability and training as a strategy for countering persistent in-work poverty. Focusing on progression opportunities for low-paid workers of all ethnicities, the report:

- examines the links between the poverty experienced by men and women in low-paid employment, the role of ethnicity and the influence of informal workplace cultures on routes to better-paid work;
- identifies barriers to development and career progression shared by low-paid workers of all ethnicities;
- examines the additional barriers experienced by ethnic minority workers in progressing to better-paid work; and
- discusses ways of supporting and encouraging more inclusive and progressive workplace cultures, which could help counter in-work poverty among people from different ethnicities.

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EXECUTIVE SUMMARY

This research examines the relationship between low-income households, ethnicity, and the influence of informal workplace practices and behaviours on routes out of poverty.

Introduction

For many families in the UK, paid work does not lift them out of poverty. Low pay is a strong theme in in-work poverty, and several ethnic groups are known to have a high proportion of minimum wage workers – particularly Bangladeshis, Pakistanis and migrant workers. Yet the role of employer attitudes and behaviour in influencing routes out of low-paid work for such populations has been under-researched.

The decline in demand for low-level skills has pulled into sharp focus the imperative for closer scrutiny of how informal work practices influence opportunities for progressing beyond low-paid work. The share of jobs requiring only low-level skills has dropped from 60 per cent to 40 per cent in the last 15 years, and is predicted to fall to 32 per cent by 2020. Historically there has been a dearth of training opportunities for people in low-paid work. Existing training tends to focus only on skills for existing jobs, and so increases the challenge of progressing from low- to better-paid work.

The research aimed to clarify the links between the poverty experienced by working adults, the role of ethnicity and other identity markers in the workplace, and the contribution of informal workplace cultures to opportunities for progression beyond low-paid work and out of poverty. It also aimed to identify ways of mobilising change towards more inclusive and progressive workplace cultures to help tackle in-work poverty among people from different ethnic communities.

This was a qualitative study. Fieldwork was undertaken in four urban and semi-rural fieldwork areas in England and Scotland, from July 2012 to February 2013. Nine employer case studies were undertaken. In-depth interviews were undertaken with 43 managers and 65 low-paid workers. The workers were from a range of ethnic backgrounds, including ethnic minority groups and White British/Scottish. The employer case studies included four organisations from the public sector (NHS Trusts and local councils), three from the private sector (facilities management and hospitality) and two from

the voluntary sector (both housing associations). In addition, stakeholder workshops took place in each area before and after the fieldwork.

Low-paid workers: household circumstances, workplace orientations and progression aspirations

People in low-paid work across all ethnic groups had many difficulties in common. Ethnic minority groups differed from the majority population in their coping strategies and the challenges they faced in living on a low income. For example, some ethnic minority groups appeared more likely to live with family members, to share housing costs. Recent migrants faced additional expenses in establishing themselves, and among all ethnic minority groups, efforts to support and maintain links with relatives abroad incurred additional expenses.

Many low-paid workers aspired to move up the career ladder, and those whose aspirations were most clearly defined expressed a wish to become a supervisor or team leader. Others had less clearly defined aspirations for progression, some of which were shaped by a wish to explore opportunities for progression within the same organisation or linked to an area of interest.

Employer initiatives and perceptions of progression opportunities for low-paid workers

Human Resource (HR) managers and line managers often felt that progression barriers encountered by low-paid workers were the same for minority and majority groups. Low staff turnover, workforce restructuring, and cuts to lower and middle management posts were all described as limiting opportunities for higher-paid work. Lack of line management support for low-paid workers seemed to compound such difficulties. Additional barriers reported for staff from ethnic minority groups included weak English language skills, a lack of self-confidence, a lack of ethnic minority role models in leadership positions and a lack of cultural understanding of those from ethnic minority communities. The use of community language skills and working hours were felt to restrict opportunities to improve English language skills.

Across the case studies there were some good practice examples of initiatives by employers, but few aimed specifically at providing opportunities for routes out of low-paid work. Generally there was a lack of a strategic plan for addressing routes to better-paid work for low-paid workers.

Also important was management's lack of recognition of how unofficial practices might be undermining equal opportunities for low-paid workers. There was evidence of informal, non-sanctioned initiatives taken by individual managers. For example, jobs not being externally advertised, but instead being accessed through family and friends, particularly in the private sector.

Formal and informal workplace practices and opportunities for low-paid workers

Low-paid workers' accounts of their working lives reinforced the theme of informal practices limiting their chances for career progression, with examples emerging from all sectors. A key factor that facilitated progression, and the forging of pathways out of poverty, was the support of line managers. These managers alerted staff to new opportunities, encouraged them to learn, and provided constructive feedback and support, within and outside of personal development reviews. However many low-paid workers across all ethnicities did not feel that this support was forthcoming. Instead, along with unsupportive line managers, they identified several factors that

contributed to low-wage traps and unfulfilled aspirations. These included the focus of formal training opportunities on the existing job; and the lack of informal developmental opportunities, such as shadowing or being mentored. Given that returns to low-level qualifications are predicted to be diminishing, low-paid and low-skilled workers in restrictive learning environments appear to be particularly disadvantaged.

A range of additional barriers was encountered by low-paid workers from ethnic minority groups. Management mindsets, through their impact on workplace practice, were often complicit in these barriers. Informal behaviour and practices, such as prejudice and stereotyping (including type-casting in certain roles), contributed to workers from ethnic minority communities feeling excluded from developmental opportunities – for example, from training courses that might lead to promotion. Such workers were further disadvantaged by a lack of transparency in information on training opportunities. UK-born employees from ethnic minority groups faced under-recognition of their skills and experience, while recent migrants encountered non-recognition of their overseas qualifications.

Across all ethnicities, worker accounts reinforced management examples of unofficial workplace practices that were not formally sanctioned (and might be frowned upon if more visible). Accounts of those from ethnic minority groups suggested that recruitment in the form of job referrals through social networks appeared to be a double-edged sword. While they operated to the advantage of some workers from ethnic minority groups, they also contributed to perceptions of favouritism and distrust of recruitment and promotion procedures, and locked some workers from ethnic minority groups into low-paid jobs.

Overall, worker accounts suggested that employers' pockets of negative informal practice in their organisations were undermining formal equal opportunities policies and procedures. These unofficial organisational norms of behaviour affected ethnic minority workers disproportionately and strengthened low-wage traps. In turn, this contributed to under-employment and wasted potential. Unequal treatment was often hidden and under-reported because of workplace contexts that bred a reluctance to complain to management or trade unions.

Conclusions and recommendations

The research maps the various ways in which informal workplace practices can trap some workers in low-paid work and contribute to persistent in-work poverty. It also shows that such processes can undermine equal opportunities policies and processes, and so affect low-paid workers from ethnic minority groups disproportionately. Power imbalances between managers and low-paid workers shape patterns of daily workplace interactions in which some workers are recognised and included, while others are marginalised. These practices are often hidden from the view of HR managers, who feel that equal opportunities policies are working well in practice across their organisations. People from ethnic minority communities are the disproportionate 'losers' in these processes. However, like other low-paid workers, they are by no means always victims of circumstance. They may, for example, actively contribute to organisational goals or pursue further education. However, management recognition is needed for such self-motivated efforts to result in career advancement. In many cases, that recognition is unevenly distributed between people from different ethnic backgrounds, contributing to a sense of social exclusion.

The research recommends that a range of stakeholders, including employers, take action to improve progression opportunities for low-paid workers. Some of the key recommendations are as follows:

Employers' action

- Employers need to take a more strategic approach towards supporting career progression among low-paid workers from diverse ethnic backgrounds. Leadership from the top and clear organisational commitment is essential.

Addressing the barriers common to all low-paid workers

- Even those employers that have made considerable progress with equal opportunities and practices may need to address the issue of pockets of informal workplace culture within their organisation. This could be done by raising awareness of the potential for exclusionary behaviour that might limit developmental opportunities for all-low paid staff, and particularly ethnic minority groups.
- Providing developmental opportunities for all low-paid workers needs to be mainstreamed in performance management systems. Managers' performance objectives should include developing their team and ensuring that they take an inclusive approach that supports the development of all team members.
- Employers need to pay greater attention to building working-to-learn cultures. Opportunities for work shadowing, coaching and mentoring are important in supporting cultures of progression for staff of all ethnicities.
- Procurement is an important tool for ensuring that low-paid workers providing outsourced services are supported to progress out of poverty. Policies that support progression and equal opportunities policies (and the Living Wage) should be cascaded through supply chains, accompanied by advice, support and appropriate enforcement.

Addressing additional barriers for ethnic minority workers

- Employers need to address the over-representation of ethnic minority groups among low-paid workers. They need to be strongly encouraged to adopt bench marking and monitoring. This pivotal activity needs to take place not only on recruitment, but also on progression, retention and development. Others need to refine what they are doing, for example distinguishing between White British and Central and Eastern European migrant workers in ethnic monitoring data. On the basis of the data collected, clear actions plans should be formulated to address workplace inequalities and disadvantage.
- Employers should be aware of the potential for unequal access to both formal and informal development opportunities among employees; they should take measures to ensure transparency of access to such opportunities.
- Employers can take positive action to enable individuals from disadvantaged and ethnically diverse backgrounds to compete for more highly paid jobs on an equal footing. While some employers are taking positive action in some parts of their organisation, other employers do not understand, or engage with, such action. Equalities training should address this issue, increasing awareness of the value of positive action in the workplace, accompanied by effective communication to all staff on the reasons for such action.

- There is a need for ongoing training in equal opportunities policies, rather than such training being provided on an ad hoc basis. Hidden practices, such as the stereotyping that disproportionately impacts on some ethnic minority workers, should be addressed – perhaps using toolkits.
- Employers should ensure ongoing vigilance and responsiveness to bullying and harassment, and other discriminatory practices in the workplace – for example, by ensuring confidential and safe mechanisms for reporting. Dignity at Work policies and related practices might be a vehicle for a wider organisational engagement with negative aspects of workplace personal relationships.
- Employers should consider setting up staff groups and networks within the workplace, including for low-paid workers and equality groups. These can provide a forum for discussion on organisational policies and processes, where staff can build a collective voice on issues of concern. These groups should be adequately resourced and include mechanisms for communicating with senior managers. Also, where trade unions have a workplace presence, they have the potential to foster and support this activity.
- Community engagement activity beyond the workplace should be supported to build sustainable links with local communities and promote engagement in decision-making processes. This activity should involve managers. This may contribute to better workplace understanding and relationships between managers and staff from different ethnic backgrounds.

Government agencies and equalities organisations

- Organisations such as the Advisory, Conciliation and Arbitration Service, the Equality and Human Rights Commission, Race for Opportunity and Jobcentre Plus need to be supported in the equalities work that they do with employers, including deepening understanding of the relationship between workplace cultures and progression opportunities.
- Employer awareness of good practice in benchmarking and monitoring, for example through the work of Business in the Community's Race for Opportunity, should be supported. This would help organisations review the extent to which the different levels of the workforce reflect the local labour force.
- In Scotland, greater attention to the position of low-paid workers, including those from ethnic minority groups, could be recognised as a ministerial priority, to be reviewed by the Scottish Parliament's Equal Opportunities Committee.

National and local government

- Closer links are needed between anti-poverty strategies and equality practices at the national level.
- The Ethnic Minority Stakeholder Group acts as a critical friend to the Department for Work and Pensions (DWP) at Westminster. Specifically, the Group can scrutinise actions the DWP might take to ensure there are no disproportionate barriers to achievement in the labour market for people from ethnic minority communities. Building on the work of this group, there needs to be greater joint planning and action between policy teams that focus on anti-poverty strategies and those that focus on equality strategies.

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- Jobcentre Plus and Work Programme providers should monitor outcomes – including sustainability and progression in work – for customers from different ethnic backgrounds, and publish their data.
 - There should also be greater focus and transparency around the take-up of apprenticeship schemes by those from ethnic minority communities, as this is an important way of engaging with issues of labour market progression.
 - Government has a role to play in addressing the gap in provision for an adult careers service that might support employer efforts to develop working-to-learn workplace cultures and practices. This should include support with language learning, through adequate English for Speakers of Other Languages course provision. Alongside this, support for women should involve access to culturally appropriate childcare.
 - At the local level, there is potential for local authorities to work with stakeholders in Local Economic Partnerships to develop a focus on tackling in-work poverty. Drawing on this research, they can engage with employers (and employers' organisations), raising awareness of the realities of low-paid work for some workers, and solutions to in-work poverty locally.

Trade unions and community organisations

- Pursuit of the living wage remains an important collective strategy for improving the position of low-paid workers. Similar community mobilisation around wider terms and conditions for ethnic minority workers and other low-paid workers is needed, to support an agenda of closing the gap between workplace equal opportunities policy and practice.
- Drawing on their considerable skills, experience and networks, the Council of Ethnic Minority Voluntary Sector Organisations (Scotland) and Voice4Change (England) have a continuing role to play in working with national and local stakeholders, raising awareness of in-work poverty in ethnic minority communities as a key issue to be addressed and regularly reviewed.

1 INTRODUCTION

Levels of in-work poverty in the UK have been rising steadily for a decade, with certain ethnic groups more likely to be affected by persistent in-work poverty than others. The introduction examines the relationship between in-work poverty, ethnicity and workplace cultures, and supporting mechanisms for enabling routes out of poverty; it also discusses the research aims and design.

The research background and aims

In-work poverty, ethnicity and workplace cultures – the need to make the links

In-work poverty has been defined as that experienced by working families whose employment does not lift them out of poverty (Tripney *et al.*, 2009). While successive governments have emphasised employment as a route out of poverty, the recent Joseph Rowntree Foundation (JRF)-supported research paper *Monitoring Poverty and Social Exclusion* showed that there were 6.1 million people in poverty in working households in 2010/11 (Aldridge *et al.*, 2012). These figures reinforce evidence that low- to middle-income families are struggling to keep up with the rising costs of essentials (Poinasamy, 2011; Whittaker, 2013). Alongside evidence of an ethnic pay penalty (Platt, 2007; Heath and Cheung, 2006), several ethnic groups are known to have a high proportion of minimum-wage workers, particularly Bangladeshis, Pakistanis and migrant workers (Low Pay Commission, 2013). Furthermore, income-based measures of poverty reveal significantly higher poverty rates for Bangladeshis, Pakistanis and blacks (including black Africans and black Caribbeans) than other ethnic groups in both Scotland and England (Netto *et al.*, 2011). In this report, the term 'ethnic minority' is used to describe all workers whose ethnic origins are not White British/Scottish, including those born in the UK and those who migrated to the country several years ago or more recently.

The experience of multiple layers of disadvantage – sometime referred to as intersectionality – where ethnicity interacts with other elements of a person's identity including gender, religion, disability, age and sexuality is also

likely to shape their workplace experience and amplify disadvantage (Hudson, 2012). Despite this, anti-poverty strategies focusing on employability, finding work and re-training do not appear to have been assessed for their impact in terms of countering ethnic inequalities. This led Clark and Drinkwater (2007) to question the extent to which such strategies have been tailored to accommodate the heterogeneity of ethnic minority groups.

The Macpherson inquiry into the death of the black teenager Stephen Lawrence has increased understanding of the role of institutional racism in organisational cultures (Macpherson, 1999: House of Commons Home Affairs Committee, 2009; Bhavnani *et al.*, 2005). Institutional racism can be detected in processes, attitudes or behaviour that amount to discrimination and marginalisation through unwitting prejudice or racist stereotyping. Similarly, studies on labour market discrimination and disadvantage have revealed overt and more subtle acts of workplace race discrimination: racist banter, bullying and harassment (Ogbonna and Harris, 2006; Hudson *et al.*, 2007). However, the role of employer attitudes and behaviour in influencing progression among people who are most likely to be experiencing in-work poverty has been under-researched (Hudson and Radu, 2011). Furthermore, too little attention has been paid to the experiences of those engaged in low-paid work, including those from ethnic minority communities. Since it is important not to assume that people living in in-work poverty are simply victims of circumstance, it is important to consider the capacity for individuals in such work across a broad range of ethnicities to navigate routes out of poverty. Yet detailed knowledge about how people of all ethnicities, but particularly those in low-paid work and from ethnic minority groups, make decisions and respond to progression opportunities and constraints is lacking (Barnard and Turner, 2011). The aim of our research is to help fill these gaps in knowledge.

Research aims and questions

This research had two broad aims. The first was to explore the relationship (if any) between in-work poverty, workplace cultures and people from different ethnicities. The second focused on increasing an understanding of the balance between employer actions and attitudes, and employee actions and attitudes in explaining this relationship. These aims raised questions about how people actually experience workplace cultures and structures, and the relationship between these experiences, ethnicity and other aspects of social identity. These considerations have shaped our research questions:

- How do informal work practices and biases influence workplace opportunities? Who wins? Who loses?
- How are discriminatory attitudes and behaviours reflected in the workplace?
- How do the attitudes and actions of employees affect their experiences?
- What can be done to effect change? How can low-paid workers and communities be mobilised to combat discrimination and achieve change?

Given the focus of the research on informal workplace practices and low-paid work, it is important to consider both the nature of such practices and the changes in the demand and contractual arrangements for low-paid work.

Informal work practices and changes in the demand, nature and distribution of low-paid work

Informal work practices and cultures involve a spectrum of organisational activity that extends beyond recruitment procedures. Inclusion or exclusion in training opportunities, mentoring, progression planning, networking

opportunities and social activities can be influenced by informal dynamics. More insidiously, they can include intentionally or unintentionally racist and exploitative practices, such as the concentration of certain groups in low-status tasks and underpaid work, with lack of opportunities for career progression. Such practices are closely related to employer attitudes, as revealed by studies providing insights into stereotypes of the aspirations and capabilities of ethnic minority men and women (Essed, 1996; Equal Opportunities Commission, 2007; Bradley *et al.*, 2007; Kamenou *et al.*, 2012). Moreover, such practices increasingly feature in debates about the implications of the rise in labour market share of low-skilled migrant labour from the EU, and the potential for younger workers to be crowded out (Lucchino and Portes, 2012; Chartered Institute of Personnel and Development, 2013). Discriminatory workplace practices have also been reported to contribute to the self-‘deselection’ of ethnic minority women from the jobs market (Yaojun Li, cited in All Party Parliamentary Group on Race and Community, 2012).

The imperative for closer scrutiny of how informal work practices influence opportunities for progressing beyond low-paid work is made more compelling by the falling demand for low-level skills. Amid ongoing debate around the contours of occupational polarization (Holmes, 2011; Cedefop, 2011), the share of jobs requiring only low-level skills has been estimated to have declined from 60 per cent to 40 per cent in the last 15 years. It is predicted to decline to 32 per cent by 2020 (Cambridge Econometrics/Warwick Institute for Education research, cited in CBI, 2010). Traditional low-skilled areas of employment (e.g. elementary manual jobs) are shrinking, while other areas of employment growth (e.g. retailing) are requiring higher levels of skill, or higher minimum qualifications than previously (Hasluck, 2011). In this context, people with low or undervalued skills are particularly disadvantaged. Therefore, more attention needs to be paid to developing the skills of low-paid workers within workplaces. Historically there has been a dearth of training opportunities for people in low-waged work (Ray *et al.*, 2010). The current focus of employer training interventions on skills only for existing jobs makes this a challenging prospect (Felstead *et al.*, 2011). Currently, this trend sustains the job segregation of low-paid workers into undervalued, entry-level roles. It also reinforces the growing evidence that under-utilisation of skills by employers is an issue that needs to be addressed (Wright and Sissons, 2012).

The ongoing restructuring of low-paid work is also relevant to examining how workplace cultures affect those experiencing in-work poverty. Outsourcing is now commonplace, accompanied by a blurring of control and responsibility for employees (Overall, 2012; Huws and Podro, 2012). This means that delivering services increasingly involves a complex, often multi-national, web of organisations, contractors and sub-contractors. The evidence suggests that labour markets are undergoing greater divisions into ‘core’ and ‘non-core’, ‘talent’ and ‘non-talent’ (Overall, 2012). These processes have a strong ethnicity dimension. In particular, the emergence of divisions of labour according to migrant status is linked to the twin processes of subcontracting and increased international migration that have been central to contemporary processes of globalisation; this has been most closely explored in urban conurbations (Wills *et al.*, 2010). Temporary, agency and part-time work all feature in these developments (Trades Union Congress Commission on Vulnerable Workers, 2008). There has been a marked growth in people in part-time employment who want to work full time; the number of people in this position is now 1.4 million – the highest in 20 years – signifying working hours under-employment (Aldridge *et al.*,

2012). Under-employment in a different form has also been observed in highly skilled and well-qualified migrant workers who have come to the UK and have had to take lower-paid jobs (IOM, 2012; Green *et al.*, 2005). Given both the significant representation of ethnic minority communities in low-paid work, and the growth of in-work poverty, it is pertinent to consider arguments for equality of opportunity in the workplace.

Arguments for equality of opportunity in the workplace and the Living Wage

Employers have a pivotal role to play in engaging with hidden, as well as more visible, workplace processes that may impact on equal opportunities. Over the last decade, this employer role has been couched in terms of the 'business case for diversity'. Using the language of diversity rather than equality, it focuses on the benefits to employers of ensuring fairness at work and the need to increase employers' awareness of the potential gains. This approach argues that by employing a diverse range of people including, for example, those from minority groups, women and older people, businesses will benefit from valuable human resources and the opportunity to serve a broader range of customers. In so doing, social justice arguments for equality are downplayed in favour of economic incentives. However, concerns have been expressed that such a shift in emphasis is dangerous for social justice (Noon, 2007; Dickens, 1999). Critics of the business case argue that short-termism often governs business decision-making, and they express scepticism as to whether employers will always see sufficient economic benefit in having a diverse workforce. Moreover, issues surrounding the power relations and structural inequalities that govern employment relationships are overlooked (Noon, 2007). This suggests the importance of supplementing the business case arguments for diversity with a case for equal opportunities based on social justice, corporate social responsibility and the need for effective equalities legislation. In so doing, it implies the need for a more nuanced approach in policy debates about voluntary employer action on equal opportunities versus legislative requirements that might support good practice, such as ethnic monitoring, review and follow-up action (IPPR, 2004; The Business Commission on Race Equality in the Workplace, 2007).

The Equality Act 2010 places requirements on public sector organisations to monitor and report on actions across their diversity strands. It continues to outlaw discriminatory behaviour on the basis of ethnicity. The Act incorporates a public sector duty to advance equality (see Box 1 below). It is, potentially, a powerful tool for ensuring that public bodies promote equality, for all residents and staff, in both their employment and service provision, but it is currently undergoing a process of review by the Coalition Government, as an outcome of its 'red tape challenge' in 2012. Entering into the spirit of the duty requires organisational leadership, as well as a commitment to address societal inequalities in the planning and delivery of services, and within the workplace. It has been argued that there is some ambivalence in the legislation. This is because the emphasis is on public sector employers to 'have due regard' to equality, not to take steps or achieve equality (Fredman, 2011).

In addition to arguments supporting equality of opportunity in the workplace, including among those facing in-work poverty, it is also worth noting another response to ensuring that work provides sufficient income through the Living Wage campaigns (Wills *et al.*, 2010). Assessing National Minimum Wage rates as inadequate, Living Wage campaigns involve collective pursuit of pay rates that reflect the amount needed to live and support any dependents (assuming full benefit take-up) (Davis *et al.*, 2012).

About one in five workers in the UK earns less than the Living Wage. While lower turnover and reputational benefits are among the advantages employers report in paying a Living Wage (Wills and Linnekar, 2012), this arguably only partially engages with the labour market disadvantage of the working poor. It does not address the scope for low-paid workers to progress to better-paid work through the gaining of skills and experience, the focus of the current research to which we now turn.

Box 1: The public sector Equality Duty

The public sector Equality Duty set out in the Equality and Human Rights Act 2010 requires public authorities to have due regard to equality in four main areas:

- 1** Eliminate unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act.
- 2** Advance equality of opportunity between people who share a protected characteristic and those who do not.
- 3** Foster good relations between people who share a protected characteristic and those who do not.
- 4** Assess the impact on equality of decision-making, and policies and practices.

The protected characteristics include age, race (including colour, nationality and ethnic origins), religion and belief, gender, disability, sexual orientation, gender reassignment, marriage and civil partnership.

Research design

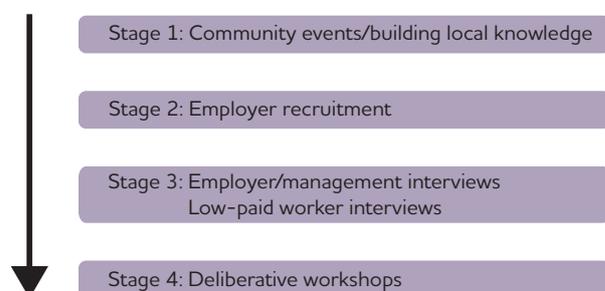
Given the research questions above, the experiences and expectations of employers and their employees regarding low-paid jobs and in-work poverty were a key focus of inquiry. We particularly wanted to explore cultures of employee progression and chose qualitative case studies of large employers (defined as those with more than 1,000 employees). We were keen to include a range of organisations so that we could capture the perceptions and experiences of low-paid workers in the public, private and social enterprise sectors.

An overview of the research design is provided in Figure 1. In the initial stage, community events were used to raise awareness of the research and to make links with local employers. Employer recruitment was difficult and time-consuming, with many employers deciding not to participate. Reasons for this included, for example, workforce restructuring taking place and it being too busy a business period.

However, following the agreement of a sufficient range of employers we enlisted their support in recruiting a sample of low-paid workers, across a range of ethnicities, who were likely to be experiencing in-work poverty. Employers often did not have details of the ethnic composition of low-paid workers to hand, so had to search their workforce data. Managers were then asked to release workers for interview. In addition to low-paid workers, HR managers, line- and senior managers and supervisors (some of whom were low-paid) were also interviewed. The final fieldwork stage involved deliberative workshops, feeding back the emerging research findings and providing an opportunity for discussion of the findings and learning points.

Both the community events and deliberative workshops provided an opportunity to engage with a wide range of stakeholders. All workshops were organised by the ethnic minority third sector organisations Voice4Change England and CEMVO Scotland. Both were partners in the research, with a view to supporting community engagement and capacity building.

Figure 1: Overview of research design



The research sample

The case study areas

Four research areas were included, two in England and two in Scotland. They were selected for their potential to explore the extent to which geographical location (specifically semi-rural and urban dimensions) shapes employer–employee relations and workplace practices, attitudes and behaviours. The area characteristics are captured in Table 1. Areas 1, 2 and 3 have longstanding ethnic minority populations. Urban Area 1 has seen a stark growth in the diversity of its ethnic minority population in recent years and can be described as super-diverse (Vertovec, 2007). Semi-rural Area 4 has been historically, and predominantly, White Scottish, but has seen a growth in the migrant worker population over the last decade.

Table 1: The fieldwork areas

ID label	Area characteristics
Area 1	Urban area in England with significant pockets of deprivation and a super-diverse population
Area 2	Semi-rural area in England with significant pockets of deprivation and a diverse population clustered into the area's more urban conurbations
Area 3	Urban area in Scotland with significant pockets of deprivation and a multi-ethnic population
Area 4	Semi-rural area in rural Scotland that has recently become more diverse, as migrant workers have sought employment in the area

The case study employers

Broad characteristics of the workplace sample are summarised in Table 2, presented anonymously. There were nine employers in total: four in Scotland and five in England. All were in the service sector and had directly employed low-paid workers from a range of ethnic backgrounds. Two were global companies, one UK-wide, while others were local and provided health, housing and local government services. In no case study did the ethnic composition of the workforce reflect that in the local area, and all had 'snowy peaks', that is, a lack of ethnic minority workers at higher levels

in the organisation (Runnymede Trust, 2010). This theme will be explored in Chapter 3.

Table 2: The employer sample

Employer name	Broad sector	Type of organisation, workplace and area ethnic diversity	Area
Council1	Public sector	A council in an urban area with a high proportion of ethnic minority staff, now almost reflecting the proportion of minorities in the local area	1
NHS1	Public sector	An NHS Trust in an urban area with a high proportion of ethnic minority staff, but yet to fully reflect the diversity of the local population	1
FacilitiesCo1	Private sector	A global facilities management company in an urban area with a high proportion of ethnic minority staff, particularly migrant workers in low-paid jobs	1
Housing1	Social enterprise	A housing association in a semi-rural area. Ten per cent of the workforce is from an ethnic minority background	2
Council2	Public sector	A council in a semi-rural area with a high proportion of ethnic minority staff, though not reflecting the proportion of minorities in the local area	2
HotelCo	Private sector	An international hotel chain in an urban area with a high proportion of ethnic minority staff, particularly migrant workers	3
Housing2	Social enterprise	A housing association in an urban area with a very small proportion of ethnic minority staff, including low-paid workers	3
NHS2	Public sector	An NHS Trust in a semi-rural area with a low proportion of ethnic minority staff, but a high proportion of ethnic minority staff in low-paid work areas, mostly migrant workers	4
FacilitiesCo2	Private sector	A large UK company that operates in a semi-rural area and employs a large number of migrant workers	4

Many of the case studies had outsourced areas of low-paid work, including the public sector cases in the NHS and local authority. The housing associations also had a mix of directly employed staff and outsourced activity. The core services of the private sector facilities management companies (FacilitiesCo1 and FacilitiesCo2) involved the provision of cleaning, security and catering to other firms, including one of our public sector case studies. A high proportion of their workforces were migrant workers, concentrated in low-paid areas of work. Their inclusion provided an opportunity to gain insights into workplace practices, and experiences of organisations delivering outsourced services and reliant on low-paid workers.

Across the case studies, interviews took place with 43 managers. Where possible, these were sampled to provide perspectives of managers at different levels in the organisation, and tapped into debates about HR, supervision, management and senior leadership roles. Those interviewed included: 11 HR Managers, 13 line managers and a range of senior managers.

In addition to the nine case studies, an NHS training organisation that supported pre-employment and apprenticeship schemes was included to explore good practice in labour market progression. It involved interviews exploring the employment journeys of six workers who had gained NHS employment via these schemes.

The low-paid worker sample

Low pay and in-work poverty

Many factors contribute to in-work poverty, including the nature and size of household, number of household members who are economically active/inactive, level of household income, type and nature of work, including work

intensity/under-employment, and pay and conditions. While not all low-paid workers are poor, low pay is a key factor in poverty. The low-paid in this study were defined as workers earning less than £25,000 per annum and with household income eligible to be subsidised by in-work tax credits.

Interviews were undertaken with 65 low-paid workers, 30 in Scotland and 35 in England. More than half of the respondents fell into very low income brackets (less than £5,000; £5,000–£9,999; £10,000–£14,999) with 3, 13 and 22 respondents, respectively. Fourteen individuals were earning between £15,000 and £19,999, and 13 fell into the £20,000–£24,999 bracket.

Of those workers reporting household income, the largest number of households (25) had income between £20,000 and £24,999, while the two brackets immediately below (£10,000–£14,999 and £15,000–£19,999) were also significantly represented (17 individuals in total). Seven households reported an income of less than £9,999 per annum. The remaining ten households were earning above £30,000.

Nineteen workers were in households claiming at least one benefit (excluding child benefit). There appeared to be significant under-claiming of benefits in the sample, especially among migrant workers, a group among which benefits take-up is known to be an issue (Radu *et al.*, 2011). Immigration status was not an issue for our sample, with the exception of a couple of students who had the right to work but not the right to claim in-work benefits.

Demographic characteristics across the 65 workers

Of the 65 workers, there were slightly more women (54 per cent) than men (46 per cent). In terms of age, the respondents were fairly evenly represented in 18–25, 26–35, 36–45 and 46–55 age brackets, with fewer respondents aged more than 55 years. Nearly one-third of respondents were aged 46 or older; such respondents provided narratives of long-term employment trajectories.

The sample was very reflective of super-diverse Britain (Vertovec, 2007), with nearly 40 different ethnic identities. While it is common to talk in terms of ethnic 'groups', ethnic categorisations are not fixed. Identities can reflect ties of culture, ethnicity, religion or race. They are also cross-cut by age, life-course position and length of time in a neighbourhood or country, giving rise to overlapping identities that are fluid and contextual in nature (Platt, 2007). Closely related to the focus of this study on workplace cultures, it is also important to note that there is increasing recognition of the *negotiated* nature of ethnic identities within social relationships (Netto, 2011; Kenny and Briner, 2013). Therefore, the main concern of this report is not to identify differences between ethnic groups, but to examine the key role that ethnicity plays in influencing workplace dynamics and informal work practices.

Slightly more than half of respondents were born or brought up in Britain, this group being evenly split between those minorities who were born or grew up in the UK (17 respondents) and 'White British/Scottish/Irish' (17 respondents). 'British Bangladeshi' was the most represented (7 per cent or 11 per cent) of self-reported ethnic identities reported by ethnic minority respondents, followed by 'British Muslim' (3), 'British Asian' (3) and 'Black British'. The sample included a significant cohort of long-term migrants (23 respondents or just over a third of the sample) and a smaller group of short-term migrants (8 respondents). The migrant cohort was equally divided between non-European Union (15) and European Union (16) nationals. The latter group was dominated by Eastern European migrants

(14 individuals), with Poles being the most numerous ethnic group (8). This is unsurprising, since Poles are the second largest overseas-born ethnic group in England and the largest in Scotland (ONS, 2012). The non-EU cohort was dominated by respondents of African origin (8), followed by migrants from Asia (4). A high proportion of the interviews in Scotland were with migrant workers.

Half of the respondents did not report a religion. Among those who had a religion, Catholics were the most numerous group (17 individuals, mainly migrants) followed by Muslims (11 respondents). Three respondents declared having a disability.

More details of the demographic characteristics of the low-paid worker sample are provided in the Appendix.

Qualifications and labour market position

Most of those low-paid workers interviewed were on permanent contracts of employment. Thirty-nine were full-time workers and 26 part-time workers (17 women, 9 men).

The largest group of respondents were those with a low level of qualification.¹ Twenty-six (or 40 per cent) of the sample had a low level of qualification, defined as level 2 or below. This group included eight workers with few or no qualifications and 18 with level 2 qualifications. Eighteen had level 3 qualifications, signalling an intermediate level of skill. A further 18 were highly skilled (14 were at level 4 and four at level 5). The majority of those with UK qualifications were UK born or raised and, of this group, slightly more had a low level of qualifications rather than an intermediate or higher level. People from ethnic minority groups who had recently migrated were, on average, educated to a higher level than the other two groups. The majority of those workers with overseas qualifications appeared to have an intermediate or high level of qualification, though there were issues around the recognition of qualifications. Half had a first degree, Masters degree or incomplete higher education. These findings are consistent with earlier research, which revealed significant mismatches in educational attainment among migrant workers, and the nature and types of their employment (Markova and Black, 2007; IOM, 2012).

The overwhelming majority of our respondents (59 out of 65) were at the lowest position in the organisational hierarchy. A further three were supervisors, while another three were slightly higher up as assistant managers/area supervisors.

The largest sub-group of respondents (26) were employed in administrative roles, followed by cleaning positions (15 respondents, mainly migrants) and catering (11). Seven respondents worked as carers, four as receptionists or concierges, and two had basic manual jobs.

The structure of this report

- **Chapter 2** discusses the living situation and workplace orientations of low-paid workers. It explores experiences of living on a low income and making ends meet, as well as labour market aspirations.
- **Chapter 3** explores employer perceptions of progression opportunities for low-paid workers, including additional barriers for ethnic minority workers. The chapter also considers employer engagement with policies and initiatives linked to low pay and workplace equal opportunities.
- **Chapter 4** examines formal and informal workplace practices and opportunities for low-paid workers, drawing on worker accounts of their

working lives. It reviews their perceptions and experiences of steps and challenges in career progression, before turning to an exploration of the informal, and more hidden, sides of organisational life.

- **Chapter 5** draws together the findings of the research. It considers what can be learnt from manager and low-paid worker perceptions and experiences, and presents learning points and possible strategies for promoting more inclusive and progressive workplace practices.
- **Chapter 6** outlines recommendations on the actions and support needs of employers in addressing in-work poverty.

In what follows, all case studies and interviewees are presented anonymously. Usually, quotations provide an indication of the ethnic origin of the individual, their role in the case study organisation, and the sector in which the organisation operates. However, in some instances these details are not given, to protect the anonymity of respondents.

2 LOW-PAID WORKERS: HOUSEHOLD CIRCUMSTANCES, WORKPLACE ORIENTATIONS AND PROGRESSION ASPIRATIONS

This chapter provides insights into the living situations of low-paid workers in relation to income management, and also explores their aspirations and attitudes to progression opportunities. This discussion provides the context for considering employer attitudes to low-paid workers and their actions to progress them to better-paid work.

Living on a low income

The majority of low-paid workers in our study lived in (social or private) rented accommodation. Many of those from ethnic minority groups were living with family members to minimise housing costs and to pool resources. In a few cases this was part of a cultural tradition of mutual support. However, in others, living with family members appeared to be largely motivated by the need to share housing-related costs. In some cases, this gave rise to overcrowding and confirmed other research that had revealed links between low income and constrained housing choices, including hidden

homelessness (Netto, 2006). This indicates that, in some respects, the ways in which ethnic minority groups manage on a low income may differ considerably from the majority population.

The working patterns of many participants indicated little time for leisure or further education to enhance career opportunities. Many participants supplemented income from a full-time job with either overtime or part-time work for another organisation. Many worked long hours, and some worked either six or seven days a week, in some cases, on split shifts. For most, their wages appeared to be their sole source of income, revealing the importance of job security, and providing support for Living Wage campaigns. Under-claiming of benefits was significant, particularly for migrant workers, again underscoring the reliance on wages to make ends meet and the importance of Living Wage campaigns. This suggests that individuals from different ethnic groups may vary in terms of access to material resources.

Making ends meet on a low income

Making ends meet on a low income was clearly difficult, with the rising costs of essential items such as utilities, transport costs and food posing a formidable challenge. Public transport was a major item of expenditure for those living in large cities while fuel costs figured prominently in more rural areas, confirming earlier research on the contribution of 'place' specific factors to poverty (de Lima, 2011). Of particular concern to ethnic minorities familiar with warmer climates was the cost of heating, which in some cases was dealt with by using heating only when it was unbearably cold.

Revealing the lack of disposable income in many households across a range of ethnicities, most reported that they managed household finances through careful budgeting and doing without non-essential items and luxuries, appearing only to 'get by'. Common strategies included prioritising payment of rent, council tax, utility bills and monthly bus passes. Other cost-cutting measures included not taking holidays, reducing the number of trips to see relatives living either in this country or abroad, shopping in cheaper supermarkets, staying in rather than going out for entertainment, reducing car journeys and, in the case of people from ethnic minority groups, not sending money abroad. Cumulatively, this reinforces the finding that individuals from different ethnic groups may vary in budgetary strategies for managing on a low income. Only a few participants reported being able to save, take regular holidays or improve their standard of living over time, reinforcing the lack of resources to invest in personal or career development.

Inequalities of household circumstances

Participants' ability to manage on their individual income varied according to the number of economically active adults and young children in the household, length of residence in the country, and whether or not they owned their own home and had caring responsibilities. Individuals who were most likely to be experiencing financial hardship included those who were the sole earners in a household with two or more young children, with recent arrival to the country also contributing to difficulties. In contrast, single adults who had progressed in their jobs and those whose earnings were supplemented by another working adult in the same household with no children were less likely to report financial difficulties and more likely to save on a regular basis. Such inequalities in household circumstances indicate that individuals on the same income may vary in their ability to move out of poverty through work. It also suggests that they face varying degrees of

difficulty in investing in further or higher education as a means of furthering career progression.

These inequalities were further compounded by caring responsibilities, which curtailed the time and energy available for other activities outside paid work. Typically, women combined caring for young children with part-time work or both parents took turns to look after their children:

“I am working day duties and she is working the nights.”

Indian man, catering assistant

In the case of some people from an ethnic minority group, the wish and obligation to care for one or more dependent adults living abroad added financial pressure:

“My parents are still alive, my wife’s parents are alive, and they need support, so it’s an extended family that needs attention.”

Zimbabwean man, manager

Those who were more directly involved in looking after disabled children or elderly parents faced added pressures on their time and resources.

Low-paid workers’ self-perceptions, and career orientations and aspirations

Progression to a higher-paid job was important to many, and linked to family commitments or achieving a better standard of living. This suggests a contrast to the findings of earlier research funded by the Department for Work and Pensions (DWP) on low-paid workers where the results were not ethnically disaggregated, but which revealed that only a quarter were seeking better-paid work (Marsh *et al.*, 1999).

Many had clear career goals and aspired to progress to the next step up the career ladder, typically the post of supervisor or team leader. Others had less clearly defined aspirations due to a perception that opportunities for progression were limited or unattractive. For instance, many had no wish to take up the post of supervisor, either because they did not want to take on additional responsibilities, or because they did not think the post was sufficiently well remunerated. In contrast, those already in a supervisory or managerial role often aspired to progress higher up the organisational hierarchy. Others clearly wished to progress but had less defined goals, beyond a desire to stay with their current employer and to explore opportunities that might arise:

“[If] I can work in different areas within the organisation and get my skills up and then find where the progression lies and what I am better at doing, then that’s something I’d probably be looking at.”

Muslim man, housing association

This was particularly the case among those individuals who were involved in apprenticeship schemes, which was viewed as a major route into permanent employment, better-paid work and wider options:

“I would like really, really to concentrate on the traineeship, completing it successfully ... Get my experience, get my degree

and see if I can secure a job which can be a better paid job ...
That's what I want for the future, be in a position where I can
actually progress in the work and have much more responsibility.”

Black African man

“... and then [after completing the apprenticeship], ideally,
there will be jobs offered here, and if you get taken on with
[organisation], you are pretty secure in the future, aren't you
really? But if there wasn't any jobs, then obviously try somewhere
else or go self-employed. So I do have ... more options than I
would have had, had I not taken up this scheme.”

White British man, apprentice, housing association

Yet others expressed a desire to work within a broad area of interest, for example, in hospitality, housing or youth work. Recent migrants felt that they had to increase their fluency in English before considering better-paid roles that involved more communication with colleagues or members of the public. Other individuals expressed a reluctance to explore progression to new posts that might disappear with restructuring, with job security overriding their willingness to take risks by seeking new opportunities. Yet others, notably those working as cleaners, sought an increase in working hours and to be paid the Living Wage, rather than a change in role. A small minority expressed a wish to get involved in work that was entirely different from what they were currently doing, for instance, creative activity or setting up their own business.

Yet others did not have any career-oriented aspirations, either because they were content with the work they were currently doing or because they felt that it was not possible to consider changes to their role due to other priorities such as child-rearing:

“I don't wish to be promoted, I just like to come in and do my job
and at the end of the day go home, because the hours suit me
and basically I need the hours for my son.”

White Scottish woman

The latter findings indicate that despite recent initiatives designed to support 'return to/staying in work', mothers of young children and carers across all ethnic groups continue to face barriers in the labour market, while others are forced to either reduce or change the nature of their labour market participation (Yeandle and Buckner 2007; Stewart *et al.*, 2012). One of the main barriers to furthering career-oriented aspirations among women who were low-paid workers appeared to be the time available for work outside the home. Much low-paid work involved limited opportunities for working from home, which would allow individuals to more easily combine paid work with other responsibilities. This provided further evidence that jobs requiring a high degree of 'presenteeism' were difficult to combine with caring responsibilities (Equality and Human Rights Commission, 2012a), a problem exacerbated by low pay. There was a perception that progression to supervisory roles would extend the time that such workers, many of whom were currently engaged in part-time work, would spend outside the home.

Among some women there were indications that willingness to prioritise their careers might change as childcare demands decreased, while others

signalled that they were now ready to take on more career-related challenges:

”I’ll always be a mum, four children, but now I feel I’m a career woman ... I’ve got something to offer and I want to make a difference to other people’s lives. I’ve got the experience, and I can relate to other people ... whilst I’m at work, I’m definitely a professional but I do see myself as a mum as well.”

British Muslim woman

Our research suggests that the lack of culturally appropriate childcare for women from diverse ethnicities evidenced in other research (de Lima *et al.*, 2011; Moosa and Woodroffe, 2009) is likely to increase the challenges faced by ethnic minority women, many of whom do not have access to relatives in this country to provide informal care. Further, while the small numbers of individuals from diverse ethnic groups in our sample do not allow us to point to differences between ethnic groups, the younger age structure of ethnic minority populations indicates that ethnic minority women are more likely to be involved in childcaring responsibilities than their White Scottish/British counterparts. Combined with the lack of affordable and appropriate childcare, this suggests that ethnic minority women face additional challenges in progressing to better-paid work and fulfilling their potential.

Age was also identified as influencing attitudes towards career progression, with some older people reporting that they were content to stay in their current job until their retirement:

“I hope to stay [in my current post] until I retire now. That’s only about 5 years. So that’s what I am looking for.”

White Scottish man

Self-perception played an important role in influencing career aspirations. For example, low or modest aspirations were attributed to ‘not being ambitious’, while others saw themselves as determined, resilient, self-confident and optimistic:

“I knew I didn’t come here to clean rooms. I wanted to be somebody and so I tried to get a promotion and [I secured a job] working in a bar.”

Woman, recent migrant

Many individuals linked their aspirations to their academic background, parental encouragement, the influence of siblings and other relatives, and the school they went to:

“I’ve been brought up ... a state of my mind, you are able to do anything.”

Woman, member of an ethnic minority group

In contrast, low expectations were attributed to poor educational experiences and outcomes, as well as to growing up in areas of deprivation.

Such experiences were more likely to be articulated by people from ethnic minority groups who were born in the UK to parents who had migrated to the country, and who had struggled to establish themselves.

Harmonious relationships with colleagues were also valued, encouraging some participants to remain in the same organisation. Decisions to stay on in the same organisation were also related to workplace proximity and the low cost of travel and, among uniformed staff, clothes for work.

To sum up, this chapter reveals that while people in low-paid work across all ethnicities shared many common difficulties in living on a low income, ethnic minority groups differed from the majority population in their coping strategies for living on a low income and their use of resources, including both material resources and support from families. Recent migrants faced additional expenses in establishing themselves, and among all ethnic minority groups, efforts to support and maintain links with relatives abroad incurred additional expenses, which might have to be cut back. Ethnic minority groups were also likely to face additional pressures in combining caring responsibilities with low-paid work due to the lack of affordable and culturally appropriate available childcare, from both formal and informal sources. All of these factors were likely to influence career aspirations and the opportunities for fulfilling them.

The next chapter explores employers' views on the scope for enabling low-paid workers to progress to better-paid work. Within that, we consider attitudes towards, and actions taken, to support low-paid workers from ethnic minority communities.

Key points

- Participants' ability to manage on their individual income varied according to a number of factors, including: number of economically active adults in the household; number of young children; whether or not they owned their own home; whether or not they had caring responsibilities; and length of residence in the country. Individuals from ethnic minority groups are likely to employ different coping strategies from the majority population, for example by living with members of the extended family.
- Sole earners in a household with young children were most likely to be experiencing financial hardship, and least likely to be able to invest in further or higher education to support career progression. Many appeared to be managing on a very tight budget and just 'getting by', with only a few participants reported as being able to save, take regular holidays or improve their standard of living over time. This reinforced the limited resources available for investment in career development. Individuals from some ethnic minority groups may face additional expenses related to supporting and maintaining links with relatives living abroad.
- Many low-paid workers aspired to move up the career ladder, with those whose aspirations were most clearly defined expressing a wish to become a supervisor or team leader. Others had less clearly defined aspirations for progression, some of which were shaped by a wish to explore opportunities for progression within the same organisation, or linked to an area of interest.
- Women in low-paid work who had children, and carers of disabled or older adults, faced particular difficulties in finding progression opportunities that would allow them to fulfil their caring responsibilities. This was due to the extended hours outside the home that such work would typically involve. Women from ethnic minority groups were more likely to be involved in the care of young children due to the younger

demographic structure of the ethnic minority population. This was at least partly because of the lack of affordability and availability of culturally appropriate childcare.

- Self-perception played an important role in influencing career aspirations. Low or modest career aspirations were attributed to 'not being ambitious', while others attributed their desire for progress to being determined, resilient, self-confident and optimistic.

3 EMPLOYER INITIATIVES AND PERCEPTIONS OF PROGRESSION OPPORTUNITIES FOR LOW-PAID WORKERS

Employers' policies and initiatives play a central role in determining the opportunities for workers to progress out of lower-paid jobs. Our research focused on the extent to which these progression opportunities were influenced by an employee's ethnicity. We examined this by assessing the overall climate of equality opportunity within the case studies and the general and specific initiatives currently in place. This provides the context for more detailed analysis later.

The chapter begins by examining management views about the barriers to progression for low-paid workers. It then compares the case studies, in terms of the development of initiatives to address low pay and equal opportunities, before evaluating the extent to which such initiatives are embedded within working practices. The chapter brings to the fore the lack of a strategic employer approach to tackling barriers to progression for low-paid workers.

Management perceptions of barriers to career progression for low-paid workers

HR managers and line managers were asked what they thought might be the barriers to low-paid workers progressing in the workplace. While most felt that any barriers encountered by low-paid workers were irrespective of their ethnic background, some managers suggested additional barriers for ethnic minority groups, sometimes suggestive of stereotypes of ethnic minority workers – for example, low confidence or career-related aspirations among ethnic minority women (Essed, 1996; Equal Opportunities Commission, 2007). Their perceptions of barriers varied both within and across the case studies. More generally, action to address the barriers often appeared limited; though as will be seen later in this report (Chapter 5), there were examples of good practice.

General barriers to progression for low-paid staff

Recent research funded by the UK Commission for Employment and Skills (UKCES) reported planned approaches to low-paid worker progression (UKCES, 2012). In contrast to the current research, this was undertaken largely by interviewing HR staff from 30 organisations, and did not include low-paid worker perspectives. Managers saw growth as a major enabler of progression as it created opportunities for individuals to progress at work.

In the present research, which included a wider range of managers, in the public sector and social housing case studies, at least some management interviewees discussed a lack of progression pathways for low-paid staff. Low staff turnover, workforce restructuring, job losses (including removal of lower and middle management posts) were all described as limiting job opportunities. In several case studies there was a recurring theme around the challenges of a stagnant economy, austerity and related pressure on services and staffing numbers. Such accounts often also noted the presence of critical points within grading systems beyond which it was difficult for staff to move. For example, in the NHS there was a recurring theme of a progression ceiling at one of the lowest-paid grades. In several case studies, managers perceived a lack of proactivity in establishing progression pathways for low-paid staff. This was acknowledged as reflecting weaknesses in training and development. It was also seen in accounts of too little management focus on progression planning and too much rigidity in the criteria used for job progression.

A further theme, across all sectors but not all case studies, captured criticisms of the quality of line management support for low-paid workers. For example, public sector managers spoke of colleagues using resource pressures as a justification for not releasing staff for training and development. There were also several public and private sector management references to flaws in performance management systems that should be supporting staff development, for example managers not challenging poor performance or engaging with staff potential.

Therefore, while large organisations ostensibly have bigger HR departments, a greater breadth of roles and a steady rate of turnover (UKCES, 2012), there appear to be numerous factors shaping the extent of, and access to, workplace progression opportunities across and within industrial sectors. The picture seems to be further complicated by the role of ethnicity.

Management perceptions of ethnicity and workplace progression

Weak English language skills were frequently identified as a potential barrier to progression for some ethnic minority staff, typically for first generation migrants. This was sometimes cited as an obstacle to entering

the organisation at all, but more often as something that prevented moving beyond a certain level.

A related theme was that ethnic minority staff lacked, or might lack, self-confidence. This contributed to fewer staff from minority groups applying for promotion. Several factors were felt to be operating, including a shortage of ethnic minority role models in leadership positions and poor English language skills. Some line managers felt that ethnic minority staff perceived their English to be worse than it was. The following quotation from a manager in HotelCo conveys this view of potentially complex, and misplaced, perceptions helping to shape ethnic minority attitudes to workplace opportunities. The focus is on migrant workers:

“I think [promotion opportunities] would equally be there for everybody. Maybe some people would be less confident in thinking themselves... maybe because of their English, or they just think, maybe, they would be thinking, they are going to give it to Scottish people, they are going to give it to the British people, do you know what I mean? Maybe they would think that, in themselves, and that would, maybe, hold them back from going forward. But definitely, it would be above board, it would be, they could go on the same training courses as me. I could go on the same training courses as them. The training is there for everybody.”

HotelCo, line manager

Particularly in public sector organisations, some HR, senior and line managers were concerned that managers and organisational leaders were not sufficiently in tune with minority communities. This ‘distance’ was felt to contribute to a lack of cultural understanding which, in turn, might be influencing management interactions with minority staff, in recruitment, promotion and more generally. Therefore, there were some perceptions of a relationship between being a ‘community employer’, engaging with workers from minority communities, and having a workplace climate for the empowerment and progression of ethnic minority staff. This was a key driver for the community engagement initiatives noted earlier in this chapter.

A few managers suggested that the organisation of work could be a contributory factor in preventing English language needs being addressed, but there was some ambivalence here. On the one hand, employees who could draw on their community language skills in front-line service delivery were regarded as assets for work in diverse communities. On the other hand, there were some concerns that where this limited the ethnic diversity of social networks it restricted potential improvements in spoken English. Long working hours and shift patterns also limited opportunities to attend English for Speakers of Other Languages (ESOL) classes, for example, through workers combining several jobs with the same or different employers in order to earn a living, or doing routine night work.

Having begun to tackle a long-standing issue of minority worker concentration in low-paid jobs, some HR managers felt that it was easier to support (younger) staff entering organisations via a structured route such as apprenticeships or positive action schemes, but the number of places on these limited work in this area.

There was some recognition that poor line management support could partly be related to a lack of awareness and/or implementation of equalities

(Jewson and Mason, 1986; Colling and Dickens, 1989). This was seen as contributing, potentially, to unwitting bias. Few references were made to conscious bias. Interestingly, it was ethnic minority line managers who expressed concerns about a climate of management favouritism that helped to shape access to job opportunities. Most HR managers considered acts of discrimination, bullying and harassment to be rare because of preventative policies and procedures. A more critical perspective was provided by the following HR manager, who felt that these acts were not rare and raised the issue of a need to change management mindsets around equalities issues:

“... [a manager] ... was arguing ... we have got a diverse workforce so isn't it expected there is going to be issues anyway associating diversity with reports of bullying and harassment? I was like, no, we do have organisations that sit in even more diverse areas with more diverse workforces and they have lesser numbers of reported incidences of bullying and harassment. And he was like, 'Oh will you show me next time?' I was like, 'yes, I would'. But it is a journey, and people's mindsets differs.”

NHS1, HR manager

We will return to the important theme of management mindsets, and their links to informal workplace cultures, in the next chapter. As will be seen, perspectives of some HR managers seemed a little complacent in the light of what low-paid workers had to say about their workplace experiences.

The development of initiatives

Adoption of a Living Wage

In recent years, the Living Wage had been adopted by three of the case study employers, one of the facilities management companies and both councils. While the Living Wage was being paid across the board for directly employed staff of both councils, adherence to the Living Wage was more uneven in the facilities management company. An HR interviewee in this company discussed the difficulty of paying it across the board. He explained that some workers were paid below the Living Wage, depending on the type of contract they worked on. When organisations with whom they wanted to secure contracts said they were unable to factor the Living Wage into the contract price, for example citing the impact of austerity and budget cuts, contractors were powerless. The consequence for some of our interviewees was that although working for the same Living Wage facilities management employer, payment of the Living Wage to cleaners and catering staff varied by contract. Cleaners felt that this was a key issue in improving their working lives and household circumstances. The Living Wage currently stands at £8.55 per hour in London and £7.45 in the wider UK. The national minimum wage is £6.19 per hour.

These themes reinforce the continued importance of pushing for wider employer buy-in to Living Wage campaigns in the UK. The councils saw it as part of their corporate social responsibility to encourage all businesses and services with which they dealt to adopt a Living Wage. This is a theme that will be returned to in Chapter 5.

Initiatives engaging with wider workplace opportunities

A case-by-case analysis of initiatives, intended to provide opportunities generally for employees and specifically for workers from ethnic minority groups, reveals considerable variation. Based on the evidence acquired through the interviews with managers, the least developed in terms of the number and range of initiatives were the three private sector organisations.

- FacilitiesCo1 was only at an early stage of developing initiatives.
- FacilitiesCo2's managers articulated a clear business case rationale for diversity. However, the HR manager argued that although equal opportunities was important to them, they did not have to manage this actively or strategically as the organisation naturally attracted a diverse workforce due to the nature of the work and locations in which it operated.
- From the interviews with HotelCo managers, there was little evidence of progression-related initiatives, although some effort was made to celebrate the ethnic diversity of staff through social events. This was despite ethnic diversity having been cited as essential for service delivery to guests.

It is not surprising that the development of initiatives is greater within the public sector organisations because they have been legally charged with a general duty to promote equality and specific duties to take certain actions to support the achievement of equality (see Chapter 1). The most developed in terms of the specific initiatives targeted towards equality and diversity are the two urban-based cases in Area 1 (Council1 and NHS1).

- Council1 had several initiatives. The commitment behind the initiatives had been political and driven by the strong objective of having a workforce that mirrors local demographics in terms of ethnicity.
- NHS1 had both a clearly articulated business case for diversity and well-developed initiatives to deliver it. In this sense, it probably represented the strongest evidence within the cases of employer commitment to diversity that was based on a business rationale.

The current research evidence indicated that the two public sector organisations in semi-rural areas (Council2 and NHS2 in Area 2) were less developed. Given that they are subject to the same public sector equality duties, this suggests a lower prioritisation of equality issues than might be required.

- In NHS2, managers gave the impression that although equality was embedded in the processes, the Equality Act 2010 had given impetus to develop greater awareness among line managers. Nevertheless, evidence showed more advanced good practice initiatives than in the private sector cases.
- Council2 was the least developed of the public sector cases. The impression was that there was minimal compliance but diversity was not on the main organisational agenda. This was despite a clearly articulated business case based around service delivery.

The two social enterprises (Housing1 and Housing2) both had clearly articulated business cases for diversity, based on their service provision requirements, but differed regarding the development of their initiatives. This seemed to reflect their respective stages of development in terms of identifying the importance of diversity, rather than a lack of commitment.

- Housing1 had a broad range of training and development initiatives that assisted progression through the organisation, reflecting awareness among managers that individual development is an important aspect of ensuring employee engagement. Some of the initiatives were specifically focused on achieving diversity objectives. A strong, formal staff development culture seemed to be linked to the presence of diversity initiatives.
- Housing2 was at an earlier stage of development in terms of diversity initiatives. The HR manager described the organisation as trying to 'catch up'. Clear initiatives had been put into place and, notably, the senior management team was leading the developments.

Generally, across the case studies there were some good practice examples of initiatives by employers (see Table 3), but few aimed specifically at providing opportunities to progress out of low-paid work. However, those initiatives that focused on progression and support might have a positive effect for some lower-paid staff from ethnic minority backgrounds.

Table 3: Specific initiatives found in the case studies

Focus of the equality/diversity intervention	Examples of specific initiatives
Recruitment into the organisation	An initiative for women returners
	A focus on local recruitment for entry-level jobs (to reflect local demographics)
	A campaign to recruit local graduates (to reflect local demographics)
	A targeted programme to offer opportunities for the long-term unemployed
	Outreach work that has targeted care-givers to consider employment opportunities
	Work placements for the unemployed through working with job centres
Progression within the organisation	Apprenticeship schemes
	Various programmes targeted at progressing employees from ethnic minority backgrounds through the early stages of their career development
	Targeted individual mentoring and coaching
Support within the organisation	Talent spotting of high achievers from ethnic minority backgrounds, followed by targeted development in preparation for higher-grade jobs
	A consultation forum based around protected characteristics
Awareness raising within the organisation	The recognition of ethnic minority networks as a staff-development tool
	Regular free lunches with a discussion focused around specific topics on the theme of ethnicity, culture and religion
Awareness raising beyond the organisation	Use of an e-learning package on diversity for line managers
	Wider community engagement to build community capacity and encourage involvement in decision-making processes relating to service provision

Employer policies and their everyday integration at the workplace

The case study employers varied in the degree to which they recognised a gap between equal opportunities intentions (the policy and initiatives) and the action needed to avoid those policies being ‘empty shells’ (Hoque and Noon, 2004). Across the case studies some managers either explicitly stated or implied there was a need for improvement in everyday workplace practice, but views were mixed. As noted in Chapter 1, of our four research areas, Area 4 had historically, been the least ethnically diverse but had experienced a growth of migrant communities. So in NHS2, HR had gradually begun to adapt its equality and diversity policies to reflect the changing ethnic composition of the workforce. This case study is illustrative of the mixed management views on the need for change evident in all the case studies.

While accepting the variety of views, it is possible to find examples of how policy intentions have been put into practice, and examples where they have not. These findings are summarised in Table 4 and are simply illustrative of the types of equality and diversity initiative in use.

We can use the term ‘everyday integration’ to signify where initiatives designed to improve opportunities are more than simply words on a

Table 4: The integration of equality and diversity into workplace practices surrounding low-paid jobs

Policy intention	Evidence of ‘everyday integration’ in the workplace	Evidence of a lack of integration in the workplace
Encourage employees to apply for promotions	<ul style="list-style-type: none"> • Assistance in CV writing and application forms given by senior staff 	<ul style="list-style-type: none"> • No support with CV or application forms • Good workers discouraged from applying by line manager and co-workers (the manager and the team do not want to ‘lose’ them) • Line managers showing favouritism, nepotism and cronyism
Encourage development opportunities (skills training beyond the employee’s current role)	<ul style="list-style-type: none"> • Line managers proactive in drawing these to attention of their staff • Emphasis on annual personal development reviews 	<ul style="list-style-type: none"> • Line managers not releasing employees from their jobs to go on training (due to time pressures) • Personal development reviews not taking place • Opportunities dependent on the interpersonal relationship with the line manager
Improve integration with language classes for employees whose first language is not English	<ul style="list-style-type: none"> • Funding by the employer • Time off given to attend 	<ul style="list-style-type: none"> • Encouraged only at employees’ own expense and outside working hours
Ensure equal opportunity in recruitment	<ul style="list-style-type: none"> • External and internally advertising all jobs • Use of ethnic monitoring at each stage in the recruitment process 	<ul style="list-style-type: none"> • Systematic favouring of internal candidates by using ‘acting up’ status as an argument for appointment • Absence of ethnic monitoring • Failure to make full use of ethnic monitoring data
Accommodate religious/cultural needs	<ul style="list-style-type: none"> • Flexible hours arranged individually • Prayer spaces provided 	<ul style="list-style-type: none"> • Using ‘no special treatment’ arguments
Promote inclusiveness/belonging	<ul style="list-style-type: none"> • Making the effort to know and correctly pronounce names • Inviting everyone to social events • Arranging some events to be sensitive to cultural preferences and religious requirements 	<ul style="list-style-type: none"> • Making assumptions about someone based on their ethnicity • Exclusion from conversations/social gatherings • Some ethnic groups intentionally separating themselves (e.g. canteen areas)

document. By looking down the second column in Table 4 it is possible to see what 'everyday integration' of such initiatives would truly look like. Of course, no single case study organisation matched up to such a high standard of integration, but all displayed some of these elements. Generally, what was lacking in the case studies was an overall strategy to address barriers to low-paid worker progression. Only NHS1 seemed to be taking a more strategic position on low-paid worker progression issues, for example through training initiatives based on an understanding of barriers to career progression, and engaging with disadvantaging workplace cultures.

Ethnic monitoring at work

The lack of a strategic approach to low-paid worker progression was reflected in weaknesses in ethnic monitoring across the case studies. HR and senior manager interviewees discussed the extent to which the diverse ethnic groups in the community were represented in the workforce. The case studies revealed varying degrees of progress. Nearly all the HR managers emphasised a need to improve ethnic minority representation through action on recruitment.

There was more evidence of the ethnic monitoring of community representation in the workforce in the public sector, compared with the private sector. The public sector organisations made their workforce equalities data and action plans available online and were also often able to provide examples of initiatives to raise community representation in the workforce, for example, through open evenings, visiting students in colleges and job advertisement strategies.

While managers in the private sector cases articulated a business case for diversity that reflected attention to community representation, there was little evidence to indicate a strategic engagement with ensuring that their workforces were representative of the communities they served and the areas in which they operated. Moreover, there was no explicit private sector acknowledgement of the importance of monitoring data on key areas, such as ethnicity, gender and age, let alone a monitoring strategy. One organisation, Facilitiesco1, had just started to look at the equalities dimensions of workforce composition. While Central and Eastern European migrant workers had a substantial presence in the lower tiers of the FacilitiesCo1 workforce, as it pulled together data on workforce composition, it included a 'White' category that did not distinguish White British and migrant workers. Council1 had a similar issue of hidden minority presence in ethnic monitoring data in the context of a growth of Eastern Europeans in the workforce not identified by the White category in monitoring data.

The monitoring of ethnic minority workplace progression was the exception rather than the rule, even though managers in several case studies recognised that ethnic minority men and women were over-represented in lower-paid work. Only one of the case studies (Council1) reported the presence of targets to increase representation of ethnic minority groups at managerial levels, although progression towards these targets was reported as being slow.

The comments from some managers revealed an awareness of the challenges of ethnic monitoring, such as overcoming staff reluctance to complete equal opportunities questionnaires or ethnic monitoring forms. Generally, there were worrying signs of a lack of rigour in – and action on – equalities monitoring data across all sectors. This raises a query as to the extent of meaningful engagement with the spirit of the Equality Act 2010. It also reflects the continued relevance of ongoing policy discussion around whether private sector organisations will voluntarily engage in ethnic monitoring activity and action plans to help tackle labour market inequalities (see Chapter 1).

Informal initiatives/practices of managers' work

While there were formal initiatives, and varied success in embedding these, a further phenomenon was the development of informal, non-sanctioned initiatives taken by individual managers. Worryingly, among the case studies there were instances of potentially discriminatory informal recruitment practices, as the examples below illustrate.

- In one public sector organisation an HR manager recognised that advantages were conferred on those who had existing connections within the organisation through family and friends, in terms of getting work experience opportunities.
- In one private sector case a manager reported how recruitment at one particular site was not a problem and normally did not require external advertising because people within the organisation would pass on news of the vacancies to family and friends.

Both examples can be associated with the Extended Internal Labour Market (EILM) (Manwaring, 1984). This term describes people who are not inside the organisation, but whose knowledge of the organisation and its workplace culture through their social networks privileges them above those in the external labour market. The underlying issue is that while it can facilitate transition into the organisation, using the EILM also goes against the principle of drawing from a wide and diverse pool of talent. Indeed, in facilities management (prevalent in out-sourced work), informal, word-of-mouth recruitment processes were extensive for low-paid work, though there was some recognition of how this might result in ethnic clustering. However, formalisation of procedures was felt to be a challenge and difficult to enforce:

“... we've policies and guidance and advice and training and a lot of the training that we're doing for people, in equal opportunities for instance and NVQ's and stuff and that, that we do ... It's a very different one to manage and control to ensure the people have done it. We can look at who they've recruited and see what the mix is, it doesn't tell you everything though. It doesn't tell you what they've done behind that, I think, and I think, for any organisation this size, I think that's a challenge.”

FacilitiesCo1, HR manager

The HR manager in FacilitiesCo2 argued that equal opportunities is important but 'not one of our top priorities'. The manager felt strongly that the organisation did not discriminate, even if they did not pay attention to ethnicity at the recruitment and selection process.

Reassuringly, some managers resist using the EILM. For example, one manager explained how there was a 'Polish network' that led to inquiries being made before the job was advertised, but the manager would tell anyone inquiring to apply formally through the job centre.

There were also examples of informal practices associated with promotion opportunities that potentially undermined equal opportunities and everyday integration. For instance, informal talent spotting was identified by one HR manager as a route to promotion, while opportunities to work shadow at another organisation were given on an ad hoc basis – both led to accusations of favouritism.

This blend of formal and informal initiatives and practices enacted by managers, and the resultant consequences for employees from ethnic minority backgrounds, is explored in detail in the next chapter. It has a notable impact on determining opportunities to move out of low-paid work.

Key points

- HR and other managers often felt that progression barriers encountered by low-paid workers were the same for minority and majority groups. Low staff turnover, workforce restructuring and cuts to lower and middle management posts were all described as limiting opportunities for higher paid work. A lack of line management support for low-paid workers seemed to compound such difficulties. Additional barriers reported for ethnic minority staff included weak English language skills, lack of self-confidence, too few ethnic minority role models in leadership positions and little cultural understanding of ethnic minority communities. The use of community language skills and working hours were felt to restrict opportunities to improve English language skills.
- While there was some HR and line manager awareness of barriers to progression for low-paid workers, and signs of initiatives to improve equality of opportunity, there was a lack of a strategic plan for addressing routes to better-paid work for low-paid workers.
- There was uneven progress on ethnic monitoring, with evidence of greater monitoring in the public sector. Greatest use of monitoring data seems to have been around ethnic minority recruitment rather than progression within the organisation.
- Employers varied in the degree to which they recognised a gap between equality opportunities policy and practice, and action that needed to be taken to avoid those policies being 'empty shells'.
- There was some evidence that those who had existing social connections in the workforce gained work experience or jobs through family and friends. Informal recruitment practices appeared routine in one of the facilities management companies delivering outsourced services.
- Most HR managers considered acts of discrimination, bullying and harassment to be rare because of their preventative policies and procedures. However, their perceptions appear to be complacent. While there was some evidence of the everyday integration of equality and diversity policies into the workplace contexts of low-paid workers, there was also evidence of a lack of recognition of unofficial practices undermining equal opportunities for those workers.

4 FORMAL AND INFORMAL WORKPLACE PRACTICES AND OPPORTUNITIES FOR LOW-PAID WORKERS

As we have seen, an individual's self-perception and the role of work in their life is an important influence on their attitude to work. This chapter explores the experiences of low-paid workers of formal and informal workplace practices, and the challenges they face in navigating organisational expectations and norms. It also considers how social networks, family ties and ethnic discrimination at work can affect access to opportunities

Low-paid worker perceptions and experiences of steps and challenges in career progression

Performance development reviews

Performance management systems and, within those, performance development reviews (PDRs) are a central HR function, aiding the alignment of employee and organisational goals. In so doing, they may be seen as potential 'High Performance Working Practices' that aim to stimulate more effective employee involvement and commitment alongside full utilisation and further development of skills (UKCES, 2012). Our findings indicated that managers did not fully engage with the formal performance management systems in place, and this had a detrimental effect on the potential benefits employees could derive from the PDR process.

Most participants reported that they had an appraisal at some point during their time in their organisations, but they did not find the process very helpful in terms of engendering commitment or organisational progression. For example, follow-up action to issues raised in PDRs was not guaranteed. While training opportunities were a feature of PDR discussions, they often focused on what was needed for the current job.

Workers from a range of ethnicities conveyed that some managers seemed more supportive than others. For example, one interviewee had built up good relationships with managers during, and following, a positive apprenticeship experience with Council1:

“I’ve been fortunate because I’m in HR, or I know some senior managers, but your PDR, yes, is about discussing your aims, your objectives, your aspirations, with your manager. A lot of people use it to talk about any training courses that they want to go on to develop themselves, but I don’t just use that on my PDR. I mean if I’ve done my PDR and I think of something else, I still go to my manager and talk to them about it face-to-face and say, I want to go on this, what do you think? So I think, yes ... it’s a good process, but there’s also other ways around developing, it’s not just a PDR. I think if you can go forward, and if you can try and convince people why you should do something, they’d be willing to help you I think.”

Council1, young British Bangladeshi man

However, a range of other examples suggested that both white and ethnic minority staff did not have positive experiences of the PDR process. For example, in an NHS Trust, an employee reported that staff did not have a “proper PDR [...] more of a 15-minute conversation”. In several other case studies the PDR process was described as a tick box exercise. Some ethnic minority staff, clustered in one of the facilities management companies, were unaware of PDRs and had never been invited to participate in an appraisal. There were other examples that highlighted the need for managers to value the PDR process, as this would then translate into a helpful process for their staff. For example, a woman who worked in a housing association, and who belonged to an ethnic minority group, described how the PDR process had been useful for her in the past. However, she felt that she needed more direct encouragement and support by her managers. Now feeling “stuck” in her role, she wanted her manager to be more understanding of the need to free up some of her time so she could engage in work that would offer more opportunities for development.

PDRs appeared to be used (and perceived) in different ways, even within the same organisation. While some ethnic minority staff felt that their experiences were similar to their white colleagues, others subtly hinted that their ethnicity might be a factor in shaping their opportunities to engage in effective PDRs and access to training. For example, a man from an ethnic minority group (in the same housing association as the woman above) argued that opportunities for development and progression might be available. However, he said that it was a matter of how one fitted into the mainstream organisational culture that was important in gaining access to, and making optimal use of, such opportunities. He seemed to imply a focus on ethnicity, but this could be extended to other social group characteristics, such as gender, class and religion:

“... the opportunities are there. I'm not saying there's not and there is, there is, but it's how your ... face fits, if you know what I mean?”

Housing association, man from an ethnic minority group

There were, therefore, mixed views in terms of whether ethnicity was a factor in how individuals experience the PDR process. In the accounts of low-paid workers from different ethnic backgrounds, there was an overall consensus that PDRs were not strategically or effectively implemented in their workplaces.

Individual experience of workplace training

Recent analysis of the Families and Children's Survey suggests an important role for work progression and retention (as well as work entry) in lifting families out of poverty. However, work progression and training opportunities need to improve in order to fulfil this potential (Browne and Paull, 2010). Evidence on the role of skills in the labour market suggests that, in the short-term, labour market returns from work-related training are greatest from qualifications gained within the workplace. However, the evidence is mixed on whether employer-funded or supported training has a significant effect on wages; and there has been a lack of attention to the impact of ethnicity (Cheung and McKay, 2010). The evidence is clearer that low-skilled people are concentrated in occupations with little training and are much less likely to receive training from their employers (Cheung and McKay, 2010; DfES and DWP, 2007, cited in Hendra *et al.*, 2011). Those with few qualifications, low skill levels and with caring responsibilities are among groups with lower training take-up and skills development (Johnson *et al.*, 2009). The receipt of workplace learning is skewed to those with qualifications above level 2 (DfES and DWP, 2007) and the return to low-level qualifications is thought to be diminishing (Johnson *et al.*, 2009). This lack of a straightforward relationship between workplace training and progression for workers in low-paid roles is reflected in the themes emerging from this research, particularly strongly in worker perspectives.

Where access to extensive training opportunities was available, this was a major reason to remain within the organisation. In contrast, lack of training opportunities, particularly for those doing low-skilled work, was seen as limiting any form of progression:

“We're in that little categorised group where there's no other gates open, it's just one way in, one way out, that's it.”

Housing1, British Indian man

Access to relevant training, linked to a career progression pathway, had widened opportunities – even within the current context of job scarcity – as in the case of the following man who was completing an apprenticeship at Housing1. Starting the apprenticeship late in life, with a family to support, it had been a financial struggle but he was upbeat:

“I am quite optimistic because I do know I am in a win-win situation really. I mean the best outcome would be to qualify and then get taken on full-time by (Housing1). But failing that, I am

a qualified electrician, so my future is looking better than what it was a couple of years ago.”

Housing1, White British man

Successful completion of the apprenticeship provided the ability to meet job selection criteria. The ability to meet such criteria is a key facilitator in converting training into progression (Hendra *et al.*, 2011). This process is aided by workplace contexts with structured opportunities for training and promotion that enable people to feel supported in taking steps to advance at work (Ray *et al.*, 2010).

Previous research has provided evidence of ‘training floors’, in other words minimum training standards, resilient in the face of economic downturns (Felstead and Green, 1994; Felstead *et al.*, 2012). Statutory provisions and mandatory codes of conduct contribute to training floors, for example, in basic health and safety, and food hygiene. In this research, in many cases, opportunities for training seemed to be oriented to only doing the current job well, including meeting such minimum standards, with far fewer opportunities for preparing ambitious individuals for career progression or for acquiring skills of no direct relevance to the current job. In other words, as hinted at in the discussion of PDRs, training was geared towards ‘learning to work’ rather than ‘working to learn’ (Felstead *et al.*, 2011). This distinction is important as it conveys how workplace contexts can expand or restrict opportunities for workplace learning. Expansive learning environments provide opportunities for training and qualifications, and engage with job content and job design. Thought is given to how staff can be empowered to learn and grow in organisations, including through social interaction with colleagues within and beyond their immediate work role. Restrictive learning contexts curtail such opportunities, particularly in the context of unequal power relations and where worker discretion is limited. Given that the return to low-level qualifications is thought to be diminishing, low-paid and low-skilled workers in restrictive learning environments are particularly disadvantaged.

Previous work on good employer practice in progressing low-paid staff has discussed inclusive and targeted approaches to progression (UKCES, 2012), for example by providing access to appropriate training, secondments, work shadowing or mentoring. However, in this study, the lack of transparency on available training courses or other valued developmental opportunities emerged as a barrier for many ethnic minority workers. The isolation of some ethnic minority workers meant that they did not benefit from the same informal flows of information on developmental opportunities as their White British or Scottish counterparts. Therefore, they were more reliant on more formal channels. Lack of knowledge of training opportunities could result in them being deliberately or unwittingly excluded from such opportunities:

“You need to be trained up to do that job, so you need the course ... I had no idea that the course was on ... Somebody said ‘We were at this training. I thought ... ‘Why haven’t I have been informed?’ ”

Council worker, British Bangladeshi woman

Respondents’ accounts suggest a barrier to training is that the most valuable training courses are only available to the most determined and ambitious

employees: “ ... it is down to yourself asking, pushing and showing an enthusiasm”. This meant that in such workplaces the less confident or openly ambitious employees are not given an equal chance to progress.

The fact that line managers determine access to training opportunities (particularly for more advanced courses that are costly to the organisation) reinforces the importance of having a good informal relationship with one’s line manager. Some respondents mentioned that they were denied training opportunities because they did not have such a relationship. Others felt that their hard work, skills and abilities were recognised but that progression opportunities were hindered because managers wished to ‘hang on’ to them:

“The last [job] I applied for, I actually got turned down by my manager, saying that they couldn’t release me ... so I wasn’t even shortlisted.”

Council2, British Bangladeshi man

So, while research has shown that the quality of in-work performance by low-skilled employees is a key factor in management decisions to encourage and/or support progression (UKCES, 2012), an imbalance of power in the employment relationship influences the dynamics. Where line managers were suspected of hindering access to developmental opportunities, the freedom to independently select a training course was valued:

‘This year, there will be the first time I can book a place myself, if I want, it doesn’t need to be confirmed by my manager.’

Housing2, Polish woman, resident in the UK for over 5 years

Informal learning in the form of the opportunity to develop new skills on-the-job or to shadow more experienced colleagues was also seen as valuable:

“I had a chef who always wanted me to get involved in the kitchen, rather than concentrating on the washing up. So he kept on pushing me ... and I ended up being the breakfast chef.”

Store assistant, Ghanaian man

Support from employers in the form of flexibility to participate in off-the-job training was also appreciated. Reinforcing the point already made above, while such training was happening for some low-paid workers, it tended to focus on the existing job.

Career progression pathways: steps and challenges

Individuals reported having a number of workplace strategies to enable them to progress, including working hard, maintaining focus, ‘keeping the right company’, saving regularly, and target setting in order to accumulate sufficient resources for higher education and self-study. However, they also reported a number of challenges.

Pursuing academic qualifications, English courses and vocational qualifications
As discussed in Chapter 2, low-paid workers’ attitudes to their workplace were influenced by personal aspirations, identity factors, caring

responsibilities and family commitments. Gaining academic or vocational qualifications was viewed as a major route out of low-paid work by many in our sample. This was particularly the case with workers from ethnic minority groups who had recently migrated to the country and whose qualifications or skills obtained in their country of origin were not recognised. It also applied to those who had left school with few or no educational qualifications. Those with low levels of proficiency in English also viewed acquiring fluency in the language as key to widening employment opportunities and moving beyond manual work such as cleaning.

However, combining work and further/higher education or gaining fluency in English was challenging for many, due to work-related physical, mental and emotional fatigue:

“I have started college last year. I need to have at least one day to have time to study. Because when you come home from work in the evening ... I was tired so I couldn't absorb anything from college.”

FacilitiesCo2, Polish man

Working overtime, unsociable shift patterns or having more than one job compounded the difficulties of combining work with study.

Among those who wished to take up new educational qualifications, or build on existing ones, the financial costs involved – including the cost of the programme of study, as well as loss of income – was a major consideration. Funding or other forms of employer support, such as access to bursaries or flexibility in working hours, was viewed as very important. However, the lack of transparency around the allocation of bursaries was viewed as problematic among those from ethnic minority backgrounds. The lack of familiarity with career paths, qualification frameworks, certification, accreditation and ways of obtaining career advice was a barrier commonly mentioned by migrant respondents.

As implied earlier in this chapter, the assumption that those in low-paid work will progress through in-work training is not borne out by the evidence in the wider literature (Hendra *et al.*, 2011). Not all low-paid workers were of the view that equipping oneself with educational qualifications would necessarily lead to a better-paid job, referring to others who were better qualified but also in low-paid work. However, it is also worth noting that at least in some cases, degree holders did appear better placed to progress to higher-paid work. For instance, one individual had progressed from a front office role in a hotel, which was paid at an hourly rate, to a back-office salaried post within a few months. While having (unrecognised) educational qualifications did not directly help migrants with ‘earning’, it often provided them with the confidence and predisposition to pursue further ‘learning’. Some respondents spoke of being held back by it being a norm in their home countries to wait for one’s hard work to be recognised, rather than to actively put oneself forward for a promotion or training opportunities. This highlights the potential complexity of factors helping to shape take-up of workplace opportunities.

Barriers to career progression

The current economic climate was viewed as severely constraining opportunities for progression in general, resulting in lower staff turnover and fewer vacancies. Flatter organisational structures resulting in a lack of ‘middle ground’ was also a recurrent theme:

“There seems to be a lot less managers and a lot more people on the front line. So any position that comes up will certainly be fought after if it became available.”

Housing2, British Indian man

These issues were perhaps more pronounced for all living in more rural locations where there are fewer employment opportunities.

Difficulties arose from a dearth of progression opportunities in the case study organisations. One strategy for dealing with the lack of opportunities for vertical progression was to consider lateral moves as a means of gaining knowledge and experience, and extending social networks. However, opportunities for such moves varied considerably, with one barrier being managers’ reluctance to lose skilled workers within the team, and another being low-paid workers’ own reluctance to ‘rock the boat’ by seeking out such opportunities.

Opportunities to ‘act up’ into roles is a feature of work organisation that can help staff progress (UKCES, 2012). For higher grade posts there were examples of people acting up into roles, taking on more responsibilities and using their language skills, and yet still not receiving appropriate recognition or remuneration for this. This was compounded by the lack of flexibility in requirements for progression.

Some extreme instances of talents and skills of ethnic minority workers being hidden in the workplace were also mentioned, for instance not receiving due recognition for their work:

“My manager takes my reports and presents them as his.”

BME3, Black African woman

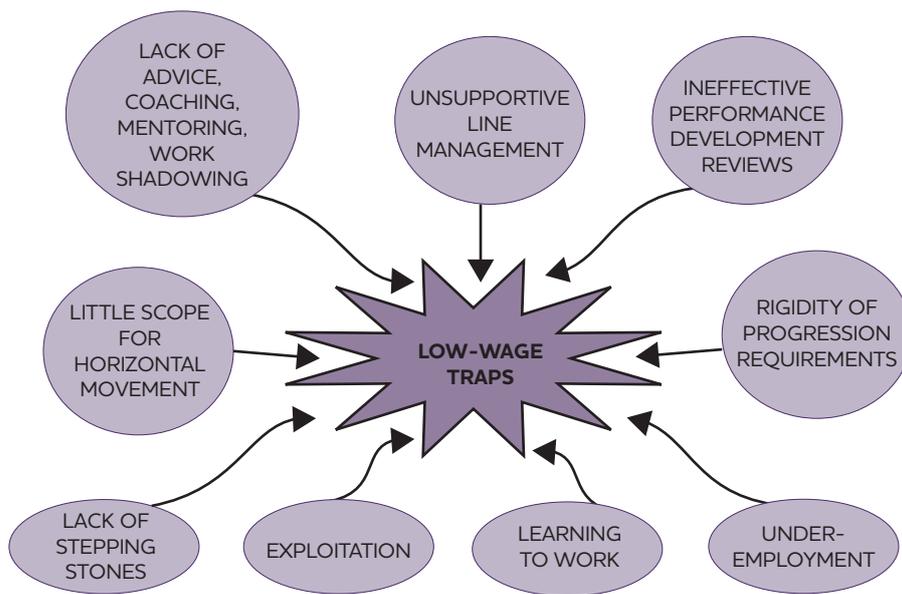
While this experience may not be limited to ethnic minority workers alone, the impact on them in terms of increasing their invisibility within the organisation may be greater. Unsurprisingly, such experiences contributed to feelings of frustration at being held back and to potential not being realised. As will be explored further below, informal assessments and racist assumptions seemed to mask, and distort, decision-making processes to the detriment of potential, and actual, ethnic minority employees.

Low-wage traps, everyday integration and organisational subcultures

So far this chapter has outlined a number of layers of disadvantage experienced by low-paid workers that limit their prospects for personal development and progression in the workplace. Essentially, workers found themselves in low-wage traps. Those with aspirations for a higher-paid position were unable to forge a pathway towards them, which was at least in part due to informal workplace cultures. Chapter 3 raised concerns about opportunities for lower-paid worker progression across all ethnicities. Employer policies and practices were reinforcing low-wage traps. Furthermore, visible and more hidden layers of disadvantage suggest that, for many of our low-paid workers, equal opportunities policies barely touched their working lives in practice. They lacked a sense of inclusion and of being valued in the workplace.

An important part of the explanation for this is the gap between formal organisational cultures and different informal subcultures that we discerned in our case study organisations. The range of workplace factors at play in worker accounts of their working lives is summarised in Figure 2. It provides an overview of the informal culture and realities of low-paid work for some workers. Such experiences were common across all ethnicities, including White British, Scottish and ethnic minorities. However, as seen above and explored further below, there were additional barriers for ethnic minority workers suggestive of the systematic under-valuation and bypassing of their skills and potential in the workplace.

Figure 2: The informal culture and realities of low-paid work for some workers



Ethnicity and the gap between formal equal opportunities policies and organisational subcultures

While HR managers tended to emphasise that they had policies and procedures in place to support good equal opportunities practice, many low-paid worker accounts contradicted this, including experiences of ethnic discrimination.

Personal relationships with managers and workplace progression

Opportunities for promotion and training for some low-paid workers were seen to be strongly shaped by personal relationships with supervisors and line managers. Good relationships with managers meant being favourably considered for developmental opportunities and progression within the organisation. Conversely, poor relationships with managers were seen as blocking opportunities for learning on the job and other developmental experiences, and could result in people becoming stuck in low-paid work, despite their experience and long-service. There were strong suggestions that ethnicity played a role in shaping workplace relationships, negatively influencing opportunities for career development and progression, and a sense of inclusion in the workplace. These concerns were not ubiquitous across the low-paid worker sample. That they arose frequently across the case studies seemed to indicate that practices in some pockets of

organisations could be undermining practices being fostered by formal policies and procedures.

Across a range of ethnic groups, low-paid worker accounts included descriptions of some people being seen to more readily fit into some workplace roles than others, and alluded to the role played by social connections in facilitating recruitment into certain jobs. They described new staff being promoted above them and other colleagues, questioning whether these decisions were being made on the basis of merit or patronage. The following comments were typical:

“I think, to be honest, what I think is that Scottish people would rather give a job to Scottish people. And that’s what I really see ... I understand. I’m not in my country. Maybe they would rather to have a Scottish person instead of a Polish person. I understand. But I also have experience, I think I will be the same good as a Scottish person.”

NHS, Polish man, in UK for last 5 years

“Well, I have known people to apply for jobs and you know they can do it, they have got all the qualifications, they have had all the right experience and everything. But then somebody else has got it because sometimes I do think it is the case of the face fits.”

Housing association, British Muslim woman, resident in UK for 40 years

“I think with a lot of jobs ... it is not what you know but who you know in this place and I really believe that because there is a lot of people come after me and different roles but they have kind of smiled in the right way ... It depends who your managers are as well.”

NHS, low-paid worker, older White British woman

Perceptions of positive associations between some managers and their employees led to a de-motivating effect upon others; for example, one line manager noted:

“Each and every manager [in this organisation] have their own favourites, which they are going to promote ... everybody is thinking: “Why should I work so hard? I’m never going to be there’ .”

Facilities Management Company, line manager, ethnic minority man

What is seen as favouritism to one person may be viewed by the individual who is seen to benefit from this and the manager concerned as recognition of ‘merit’, for example ability, hard work, reliability or substantial contribution to organisational goals. However, some low-paid worker accounts suggested that experience and rumours of favouritism (and resulting perceptions of decision-making) made people cynical about their prospects for promotion given perceived biases in workplace practices, and eroded their trust of management. Moreover, there were insights into how these biases might have a negative effect on worker efforts to get promoted or even prevent

them contemplating promotion in the first place, sometimes linked to strong accents or language barriers:

“So, to Scottish people we look like the idiot, you know, they treat us and they think we are like an idiot. But our mind is OK, it is a lack of communication. So I do my, what happened years ago, I never, ever think I could get promotion anywhere, because the first thing coming will be the Scottish people. You look like it, look like they are your favourites.”

NHS2, ethnic minority woman, in UK for over 20 years

While some ethnic minority workers did not perceive any racism to be at play in their experiences of favouritism (and some referred to the relevance of their gender or age), other workers felt that ethnicity was a clear dynamic at play, on some occasions subtle and on others not so subtle:

“This one person who came to the service, who had only been in the service for two years, and there was this job going as a manager. There had been so many people applying for it who had been in the service for a very long time ... I mean the guy might have been good at his job, but there were [non-White] people who were better. But he was very close to one of the managers. Funnily he got the job and the rest were you know ...”

Council2, young Bangladeshi man

Where ethnicity was seen to be complicit in favouritism, this contributed to a picture of additional layers of multiple disadvantage for some ethnic minority workers.

The accounts of workers from ‘visible’ minorities were suggestive of stereotypical attitudes beyond the workplace, permeating workplace interactions across a range of sectors. For example, an Asian woman working in the public sector spoke of how the faces of Asian women did not fit the stereotype of someone who should be allowed to progress in her department, whether in Western or traditional dress. She was keen to be promoted at work. However, she felt that subtle discrimination was holding her back, for example through not being told about a training programme that would have supported her progression. Only White British women in her department had been told about the training course. She questioned whether her employer could be described as an equal opportunities employer when a specific group of ethnic minority workers was not being supported in career progression. As a bilingual support worker, her experiences illustrate how some ethnic minority employees felt that they had been ‘typecast’ into certain roles, at least in part due to their language skills, and that this was a hidden barrier to progression. This has been described elsewhere as an ‘ethnicisation of work’, with cultural myths/assumptions embedded in management thinking about ethnic minority women contributing to ethnic clusters (Essed, 1996). This kind of racist stereotyping might also be described as institutional racism (Macpherson, 1999; Bhavnani *et al.*, 2005). It is often less overt than racist verbal abuse. As noted in Chapter 1, institutional racism can be detected in processes, attitudes or behaviour that amount to discrimination and marginalisation, due to unwitting prejudice or racist stereotyping.

Such processes of marginalisation were also apparent in the deliberate exclusion of ethnic minority workers from social interactions, for example through mono-ethnic clustering in the canteen, by colleagues failing to greet them or constantly getting their name wrong. 'Overly' confident individuals were sometimes deliberately ostracised. Such rebuffs were regarded as 'bad manners' by some, while others saw implicit racism, which they blamed on ignorance or stereotypes. A Muslim man was acutely aware of the potential for negative stereotyping on religious grounds relating to cultural dress, as well as the role of the media in shaping community and worker perceptions:

“They will see me, and think, you know, he looks like a terrorist. Because unfortunately, this is what the media has portrayed to the worldwide audience.”

Housing worker, British Muslim man

Some ethnic minority workers recognised the dangers of becoming segregated and made deliberate efforts to integrate and to establish good relationships with their managers and fellow workers. This inevitably involved ethnic minority staff making compromises in order to 'fit in', for example by playing down religious requirements or tolerating racist banter.

The most negative manifestations of poor relationships with managers were reported incidents of bullying and harassment. This mainly took the form of verbal abuse, in the form of shouting and racist name-calling. While the most overt examples did appear to be addressed within the workplace, such instances are symptomatic of the tensions that can arise within an ethnically diverse workplace. The research suggests that these tensions are exacerbated by power imbalances in employment relationships.

Management mindsets, conscious and unconscious bias, and social networks
Managers have a key role in determining and limiting opportunities. The above accounts of the circumstances and detail of favouritism, stereotyping, and bullying and harassment allude to the role of management mindsets in shaping such behaviours. They convey a contrast between the formal organisational cultures promoted by policy and the more informal micro-politics of organisational life and decision-making. In other words, bias is taking the form of acts of unconscious habit, as well as conscious intention (Beattie, 2013).

Some workers explicitly discussed the arbitrary exercise of management discretion and the manipulation of supposedly formal, and therefore fair, practices. Processes of recruitment and selection have undergone a process of formalisation as HR professionals seek to manage the risk of discrimination cases and assert their specialist influence. Formalisation of procedures ostensibly removes the risk of bias, inconsistency and prejudice. However, there is a growing body of research suggesting that, despite extensive processes of formalisation, informality remains in decision-making processes. In other words, managers can circumvent procedures and undermine fairness, either inadvertently or intentionally (e.g. Collinson *et al.*, 1990; Noon *et al.*, 2012). This lends weight to concerns about institutional racism.

The dynamics are complex. In particular, social networks can be an important feature of processes of conscious and unconscious bias. Within workplaces, people frequently perceived networks to be offering unfair advantage, and that this reflected ethnic dimensions based on preferred social interactions, as well as language difficulties. It is well known,

anecdotally and through research (e.g. Granovetter, 1974; 6, 1997), that interpersonal and organisational networks provide, and also block, routes into and onwards through employment.

Family and community ties as a mixed blessing for routes out of poverty

Kinship ties could contribute to barriers to potential routes out of poverty. For a variety of reasons, ethnic minority workers valued their social networks outside of employment and therefore chose to invest time and effort in friends and family. This was particularly so for migrant workers. Although in the main they acknowledged that it was good to find connections within the local community, leisure time was limited and interviewees reported that they prioritised spending time (and restricted budgets) with compatriots, including extended family (see also de Lima *et al.*, 2007). For long-resident and British-born workers, significant personal networks had evolved through religious affiliations, adult education classes, sports and community activities and other hobbies (de Lima, 2011). These were a source of support and solidarity, for example signposting to new work opportunities or external agencies.

Kinship ties could be seen over the long term as holding down disposable household incomes and restricting activities that might promote career advancement. As noted earlier, ethnic minority workers often found it difficult to make time for study. Among some individuals, commitment to children's schooling and/or the care of elderly parents created pressures to earn as much as possible and to send a high proportion of earnings back 'home' as remittances.

Interpersonal networks as a double-edged sword

In helping or hindering access to employment and progression, interpersonal networks (including kinship ties) are part of the Extended Internal Labour Market (Manwaring, 1984). In Chapter 3 it was signalled that the EILM held the danger of reducing the talent pools from which employers drew. Ethnic minority workers in our sample often heard about job opportunities from inside contacts: family members or friends already working there. This job referral information, combined with encouragement to apply, could give them a foothold that might lead to higher-level posts. There were examples of people being proactive in using their connections, even before vacancies were advertised, to put themselves forward. Sometimes this was on the basis of seeing a family member already in this line of work or on the receiving end of it, such as a social care service user.

There is anecdotal evidence of a growing trend of incentivising existing employees to find or recommend potential recruits, so reducing time and money spent on recruitment and circumventing equal opportunities procedures (Schwartz, 2013). This was borne out by the practice in one of the private sector case studies. A recent mixed methods study also suggests that the increasing employment share of migrant workers may have been assisted by the practice of job referrals and the role played by some recruitment consultancies (Chartered Institute of Personnel and Development, 2013).

Work-based connections shaped opportunities in ways that could enable or restrict recruitment and promotion, depending on the kinds of experience and contact people were able to build up. People often gained their first permanent post after several years of casual work or 'temping' through agencies. However, the overall impression given was that recruitment through social networks perpetuated the concentration of ethnic minority workers in low-paid jobs (Fernandez and Fernandez-Mateo, 2006). While

the biases exercised through informal recruitment processes do not always involve bias against ethnic minority workers, our evidence suggests that such informal cultures are a double-edged sword in terms of the employment outcomes for disadvantaged groups.

Voice at work?

Behaviours and attitudes that resulted in workers feeling marginalised, excluded or trapped in the workplace often manifested themselves through informal conversations and hidden interactions and practices. While some workers expressed concern about the exercise of arbitrary management discretion, staff seemed reluctant to complain or raise issues of unequal and unfair treatment through formal channels such as grievance procedures. As well as having a lack of faith in such channels, and sometimes feeling that unequal treatment was too subtle to prove, workers feared being seen as difficult and damaging relationships with senior colleagues. Also, they were not always aware their rights at work, which contributed to the overall impression of unequal treatment being under-reported at work.

Although workers drew on family and friends as a source of support and solidarity, helping them to deal privately with problems arising in the workplace, there seemed to be less engagement with trade unions on equalities issues, even among members. While managers are the gatekeepers of workplace opportunities, trade unions can play a role in supporting individuals, and many had joined a union for this reason. In our sample, ethnic minority workers were less likely than white workers to be members of trade unions; so, when faced with issues of discriminatory treatment, their potential voice was not as strong as that of their colleagues.

When low-paid workers were asked about their engagement with trade unions, there were mixed views on whether unions were fulfilling this role, especially in relation to equality and diversity practices. Where exclusionary practices were experienced, there was little inclination to turn to unions for support. Generally, union representatives were perceived as cautious or reluctant to engage with specific equalities issues when challenging workplace climates affected by austerity. However, unions were supportive of the policies geared towards promoting dignity at work, which is explored in the next chapter.

Key points

- Low-paid workers suggested that key factors which facilitated progression included supportive line managers and colleagues who alerted staff to new opportunities, encouraged them to learn, and provided constructive feedback within and outside of PDRs.
- Many low-paid workers lacked a sense of inclusion in the workplace, largely due to informal practices in some pockets of organisations undermining practices being fostered by formal policies and procedures.
- The main factors reinforcing low-wage traps and contributing to wasted potential included:
 - a lack of line management support, and poor linkage of training and development opportunities to progression pathways;
 - ethnic minorities being further disadvantaged by a lack of transparency in information on training opportunities;
 - working hours, and family and community commitments and orientations compounding difficulties in participating in further education;

-
- management acts of conscious and unconscious bias limiting access to opportunities and fueling workplace inequalities.
 - Ethnic discrimination, in part reflecting cultures imported from outside of the workplace, emerged in accounts of workplace favouritism, stereotyping (including type-casting in certain roles) and under-recognition of skills and experience.
 - Recruitment through social networks appeared to be a double-edged sword. They contributed to favouritism and locked some ethnic minority workers into low-paid jobs.
 - Unequal treatment was often hidden and under-reported because of workplace contexts that bred a reluctance to complain to management or trade unions.

5 CONCLUSIONS AND THE WAY FORWARD

This chapter collates the key findings that relate to the main research aim of providing insights into the relationship between in-work poverty, ethnicity and workplace cultures. It considers how more inclusive informal workplace cultures might be promoted, and outlines recommendations for addressing in-work poverty, particularly for people from different ethnic minority groups

Informal workplace practices, ethnicity and in-work poverty

Previous research has provided examples of good practice championing of low-paid worker progression being undertaken and supported at all levels of the organisation (UKCES, 2012), which fostered a culture of progression. However, considering the views of low-paid workers, as well as managers, the conclusions drawn from this study present a more negative picture of low-paid working lives. The research has mapped the multiple ways in which informal workplace practices can undermine equal opportunities policies and processes, trapping some workers in low-paid work and contributing to persistent in-work poverty.

Table 5 presents a typology of interrelated barriers to progression, summarising the common barriers experienced by most low-paid workers. It also shows the additional barriers that workers from ethnic minority groups are likely to experience, including those born in the UK and recent migrants. In so doing, it outlines commonalities in experience among migrant workers and among UK-born ethnic minority workers. The table draws on the findings of previous research (reviewed earlier in the report), as well as those from the current study.

The overall picture suggests that while low-paid workers of all ethnic backgrounds are susceptible to such low-wage traps, ethnic minority workers are disproportionately affected. They tend to be the biggest 'losers' since they face additional barriers to progressing to better-paid work. Such

barriers are due to a combination of differences in their living situation and informal workplace practices, which tend to operate to their disadvantage. An important step towards improving the position of all low-paid workers is to raise awareness of how informal workplace practices make it difficult for them to progress to better-paid work, and pose additional challenges for ethnic minority workers.

Table 5: Common barriers to better-paid work experienced by low-paid workers and additional barriers experienced by ethnic minorities

	Common barriers	Additional barriers faced by UK-born ethnic minorities	Additional barriers faced by recent migrants
PERSONAL AND STRUCTURAL BARRIERS	Lack of financial resources to pursue further education	Certain ethnic groups (e.g. Pakistani and Bangladeshi) experience high levels of socio-economic disadvantage	
	Difficulty of combining work with study due to working hours		Need to develop fluency in English
	Childcare costs	Lack of access to culturally sensitive childcare	Lack of access to informal care by relatives since these may be living abroad
		Lack of awareness of institutions and organisational activities	
ORGANISATIONAL BARRIERS	Working at levels below skills and qualifications	Under-recognition of skills and experience	Lack of recognition of overseas qualifications
	Fewer working hours than desired		
	Working hours limit opportunities for private study		
	Lack of access to developmental opportunities	Community language skills can trap individuals into certain job roles	
		Lack of transparency in information on training opportunities	
	Training focused on current job	Stereotyping and prejudice; more likely to report unequal treatment in developmental opportunities	
	Lack of progression opportunities; informal recruitment practices	Lack of role models from ethnic minority communities; cultural barriers to seeking promotion	
Lack of opportunities for horizontal movement	Lack of social interaction with others in the organisation		
COMMUNITY-RELATED BARRIERS	Lack of useful connections in areas of deprivation	Isolation beyond the workplace, lack of familiarity with cultural context; exclusion from social activities with majority population	

Ethnic minority women experienced multiple disadvantages associated with both ethnicity and gender. This reflected their greater likelihood to be involved in the care of young children due to the younger demographic structure of the population. It also reflected a lack of affordable and appropriate childcare support and, in some cases, aspirations put on hold by limited opportunities for better-paid work commensurate with family commitments (see also Stewart *et al.*, 2012). In many cases this was compounded by caring responsibilities for older or disabled people and the difficulty of finding appropriate alternatives to the care they provided (a theme explored further in Khan *et al.*, forthcoming²). In more rural areas, limited employment opportunities were a further constraint on strategies to move out of low-paid work, reinforcing low-wage traps and increasing the importance of within-work opportunities. More broadly, employee decisions

regarding whether to stay with the same organisation or to risk moving elsewhere were influenced by:

- extensive organisational restructuring;
- increasing trends toward the outsourcing of low-paid work;
- limited opportunities for progression.

The balance between employer, and employee actions and attitudes

The study has revealed how managerial mindsets and actions can result in conscious or unconscious biases that profoundly influence the attitudes and actions of low-paid workers, and the work opportunities available to them. Power imbalances between managers and low-paid workers shape patterns of daily social interaction, in which some workers are recognised and included, while others are marginalised. Therefore, while some low-paid workers may actively contribute to organisational goals and objectives or pursue further or higher education, the extent to which their efforts result in career advancement is dependent on managerial recognition and validation. In many cases, both recognition and validation appear to be strongly shaped by workers' ethnic identity. Ethnic minority low-paid workers were more likely to describe formal and informal under-recognition of their skills, experience and hard work. Workers from 'visible minorities' were more likely to attribute under-recognition to a mismatch between their ethnic identities and the organisational expectations and norms for managerial roles. The lack of ethnic minority role models in managerial positions served to both reinforce and reproduce progression ceilings. This could be attributed to the wider context of austerity, whereby managers were reluctant to address workforce inequalities, or simply to poor management skills. Either way, it was clear that such conscious and unconscious bias had the impact of lowering low-paid worker morale, aspirations and prospects for better-paid work.

Discrimination within the workplace

The accounts of ethnic minority low-paid workers revealed many facets of subtle and less subtle discrimination within the workplace. This included a lack of equal access to key training opportunities, unevenly distributed workloads, stereotyping – in terms of roles they were expected to play within the organisation – and difficulties in integrating within the workplace. Typically, the latter was attributed to their ethnic or religious identity, accent or visible difference, rather than other aspects of their multiple identities, including gender, age, disability or sexuality. Commonly it was under-reported, with many stating that they found it difficult to challenge exclusionary practices within the workplace, due to a fear that this would increase the difficulties they faced. This study has revealed the links between workplace discrimination and persistent, in-work poverty, reinforcing the need to tackle such discrimination. In particular, barriers that hinder merit-based progression out of low pay could waste potential talent.

Towards more progressive and inclusive workplace cultures

Our focus now turns to measures that support workers in progressing to better-paid work, and towards greater workplace equality of opportunity in the wider context of social justice, corporate social responsibility and compliance with the legislation. There were signs of some good practice that might foster a positive workplace climate for low-paid worker progression in the case study organisations (see Chapter 3). Seven main areas are considered, along with references to useful approaches and examples of good practice:

- widening access to developmental opportunities;
- enhancing the role of managers in supporting staff;
- encouraging social interaction in the workplace;
- implementing positive action strategies;
- equality proofing of procurement policies;
- benchmarking and monitoring of equality data;
- community engagement and collective mobilisation.

Widening access to developmental opportunities and creating a culture of working to learn

In terms of boosting developmental opportunities for all low-paid workers, our findings suggest the need to invest in a variety of learning opportunities, underpinned by a cultural shift towards 'working to learn' (rather than 'learning to work'). In one NHS Trust, such support was viewed within a framework of lifelong learning. These approaches should be based on an awareness of the diversity of the low-paid workforce, in terms of existing skills and qualifications. For instance, in our sample, White British or White Scottish low-paid workers were more likely to possess few, or no, educational qualifications; ethnic minority workers who had grown up in this country were more likely to hold level 2 or 3 qualifications from school and/or further education colleges; while many recent migrants held degrees. The extent to which this may be generalised is not known,³ yet such diversity indicates the need for more nuanced strategies to low-paid worker progression. At a national level, the longstanding issue of scrutinising the transferability of overseas qualifications remains relevant.

As noted earlier, the demand for workers with low skills has been estimated to be declining. High-quality apprenticeships could be an important feature of employer efforts to create 'working to learn' workplace cultures and raise skills. Modern Apprenticeships, covering a range of employment sectors, are a key government-funded means of promoting employability, and their numbers are set to increase. The Apprenticeships offer people over 16 a combination of paid employment, workplace training and off-the-job learning to enable them to gain new skills and recognised qualifications. While their quality has come in for criticism (National Audit Office, 2012), our research has presented several examples of them working well. However, our research has also reflected how apprenticeships are geared more towards younger, new entrants to the labour market, rather than longstanding staff; and reflected a view that it was easier to support the progression of new, younger, entrants. While youth unemployment is, and should be, a key concern (Chartered Institute of Personnel and Development, 2012); the potential of apprenticeship-type programmes to support the progression of existing (and older) low-paid workers should not be overlooked. There was also HR interest in the potential for unionlearn to support such workforce development initiatives.

Generally, supporting individuals from all ethnic backgrounds to take up vocational or other accredited qualifications, including through flexible working arrangements, potentially facilitates progression. However, fostering working-to-learn approaches is not only about qualifications and credentials (Felstead *et al.*, 2009). Informal on-the-job training, coaching, mentoring, secondments and placements offer additional possibilities for workers to increase their skills, with social relationships being a key vehicle for learning and development. This could be supplemented by a strategy of supporting internal applications and including relevant work experience in place of an over-emphasis on formal qualifications in the promotion process. One example of good practice in supporting routes into middle and senior management is described in Box 2. Higher ethnic minority representation at managerial levels plays an important role in signalling that it is possible for individuals from diverse ethnicities to progress through the organisation. It may also contribute to more managerial support for progressing ethnic minority workers.

Box 2: Talent Pools

One case study council was in the process of introducing Talent Pools in order to help address the under-representation of ethnic minority communities in senior roles. The aim was to provide a non-qualification route to progression into middle and senior management grades, so helping to inject greater flexibility in progression requirements, while maintaining the principle of progression on merit. As part of a blended learning approach, staff recommended to the Talent Pool are to be provided with opportunities for work shadowing, secondments, project work, soft-skills training and coaching. These development opportunities are to be tied to an individual learning and development plan tailored to an individual's specific needs and, where possible, career aspirations.

Given the limitations of PDR processes discussed in Chapter 4, access to independent career advice within the organisation plays an important role. While less effective PDR processes negatively impact on low-paid workers from all ethnicities, ethnic minority workers are likely to be particularly affected, given their tendency to be cut off from informal flows of information. Publicising vacancies is essential, but low-paid workers may also need to be encouraged to consider vacancies that are not directly related to their current role:

“The policy is ... that we should advertise all jobs internally ... but I don't know if the Latvians, the Lithuanians and whoever else have this experience in their own country, would be sitting here thinking, actually I could do that. So should we not be encouraging them? I think so.”

NHS2, manager

It is also important to raise awareness of rights to apply for promotion, grants or bursaries, supported by explicit articulation of equal opportunities policies in these areas within organisations. Low levels of confidence among ethnic minority workers, as reported by some workers and managers, reinforce the case for providing personal support with job applications,

including CV and interview preparation. This might be supported by HR for internal promotion applications, and by agencies such as Jobcentre Plus in initial recruitment processes. In the past, Jobcentres have had an Employer Engagement Strategy which aimed to provide a high quality, consistent service to employers and to get clients to work, particularly those at disadvantage in the labour market (Joyce *et al.*, 2006). Equality and Diversity Managers and Specialist Employment Advisers were roles developed in support of this strategy and helped to develop awareness of diversity issues. As implied in previous research (Hudson *et al.*, 2006), support for these kinds of role can increase the scope for Jobcentre Plus to work with employers on diversity issues that engage with the disadvantage of some ethnic minority communities.

Many recent migrants recognised the need to acquire fluency in English as a means of progressing out of low-paid work. Examples of supportive workplace practices included the provision of work-based classes in one NHS Trust and bespoke English classes for a refugee trainee in Housing2. Such creative interventions are particularly important in the context of stakeholder concerns about a lack of supply of English language provision in Areas 1 and 2 (despite the emphasis on English skills in policy discourse on social integration and community cohesion).

Other factors to be taken into account in ensuring equal access to progression and promotion opportunities are the specific needs of women and disabled people. For instance, support for working mothers, including (lone) ethnic minority mothers, may take the form of facilitating access to affordable childcare (e.g. on-site crèche provision or childcare vouchers) and allowing flexitime. In terms of progression, more part-time jobs at higher levels might allow women in particular to fulfil their career-related aspirations alongside caring responsibilities. Disabled people might need to be supported by providing the equipment or help they need, and attention paid to ensuring due representation in the short-listing process.

More generally, different levels of (computer) literacy and shift patterns need to be considered in terms of ensuring more equal access to progression opportunities. For those on short-term contracts, more can also be done to support continuity of employment:

“If I’m Fred and I work in a contract near London Bridge, it may be that I need to go to another contract for the next opportunity, and I think we could do more creating, promoting those opportunities on other contracts.”

FacilitiesCo1, HR manager

Key areas for action here include facilitating networking opportunities between staff in different departments and at different levels of the organisation. However, there is also the need for increased awareness of the discriminatory nature of informal recruitment processes. These appear to favour White British or White Scottish individuals over ethnic minority individuals in some of our case study organisations.

Enhancing the role of managers in supporting staff

As already discussed, the role of managers in supporting and encouraging staff to progress, and supporting equal opportunities, was seen as crucial by low-paid workers and some (though by no means all) managers. It is a long-standing theme in the workplace literature (Collinson *et al.*, 1990; Greene and Kirton, 2009):

“It comes down to having quality managers who are well educated in these issues. They’re up to date with what they are required to do, what their obligations are, how the policies should be applied and stick to it ... that’s where the frontline interface is ... And then others will, hopefully model themselves on that.”

NHS2, HR manager

As part of this, managers had a key role to play in supporting access to developmental opportunities for both the current job and beyond, and acting as role models for continuous professional development. As in Council1, this could include identifying skills that could be transferred to other roles or departments to support deployment policies that accompany workplace restructuring or downsizing.

To support this, the availability of training that enabled managers to incorporate equal opportunities as an integral part of their role was advocated:

“You need to consider this alongside everything else you do ... The ethos is try to not to see things in boxes, but try and see ... things in the totality, think about the legislation, make sure that you are practising appropriately.”

NHS2, HR manager

Greater emphasis on the managerial role in recognising potential among the low-paid workforce could also be reflected in Performance Development Reviews (PMRs).

Supporting career progression also involves removing informal blocks to progression – an issue identified by both managers and low-paid workers as discussed in Chapters 3 and 4. With specific relevance to ethnic minority workers in low-paid roles, it is important to ensure that organisational processes do not ‘trap’ them due to their links with specific communities and ability to communicate in languages in addition to English. It also involves ensuring that workload is fairly distributed in terms of both volume and complexity. This was an issue identified by several low-paid ethnic minority workers who felt that while expectations were higher of them, formal recognition of additional responsibility placed on them was lacking.

Social interactions, staff forums and bullying in the workplace

Chapter 4 discussed the importance of the relationship between low-paid workers and their managers, indicating the scope for positive relationships to contribute to better developmental opportunities, and negative ones to constrain such opportunities. Such evidence highlights the need for managers to ensure that their personal dispositions to low-paid workers, whether positive or negative, do not lead to the staff they manage being unfairly treated in terms of opportunities for career development and progression. Such awareness might be facilitated by equalities training or toolkits that illustrate the impact of conscious and unconscious bias in the workplace.

The research explored the existence and usefulness of staff forums organised around equalities groups. Such forums were at various stages of progress in NHS1 and NHS3, Council1 and Council2, and Housing1 and Housing2. Among the benefits identified by both managers and low-paid

workers was the potential for such forums to provide a collective voice on organisational policies and practices that might impact adversely on certain groups. Well-organised and resourced forums could also play a useful role in facilitating organisational change and promoting more inclusive workplace cultures, for example through highlighting, more generally, issues that were difficult to raise at an individual level, and by providing a mechanism for peer support and ‘the powerful’ to engage with ‘the powerless’. As an example of a positive outcome identified by a staff forum for women, Housing2 reported that it was investigating the potential to introduce childcare provision within the organisation. Other benefits that were cited were the role of such forums in reducing isolation and marginalisation in the workplace, supporting research by Bhavnani and colleagues (2005). These findings also strike a chord with those presenting formal and informal peer support mechanisms as a complement to management support and guidance through progression pathways (UKCES, 2012). However, not all ethnic minority employees were aware of the existence of such forums in the organisations concerned, or felt the need to become members of such groups. One view was that membership of such groups by workers from ethnic minority groups could be counter-productive in emphasising ‘difference’ and ‘outsider’ status. Another issue raised was that the organising of staff forums required adequate resourcing in order to be effective and inclusive. There were particular challenges around the inclusion of low-paid workers, for example, due to shifts or part-time work. Yet, on balance, there certainly seemed sufficient merit in exploring the value of establishing and supporting staff forums for low-paid workers. In the words of one HR manager:

“Having such a platform where [low-paid workers] can air their views and offer support to one another and maybe from corporate provided support, would be, I would say, to the advantage of the organisation. Staff engagement is quite key, not just to the morale ... but even the outputs. Happy staff, happy patients.”

NHS1, HR manager

Reinforcing the value of such forums as a support mechanism for low-paid workers, this study found that the worst manifestations of negative personal relationships are the incidents of bullying and harassment perpetrated by managers. Such incidents contribute to unhealthy work environments, lower staff morale and hinder career development. Although managers in our case study organisations believed that adequate policies and processes were in place to prevent and tackle bullying and harassment, low-paid workers in some of our case study organisations told a different story, recounting mainly incidents of verbal abuse. One of the main solutions advocated by such workers was the opportunity to make complaints in confidence and the need for ongoing vigilance:

“Sometimes they have a meeting ... and no-one is speaking. No-one says a word because the person bullying you is in front of you ... You have to keep an eye on everyone ... even someone who has worked there for 20 years ... especially when someone worked long, they know all the tricks ... Listen to people and let people talk ... take it (feedback) from every colleague.”

Vietnamese woman

Suggestions for addressing bullying or harassment included contacting unions or, more rarely, reporting such incidents to senior managers or noting such incidents for future action if necessary:

“As ethnic minorities, we have a duty ourselves, as well to bring these things up, talk about it ... Maybe in taking note when things happen.”

Zimbabwean man

As an example of good practice, the international hotel chain case study provided an anonymous helpline to enable staff to report anonymously incidents of bullying or harassment, which would be brought to the attention of the management. Box 3 illustrates another example of good practice, this time within the NHS, to tackle bullying and harassment.

Box 3: Embedding Dignity at Work policies into workplace practice

Dignity at Work policies have been introduced in the NHS in response to concerns about bullying and harassment in the workplace disproportionately affecting ethnic minority groups, and their reluctance to approach HR. For example, HR in NHS1 found that staff with complaints about bullying wanted to have someone to talk to in confidence about their experiences, rather than going straight into a stressful formal grievance procedure. Following advice from the Royal College of Nursing, a Dignity at Work Charter was developed, with trade union support, outlining desired values and behaviours. A training programme was devised for volunteer Dignity at Work advocates, supporting their skills development in listening to staff complaints, and providing advice and counselling. An extensive communications programme was planned across the Trust to raise awareness of the Charter, which was introduced to all new staff in mandatory inductions. Training sessions were run for middle managers to ensure their buy-in to the Charter and Dignity at Work model. The aim was to roll out Dignity at Work advocates across the whole Trust to embed the model into workplace practice.

Positive action

The potential for positive action to counter labour market discrimination in recruitment and promotion among ethnic minority workers has been established in UK law since the 1970s. Under the Equality Act 2010, the key form of positive action is the voluntary use of measures to enable persons who share ‘a protected characteristic’ (e.g. race/ethnicity or gender) to take full and equal advantage of opportunities in, for example, jobs, education and training; without this action they would remain disadvantaged.

The specific challenges faced by ethnic minority workers provide a powerful case for considering positive action to contribute to a level playing field.

Concurring with previous research, our study found that while positive action strategies have proved highly successful in improving opportunities for labour market progression, the understanding of the term is variable (Kamenou *et al.*, 2012). When explained to them, many managers agreed with the need for measures to enable individuals from disadvantaged

backgrounds to compete for jobs on an equal footing. As pointed out by an ethnic minority low-paid worker:

“The most deprived people are going to stay deprived, if there is no support ... we don't have people in our families whose higher income can support us, so who do we turn to? ... If we don't get the right support ... we are just going to stay at the bottom.”

Council worker, British Bangladeshi woman

Such action can take the form of targeting under-represented groups for specific work-based learning opportunities and support, such as traineeships, as illustrated in Box 4.

Box 4: Positive Action – PATH Trainee Schemes

PATH Trainee Schemes are an example of long-standing forms of positive action to increase ethnic minority workforce representation, and were practised by both Housing1 and Housing2. Typically, PATH trainees work part-time for their employer, learning on the job in different parts of the organisation while also studying for a housing qualification on a part-time basis. Although there is no guarantee of a job at the end of the traineeship, many do get a job with the housing association. Currently such schemes act mainly as a means of recruiting ethnic minority employees, but there is undoubted potential to extend them to address 'glass ceilings' to managerial posts within the housing profession.

Another way in which positive action can be taken is through Modern Apprenticeships. Box 5 explains how one such scheme works and the impact of the programme. Given high levels of poverty in certain ethnic groups, the emphasis placed on such schemes and their potential to provide a structured route into employment, more attention should be paid to publicising such schemes in areas with a high concentration of ethnic minority communities. This can be undertaken through outreach activity, as in one NHS Trust. Similar outreach activity can also be extended to other under-represented groups, for instance, women and disabled people.

Box 5: Modern Apprenticeships – the NHS Cadetship

The NHS Cadetship scheme is an example of a Modern Apprenticeship targeted at school leavers. It provides a pathway to a degree in nursing through part-time work in a hospital and part-time study over a 3-year period. Analysis of this scheme revealed that the aspects that facilitated successful completion of the programme included the assignment of workplace mentors to each apprentice and supportive line managers. Reported benefits of participating in the scheme included enhanced confidence, extended social networks, opportunities for learning on the job, experience of engaging with the public and other transferable skills, in addition to routes to permanent employment.

In contrast, perceptions of provisions for 'tie-breaker' situations under the Equality Act 2010 found mixed responses. The provisions allow for an under-represented candidate to be privileged over a White British or White

Scottish candidate when two equally qualified candidates apply for a post. Reasons in favour of implementing such legislation included the potential to promote an ethnically diverse workforce and counter organisational tendencies to discriminate against ethnic minority applicants. Reasons against this included the potential for this measure to be viewed as taking jobs away from the majority population and undermining the credibility of the ethnic minority job holder. Alternatively, in situations where two candidates appeared to be equally qualified, suggestions included closer scrutiny of the requirements of the job and further appraisal of the relative merits of the two candidates.

Equality proofing procurement policies

A recurring theme in the deliberative workshops was the importance of equality proofing procurement policies. In neither facilities management case studies, typical of organisations currently meeting the demand for outsourcing, did equal opportunities appear to be a high priority. There also seemed to be a lack of awareness of good practice. While the facilities management companies had equal opportunities policies in place and clearly outlined a business case for diversity, they were arguably the least developed in terms of their implementation of these policies. We have also seen that informal recruitment practices appeared to be common in one of the facilities management companies.

These insights suggest that a potential agenda for change in workplace cultures and practices, particularly for public sector organisations, involves promoting equalities practices in supply chains. That is, seeking to influence the equal opportunities climate for low-paid workers who are potentially disadvantaged by the fragmentation of work and employment noted in Chapter 1. Only one of our case studies, Housing1, had a formal policy of cascading equalities requirements into supply chains. In NHS1, several managers felt that it was important to try to incorporate outsourced workers (e.g. porters, cleaners, security) into its emerging cultural change strategy:

“There is the stuff I’d like to do more around the contracted staff, ideally around those supply chains as well. We should be an ethical employer in that sense.”

NHS1, senior manager

The Equality and Human Rights Commission has produced good practice guidance around the mainstreaming of equalities in procurement, drawing out its relevance to meeting the requirements of the Public Sector Equalities Duties (Equality and Human Rights Commission, 2013). The potential for procurement to also engage with fair pay is illustrated by public sector examples of employers encouraging businesses and services with which they deal to adopt the Living Wage (see Chapter 3).

Bench-marking, monitoring of equality data and mainstreaming of anti-poverty strategies

Another area for development that would enable organisations to review opportunities for progression among low-paid workers from all ethnic backgrounds is through ethnic monitoring and benchmarking of workforce data, including promotions and take-up of training and development opportunities. This should include the position of women, including ethnic minority women, who have higher rates of unemployment than ethnic minority men and white women. Among public sector organisations,

this would ensure compliance with the Equality Act 2010, which places requirements to monitor and report on actions across their diversity strands. However, as a report by the EHRC (2012b) on publishing equality information points out, the collection (and review) of data is only useful if it informs decisions about policies and practice. One example of this might be outreach work or worklessness initiatives in particular geographical areas, where ethnic minority groups are heavily concentrated, as was being planned by Housing2.

At a local authority level, analysis of equality data on employment statistics should be used to inform anti-poverty policies and strategies, so helping to ensure explicit links between action on tackling worklessness and low pay—no pay cycles and labour market inequalities. At a national level, such data should be used to inform policy debates about the sensitivity of anti-poverty strategies to all sections of the population, including ethnic minority communities. This would help ensure clear and explicit links between anti-poverty and equality strategies. It is an area that should receive greater attention, given the considerable overlap between the groups of people with which both strategies are concerned.

Community engagement and collective responses: a role for trade unions and community mobilisation

One potential area for development that would enable organisations to ensure that ethnic diversity is reflected at various levels of the workforce, and so counter potential bias against ethnic minority workers, is community engagement. The most common forms of engagement identified were proactive promotion of opportunities to people who may not be fully aware of the range and quality of jobs on offer. For example, managers from both the housing and health fields identified the need for more actively promoting the activities undertaken within their respective organisations, including among women from ethnic minority groups. More unusually, one housing association had engaged with a group of Polish tenants, initially as a means of assessing the impact of its new allocations policy. This led to the setting up of English classes for this group and the publicising of opportunities to gain access to grants and bursaries for further or higher education. The last example is illustrative of more sustainable forms of community engagement, which are more likely to influence organisational ethos and activities over time, and so merit greater attention.

To some extent, issues of low pay, lack of progression routes and informal discrimination in recruitment and promotion processes can be tackled through improving opportunities and support on an individual basis. In so doing, routes would be created that empower workers to move into secure jobs and up through the ranks according to their abilities and qualifications. However, in many cases a more collective strategy may be needed, where trade unions and community organisations campaign for a Living Wage, decent and equitable conditions at work, and for existing policies to be properly implemented. Such collective approaches are, of course, not without their challenges (Perrett and Martinez Lucio, 2009).

While the development of, and engagement with, staff networks and forums may help, difficulties in mobilising the workforce across different shifts and micro-workplaces, and overcoming language barriers, will need to be addressed. Good communication and leadership are crucial in developing a sense of solidarity among workers: a shared identity and confidence encourages people to challenge discrimination and gain access to better information (e.g. about wage rates, pay gaps, diversity monitoring and employment rights), perhaps using Freedom of Information requests in the case of public bodies.

By building up broad alliances involving a range of trade unions, local community and voluntary organisations, especially those concerned with poverty and race equality, workers may be able to exert a combination of collective pressure and evidence-based persuasion on employers to provide greater security, higher wages and fairer progression opportunities for ethnic minority workers. Links with agencies such as Citizens Advice Bureaux, law centres, local authorities' economic development or low-pay units, the Equality and Human Rights Commission (EHRC) and the Advisory, Conciliation and Arbitration Service (Acas), might supply useful information and advocacy in relation to legal frameworks and rights. Influencing key decision-makers to address low-pay issues – including temporary contracts – requires collective models of campaigning focused on a common set of demands. Such campaigning should be mobilised by champions outside, and change agents within, an employing organisation.

The next chapter presents recommendations to counter persistent poverty among low-paid workers, including ethnic minority workers.

6 RECOMMENDATIONS

The following recommendations focus on the actions and support needs of large employers, who were the focus of this research, and other key stakeholders. As the gatekeepers to employment opportunities, employers have a crucial role to play in addressing in-work poverty and negative informal workplace cultures. Key stakeholders, including government, also have an important role to play in supporting and encouraging large employers to provide better progression opportunities for low-paid workers of all ethnicities.

As noted in previous research (UKCES, 2012), while some employers do support progression for low-skilled workers, the challenge is to encourage more to do so. However, employers cannot tackle the issues alone; other stakeholders also have an important role to play. The recommendations engage with the personal, organisational and community-related barriers experienced by low-paid workers in general, as well as additional barriers encountered by ethnic minority workers (see Table 5). The recommendations reflect how entering into the spirit of the Public Sector Equalities Duty (and going beyond the bare minimum of activities) requires leadership and commitment to enabling low-paid workers to progress to better-paid work.

What can employers do?

Taking a more strategic approach

- Employers should take a more strategic approach towards supporting career progression among low-paid workers from diverse ethnic backgrounds. Reinforcing the findings of previous research (UKCES, 2012), leadership from the top and clear organisational commitment is essential in fostering a culture of progression. Moreover, employers need to formulate action plans that address barriers to progression affecting all low-paid workers, as well as the additional barriers affecting ethnic minority workers.

Addressing the barriers common to all low-paid workers

- Even those employers that have made considerable progress with equal opportunities and practices may need to address the issue of pockets of informal workplace culture within their organisation by raising awareness of the potential for exclusionary behaviour to limit developmental opportunities for all low-paid staff, and particularly those from ethnic minority groups.
- Providing developmental opportunities for all low-paid workers should be mainstreamed in the performance management systems. Managers' performance objectives should include team development and ensure an inclusive approach that supports the development of all team members.
- Employers should pay greater attention to building working-to-learn cultures. Opportunities for work-shadowing, coaching and mentoring are important in supporting cultures of progression for staff of all ethnic groups. This is part of the process of building in appropriate workplace support for training and promotion, with a view to enabling people to feel supported in taking steps to advance at work with their current (or a new) employer. Once established, these support structures should be evaluated to ensure that they are fit for purpose.
- Employers should provide opportunities for low-paid workers to interact with other employees in various organisational hierarchies, both within and across different departments.
- Procurement is an important tool for ensuring that low-paid workers providing outsourced services are supported to progress out of poverty. Policies that support progression and equal opportunities policies should be cascaded through supply chains and accompanied, where needed, by advice and support. They also need to be enforced, aided by active monitoring of contract performance that includes equalities progress and outcomes.
- Similarly, employers who have signed up to the Living Wage should promote it in their employer networks and supply chains, although the economic context of stagnation and austerity may hinder take-up.

Addressing additional barriers for ethnic minority workers

- Employers should address the over-representation of low-paid ethnic minority workers. They need to be strongly encouraged to adopt benchmarking and monitoring. This pivotal activity should occur not just at recruitment, but also on progression, retention and development. Other employers should consider refining what they are doing, for example, by distinguishing between White British and Central and Eastern European migrant workers in ethnic monitoring data. On the basis of that data, they should formulate clear actions plans to address workplace inequalities and disadvantage.
- Employers need to be aware of the potential for unequal access to both formal and informal development opportunities among employees, and take measures to ensure transparency of access to such opportunities among all employees.
- Employers can take positive action to enable individuals from disadvantaged and ethnically diverse backgrounds to compete for more highly paid jobs on an equal footing. While some employers are taking positive action in some parts of their organisation, other employers need to understand and engage with the potential of positive action. Equalities training needs to increase understanding of the nature and value of positive action and how such action can be taken within the workplace, including effective communication to all staff on the reasons for such action.

- There is a need for ongoing training in equal opportunities policies, rather than such training being provided on an ad hoc basis. Toolkits may be a useful means of addressing hidden practices such as stereotyping that disproportionately impact on some ethnic minority workers.
- Employers should ensure ongoing vigilance and responsiveness to bullying and harassment, and other discriminatory practices in the workplace, including the use of confidential and safe mechanisms for reporting. Dignity at Work policies and related practices might be a vehicle for a wider organisational engagement with these negative aspects of workplace personal relationships. Dignity at Work advocates also provide scope for anonymous third-party reporting of bullying and harassment. This may help to overcome people's sense of vulnerability in reporting both the subtle and less subtle forms of discrimination that occur in employment relationships.
- Employers should consider setting up staff groups and networks within the workplace, including low-paid workers and equality groups. These structures can provide a forum for discussion on organisational policies and processes, where staff can build a collective voice on issues of concern. These groups should be adequately resourced and include mechanisms for communicating with senior managers. Where trade unions have a workplace presence, they have the potential to foster and support this activity. Such groups can also be a route into accessing mentoring, training and development opportunities, including peer support.
- Community engagement activity beyond the workplace should be supported to build links with local communities and to establish mechanisms for involving those communities in decision-making processes that impact on local services and employment opportunities. This activity should involve managers. Increased organisational understanding of a more diverse range of communities would also contribute to better workplace relationships.

What can government agencies and equalities organisations do?

- Organisations such as Acas, EHRC, Race for Opportunity and Jobcentre Plus need to be supported in the equalities work that they do with employers, including deepening understanding of the relationship between workplace cultures and progression opportunities. This may include developing employer guidance and toolkits, and sharing knowledge and experience with employers and each other.
- There should be support for increased employer awareness of good practice in benchmarking and monitoring. For example, through the work of Business in the Community's Race for Opportunity, and by engaging with in-work poverty, organisations can review how far different levels of the workforce reflect the local labour force, and how their practices affect employees of different ethnicities. Although the Race for Opportunity campaign is UK-wide, Business in the Community does not have an office in Scotland. This needs to be addressed so that stakeholders in Scotland are encouraged to engage with the Race.

What can national and local government do?

Closer links between anti-poverty strategies and equality practices at the national levels are recommended.

- In England, the Ethnic Minority Stakeholder Group acts as a critical friend to the DWP in Westminster, on actions it might take to ensure ethnic minority groups do not face disproportionate barriers to achievement

in the labour market. Building on the work of this group and the current research requires increased joint planning and action between policy teams, to focus on anti-poverty and equality strategies. For example, as one important way of engaging with issues of labour market progression, employability schemes such as Modern Apprenticeships should have greater focus and transparency around take-up by ethnic minority communities. In particular, greater priority needs to be given to supporting (and requiring) employers to comply with the requirements of Public Sector Equality Duties (PSED), promoting workplace equality as part of anti-poverty strategies.

- The Scottish Government could make the development of low-paid workers, including ethnic minority groups, a ministerial priority under PSED and/or use the Equal Opportunities Committee to scrutinise progress.
- Government has a role in addressing the gap in provision for an adult careers service that might support employer efforts to develop working-to-learn workplace cultures and practices. This should include support with language learning, through ensuring adequate ESOL provision. Alongside this, support for women should involve access to culturally appropriate childcare. Financial barriers to further education for some low-paid workers should also be acknowledged by sharing the costs of further education and training.
- Since the Work Programme focuses on sustainable outcomes, Jobcentre Plus and Work Programme providers should monitor outcomes for clients from different ethnic backgrounds, including sustainability and progression in work, and publish this data. This should be done in the spirit of PSED.
- At the local level, there is potential for local authorities to work with stakeholders in Local Economic Partnerships to develop a focus on tackling in-work poverty. Drawing on this research, they can engage with employers (and employers' organisations such as Chambers of Commerce) to raise awareness of the realities of low-paid work for some workers. For example, local stakeholders can be brought together to discuss the causes of in-work poverty and solutions to in-work poverty locally. They can provide an opportunity to raise awareness of good practice, such as the use of existing toolkits for raising awareness of unconscious bias. Such stakeholder discussions can work towards the development of action plans suited to local needs. With adequate resources to prioritise work around equalities and in-work poverty, Race for Opportunity can provide support.

What can trade unions and community organisations do?

- The pursuit of the Living Wage remains an important collective strategy for improving the position of low-paid workers. Similar community mobilisation around wider terms and conditions for ethnic minority workers is needed to support an agenda of closing the gap between workplace equal opportunities policy and practice. The newly formed Race Equality Coalition UK has the potential to engage with in-work poverty and campaign for progressive change.
- There needs to be an active effort to raise awareness among HR managers of some of the good practice being developed by Union Learning Representatives (ULRs). This includes the potential for ULRs to play a more active role in helping individuals to access careers information and advice. There are currently over 23,000 ULRs in the UK.
- CEMVO Scotland and Voice4Change England have a continuing role to play by contributing their experience and knowledge of the factors

that help create in-work poverty for ethnic minority communities. For example, those organisations could work with local and national stakeholders to address and regularly review the issue. Other organisations could also act with them, as community assessors of efforts to mainstream race equality.

NOTES

- 1 Our point of reference for classifying qualifications into levels can be found at: <https://almanac.ukces.org.uk/Skills/What%20do%20qualifications%20levels%20equate%20to/Forms/AllItems.aspx>. For our analysis we provide an approximate conversion of overseas qualifications into the UK national qualification framework, relying on self-reporting.
- 2 This forthcoming poverty and ethnicity programme study explores the balancing of caring and earning for British Caribbean, Pakistani and Somali people.
- 3 A comparison of the qualifications of low-paid White British and ethnic minority workers could potentially be undertaken using the Labour Force Survey. However, there is a problem that for people with educational qualifications outside the UK it is difficult to 'convert' qualifications into UK classifications, therefore people may be put in a category of 'other' qualifications. There is also an issue about the reliability of low-pay data.

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APPENDIX

The low-paid worker sample: characteristics

The overall picture for the 65 low-paid workers

Status

	Number	%
Migrant worker	31	48
British born/raised minorities	17	26
White British or Irish	17	26
Grand total	65	100

Gender

	Number	%
Women	35	54
Men	30	46
Grand total	65	100

Age

	Number	%
Under 18	1	2
18–25	12	18
26–35	16	25
36–45	15	23
46–55	15	23
56–65	6	9
Grand total	65	100

Religion

	Number	%
Buddist	1	2
Catholic	17	26
Christian	1	2
Hindu	1	2
Muslim	11	17
None	6	9
Protestant	1	2
Sikh	1	2
(blank)	26	40
Grand total	65	100

Disability

	Number	%
No	27	41
Yes	3	5
(blank)	35	54
Grand total	65	100

Characteristics of the migrant workers, recent and settled

The migrant subgroup comprised more women (20) than men (11). While the 26–35 age bracket was the most numerous (10), migrants were well represented in older age brackets (14 individuals aged 36–55).

While eight migrant respondents have lived in Britain for five years or less, those who have been resident for between 6 and 10 years were the most numerous group (19 individuals). The remaining four migrant respondents have lived in the UK for a very long time (21–37 years).

The migrant cohort was equally divided between non-EU (15) and EU (16) nationals. The latter group was dominated by Eastern European migrants (14 individuals) with Poles being the most numerous ethnic group (8). (This is unsurprising since they are the second largest ethnic minority in England and the largest in Scotland.) The non-EU cohort was dominated by respondents of African origin (8) followed by migrants from Asia (4).

Age

	Number
18–25	6
26–35	10
36–45	7
46–55	7
56–65	1
Grand total	31

Gender

	Number
Women	20
Men	11
Grand total	31

Ethnicity

	Number
African	1
Angolan	1
Brazilian	1
British Asian	1
Czech	1
Dutch	1
Estonian	1
Gambian	1
Ghanaian	2
Hungarian	1
Indian	1
Irish	1
Kurdish	1
Lithuanian	3
Nigerian	2
Filipino	2
Polish	8
Scottish Congolese	1
Ukrainian	1
Grand total	31

Migration history 1: length of time in UK

Years	Number of workers
1	1
2	2
3	1
4	2
5	2
6	4
7	5
8	3
9	5
10	2
21	1
25	1
34	1
37	1
Grand total	31

Religion

	Number
Buddhist	1
Catholic	12
Christian	1
Muslim	3
None	2
(blank)	12
Grand total	31

Characteristics of the ethnic minority workers born/brought up in the UK

The 17 ethnic minority respondents born or brought up in the UK were evenly represented in all age brackets, as well as evenly spread in terms of gender.

'British Bangladeshi' was the most represented (7) of ethnic identities reported by ethnic minority respondents, followed by 'British Muslim' (3), 'British Asian' (3) and 'Black British' (2). Islam was the dominant reported religion (8).

Age

	Number
18–25	3
26–35	5
36–45	4
46–55	2
56–65	2
Under 18	1
Grand total	17

Gender

	Number
Women	9
Men	8
Grand total	17

Ethnicity

	Number
Black British	1
British African	1
British Asian (Bangladeshi)	1
British Bangladeshi	6
British Indian	2
British Muslim (Asian)	1
British Muslim (Indian)	1
British Muslim (Ugandan)	1
British Pakistani	1
English	1
Maltese	1
Grand total	17

Religion

	Number
Hindu	1
Muslim	8
Sikh	1
(blank)	7
Grand total	17

Characteristics of the White British/Scottish/Irish workers

Respondents who characterised themselves as above were concentrated in the 36–55 age bracket (10 out of 17 individuals). There were more men (11) than women (6) in this group. Five respondents described themselves as Catholic and one as Protestant.

Age

	Number
18–25	3
26–35	1
36–45	4
46–55	6
56–65	3
Grand total	17

Gender

	Number
Women	6
Men	11
Grand total	17

Ethnicity

	Number
Catholic	5
None	3
Protestant	1
(blank)	8
Grand total	17

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Responsibility for the content and conclusions of the report rests solely with the authors.

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CEMVO Scotland aims to improve the quality of life for all ethnic minority communities through improving access to social welfare, social justice, health, employment, housing, education and social enterprise. It pursues this challenge by directly building the capacity of the ethnic minority voluntary sector and its communities, while at the same time working collaboratively and strategically with statutory, public, government and mainstream voluntary sector agencies in policy development and service provision.

Voice4Change England is a national advocate for the Black and Minority Ethnic (BME) voluntary and community sector. Its aim is to promote equality and diversity, racial harmony and social inclusion, and to develop capacity and skills for its members. Its vision is to achieve a stronger and inclusive civil society to meet the needs of BME and other disadvantaged communities.

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