



Home Office

BUILDING A SAFE, JUST
AND TOLERANT SOCIETY

Employers' use of migrant labour

Main report

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Home Office Online Report 04/06

The views expressed in this report are those of the authors, not necessarily those of the Home Office (nor do they reflect Government policy).

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Executive summary

Introduction

The Institute for Employment Studies was commissioned by the Home Office to conduct research into the recruitment and employment of migrant workers in the UK. This research formed part of the preparation for change from the current economic migration system to the new Points Based System. The focus of the study was on economic migrants – people who come to this country primarily to work, rather than asylum seekers or refugees. Data were collected between April and August 2005.

The aims of the report were to provide:

- in-depth understanding of the reasons employers use (or avoid) migrant worker schemes;
- exploration of underlying attitudes towards migrant labour in general;
- analysis of actual recruitment and employment activities; and
- feedback on the proposed Points Based System.

The study was commissioned during development of the Government's Five Year Strategy for Asylum and Immigration (Home Office, 2005), so the focus of the study also included employers' views of the new proposals. Both low- and high-skilled migrant workers were considered and there was additional interest in illegal working and exploitation. An extended summary version of this report has been published as Home Office Online Report 03/06.

Method

A qualitative methodology was adopted involving face-to-face, in-depth, semi-structured interviews with 124 employers across London, East Anglia and north-east England in five employment sectors (*Construction; Administration, Business and Management; Finance and Accountancy; Hotels and Catering; and Agriculture [and Horticulture]*). In addition, 20 interviews were held with labour providers and representatives of trade unions and employer organisations.

Findings

The main findings of this research are given below. It should be noted that they only represent the views of those interviewed in this small sample, which is not evenly distributed across sector, geographical area and size. Findings cannot therefore be taken as representative of all employers. However, the research has successfully identified many issues that are important to employers.

The profile of the migrant workforce

Migrants were mainly employed on a permanent, full-time basis and were either students or aged in their twenties or thirties. The gender distribution was similar to that among existing employees in the organisation as a whole, as was migrant worker pay and their terms and conditions. The countries from which migrants were recruited varied by sector. The extent of on-the-job training and induction varied according to the sector and the English language proficiency required for the job.

The length of time migrant workers remained in the UK varied according to scheme and sector, some making repeat visits to the UK through the Seasonal Agricultural Workers Scheme (SAWS) or the Worker Registration Scheme (WRS). Migrants in more highly skilled jobs could stay several years, depending on the nature of the job. Most employers were uncertain of the destinations of those who left them.

The importance of migrant workers

Employers interviewed in this research reported relying to a considerable extent on migrant workers, particularly in the low-skill sectors. Employers across all sectors agreed numbers had increased over the past five years. Migrant workers have become an important source of labour, sometimes preferred over domestic (UK) workers, particularly in the *Agriculture, Hotels and Catering* and low-skill parts of the *Administration, Business and Management* sectors. Employers believed that businesses would suffer or could not survive without migrant labour. In the high-skill sectors studied – particularly *Administration, Business and Management*, and *Finance and Accountancy* – migrant workers were less crucial to business than in the low-skill sectors.

Employers of low-skilled workers reported that labour shortages were a primary reason for recruiting foreign workers. They had tried hard initially (through Jobcentres, local adverts etc.) to attract domestic workers but they were unwilling to take these posts, as often the conditions, pay, hours or nature of the work were unfavourable to them and migrants were more amenable to these conditions. Recruitment difficulties amongst domestic workers were less widespread in the high-skill *Finance and Accountancy* sector and were due to specific skills shortages, rather than labour shortages.

Employers cited advantages of migrant workers in terms of their general attitude and work ethic. They tended to be more motivated, reliable and committed than domestic workers. For example, migrants were said to be more likely to: demonstrate lower turnover and absenteeism; be prepared to work longer and flexible hours; be satisfied with their duties and hours of work; and work harder in terms of productivity and speed. In the view of some employers, the more favourable work ethic of migrant workers encouraged domestic workers to work harder. Migrants had also widened the horizons of domestic workers by helping them understand more about other cultures. Migrant workers' greater commitment was a result of their motivations: they wanted to learn English or send money to families at home. Employers also suggested that migrant labour assisted in economic growth and an overall increase in job vacancies.

For many employers, language barriers were the only disadvantage they could think of to employing migrant workers (understanding health and safety procedures was sometimes a specific concern). Some employers overcame the language barrier either by using fellow workers as translators, or by deliberately placing migrant workers among English-speaking workers so that they could acquire English language skills. A few larger employers ran English classes, and some smaller employers provided employees with language training.

Some employers cited difficulties for migrant workers in integrating with English staff and workers from other countries. However, many employers claimed that they actively encouraged integration, and racial intolerance was not accepted.

Recruitment and selection of migrant workers

Generally, across all sectors, employers expressed no real preference for either migrant or domestic workers (despite the advantages cited). Many argued that they simply reacted to the pool of available labour and sought to recruit the best qualified applicants, regardless of nationality.

There was little, if any, variation between the characteristics that employers were looking for in migrant workers compared to domestic workers (as they were both required to fill the same type of job). The only difference was that migrants were more prepared to accept certain jobs. The importance of good English, previous work experience and qualifications varied between employment sectors and the nature of the job.

The use of different migration routes to the UK (schemes)

The use of migrant worker schemes varied with sector and job type. Employers in the *Agriculture* sector had the greatest awareness of schemes – particularly the Seasonal Agricultural Workers Scheme. It was highly praised by a number of employers as effective, efficient and flexible. There was less use of, and awareness about, other schemes, such as the Sectors Based Scheme (SBS), and lack of knowledge about how they all operated.

The Worker Registration Scheme was well known and used by employers but there was dissatisfaction with its demanding administration procedures, costly fees for the migrants and difficulties in verifying documentation. Employers expressed particular concern that over time, when the economies of the Accession States improved, the supply of WRS workers would fall. They therefore saw a need to retain immigration schemes for acquiring low-skilled migrant labour, being worried that phasing out SAWS and other low-skill schemes would affect their business.

A large number of migrant workers, especially for skilled jobs, entered the UK by work permit. Work permits allow migrants to be recruited for relatively long periods and this was seen as a particular attraction. However, across all sectors, applying for work permits was considered to be time-consuming, frustrating and bureaucratic, with no guarantee of success.

Illegal working

It was assumed that those who were employing workers illegally were unlikely to take part in this research, and covert research methods were not used. The information reported is therefore based on respondents' perceptions and is not necessarily an accurate picture of the overall situation among UK employers generally. Some employers expressed no knowledge of illegal working, whereas others actually were or had been recruiting illegally. This was reportedly owing to their ignorance concerning registration procedures and their responsibilities as employers. While many employers said they made careful checks on employees, expressing concern over fines and possible repercussions, some found that the procedures were too time-consuming to deal with and sometimes 'turned a blind eye' to workers of unknown legality.

Many employers recruited through agencies. Some employers assumed agencies made appropriate checks, and other employers asked the agency for evidence of appropriate checks. Some employers reported that they were regularly approached by agencies with suspiciously large numbers of migrant workers.

Illegal working was generally thought of as more of an issue for low-skill jobs, particularly within smaller employer organisations and in less regulated sectors.

Exploitation

There was a mixed picture concerning the extent of migrant worker exploitation. There were anecdotal reports of migrant workers receiving lower pay than domestic workers, experiencing long hours, poor conditions and few employee rights. Many of these reports related to the practices of labour providers and were concentrated in low-skill jobs. The vast majority, however, insisted that they employed migrant workers on the same pay, terms and conditions as domestic workers in the same jobs.

The proposed Points Based System

Comments from employers on the proposed Points Based System were generally positive and reflected overall support. Most felt happy to model the UK system on seemingly effective systems from Canada, Australia and New Zealand. There were concerns expressed over flexibility and responsiveness to need within the new system, particularly for low-skilled workers. Employers also felt that sponsorship was too much of a burden and difficult to carry out successfully. They often did not know where employees went after leaving their employment and did not feel they had any influence over whether migrants returned home or not. A number also queried potentially excessive charges and required further clarification in terms of what the charges would be for. Overall, however, employers hoped the new system would prevent abuse and stop increases in illegal labour.

Conclusion

It is generally accepted that the UK economy relies on a significant number of skilled migrant workers who enter the UK largely through the general work permit route. However, this study shows that UK employers also place considerable reliance on low-skilled migrants. Many employers in both high- and low-skill sectors did not explicitly set out to recruit migrant workers, rather, they employed from the pool of labour available to them. If domestic workers were not available to them, then they employed

migrant workers. Employers were, however, keen to employ those most highly qualified and experienced, regardless of nationality.

Migrant workers were considered by employers to have a number of advantages, most notably their work ethic which employers found more acceptable. They were often cited as harder working, more reliable and motivated than domestic workers. In some cases, they also had positive impacts on the domestic workforce. Without them, some businesses in the low-skill sector claimed that they would not survive. Disadvantages in employing migrant workers involved language difficulties but a number of employers believed that such problems could be overcome.

The current immigration system for migrant workers to enter the UK was perceived by employers as difficult to understand and complicated to use. Despite expressing some concerns, the proposal for a simpler Points Based System (Home Office, 2006) was generally welcomed. Employers supported a less complicated, less time-consuming and effective development which would prevent abuse within the immigration system and allow them to employ the workers they need.

1. Introduction

This study was commissioned to improve the knowledge base underpinning policy and operational improvement in systems for employing migrant labour in the UK. The extent and nature of immigration into the UK is a sensitive and contentious issue. Yet, as the literature reported in Chapter 3 illustrates, there is relatively little research looking in detail at how employers recruit and use migrant workers. This study aims to help fill this gap. It also aims to provide a better understanding of employers' use of various schemes that allow non-UK nationals to work legally in the United Kingdom.

The study was commissioned over the time that the publication of the Government's Five Year Strategy for Asylum and Immigration (Home Office, 2005) was published. The focus of the study therefore included employers' views of the new proposals, particularly the 'tier points system'.

Aims and objectives

The specific objectives of this research were to provide:

- an in-depth understanding of the reasons employers use (or avoid) work schemes;
- an exploration of their underlying attitudes to migrant labour in general;
- analysis of their actual recruitment and employment activities;
- feedback on the proposed tier points system.

There was also interest in the extent of illegal working amongst, and exploitation of, migrant workers. This is a difficult and controversial area to explore, and it was agreed at an early stage in the study that it would be conducted openly, without any resort to covert investigation. For information on exploitation and illegal working, the study, therefore, had to largely rely on employers' perceptions of these issues, based on their impressions of, and knowledge about, the local labour market. It would be unlikely that employers employing migrants illegally, in particular, those doing so knowingly, would take part in a study of this nature (or, if they did take part, would fully disclose what they do or know).

The focus of the study was on economic migrants – people who come to this country primarily to work – rather than on asylum seekers, refugees, or other forms of non-economic migration, such as family reunion. Some employers did refer to their employment of refugees; however, this did not dominate any of the interviews.

There was interest in employers' use of four particular schemes: the Seasonal Agricultural Workers Scheme (SAWS); the Sectors Based Scheme (SBS)¹; the Worker Registration Scheme (WRS); and the Highly Skilled Migrant Programme (HSMP). The first two of these are explicitly aimed at low-skill jobs and the fourth at highly skilled individuals. Workers from the east European states that joined the European Union (EU) in May 2004 (the A8)² have to register through WRS to be employed legally in the UK. This applies to all jobs; however, the majority of jobs filled are relatively low-skill.

The Home Office required information on both low- and highly skilled migrants. SAWS, WRS and SBS provide the main routes by which migrants can work in low-skill jobs in the UK. Students and young travellers also fill these jobs, e.g. through the Working Holidaymaker Scheme (WHMS). Highly skilled migrants largely enter through the work permit route.

¹ This was discontinued for the hotel and catering industry part-way through the fieldwork.

² Poland, Lithuania, Estonia, Latvia, Slovenia, Slovakia, Hungary and the Czech Republic (the A8). Malta and Cyprus acceded on the same date (taking the total number of Accession States to ten, the A10) but workers from these countries were already covered by Commonwealth arrangements.

A distinction has to be made between jobs and workers. Migrant workers filling low-skill jobs are not necessarily low-qualified or low-skilled. Indeed, a number will be well qualified, or training to reach this level, in their own country. They wish to work in the UK, for example, because they can earn more money than in their home country, as part of their training, or to fund their travelling. Migrants filling highly skilled posts have to be either already qualified in the relevant occupation or, in particular circumstances, training for these qualifications.

Policy background³

There are a number of schemes or routes⁴ through which employers can recruit migrant workers, or migrants can enter the country to search for or obtain work. Other routes allow people in to study or travel, and might also give permission for such people to work while in the country. A key feature is the complexity of the migration system, and of the documentation that migrants have to provide to show they are entitled to work or stay in the UK. The system has evolved over time with different schemes being introduced to address particular issues or needs in the national labour market. According to the recent Home Office consultation document (Home Office, 2005a), there are around 50 different ways through which people can come to the UK to work or study. Early in 2005, a Five Year Strategy for Asylum and Immigration (Home Office, 2005) was published. This aims to simplify existing regulation through introducing a single Points Based System for managed immigration.

The study focused on four schemes in particular; however, others were also mentioned and sometimes discussed during the interview. This section explains the main features of existing schemes and then the 2005 proposals.

Seasonal Agricultural Workers Scheme (SAWS)

This scheme allows workers from outside the European Economic Area (EEA) to enter the UK to do seasonal agricultural work for farmers and growers. The work is low-skill and includes planting and gathering crops; on-farm processing and packing of crops; and handling livestock. Individuals entering the country through SAWS have to be aged 18 or more and be a student in full-time education. They are allowed to stay in the country for a maximum of six months, but can reapply for the scheme after three months outside the UK. The scheme is administered for the Home Office by Operators, some of whom are agricultural employers themselves and recruit for their own needs. Others simply act as a recruitment agency, bringing students into the country and allocating them to agricultural employers who sign up to the scheme. During their six months in the country, students might be moved between employers depending on the availability of work. This provides flexibility and also means that students in the country under the scheme are kept employed. For example, if the harvest is late on one farm, SAWS workers might be moved to another where there is work to be done. Many Operators have links with universities and colleges in the eligible countries, and students can either apply directly to an Operator or through their learning institution. Successful applicants are given a work card and then have to apply to their nearest British Diplomatic Post for entry clearance before travelling to the UK.

SAWS workers must be paid at least the national minimum wage and are also covered by the Agricultural Wages Order. National Insurance is not payable. Employers are expected to provide accommodation and can charge a maximum of £27 a week for this. As well as facilitating the entry and employment of seasonal agricultural workers, Operators also deal with any problems experienced by students or employers.

In 2003/2004, there were 25,000 places on the scheme. In 2005, this was reduced to 16,250. The large reduction was due to the accession of eight east European states to the EU. Previously, students from these countries had been eligible to enter the UK through SAWS. It was anticipated that many low-skill agricultural jobs could be filled by workers (whether students or not) now able to enter the country owing to the accession of their home country to the EU, thus reducing the need for SAWS.

³ Note that this part of the report was written in November/December 2005 and was accurate at that time. However, at that point in time, consultations on the points system were in progress and policy subsequently underwent a major change.

⁴ These will be referred to as schemes throughout the report.

Worker Registration Scheme (WRS)

This was introduced on 1 May 2004 as a transitional arrangement for people from the eight Accession States in east Europe. With the accession of these states to the EU, people from these countries were entitled to free movement. However, to prevent mass movement of people to the UK to claim benefits, and to allow some labour market regulation, those who wish to work for more than one month have to register under WRS. Once having worked in this country for 12 months without a break they become entitled to full free movement, and are able to claim income-related benefits. Registration does not apply to those who are self-employed or who are dependent on those working. 'Without a break' means that an individual has not been out of work for more than 30 days during the 12 month period. If the gap is longer than this, the registration period restarts.

It is up to the individual to register under WRS within the first month of starting a job. There is a one-off charge (£50 at the time this study was conducted). Anyone changing employers has to re-register, at no additional charge. WRS workers should be paid at least the minimum wage and they have full UK employment rights. They pay National Insurance and tax (assuming earnings are above the relevant threshold).

The employer is responsible for providing workers with a letter on company paper confirming the date their job started (for registration). They should also hold a copy of the individual's completed application form as evidence that registration was applied for (within one month of starting the job), and keep a copy of the registration certificate sent to the individual. Employers failing to comply with these conditions could be guilty of committing a criminal offence, particularly if any of their workers do not apply for, or have, a registration certificate, and continue to be employed.

Sectors Based Scheme (SBS)

This scheme was first introduced in 2002 and allows workers from outside the EEA to enter the UK to take short-term or casual jobs. The scheme applied to only two sectors: hospitality and food manufacturing (meat and fish processing and mushroom production only). However, in June 2005 (during the course of the fieldwork for this study), SBS was withdrawn from the *Hotels and Catering* sector. This was due to a large number of Accession State nationals working in hospitality and evidence that the scheme had been abused (Home Office, 2005a).

Through SBS, people could enter the country to perform low-skill jobs. In the hospitality sector these included bar work, chefs (at NVQ2 or below), cleaners in staff canteens and restaurants, concierge staff, food service operatives, housekeepers, room attendants, reception, and waiting staff. Anyone employed through SBS must be paid at least the minimum wage and working time regulations apply. Applicants must be aged between 18 and 30. They can stay up to 12 months but can return under the scheme after two months outside the UK. If work is available, an employer can apply for an extension but only for a maximum of 12 months. If an individual changes employer, the new employer has to apply for permission before the job starts.

Under SBS, employers have to show that they are unable to recruit to fill posts from the domestic labour force. The employer has to apply for a specific work permit for each SBS employee, and individuals cannot change this to a non-SBS work permit (i.e. which would give them rights to remain longer in the country and eventually apply for residency).

Highly Skilled Migrant Programme (HSMP)

This programme was launched as a pilot in January 2002. The programme is designed to allow highly skilled people to migrate to the UK to look for work or self-employment. There are several differences to the work permit scheme. An individual does not have to have an existing job offer to apply for HSMP and, rather than an employer applying, the individual applies directly in his/her own right. This created a problem in identifying employers with HSMP employees for the study (which is further discussed below).

HSMP is a points system, based on educational qualifications, work experience, past earnings, achievements in the migrant's chosen field and spouse or partner's achievements (related to qualifications and level of work experience). Anyone aged under 28 gains additional points.

HSMP permits are available for an initial period of 12 months and can be extended for another three years as long as an individual is economically active. After four years in the country, as with work permits, they can apply to live here permanently.

The recent Home Office consultation document (Home Office, 2005a) suggests that many workers coming in through HSMP are doctors, or enter other posts in the health sector.

Business and commercial work permits

This is the main route through which overseas nationals enter employment in the UK. Work permits themselves were not a specific focus of this study; however, a number of employers were interviewed who had employees with a work permit.

Employers can apply for a work permit to employ migrant workers (from outside the EEA) to fill specific jobs. There are two main channels to bring in foreign workers: Tier 1 and Tier 2. Tier 1 was designed to simplify and accelerate the work permit application process for employers wishing to recruit senior managers, people with scarce high-level skills, and to move people around between branches of a multinational organisation. There are four main routes under this tier: intra-company transfers (ICTs), shortage occupations, board level posts, and inward investment. To bring workers in under Tier 2, employers have to demonstrate that they have been unable to recruit in the domestic labour market to a clearly defined vacancy. Evidence has to be provided to show that the post has been adequately advertised and that any domestic applicants were inappropriate for the post.

To qualify for a work permit the job must meet at least one of the following criteria.

- A UK-equivalent degree, a Higher National Diploma (HND) relevant to the post on offer, or an HND not relevant to the post on offer plus one year of relevant full-time work experience at National/Scottish Vocational Qualification (N/SVQ) level 3 or above.
- Three years' full-time experience of using specialist skills acquired through doing the type of job for which the permit is sought. This should be at N/SVQ level 3 or above.

These qualifications and experience criteria might include professional and semi-professional posts, or technical, craft, skilled, and supervisory occupations.

Work permits can be extended, and after a period of four years in employment an individual has the right to apply for permission to live in the UK permanently.

A charge for work permits was introduced in April 2003, at £95 an application. This price was set to make no profit, but to cover the cost of processing applications, rather than placing an increasing burden on taxpayers. In April 2005, the charge rose to £153.

Other schemes

There are many other schemes through which foreign nationals can enter the UK to work. In the course of the study, it was found that those interviewed were not always very clear through which scheme they had recruited people, especially in the past. The two outlined below were the most common.

The Training and Work Experience Scheme (TWES) enables UK employers to provide training for a specialist, professional qualification, or work experience to a person from abroad who needs permission to work in the UK. This is a specific type of work permit. These permits are awarded on the understanding that the overseas national will return to his/her home country at the end of the learning period. The training or work experience post filled must be additional to normal staffing requirements. Since April 2001, these permits have been available for up to five years, and could be extended if necessary for the training.

The Working Holidaymaker Scheme (WHMS) is designed for Commonwealth citizens aged between 17 and 30 who intend to work in the UK as part of an extended holiday of up to two years. The main reason for entering the country should be their holiday. They are allowed to work for up to one year of their two-year stay, and this 12 months can be taken in any mixture of periods of part- or full-time work over the two years. Working holidaymakers need to provide evidence that they can support themselves without recourse to public funds in the UK. These permits are not extendable; however, working holidaymakers can switch to a business and commercial work permit after a year in the UK.

The new proposals

In July 2005, the Home Office launched a consultation exercise (Home Office, 2005a) on the new proposals for managing immigration announced earlier in the year (Home Office, 2005). The overall aims of these proposals are to simplify the currently very complex system for allowing people (from outside the EEA and EU) into the country, and “to admit people selectively in order to maximise the economic benefit of migration to the UK” (Home Office, 2005a). The focus is on filling key, usually skilled, jobs.

The system should therefore be focused primarily on bringing migrants to do key jobs that cannot be filled from the domestic labour force. It should focus on the skilled workers we need most, like doctors, engineers, finance experts, nurses and teachers, and be supported by measures to limit the impact of migration on public services and the public purse, and to manage its impact on communities.

(Home Office, 2005a)

Five tiers are proposed.

- Tier 1: highly skilled individuals.
- Tier 2: skilled workers with a job offer and workers to meet specific overseas requirements.
- Tier 3: limited numbers of workers to fill low-skilled jobs where there are shortages in the domestic workforce.
- Tier 4: students.
- Tier 5: other temporary categories (e.g. visiting workers, selected development schemes, youth mobility, and cultural exchange).

A points-based system will be introduced. Those who are most highly qualified will score highly, and be allowed to enter the country most readily and gain leave to remain (under Tier 1). Under Tier 2, skilled workers will be allowed to fill jobs “where there is labour market demand”. A number of options are suggested for assessing labour market demand, including a Skills Advisory Board, resident labour market test and points for attributes.

The Government is not convinced that there is a need for low-skill migration schemes for non-EEA nationals following EU enlargement in May 2004 (Home Office, 2005a):

The economic benefits of low-skill, low paid migrant workers are much less clear cut than that of the skilled workers in Tiers 1 and 2, although there may be short-term economic benefit to employers, sectors and customers, for instance in the fruit production, hospitality and processed food sectors.

Tier 3 will, however, provide for specific low-skilled schemes as needed. Where a case for low skilled migration can be made, it is proposed that the main features for a scheme under Tier 3 are that it will be: temporary and time-bound; quota-based; run by an accredited operator; and include arrangements to ensure that such migrants return home.

It is proposed that, apart from Tier 1, all migrants will need a sponsor. Their role would be to:

- assess prospective migrants and confirm they meet any relevant criteria;
- confirm, with evidence, that the migrant is needed in the UK;
- let the Home Office know when a migrant leaves work or stops attending his/her studies.

Consideration is being given to the introduction of bonds, e.g. for migrants from countries with a greater than average incidence of recorded breaches of immigration rules.

Addressing illegal working

Ensuring that migrant workers in the UK are in the country legally remains a challenge. There have been a number of high profile events, highlighting the problems of dangerous working conditions that are sometimes associated with illegal working (e.g. the Morecambe Bay cockle pickers). Furthermore, often fuelled by controversial headlines, there has been growing concern amongst some elements of the general public that too many immigrants are entering the country 'taking our jobs'.

In April 2004, the Home Office published a document called: *Comprehensive guidance for United Kingdom employers on changes to the law to prevent illegal working* (Home Office, 2004). This sets out, in detail, the law on illegal working. It documents the paperwork that employers should check a migrant worker holds, and provides information on sources of advice and guidance.

Under Section 8 of the Asylum and Immigration Act 1996, it is a criminal offence to employ a person who does not have valid leave to work in the UK. Employers are expected to check and record specified documents before a person starts to work for them. If an employer is convicted under Section 8, a fine can be imposed on them of up to £5,000 for each person they are found to be employing illegally.

The proposed new system (Home Office, 2005a) aims to support employers in preventing illegal working. Furthermore, the current Immigration, Asylum and Nationality Bill introduces new procedures and penalties. It provides a power to create a requirement on employers to carry out follow-up checks on some categories of workers after recruitment, in addition to current pre-recruitment checks. Employers found to be using illegal workers and negligent in carrying out specified document checks will face a penalty of up to £2,000 for each illegal worker employed. A new criminal offence of knowingly employing illegal workers will be punishable by up to two years imprisonment following conviction on indictment, or six months following summary conviction.

The Gangmasters (Licensing) Act (2004)

The Gangmasters (Licensing) Act 2004 established the Gangmasters Licensing Authority (GLA) to set up and operate a licensing scheme for gangmasters operating in the agricultural, shellfish gathering and associated processing and packaging sectors. Once the licensing arrangements are in place, it will be illegal to operate as a labour provider in the specified areas without a licence. It will also be an offence for a person to enter into an arrangement with an unlicensed labour provider. The Act applies to work done anywhere in the United Kingdom. Both the Department for Food and Rural Affairs (DEFRA) and the GLA are working to ensure licensing can start in April 2006.

The Act defines a gangmaster as anyone supplying a worker to do work in the sectors outlined in the previous paragraph. The Act also defines gangmaster activity as that undertaken by anyone who employs a worker in connection with the provision of a service to another person in these sectors. In addition, a person who employs a worker to gather shellfish is defined as acting as a gangmaster. Subcontractors are covered by the licensing requirements. Employment agencies, as defined by the Employment Agencies Act 1973, also come under the Act if they are engaged in activities for which a licence is required.

This Act applies only to particular industries but labour providers and employment agencies operate across a range of industries. They were included in the sample interviewed as part of this study, either as a direct employer of migrant labour or because they offered a recruitment service to others. The terms 'labour provider' and 'employment agency' are often used interchangeably – throughout this report the words 'employment agency' or 'agency' will be used.

Structure of the report

The rest of the report is structured as follows.

- Chapter 2 outlines the methodology adopted for this study.
- Chapter 3 reports the literature review.
- Chapter 4 reports patterns of employment of migrant workers, including numbers employed, the occupations they worked in, hours of work, pay and conditions, where they come from and how long they stay.
- Chapter 5 explores the importance of migrant workers to employers, including the advantages and disadvantages of employing such labour.
- Chapter 6 reports the skills and qualities sought, and the recruitment and selection process.
- Chapter 7 explores employers' use of schemes enabling foreign nationals to work legally in the UK and their views on and experiences of these schemes.
- Chapter 8 looks at exploitation, including the information collected on illegal working and abuse of migrant workers.
- Chapter 9 looks at the extent of use of existing information, support and guidance available to employers of migrant workers.
- Chapter 10 discusses views on the proposed new system for managing immigration.
- Chapter 11 draws conclusions.

2. Methodology

A qualitative methodology was adopted for two reasons:

- the desire for an in-depth understanding of employers' attitudes towards, and use of, migrant workers and schemes, as well as their recruitment and employment practices;
- the sensitive nature of the study, in particular, the interest in illegal practices.

In-depth interviews based on semi-structured schedules and lasting around an hour were conducted with employers and a range of other actors between May and August 2005. This was not designed to be nationally representative of the views of all employers across regions, rather it is a small-scale study looking at the issues in-depth.

Interviews were conducted in five sectors (*Construction; Administration, Business and Management, Finance and Accountancy; Hotels and Catering; and Agriculture [and Horticulture]*) across three regions: East Anglia, London and the North East. A number of considerations were taken into account in deciding which sectors of the economy to include in this study, in particular:

- the sectors utilising the schemes of particular interest (e.g. SAWS in *Agriculture and Horticulture*, and SBS in *Hotels and Catering*);
- the policy interest in both high- and low-skill jobs;
- sectors known to recruit larger numbers of migrant workers and be dependent on this labour source;
- sectors where it was felt there were greater numbers of illegal workers and where exploitation might be most common.

There was also interest in whether and how the use of migrant workers and employment practices varied between employers of different sizes.

For the purposes of this study, an employer was defined at the level of the particular establishment, rather than the company (head office). The regional nature of the study helped determine this. A main aim of this research was to obtain a detailed understanding of employers' recruitment and employment practices in respect of migrant workers, and it was felt that interviews should be conducted with those who were involved in this on a day-to-day basis – and this would generally be at an establishment rather than at a head office (or similar).

Employer sample

Three subsamples of employers were interviewed: those employing migrant workers through particular schemes; employers of migrant workers outside these schemes; and a group of employers not utilising migrant workers. These were drawn from two different sources: Home Office lists of those using the various schemes, and a commercial database. The selection of employers within each subsample was random.

Scheme users

The aim was to interview 50 employers using one or other of the four schemes of prime concern to this study: SAWS, SBS, WRS and HSMP (see Table 2.1 for details of achieved sample). For the first three it was possible to draw lists from Home Office records. SAWS employers are known to the Home Office through the Operators. SBS employers have to apply for the relevant work permit. While individuals from the Accession States register themselves under WRS, they have to provide evidence of their employer. The Home Office wrote to a sample of employers using each of these schemes, asking them to let the department know if they did not want to participate in the study and have their contact details passed on. Contact details of those not opting out were passed to the Institute for

Employment Studies (IES). Telephone calls⁵ were made to arrange interviews with these scheme users.

There was no employer size information for the Home Office sample and, especially as most employers in this sample had to be contacted to achieve the number of interviews sought, size was not taken into account in structuring this sample.

Finding employers with employees allowed into the country through HSMP was problematic. Individuals do not have to have a job offer to apply for this programme and hence, no employer details are collected on their application form. It was decided that writing to individuals on HSMP asking for details of their employer would not be productive. The authors sought to collect a sample of HSMP employers through cold-calling (see below). This also did not work very well. Although a few employers were clear that they had recruited someone on HSMP, many were not at all clear about the programme. Others thought they might have someone, but on more detailed exploration during the face-to-face interview it became clear that they did not. Very few interviews were therefore achieved with employers of migrants entitled to work in this country through HSMP (see Table 2.1).

Employers of migrant labour, not through these schemes

A sample of employers in the relevant sectors and regions, and distributed across three size bands (under 50, 50-250 and over 250 employees), was purchased from a commercial database. A short screening questionnaire was designed to check (and exclude) employers using any of three schemes (SAWS, SBS, WRS). Questions were also asked about the possible use of HSMP, and whether or not migrant workers had been employed at all in the last five years. Appointments were made for face-to-face interviews with a sample of employers who employed migrant workers, but not through one of the four schemes targeted in this study.

It was also hoped to identify employers with employees on HSMP through this screening exercise. This did not work very well, as reported above. The screening was broadened to simply ask whether employers had any migrant workers in highly skilled posts. Interviews were included with some of these employers, to ensure that data were collected on high-skill jobs and to further explore the possibility of any recruits being on HSMP.

Employers with no migrant workers

A sample of employers reporting having no migrant workers through the cold-call screening were asked to participate in the study. These interviews explored reasons for not employing migrant workers, and knowledge of government schemes and immigration policies, as well as providing more general information on how employers select and recruit labour.

Final sample of employers

A total of 124 interviews were conducted with employers.⁶ Table 2.1 shows the expected and actual distribution of these interviews (66 with scheme users, 38 with employers of migrant labour but not using one of the schemes of prime interest to this study, and 20 with employers who employed no migrant workers). The 'expected' column shows, using the Home Office lists and following the telephone screening of the 'cold-call sample', the distribution of employers the authors expected to interview. The 'actual' column shows what they found when conducting the face-to-face interviews.

Thirty potential respondents cancelled or postponed the interview (12 when the interviewer was already in the area). Five of these 30 were completed later, nine made it clear that they would not rearrange. The remaining 16 said they were happy to rearrange but either could never be tied down to a new time or broke subsequent arrangements. Only the five employers with whom interviews were successfully completed are included in Table 2.1.

⁵ Telephone calls to arrange interviews and for cold-call screening of the 'non-users' sample were subcontracted to a local research agency, Employment Research.

⁶ This includes pilot interviews, see later in section.

Table 2.1: Distribution of expected and actual sample

	Expected sample	Actual sample
Scheme user ^a	47	66
of which:		
SAWS	13	15
SBS	12	6
WRS	12	61
HSMP	10	6
Non-user of schemes	50	38
Other ^b	5	n/a ^c
Non-employer of migrant labour	22	20

^a The total across the four schemes in the 'actual' sample column will add to more than 66 as a number of employers were using more than one scheme. This is not reflected in the 'expected' sample column as employers were recruited to the study on the basis of the expectation that they were involved in one particular scheme.

^b Four were other actors – employment agencies who turned out to be employers rather than recruitment agencies; one volunteered an interview while an interviewer was in the area.

^c Not applicable because the five in the 'other' category in the 'expected' sample, by definition, moved into one or other of the categories in the 'actual' sample.

In a study of this nature (i.e. in-depth interviews with employers) it would be expected that a few interviews would be cancelled or postponed. However, the rate was very high in this particular study even allowing for the fact that it was conducted over the summer. Some reasons for withdrawal were illness of the respondent, something happening on the day that they had to deal with, or being suddenly too busy. The authors also had several people leaving their jobs between an interview being arranged and the date it was due to be conducted, with no replacement being in post in time. These seem to be genuine reasons but the number was still very high. Others simply seemed to change their minds and decide they did not want to talk to the authors – some were open about this, the rest constantly made excuses about being too busy. The cancellation/postponement rate did increase notably after the July 2005 London bombings. What is interesting is that it was not particularly employers in London that cancelled/postponed – these July events seemed to affect participation across all three regions. Furthermore, after this time, the team telephoning to arrange interviews reported defensiveness amongst those they contacted which had not been there previously. For example, potential respondents made statements along the lines of “we do everything legally here”, or “we aren't doing anything wrong”. It was those employing migrant workers (particular those contacted through the cold calling, rather than the Home Office sample) that were most likely to cancel/postpone their interview.

To make up the numbers, it was agreed with the Steering Group that the pilot interviews would also be included in the main analysis. The discussion guides were virtually unchanged between the pilot and main interviews, and some very good data were collected during the pilot. These interviews are included in Table 2.1.

The actual structure of the achieved sample did vary from that expected (Table 2.1). This was partly due to the range of employers prepared to take part, but also due to various inaccuracies (or appearance of inaccuracy) in the Home Office sample, or employers reporting using different schemes in the face-to-face interview compared to during the telephone screening. For example, a proportion of employers thought to be using SBS, according to Home Office information, said they had never heard of the scheme. This does not necessarily mean that such employers were not using the scheme or that Home Office records were incorrect. Some of these employers did have employees on work permits in jobs eligible under SBS and therefore could well have been using the scheme – however, as they insisted they had not heard of the scheme, it was not possible to ask them questions about SBS.

A far higher number of employers than expected had employees on WRS. There are a number of reasons for this. Employers interviewed because they used SAWS or SBS often also had workers on

WRS. Conversely, employers interviewed from the Home Office WRS lists rarely had employees through either of these two other schemes. During the cold-calling screening, potential respondents were asked whether they used any of the three schemes for which samples had been drawn from Home Office records. A number of respondents did not mention employing anyone under WRS at this point. However, during the in-depth interview, it emerged that they did.

Various explanations can be offered. When directly asked about this inconsistency, several respondents said they did not consider WRS a scheme. This was largely because they, as employers, did not have to apply for the permission to work in this country or justify needing to recruit from abroad (as opposed, for example, to SBS, where a recruitment difficulty has to be demonstrated). Even when directly asked during the screening, it had not occurred to some to report having employees under WRS. It was mostly when a respondent was asked which country the migrant workers they employed came from that it emerged they must have employees on WRS. In some cases these had been recruited through an agency and the employer had either left any checking entirely to the agency or was unaware that any permission might be necessary for nationals from the Accession States to work in the country. In a few cases it is possible that the necessary permission had not been applied for. In others, the employer had provided an employee with evidence of employment and not been involved further. It does seem likely that some of these were not perhaps fulfilling employer responsibilities in relation to checking legality under WRS.

Other actors

Interviews were conducted with 20 other actors, including trade unions, employer organisations and labour providers. A distinction was made between labour providers directly employing migrant workers (and sending them to work for other employers on a temporary basis) and those operating as a recruitment agency, finding migrant workers direct employment with other employers. The latter were counted as 'other actors' and the former as employers.

These interviews were conducted to provide a more overall perspective on employers' use of migrant labour, and to explore more collective attitudes to the new proposals for managing immigration.

Data collection and analysis

Three slightly different discussion guides were developed for the scheme users, non-users of schemes and non-employers of migrant workers. The following topics were covered:

- background information about the employer (e.g. number of employees, hours and contractual conditions, occupational structure);
- use of migrant workers, including: numbers, characteristics, terms and conditions, reasons for their employment, countries of origin and reasons for recruiting from those countries, advantages and disadvantages of using migrant workers, their importance to the employer and the impact of not being able to recruit migrants;
- recruitment and selection, including the recruitment process, qualifications and other qualities sought, use of employment/recruitment agencies;
- training;
- knowledge and use of schemes;
- experiences of, and attitudes towards, different schemes;
- awareness of, and views on, the proposals set out in *Controlling Our Borders*;
- knowledge of illegal employment;
- use of, and thoughts on, Home Office advice and guidance.

The non-users of schemes were asked about knowledge and potential use of schemes, rather than the actual use of schemes. Employers not recruiting migrant workers were asked the reasons for this and the likelihood of recruiting such workers in the future.

A short pilot was conducted by very experienced interviewers to test these discussion guides and some very minor changes were made. The main interviews were conducted by a team of IES

researchers. Because of the sensitive nature of the topic it was decided that the interviews would not be recorded, but rather that interviewers would take notes during the interview. It was felt that some employers would be suspicious and less open if permission was asked to record an interview. In practice, while many respondents did not appear bothered about the interview, others were suspicious and it was felt that this decision was justified. Following an interview, each researcher wrote up interview notes in detail.

The data were analysed using a computer package for the analysis of qualitative data – Atlas. The written-up interview notes were entered into the package and the data coded thematically relating to the topics covered. Classificatory data such as sector, employer size, region, the schemes it was expected an employer was using and those they were actually using were also coded. The analysis was relatively straightforward for this particular study; however, using Atlas ensured that all interview data were fully taken into consideration in the analysis and reporting. Comparisons were made by size, sector and region for each topic and interactions within the data explored.

Some characteristics of employers interviewed

The completed interviews with employers of migrant labour (whether using schemes or not) were distributed as follows:

- 40 in London, 35 in East Anglia and 29 in the North East;
- 23 in *Administration, Business and Management*, 16 in *Agriculture*; 14 in *Construction*; 11 in *Finance and Accountancy*; 30 in *Hotels and Catering*;
- 33 with fewer than 50 employees, 41 with between 50 and 250 employees, 30 with 250 or more employees;
- 55 were part of a larger organisation.

There are several reasons for the sample not being evenly distributed across regions, sectors and size bands. The high level of cancelled interviews did differentially affect the sample. The relatively low number in *Finance and Accountancy* was partly due to very few employers operating one of the particular schemes of interest, and the cold-calling finding small numbers employing migrants in this sector. Sectors were not evenly distributed between regions, e.g. there was little agriculture in London; *Hotels and Catering* employers were more likely to be in London or East Anglia; and *Finance and Accountancy* in London.

The *Administration, Business and Management* sector was not easy to define. It is a standard category used in Home Office records but did, however, turn out to include a rather *ad hoc* group of employers – ranging from some IT and finance companies to warehouses and factories employing low-killed workers. A number of employment agencies were also included in this sector. In defining the sample of ‘non-users of schemes’, work conducted by the Department for Work and Pensions (DWP) was used to define this sector. This focused on business service activities, excluding *Finance and Accountancy*, and law.

The sample of those not employing any migrant workers included only 20 employers and these were distributed in the following way:

- four in London, six in East Anglia and ten in the North East;
- two in *Administration, Business and Management*, four in *Agriculture*, five in *Construction*, five in *Finance and Accountancy*, and four in *Hotels and Catering*;
- five were part of a larger organisation.

3. Literature review

Introduction

This literature review seeks to provide an overview of existing knowledge of the ways in which employers use migrant labour in the UK, with particular reference to the five sectors included in this study. Themes and trends are highlighted where relevant literature exists and gaps in knowledge in relation to the research objectives are identified. There is a significant amount of literature on migrant workers. This review only addresses that which is relevant to this study, i.e. studies relating to the employment and recruitment of migrant workers. The review starts by looking more generally at the profile of migrant workers in the UK.

Many different definitions of migrant workers are adopted according to the type of migration being considered. For the purposes of this research, migrant workers were defined as all foreign nationals working in the UK. This includes:

- individuals from the 14 older European Union states, who have full freedom of movement;
- individuals from the eight new Accession States, who have freedom of movement with certain restrictions (registration through WRS);
- individuals from non-EU countries, some of whom have eligibility to work in the UK arising from lineage or Commonwealth status, and some who require visas and/or permits in order to work legally in the UK.

Looking first at the profile of migrant workers in the UK (how many there are, where they are, what sectors they work in etc.), this review goes on to explore the experiences of employers using migrant workers and issues around recruitment, training, and the integration of these workers. The review draws on a wide range of sources, including statistical and qualitative studies and those conducted by academics from a range of disciplinary backgrounds. It also draws on a range of 'grey' literature and some data that could almost be described as anecdotal, especially where a gap exists in the literature. In the time available for this review, it was not possible to ensure that every relevant piece of literature was systematically identified and evaluated. However, the approach used should ensure that there are no major gaps in reporting the evidence published in the English language.

The following search terms were used: 'migrant workers', 'migrant workers UK', 'use of migrant workers UK' and 'employers'. The latter was intermixed with the other three phrases using Boolean operators. Searches were also made for sector-specific research relating to the five sectors on which this study focused. Search terms were entered into: Google, Google scholar, ZETOC, psychINFO, Web of Science, and the University of Sussex Library catalogue. Key websites were also searched: the International Labour Organisation (ILO), the Organisation for Economic Co-operation and Development (OECD), the Refugee Council, the International Organisation for Migration, the Trades Union Congress (TUC), the International Confederation of Free Trade Unions (ICFTU), the Department for Environment, Food and Rural Affairs (DEFRA), the Political Economy of Migration in an Integrating Europe (PEMINT), the Association of Labour Providers (ALP), the Low Pay Commission, the Cabinet Office, the Office of the Deputy Prime Minister (ODPM), the Department of Trade and Industry (DTI), the Department for Work and Pensions (DWP), the Citizens' Advice Bureau (CAB), and the Policy Studies Institute (PSI). Contact was made with some key researchers in the area, including individuals involved in migrant worker research projects represented at the East of England Regional Migrant Workers Seminar in February 2005. A snowball approach was then taken, using bibliographies from key articles and sources to identify further literature. The search stopped once the same authors and studies started appearing over again and nothing new was identified.

Profile of migrant workers in the UK

Number of migrant workers

There are several challenges in describing the profile of migrant workers. First, there are no definitive data on the number of migrant workers living in the UK, and this is because of the manner in which data are collected regarding this group. Several different sources have been available since 2002 which attempt to describe aspects of the migrant worker population, including numbers entering the UK (from the International Passenger Survey), numbers registering for National Insurance numbers (National Insurance Recording System), and foreign-born workers in the labour market (data from the Labour Force Survey (LFS)). It should be noted that this section relies on published reports rather than any reanalysis of data. The different years for which data are available from the various sources does complicate the picture. Furthermore, a conclusive picture cannot be drawn as there are no mechanisms to measure the number of migrant workers leaving the UK. In other words, current data sources capture inflow but not out-flow, and therefore cannot be used to calculate stock. The LFS can be used to provide a snap- shot picture of the number of migrants in the country at any one time.

The various sources of data also differ in their definition of a 'migrant worker'. For example, the International Passenger Survey (used in immigration statistics) defines a migrant as someone who has "resided abroad for a year or more and who states on arrival the intention to stay in the UK for a year or more". There is no one definition for a migrant worker in the LFS – migrants in UK households can be identified by their nationality or country of birth (Robinson, 2002). Data are collected on when an individual entered the country and, therefore, the LFS can be analysed using a range of definitions. Furthermore, the National Insurance Recording System combines several aspects of the application details (also looking at nationality and country of birth) to identify migrant workers and estimate their flow into the labour market.

Some of the most recent data on migrant workers are from National Insurance number applications which show that there were 440,000 registrations from foreign nationals between 2003/2004 and 2004/2005, an increase of 69,000 from the previous year. Applicants from Accession States represent roughly a quarter of these registrations (111,000), with over half of these coming from Poland. The increase in numbers registering from the Accession States has also coincided with a drop in registrations from non-accession nationals – a decrease of 22 per cent (DWP, 2005). Older data from the LFS show that there has also been considerable change in the pattern of migration from non-accession countries. Between 1995 and 2002, fewer workers were coming from Ireland and Kenya, and many more coming from South Africa, Pakistan, Germany and Australia (TUC, 2003a). This is, in part, explained by shifts in demand for different occupations (Salt and Clarke, 2001). Other explanations include changing economic conditions in the countries of origin, particularly in relation to the UK, and other circumstances in some (such as war or famine).

Using data from the International Passenger Survey, information is provided annually on the routes by which people enter the UK (Dudley *et al.*, 2005). There is much information on the general movement of people and only figures relating to economic migration are reported here. The largest group of migrants⁷ entering the UK who are eligible to work is students (although by no means all will necessarily actually work once in the country). In 2004, 294,000 students entered the UK, all of whom are eligible to work part-time. Work permit holders make up the next largest group – 82,700 work permits were issued in 2004. The number of working holidaymakers increased substantially following a change in the scheme announced in 2003: 62,400 entered the UK via this route in 2004. These data for 2004 exclude nationals from the Accession States after 1 May (*ibid*).

Occupations and sectors

Large numbers of foreign nationals entering the UK take up posts in professional and managerial roles, and in doing so are filling a gap left by British professional and managerial workers who have left in large numbers (TUC, 2003). Between 1975 and 1999, there was an inflow of 961,000 non-British professional and managerial workers who compensated for an outflow of 1,143 million British

⁷ It should be noted that these figures exclude EEA nationals.

professional and managerial workers (Salt and Clarke, 2001), although, it should not be assumed that there is a direct occupational balance between those leaving and entering the country. More recently, however, workers from the Accession States have been working in mainly low-skill jobs. Between July 2004 and September 2005, the occupations most frequently entered by workers from these States were: process operatives, kitchen and catering assistants, packing, warehouse operatives, waiting/waitressing, cleaners/domestic staff, and farm workers (Home Office *et al.*, 2005).

Analysis of the Labour Force Survey in 2002 (TUC, 2003a) shows that certain sectors are more reliant on migrant workers than others. For example, *Health Care; Education; Cleaning; Food Manufacture and Agriculture; Hotels and Catering; IT; and Construction* all have large numbers of migrant workers. More recent analysis of WRS data confirms these trends, with *Hotels and Catering; Administration, Business and Management; and Agriculture* being particularly dominant sectors of employment among workers from the Accession States (Home Office *et al.*, 2005).

Regions

Regionally, London and the South East are host to the largest numbers of migrant workers. In 2000, London was home to 47 per cent of migrant workers (520,000), and the rest of the South East had a further 20 per cent of all migrant workers in the UK. More than two-thirds of foreign national workers were in this corner of England (compared with only 42 per cent of British workers).

EU enlargement

As mentioned above, the current profile of non-national workers in the UK has been affected most by the entry of workers from the Accession States since May 2004. Nationals from the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia have since been allowed to work in the UK as long as they register through WRS. Initial monitoring showed large numbers of registrations in the months immediately following accession (20,000 to 22,000 per month during May, June and July 2004), which many suggested was the legalisation of workers from the Accession States already in the UK. The number registering then dropped and fluctuated throughout the rest of 2004, with a low of around 10,000 applications in December. In 2005, the number of applications increased with the levels in July to September higher than in the same months in 2004. In September 2005, there were around 18,000 applications (Home Office *et al.*, 2005).

Analysis for the east of England showed that seven per cent of overseas nationals entering Britain (19,300) settled in that area between 2002 and 2003, and that increasingly, since the entry of the Accession States to the EU, the rural east of England was a growing destination for workers in the agricultural, hospitality, and food sectors. It was also reported that in the last year, there had been decreasing numbers of workers coming into the region through SAWS, and growing numbers of registrations through WRS. The former consisted mainly of Romanian and Ukrainian workers, and the latter comprised workers mostly from Poland, Lithuania and Latvia. Through the WRS, the majority of applicants were male (121 compared to 77 female), and most were aged between 18 and 29 (Schneider and Holman, 2005). National data show that London, East Anglia, South Central, and the South East regions are home to more than half (52 per cent) of workers who registered under WRS between May 2004 and September 2005 (Home Office *et al.*, 2005).

Looking at WRS data more generally, Portes and French (2005) draw the following conclusions about the impact of workers from the Accession States in the UK.

- In an overall context of strong macroeconomic conditions, A8 migration has resulted in increased output and total employment, with minimal impact on native workers.
- High levels of migration among workers from the Accession States have been associated with only small increases in claimant unemployment count; however, some evidence also suggests that levels of illegal and/or unreported working have been reduced.

- The biggest impact was on the *Agriculture* and fishing sectors, where Portes and French conclude that workers coming from the Accession States created a 'supply shock' and employment increased substantially between summer and winter 2004. This employment growth seems to be at odds with DEFRA's annual census of *Agriculture* which shows a decline of 1.5 per cent in the number of workers employed in *Agriculture*. There is some mixed evidence that growth in nominal wages has slowed. The authors have not ruled out an association between the low growth in wages and increase in employment of workers from the Accession States; however, the nature of any link is unclear.

While the flow of workers from the Accession States into the UK is still buoyant, it is predicted that this will peak in the coming years as the labour markets and economies of these countries develop and reach an equilibrium against their European neighbours.

Employers' experiences of using migrant workers

Understanding the reasons why employers choose to employ migrant workers over domestic workers, and the issues around the practice of doing this, is important in knowing how policy and schemes can be better operated and fit to purpose. A number of regional and sector-specific research projects have been undertaken in recent years exploring the extent and nature of the employment of migrant workers. These reports have highlighted several important issues for employers within certain sectors and regions. However, a major gap is that no research has examined employers' experiences of working with foreign nationals across all sectors or regions in the UK. Keeping the geographical and industrial contexts in mind, the findings of this research are discussed below.

Reasons why employers use migrant workers

The decision to recruit labour from outside the local or domestic labour market has been examined theoretically by recent European Commission funded research and documented in a series of reports titled *The political economy of migration in an integration Europe* (PEMINT). Looking at recruitment strategies and labour mobility, Blauw (2002) commented that "the role of employers in supporting labour migration should not be underestimated". He argued that human resource management strategies will be directly informed by business strategies, and that although most companies in the first instance seek to fill vacancies internally and through the local labour market for reasons of cost and economy, "when confronted with labour shortages and affected by high ambitions concerning cost reductions or maximum utilisation of labour an orientation towards a foreign labour market becomes in sight" (Blauw, 2002). There is no doubt that a number of UK employers have made a transition to resourcing labour from abroad. This is partly evidenced by the growing number of migrant workers in the UK – however, as this study shows, there is also a considerable demand from foreign workers for employment in this country.

Research conducted in Northern Ireland concluded that the country benefited from the inward migration of labour, and that migrant workers were filling significant gaps in the labour market, both in terms of low-skilled work and skilled professional roles (Bell *et al.*, 2004). An article on the experiences of a number of food manufacturing companies in the UK, reported that they had reduced high turnover and high sickness absence rates since recruiting greater numbers of ethnic minorities and foreign nationals to their workforces (Reed, 2005). Another piece of research reported that, since the introduction of foreign nationals to their workforce, companies working in the *Agriculture* and food processing industry in Norfolk no longer have problems meeting their overtime requirements. Owing to these positive experiences, what began as an attempt to fill large numbers of vacancies has now resulted in some employers strategically recruiting from abroad and encouraging foreign workers to relocate by offering support in finding accommodation (Norfolk County Council *et al.*, 2005).

A large-scale piece of research looking at the employment of migrant workers in the food and drink industry concluded that employers' use of the local labour supply could be classified into three main categories and profiles:

- local indigenous labour - limited numbers, and limited availability/interest beyond regular office hours;

- local, becoming residential, migrants - these are described as core workers in the industry who have settled and often have their families with them, e.g. Portuguese community in Boston;
- transient migrants - this is the largest group and have often recently arrived, are often housed under labour agent agreements, and are transported daily to places of work.

The 'transient migrant' was described as working for more than one agent, and working on more than one site on any given day. They are known to (willingly) work long hours, including overtime and weekends, and are also recognised as being particularly valuable to employers. Employers' ability to expand and disband this additional workforce in order to fill daily fluctuations in demand are crucial to industrial success and survival (Taylor and Burch, 2004). This type of flexible employment has been found by employers to be less attractive and desirable to those in the 'local indigenous labour market' who, in a tight labour market, have more options for work with regular hours and benefits.

Research on migrant workers in Norfolk showed that many workers are attracted to the UK because of relatively high wages and the availability of work compared to their home countries. Others came to take advantage of specific opportunities offered through schemes such as SAWS, and have continued to come through their new EU status – as more than half of workers in SAWS before accession were from Poland. Most want to improve or learn English, and this was especially true for workers from the Accession States. In the case of Portuguese workers, many were joining family and relatives already established in the UK (Norfolk County Council *et al.*, 2005). Considering these myriad motivations for foreign workers, it is perhaps not surprising that these workers were highly valued by employers, not only because they are filling vacancies that are otherwise very hard to fill, but because they are seen to be reliable and hard-working.

Looking at employment of undocumented migrant workers, research by Ram *et al.* (2001) highlighted some of the motivations behind employers' recruitment behaviour in the restaurant and clothing sectors. They note that restaurants (mostly ethnic food establishments) operate in a highly competitive market, in which the number of workers willing to work under difficult conditions is declining. This has resulted in continuous recruitment difficulties. In contrast, it was concluded that employers in the clothing sector use illegal labour purely as a matter of cost. The employers in the study felt that this type of employment was reluctantly undertaken (and did not involve pro-active recruitment). Unauthorised employment has, however, been a result of the general decline of the British clothing industry due to intensifying global competition. All employers mentioned that illegal workers were loyal, hard working, and reliable, and this was often a main reason for using them (Ram *et al.*, 2001).

Skills and language

Migrant workers occupy a mix of high- and low-skill occupations. Although more recent entrants from the Accession States seem to be working mostly in lower-skilled positions, various research findings suggest that these jobs are not making the most of what these workers have to offer. In north-east Scotland, for example, research found that the skills and qualifications of workers were often above and beyond the requirements of the jobs in which they were employed, suggesting the ineffective use of skills to address skill shortages in the local economy (Solutions, 2005).

According to a recent study by Schneider and Holman (2005), this was also the case in the east of England where many migrants were employed in jobs that underutilised their skills. Furthermore, many of these workers possessed skills and qualifications that corresponded to gaps in the local labour market, including high levels of appropriate skills and experience of management in the farm and food processing sectors. In general, the migrant workers surveyed possessed very high levels of generic and numerical skills, including good knowledge of English and other languages, and high levels of competence in IT. This was especially the case amongst younger migrants, and also amongst more recent arrivals.

The extent to which knowledge and fluency in English prevented foreign workers from using their professional skills and experience is not clear from existing research evidence. Various research (from Northern Ireland, north-east Scotland, and the East Midlands) has found the lack of English language skills, and the pursuant communication barriers, to be the biggest challenge in employing migrant workers (Bell *et al.*, 2004; Solutions, 2005; Taylor and Burch, 2004). However, one study

found that knowledge of English was not the only barrier to successful employment integration, as most migrant workers in the east of England were employed in low-skill positions despite very good levels of competency in English (Schneider and Holman, 2005). Looking at all types of migrants, Haque *et al.* (2002) assert that several factors are at play in the labour market performance of foreign-born migrants (as compared with second generation immigrants) including education, where qualifications were obtained, English language fluency, and the number of years since migration.

On the whole, employers of foreign nationals tended to appreciate this group's work ethic and reliability more than any specific skill set that was brought to the job (Bell *et al.*, 2004; Schneider and Holman, 2005; Solutions, 2005; Taylor and Burch, 2004). However, once employed, several employers wanted to know how they could make better use of this resource, in terms of both development and retention.

Training

There are a few regional studies of training. Norfolk County Council (2005) found that many employers in the *Agriculture* and food processing industry had introduced various initiatives to ensure good communication and positive integration (within a company and the community as a whole). Some employers provided free English as an Overseas Language (ESOL) training, while others had tailored induction and training materials to be used in several foreign languages. Both of these efforts were seen as key by the Health and Safety Executive (HSE), who had been working together with various employers in these sectors to produce guidelines regarding all issues around the employment of foreign nationals. This guidance covered recruitment, health and safety, training, and management and supervision issues particular to a multicultural workforce. There was varying practice with regard to the languages in which training was offered. However, many employers did offer training, particularly induction, in various languages. It was seen as especially important that workers understood information provided during induction whatever their level of competence in English.

Employers in Scotland and Northern Ireland reported that many migrant workers had experienced problems with regard to housing, and harassment and racist discrimination in the community (Bell *et al.*, 2004; Solutions, 2005). The Scottish research also found that both employers and community organisations were interested in developing induction packages for migrant workers to include information about the community and access to local services (Solutions, 2005).

Recruitment

Recruitment strategies can be either internal or external, and informal or formal, and the combination of these practices varies according to the aims and contexts of a given business. These practices impact on labour market mobility, and as a consequence, the employment of foreign nationals (Blauw, 2002). One gap in the literature is that there is very little research looking at how employers go about recruiting foreign nationals, or if indeed this tends to result from a particular recruitment strategy. The subject of labour providers and subcontracted labour has been explored in some depth, especially in relation to *Agriculture* and food processing, and this evidence is described here.

Subcontracting and outsourcing of labour

The decision to recruit or subcontract can play a powerful role in the employment of foreign nationals, as research in the Italian labour market showed (Fellini & Fullin, 2002). Comparing the ICT, health and *Construction* sectors, the authors concluded that various factors contribute to this decision-making process, including:

- *specificity* (the degree to which the skills required by a given job are particular and/or rare or require specific quality, i.e. different quality control issues between private and public health services);
- *frequency* (how frequent the demand for the particular type and level of work is, and whether doing this work demands a cumulative knowledge and understanding);
- *complexity* (this is thought to be most relevant in the ICT sector, where unknown product specifications and complications can lead to spiralling costs and would, therefore, benefit from internal resourcing);

- *uncertainty* (this refers to the ease with which the performance of an individual or group can be evaluated and assessed, as it is predicted that roles that can be assessed more easily are more easily subcontracted).

These variables were all at play in an organisation's recruitment option to 'buy' labour (Fellini & Fullin, 2002). One example of these issues in practice has been observed in Australia where construction employers have created a system of externalising labour in order to increase profits. It is reported that Korean-speaking tiling workers are hired in self-organised teams at lower rates of pay. The workers accept these rates of pay because they prefer the autonomy of self-employment, and because they can work faster than other tile-layers because of their work culture, which therefore allows a reasonable income. This is also seen to create a natural incentive to improve skills, in order to attain higher wages (Shik Sin *et al.*, 2004). There are concerns, however, over the impact this new dynamic will have on the formal apprenticeship system, equity wage systems, and occupational health and safety issues.

In the UK, however, the decision to subcontract labour seems to be strongly influenced by the principles described by Blauw (2002), where human resource management strategies are directly informed by business needs. The *Agriculture*, and *Hotels and Catering* industries in the UK are particularly good examples of this process. In *Agriculture*, for example, increased competition from international producers, the concentration of UK retailers, and the changing structure of the UK labour market have all contributed to the creation of the current work environment which is heavily reliant on foreign labour.

While the British agricultural industry has traditionally been strongly influenced by its inherent seasonality, the new structure has seen this seasonality altered in two key ways. First, some producers have had to adapt production facilities to include growing under cover so that fresh local produce can be supplied year-round. Second, in order for suppliers to secure contracts with the large retailers, they need to source off-season produce from abroad. This required on-site manual support (sometimes repackaging) and additional cost burdens (Wychavon District Council, 2004).

All of these factors have created a lower margin, more labour-intensive chain of production which, when combined with very low levels of unemployment, results in unmet demand for low-skilled (or low-paid) flexible workers. This unmet demand is currently being filled by agency workers, many of whom are foreign nationals. In the East Midlands, faced with a major labour shortage, employers in the food and drink industry placed a growing reliance on agency workers (30 per cent of their workforces), many of whom were foreign nationals (90 to 95 per cent) (Taylor and Burch, 2004).

Labour providers

The provision of on-site accommodation often makes the difference between businesses' abilities to directly employ flexible labour or not. However, many businesses face difficulty gaining planning permission in order to create this facility. Those who do not employ workers directly rely on labour providers, and therefore outsource the responsibilities associated with employing temporary workers, including checking of documents and legal status, payroll, training, and health and safety. The scale of temporary employment in *Agriculture*, and *Food Processing and Manufacturing*, was estimated to be in the region of approximately 100,000 workers a month recruited directly by farm enterprises, and a further 100,000 workers a month recruited by labour providers (DEFRA, 2005). Other research estimates even larger flows, suggesting that farm enterprises use 125,000 workers from labour providers a month. Of these, 34 per cent are UK workers, 29 per cent are from other EU countries (although mostly from the Accession States), and 37 per cent are non-EU nationals (ALP, 2005).

Gangmaster is the traditional name for the role in the agricultural industry of supplying large numbers of flexible and temporary labourers. Despite many changes to the sector's structure, the term gangmaster is still used today, sometimes interchangeably with 'labour provider' and 'employment agency'. Recent consultation within the industry found that the term gangmaster does not best describe their activity, and the terms 'labour provider' or 'recruitment agency' are preferred, with earnings above £10 million defining the latter category (*ibid*). Most of the businesses in the survey had turnovers between £1 million and £3 million, and provided labour to employers packing imported goods and UK-grown produce. The pack-house work creates the biggest demand for their services, including washing, weighing, labelling, and "overall, adding value to fresh produce". The services are

provided in nine out of the eleven Regional Development Agencies (RDA) in the UK, and therefore represents a national phenomenon of labour usage (Frances, 2003).

Research amongst employers in the food and drink industry in the East Midlands found that companies often have a 'preferred list of suppliers', with larger companies having one main supplier who is often based on site. Additional preferred suppliers are used when the main supplier is unable to provide sufficient numbers of employees, and often suppliers themselves subcontract other suppliers to help meet peaks in business demand (Taylor and Burch, 2004). Illegal employment is a particular risk as the subcontracting chain lengthens – the legal duty of employers shifts further from the place where work is conducted (e.g. the farm enterprise). According to the Association of Labour Providers (ALP), although the process of licensing and regulation of labour providers has begun to unfold, this is slow to take form and there are concerns about policing of new standards and regulations. Current operators vary significantly in size, specialisation, and with regard to quality and operating standards (ALP, 2005). The Gangmasters (Licensing) Act 2004 leaves much of the detail about the scope and implementation of the proposed licensing arrangements to secondary legislation which (at the time of writing this report) is being developed by DEFRA and the GLA.

Use of labour providers also has implications for labour costs as, although these agencies can ensure a steady supply of labour, it does not come without greater expense. The ALP (*ibid*) reports that directly recruited temporary workers are replaced, on average, 1.6 times a year; temporary workers from labour providers are replaced 4.5 times a year. This more frequent turnover was found to lead to additional administration and training costs (*ibid*). In the interest of increasing numbers of permanent staff, and reducing reliance on labour providers, employers in the East Midlands sought to inform their recruitment and training practice to better suit the needs of the migrant worker population (Taylor and Burch, 2004). In other research, employment agencies were also seen as a barrier to migrant workers being able to access levels of work that best match their skills (Schneider and Holman, 2005).

The international hotel industry has also adapted to 'just in time' flexible employment models in order to keep costs down (Alcorso, 2004; Timo, 1999). In the UK this has been achieved by significant subcontracting and outsourcing of cleaning services, which represent the lowest skilled jobs in the trade. An article in *Caterer and Hotelkeeper* reported on a piece of undercover investigative journalism that revealed various London-based hotels using employment agencies whose practices varied in regard to their legality. It found some agencies guilty of employing unauthorised workers, not checking relevant paperwork, providing inaccurate and inconsistent information, and of violating National Minimum Wage regulations. It remains unclear, however, to what extent hotels were knowingly supporting these activities (Bignold, 2005). There is very little rigorous research into the agencies providing labour to this sector, unlike in *Agriculture*, and so the extent of this kind of practice is unknown.

Unauthorised working

Numbers of undocumented workers are difficult to estimate, for obvious reasons, but such workers may come from a number of sources: visitors and workers who have overstayed their visas (including working holidaymakers), visitors on holiday visas, overseas students working more than part-time hours (20 hours), and EU workers who might be forced to work 'off the books' (TUC, 2003a). There are also an unknown number who enter the country illegally (some aiming to seek asylum) and those who are not granted refugee status. As the TUC highlights, these workers are vulnerable to exploitation from employers as their undocumented or illegal status denies them the employment rights of those in legitimate employment. The presence of these groups of workers also poses a potential economic loss as wages go undeclared (hence, taxes are unpaid) and illegal businesses with lower direct expenses compete with legitimate employers.

In 2002, the Home Office established the illegal working steering group whose task it was to consider enforcement issues in relation to the Asylum and Immigration Act. Immigration officials gained a greater role in enforcement, thanks to increased powers laid out in the Act. ID Cards are one of several proposed measures to help reduce levels of unauthorised working, and would be mandatory for all foreign nationals. The Gangmaster Licensing Authority is also in development, and proposes to regulate the employment of migrant workers through the licensing of labour providers (among other aims).

In March 2005, the BBC reported that, in an operation organised by police and immigration officers, over 60 illegal workers had been arrested in a raid on a factory in Shropshire. The operation, which took several months of organising, exposed 'sophisticated' fraudulent passports and the use of expensive smuggling networks helping foreigners to enter the UK illegally and find work (BBC, 2005). This story is just one example of anecdotal evidence of unauthorised working in the UK; however, examples such as these are difficult to contextualise without knowing the full scale of illegal employment. These types of reports might also wrongly portray illegal employment as an activity that occurs only as part of large criminal networks and other organised crime. With 50 different ways in which foreign nationals can come to the UK to work or study (Home Office, 2005), it is unlikely that employers will be familiar with each route or the required documents and certificates to demonstrate eligibility to work. It is also unclear to what extent penalties act as deterrents to employers. Although fines of up to £5,000 can be made for each unlawfully employed worker, Dubinsky (2005) claims that, in practice, the fine is usually substantially lower than the maximum allowed.

Exploitation

In recent years, the media have also highlighted the plight of migrant workers in various industries, not least spurred on by the tragic death of Chinese cockle pickers in Morecambe Bay in February 2004. Both the TUC and the Citizens' Advice Bureau have reported anecdotal evidence presented to them by migrant workers, including multiple abuses of employment rights such as underpayment, overworking, unfair dismissal, and general mistreatment (CAB, 2004). These accounts are important to provide an indication of the ways in which employers use existing arrangements and systems to abuse the rights of migrant workers.

Regulation of the labour provider industry is welcomed by both businesses and labour providers in the industry, as unscrupulous labour providers are often cited as the source of exploitation of migrant workers. Some agencies provide accommodation for their workers and deduct amounts owed for rents directly from pay⁸, a source of abuse among certain suppliers. Also, not all labour providers use the same standards in recruiting and vetting their workers; workers without legal employment status or entitlement are likely to end up with these agents, and are then increasingly vulnerable to meeting the agents' demands on working time and submitting to below-standard accommodation and pay (sometimes below the minimum wage). There are also stories of workers being recruited from their home countries under false pretences, such as being offered better jobs, salary, and working conditions than what is available on arrival. Some workers are misled as to their legal rights, and others threatened with their jobs and accommodation if they complain or speak to external agencies or bodies (*ibid*).

This review has drawn on a range of different types of studies to explore the existing state of knowledge around employers' use of migrant workers in the UK. It has highlighted a number of gaps, in particular, the lack of cross-sectoral studies, and limited information on the process of recruitment and unauthorised working.

⁸ This is not to be confused with the legitimate and required provision of accommodation in use by employers through the Seasonal Agricultural Workers Scheme which tends to be on-site and of a basic standard.

4. The profile of the migrant workforce

Introduction

This chapter examines the broad profile of the migrant workforce based on the responses from the employers interviewed. It is not, therefore, representative of the migrant workforce as a whole as it is related to the profile of employers in this study. The chapter examines the numbers being employed, the type of employment contracts, the age and gender profile, their occupations, pay and conditions, training, and countries of origin. It should be borne in mind that some employers were more forthcoming than others. While some could provide detailed information on all these areas, others were vague on certain aspects, or said they simply did not know.

Employers were basing their experiences on varying numbers of migrant workers. Some had large numbers while others had only one or two. However, the number of migrant workers employed in the UK has grown in recent years. The majority of migrant workers employed by participants in this study were in low-skill jobs. However, it was rarely the case that these were seen as jobs specifically for migrants – employers recruited from those who applied. Where jobs were generally segmented by gender in a sector, this was also reflected amongst migrant workers. In the majority of cases, migrant workers were experiencing the same pay, terms and conditions as domestic workers in the same jobs.

The numbers employed

The study included employers ranging in size from the very small with less than 50 employees, to medium-sized (50 to 249) and larger establishments with 250 or more employees. Inevitably, therefore, the total number of migrant workers in each organisation varied, and while it was generally related to the overall establishment size this was not always the case. For example, some employment agencies with several hundred employees reported that the majority of these were migrant workers.

Many employers were basing their experiences on fewer than ten migrant workers, or even less than five. The two sectors in which the numbers were generally larger were the *Hotels and Catering* sector in London, and *Agriculture* in East Anglia. In both cases there were several employers with 50 or more migrant workers.

Type of contract

The majority of employers reported that they employed migrant workers directly. Exceptions were in *Construction* in London, where some employers were using subcontractors, and *Agriculture*, where more than half were supplied with workers through a SAWS Operator or a local employment agency. One *Construction* employer in London said that the migrant workers were generally self-employed and moved around different building sites to keep the work coming in. Other employers reported that they subcontracted whole functions for which the subcontractor then took full responsibility (housekeeping in hotels and cleaning in a range of other sectors were common examples). Where this occurred, the employers could not provide any information on the terms and conditions afforded to migrant workers by the subcontractors.

Most employers reported that they employed migrant workers on the same contractual basis as the rest of the workforce. This generally meant that they were employed on a permanent basis. However, there were important exceptions to this pattern, primarily where entry was through a scheme and there was a limit on length of stay. This applied particularly to agricultural employers using the SAWS and to the small number using SBS. In *Agriculture*, the majority of employers said the migrant workers

were employed on temporary or casual contracts, or through a sub-contractor who employed them directly.

One employer in the *Administration, Business and Management* sector said that migrant workers on work permits were usually employed on a temporary two-year contract, subject to review if the work permit could be extended. Some employers said that they employed migrant workers initially on a fixed-term contract, and then employed them on a permanent contract if suitable.

Most employers said that their employees worked full time. In fact, as discussed in Chapter 5, one of the advantages of migrant workers to employers was their willingness to work hours additional to their full-time contracts. Only where the work was casual did an employer employ them on a different basis. For example, one employer said that he recruited migrant workers to do leaflet distribution, and in logistics and administrative roles. While those in the latter two roles were employed full time, the leaflet distributors were on casual 'zero hours contracts', working anywhere between three days a week and three days a month.

Countries of origin

The vast majority of employers said that when they first started employing migrant workers, they had not been deliberately recruiting workers from individual countries. In explaining why they now employed workers from particular countries, they frequently said that it had "just happened", and that there was no design or underlying strategy.

The *Finance and Accountancy* sector employers in London were more likely to draw on migrants from a wide range of countries outside the EU. They were generally recruiting to skilled or professional jobs and said that they recruited the best person available, and that the country of origin was irrelevant, providing that the person had the required skills. In both the *Administration, Business and Management* sector, and in *Finance and Accountancy*, employers mentioned that the country of origin might be related to the need for someone with a specific language skill.

In contrast, both *Construction*, and *Hotels and Catering* employers relied heavily on workers from the EU, and increasingly from the Accession States. One of the *Construction* employers recruited migrant workers only from outside the EU; the others all drew on EU workers, largely from the new EU. Poland and Lithuania were most often mentioned in the context of employment of workers from the Accession States. Their rationale for drawing on those countries was to do with the available pool of labour, or the fact that these were the workers supplied by the agencies.

In *Hotels and Catering*, most London employers drew on a mixture of workers from the EU and outside the EU. Some restaurants recruited according to the cuisine – from Turkey, India and Bangladesh, for example. But the hotels and non-ethnic restaurants seemed to draw on a very diverse pool of applicants. One employer said that the WRS people came from Poland, Lithuania, the Czech Republic and Slovakia; the people who had come on the SBS scheme were from Arabic countries and Russia; and the people on work permits were from India and the Middle East. In London, all the employers said that in the past two years, the number of applications from the Accession States had risen, especially from Polish workers. In East Anglia and the North East, the pattern was similar, but fewer reported a significant increase in applications from the Accession States.

In *Agriculture*, in both East Anglia and the North East, the majority of employers were using a mix of workers from east European countries. Some now came under WRS from the Accession States, particularly from Poland, while others came under the SAWS scheme from outside the EU; countries such as Bulgaria, Romania and Russia. Several explained this pattern in terms of the role of the agencies who supplied them with workers, and implied that their own preferences did not play a part. One employer in the North East said that the labour supplier usually sent Accession State workers, as these were readily available, but that she would prefer to be employing non-EU nationals (through SAWS) because this avoided the requirement to make National Insurance payments. A second agricultural employer made the same point about preferring to employ through SAWS, rather than EU nationals, but acknowledged that providing accommodation for the SAWS workers was an additional cost.

The accession of eight east European states to the EU in May 2004 had changed which countries employers were recruiting from. This was, however, rarely instigated by employers; it was rather that nationals from these countries were available and willing to work – largely in low-skill jobs. Employers made comments along the lines: “We get a lot of applications from [named east European country]”. Some employers (often in the North East) talked about what could be classified as ‘waves of migration’. A few years ago they had been recruiting many Kurds and Iraqis (although these were most likely to be refugees and therefore not the migrant workers this study was specifically interested in), and were now receiving many applications from the Accession States. They were looking for a readily available supply of labour, willing to work in the jobs available and were rarely making specific choices about the countries from which this labour should come. There were a few examples of deliberate recruitment from particular countries. For example, having positively experienced employing east Europeans, a few employers had deliberately set out to recruit more people from these countries, either through direct advertising, a recruitment agency, or (in one case) setting up their own contacts. Accession seemed to have made little impact on the pattern of applications for, or recruitment to, higher-skilled jobs.

Change in numbers over time

The vast majority of employers said that the number of migrant workers they employed had increased over the past five years. Only one employer, a restaurant manager, said that the number had decreased, and this was due to overall downsizing. A few employers reported that the number had stayed the same, and these were predominantly in *Hotels and Catering*. The widespread pattern of an increase in the number of migrant workers employed was the same across sectors and regions. In some instances, this involved an increase in the proportion of migrant workers employed, while in others it was part of a growth in the total workforce.

Some employers explained the upward trend by reference to difficulties recruiting in the local labour market. One *Construction* employer in London said that the employment of migrants had increased in recent years owing to the shortage of highly skilled domestic workers applying for jobs with the company. A farmer, employing around 50 migrant workers, said that the number had increased from an initial six workers. This was due to the demand for workers and the fact that there were no local applicants for vacancies.

Several employers were concerned to stress that the increased numbers were not the result of a deliberate decision, but simply that the suitable candidates “just happen to be migrant workers”.

Age and gender profile

The migrant workforce is an overwhelmingly young workforce. Of the migrant workers employed by the employers in this study, the vast majority were students aged around 18 to 24, or were workers in their twenties. Some said that they were in their twenties or thirties. A minority were workers in their forties.

Overall, more employers reported that their migrant workers were predominantly male, while some said they had equal numbers of both men and women. However, the gender distribution in large part simply reflected the types of jobs within the company. The jobs in *Agriculture* were the most clearly demarcated by gender. Jobs that were very hard physically and involved a lot of lifting and carrying were generally carried out by men, whereas women predominated in areas such as fruit picking.

In other sectors too, the gender profile tended to mirror that in the organisation as a whole. In hotels for example, migrant women were employed in housekeeping as room attendants, while more men worked as chefs. Where there was a strong pattern of gender segregation of occupations in an industry, the profile of migrant workers tended not to deviate from this.

Types of jobs

The skill level of the jobs in which migrant workers were employed varied by sector rather than region. The majority were in unskilled or semi-skilled jobs.

In *Agriculture*, employers used migrant workers in the full range of labouring jobs. These jobs include picking crops, sorting, packing, weeding and planting. Opportunities for more skilled work are primarily in jobs such as forklift truck driving and quality control. One employment agency in East Anglia said that these more skilled jobs went to those who had experience and a licence for forklift driving, or who had good English. On the food processing side, a few companies mentioned the opportunities to progress from process operative to team leader, unit managers and quality assurance roles. For this to happen, according to one employer, migrants need to stay with the company. This has happened and some of them have been “rising up through the ranks”.

In the *Construction* sector, some migrant workers were employed as general labourers and others in skilled trades. A high proportion of employers mentioned using migrant workers in a range of skilled occupations such as tilers, carpenters, plumbers and glaziers.

In both *Administration, Business and Management*, and in *Finance and Accountancy*, migrant workers were employed in jobs ranging from administrative and clerical jobs to specialist, technical and professional roles.

Most migrant workers in the *Hotels and Catering* sector were employed in jobs such as bar and waiting staff, kitchen work, and cleaning jobs. In the hotels, migrant workers were also employed in housekeeping, as porters, and if their English was good, as receptionists. A few employers mentioned that they were aware that they were employing people in unskilled jobs such as housekeeping, who had qualifications to degree level. But without good English they were not prepared to use them in more skilled jobs.

The concentration of migrant workers in the lower-skilled jobs was, in some sectors, related to employers’ perceptions of the likelihood of retaining them. In a sector characterised by high labour turnover, employers were unwilling to invest in workers who they thought would not stay long. One employer said that he usually put migrant workers in waiting jobs and not key roles, because he did not feel secure that they would stay. Another argued that government schemes that limited length of stay discouraged investment in promotion and helped to keep migrant labour in low- skilled jobs. However, several employers expressed the view that migrant workers who did stay had the opportunity to progress to supervisory and management jobs, and a few examples were provided of this. In other low-skill jobs filled by migrant workers (e.g. by employment agencies supplying workers for basic factory and warehousing jobs) there was relatively little chance of progression – they were often temporary or seasonal posts and migrants were employed because no (or very few) domestic workers would take such jobs. Migrants were, however, prepared to take such jobs. This might be because they could earn more than in their home country, their English was not very good, or they were students with no specific job-related skills.

The situation was different in professional and more highly skilled jobs – where migrant workers were usually coming in on a work permit, sometimes HSMP. In these jobs, employers were recruiting the most appropriately qualified and experienced person who applied; nationality often did not matter.

Length of stay

Employers were asked how long migrant workers tended to stay with them. The answers varied according to the sector, skill level and the route by which the migrants had entered the country. However, many employers had a mixture of migrant workers who stayed for a year or more and others who were only with them for short periods such as a few weeks.

In the *Agriculture* sector, employers who had students on the SAWS scheme said that they stayed for a fixed period, often of three to six months (as allowed by the scheme). They were keen to encourage the good workers to come back the following year, and some return via SAWS if they are still students. There was also mention of students from the Accession States who had originally come through SAWS, coming back through WRS. One farmer gave the example of Lithuanian students who worked for him on the SAWS scheme and now come through WRS. The fact that WRS workers could be employed for longer periods than SAWS students was mentioned as an advantage by some farmers who were seeking a more stable and permanent workforce.

In this sector, as in the others, employers tended to be vague as to where the migrant workers went when they left. The SAWS students had to go home, although a few respondents implied that they thought that did not always happen in practice. There was no consistent pattern for those who had come in on WRS. However, one large employment agency kept detailed records of the directly employed migrant workers. According to this employer, of those from east Europe who left their employment, around ten per cent stayed in *Agriculture* and went to work directly for a farmer. Of the rest, 50 per cent left the sector and got jobs in the towns, such as factory work, while the destination of the others was not known.

The length of stay varied so much in the *Hotels and Catering* sector, that many employers said they could not generalise. The sector is characterised by high turnover, particularly in the lower-paid jobs. The employers did not view the length of stay by migrants as notably different from that of domestic workers. Instead, differences in length of stay were linked to the skill level of the job. One London hotel manager said that the average stay in the kitchen, restaurant and front office areas was nine to twelve months whereas those in housekeeping stayed longer. She also linked the retention rates for migrant workers to the extent to which the scheme they were on allowed mobility. She said that commitment to stay varied with the difficulty in transferring to another employer. On WRS, for example, it was "easy to re-register, so turnover is higher". Under SBS, migrants tended to stay for the full year (or more if an extension was obtained). Employers were keen on this because of high turnover in the sector, although some reported that they would have preferred a stronger option to keep good workers for longer.

The *Hotels and Catering* sector also relies heavily on part-time working by students, many of whom are non-UK nationals. Some were believed to go home when they had finished their studies, while others moved on to better paid jobs once their English had improved.

In both *Administration, Business and Management*, and *Finance and Accounting*, the number of migrant workers as a proportion of the workforce tended to be smaller. Length of stay varied according to the nature of the job. Some were on fixed-term assignments in the *Finance and Accountancy* sector. But those who were not on a fixed contract tended to stay long-term, and many examples were cited of migrants working with the company for several years. Employers were more likely to see them as a permanent part of their workforce than in *Agriculture* or *Hotels and Catering*.

Migrant workers' length of stay also varied, from a minimum of a few days to several months or more in *Construction*. Some workers were on contract work and moved around between contracts. But many employers said that the migrant workers who were a permanent part of their workforce stayed for periods of one year upwards. After that, some of them returned home for a few months and then came back again. Some workers studied while working for a *Construction* company and then were able to obtain more skilled jobs. One employer gave the example of a Polish employee who qualified in telecommunications and got a skilled job with a technology company. Several employers in *Construction* mentioned that migrant workers did not intend to stay permanently in the UK. While one employer thought that young workers were more likely to want to go home after a couple of years, another said that it was the older workers who wanted to return to their home country as they had stronger roots there.

The vast majority of employers could not provide detailed information on the destinations of those who left them. One employer in the fast food sector found out that some of his employees were using their job in catering as a stepping-stone to work in the public sector. The company had noticed that a lot of migrant workers were leaving after six months. It was then discovered that the local recruitment agencies were encouraging people to work in catering for six months for the required six months work experience, and then apply to the local NHS hospitals for work.

Several employment agencies reported that workers from the Accession States would often go home for periods during their employment. They wanted to work in this country to earn enough to improve their standard of living in their own country. For example, one reported having a couple on the books who would work over here for several months then go home. They were buying a house in their home country and worked in the UK to fund this and attain a better standard of living for themselves.

Pay, terms and conditions

All the respondents who employed migrant labour were asked whether there were any differences in the pay, terms and conditions offered to migrant workers, compared to those recruited from the domestic labour market.

Almost all said that the pay of migrant workers was identical to that of domestic workers in the same jobs. They asserted that any differences in pay were not related to nationality or migrant status but to differences in experience or skill levels that applied to all workers.

Although employers were asked about the pay rates, the main responses came from those in sectors where wage rates at or just above the minimum wage predominate – *Agriculture* and *Hotels and Catering*, and lower level administrative jobs. In *Agriculture*, the Agricultural Wages Board (AWB) sets a rate just above the minimum wage, and employers indicated that this is what they paid. Several of them pointed out that they paid piece rates, that fast workers could earn relatively high wages, and that the AWB rate only set a floor. One employer in the *Agriculture* sector said that “cutting broccoli or asparagus, which tends to be male work, is better paid than some of the picking jobs – at best they could earn up to £200 per day”. Another reported that strawberry pickers, usually women, could earn similar amounts.

Only four employers admitted to paying less to migrant workers, and of these, three were in *Construction*. One *Construction* employer said that he paid migrant workers less than domestic workers and that was one of the reasons he liked to use them: “They are a lot cheaper and a lot more convenient”. Another said that they did not pay as much to migrant workers, but attributed this to migrant workers’ relative lack of qualifications, or at least qualifications that the employer recognised. In *Agriculture*, the only employer who said that migrant workers were paid a bit less than domestic workers said that this applied to casual workers paid through an agency. One employer in *Hotels and Catering* said that they had to pay higher rates to migrant workers to attract them to come over, but this was very much an exception.

The vast majority of employers reported that migrant workers were employed on exactly the same terms and conditions as UK nationals. Occasionally, they even pointed to preferential treatment. One company in the *Administration, Business and Management* sector said that migrant workers needed greater flexibility, such as the ability to block book holidays to return home. Although company policy was that no one should take more than two weeks holiday at a time, migrant workers were allowed to take up to three weeks at a time to return home for a holiday. In contrast, a *Construction* company in the North East mentioned that it asked the Polish workers to take their annual leave in the period when the British workers were not taking their leave.

Some employers mentioned benefits that were made available to migrant workers. In *Agriculture*, the main benefit was accommodation – a condition for employers using the SAWS scheme. The migrant workers paid on average around £25 per week for the housing. This was rarely available to domestic workers as employers largely recruited very locally to these jobs if employing from the domestic workforce. Several employers did report that British students used to be a good source of seasonal workers but were no longer. There were a number of reasons for this, but one employer did comment that if they had perhaps offered accommodation for domestic students they would have found it easier to recruit.

Only a few employers mentioned providing English language classes. Occasionally, this was provided free and on-site by employers in *Agriculture*. One hotel respondent said that they provided free English classes because so many of their employees were in front-line positions. There were also some examples of employers distributing information about English classes in colleges. A few employers reported that they did not provide any English language support, because the people appointed were expected to be able to speak adequate English for the job or they would not be recruited.

It was rare for an employer to say that they paid relocation expenses. The few instances were in the *Finance and Accountancy* sector when foreign nationals were recruited to highly skilled jobs. In one

case, migrant workers received relocation costs, a living allowance and assistance with schooling for any dependants.

Training

In the low-skill jobs, training for new recruits usually takes the form of an induction session, sometimes followed by further on-the-job training. In higher-skilled jobs, as well as any induction process, there may be further opportunities for subsequent training as part of a process of career development.

Employers generally said that they offered the same induction and on-the-job training to all new employees, regardless of whether they were foreign or UK nationals. This response was typical in all regions and in all sectors. Obviously, the content and length of the induction process varied, and in *Agriculture*, *Construction*, and *Hotels and Catering*, health and safety training was emphasised. In *Finance and Accountancy*, and in *Administration, Business and Management*, employers tended not to specify much about the content of the training, only indicating that the induction was tailored to the particular job.

Employers of more skilled workers did not see the issue of the provision of training in different languages as an issue. The assumption was that their English language proficiency would have been assessed at the time of recruitment and deemed adequate for the job. In *Agriculture*, by contrast, language proficiency was not a requirement for the job, but was obviously necessary to understand the training. In *Construction*, it was seen as essential that all workers understood the health and safety provisions.

Employers in *Agriculture* in East Anglia were the most likely to make provision for training to be translated. In some cases, this simply meant that health and safety posters were displayed in the main languages used by the workers. A few employers said they relied on fellow workers to assist in translating the induction training. It was relatively rare for training to be provided in two languages, although this was the case on one farm.

In *Construction*, there was a similar reliance on migrant workers to assist with translating any training. However, some *Construction* employers said they did not provide any training. As one London employer put it, “We expect them to be able to do the job from the outset”.

In the *Hotels and Catering* sector, the usual provision was for an induction process followed by on-the-job training. The period of on-the-job training depended on the company – it might be a few days, or a few weeks working alongside a more experienced employee.

Only a small minority of employers mentioned opportunities for training linked to development and progression. The larger companies were more likely to have a training manager and to provide a more extensive period of training. In London, this was most apparent in the *Hotels and Catering* sector. In one large company training was described as “extensive and continuous”. There were a large number of departmental trainers, and all workers were supported to improve and gain qualifications. Another employer in the same sector in London was part of a large group and described a comprehensive induction period of 12 weeks, followed by opportunities for further specialist training. One *Finance and Accountancy* sector employer explicitly stated that nationality was not an issue in training and that all employees who joined would be expected to sit further examinations on both the stockbroking and administration side.

Overall, it appeared that training provision varied widely but that migrant workers received the same training as other employees. However, in the low-skill sectors, in most organisations there was no additional provision to take account of any language deficiencies. The cheaper route of using fellow workers to help with translation was the typical solution.

5. The importance of migrant workers to employers

Introduction

Migrant workers now comprise a major part of the workforce in some of the sectors examined in this study, notably *Agriculture*, *Construction*, and *Hotels and Catering*. The importance of migrant workers to individual employers depends on the number employed, and also on whether or not the employer has access to other sources of labour. The reasons why many employers have turned to migrant labour, especially in low-skill jobs, suggest that this is due to a gap in supply in the domestic workforce – people are not prepared to work in these jobs for the pay and conditions on offer.

This chapter explores the reasons for recruiting or not recruiting migrant workers, the perceived advantages and disadvantages of recruiting these workers. Overall, although rarely making a conscious decision to recruit migrant workers in the first place, few employers regretted this happening – they were very satisfied with the quality of labour obtained. The main reason for not recruiting migrant workers was that none had applied, although a few employers did report experiences that had been off-putting.

Reasons for recruiting migrant workers

The overwhelming majority of employers in all sectors in each region said that they started to recruit migrant workers because they could not get applications from domestic workers for low- skilled jobs. The reasons for the lack of applicants varied by sector. In *Agriculture*, farmers said that local applications had virtually dried up. In *Hotels and Catering*, employers said the difficulty was finding domestic workers who were willing to work the flexible hours required, whereas, it often suited migrant workers who were studying, for example:

The British want to work nine to five and to have weekends [free]. The foreign nationals want to work evenings and night-work as they are studying. The restaurant is open 6.30 a.m. to 11 p.m. seven days a week.

It might be thought that some of these employers had not tried very hard to recruit domestic labour and were turning to migrant workers as a potentially cheaper or more amenable source of labour. Many respondents were quick, however, to point out that they had tried hard initially to attract domestic workers. There were anecdotes from employers in several sectors; they insisted that they had first tried to meet their requirements through the Jobcentre and other local sources.

According to one *Agriculture* employer in East Anglia, migrant workers were first recruited because of the difficulties in recruiting from the domestic market. The unreliability of domestic workers was making the business difficult to run. He had tried getting people from the Jobcentre, but he found that they turned up for interviews so that he could sign a form and they could get Jobseekers' Allowance. An employment agency (mostly to low-skilled factory and warehousing jobs) had a similar story – people sent by the Jobcentre would often not turn up for work after a few days. They wanted to show that they had tried to find work but became unemployed again so that they could continue to claim benefits.

Another *Agriculture* employer reported that the company had struggled to recruit locally, but those local people who were taken on usually quit after a few days. They had found that the migrant workers were committed and worked hard. An employer in the food processing industry said that only five per cent of applications were now from UK nationals. The company had tried recruiting from the Jobcentre, but found the candidates to be unsuitable and “unemployable”. In contrast, the migrant workers tended to be more enthusiastic and motivated. An agricultural employment agency in East Anglia said that there was simply “no choice but to recruit foreign workers. The English prefer to work in factories or claim benefits”.

Similar views were expressed by employers in other sectors. A London employer in the *Hotels and Catering* sector said that it was difficult to get good quality labour locally, especially when they used the Jobcentre. They had found that the attitudes of the domestic workers they were sent were not good and that the migrant workers they took on were better. Another employer suggested that migrant workers saw hotel jobs as a way to get employment and improve their English, and that they were more prepared than UK workers to take on the low-skill jobs for this reason.

In *Construction*, where employers were seeking skilled workers, recruitment of migrant workers was directly related to skills shortages. Polish workers were generally valued in London, where they were seen as skilled workers who were highly motivated and could fill the skills gap.

There were also some examples where migrant workers were being employed in highly skilled jobs, and had been recruited because they possessed the requisite skills which were in short supply. One employer, for example, in the *Finance and Accountancy* sector, said that there was only a very small pool of qualified applicants in the UK. They used headhunters who could recruit internationally and took the most well qualified candidate. In these instances, access to a global labour market was the key requirement. The employers interviewed for this study who were recruiting professionals and very highly skilled non-manual workers rarely reported specifically resorting to an international labour market because of domestic skill shortages. Their reasons were often more complex. Companies operating in a global market often want to recruit in a global labour market. Others were finding that a greater proportion of applications were from foreign nationals because their status means they are more highly mobile.

In the lower-skilled jobs, the issue was, unsurprisingly, a shortage of labour rather than skills. Employers repeatedly said that they were looking for a large supply of migrant labour to offset the lack of domestic applicants. As one *Construction* employer in London said of his reasons for recruiting migrant labour: “availability is the key basically – policy would be too great a word for it – it’s about availability”. The owner of a recruitment agency in East Anglia that directly employed and supplied labour for mainly low-skill jobs, said: “We have been accused of only giving jobs to foreigners, but it is only they who want the jobs ... and of employing foreigners for next to nothing. This isn’t true – they are all paid the same”.

Many of these employers were under no illusions why migrant workers might be more motivated to work in low-skill, low-paid jobs. The low wages meant more to them than to domestic workers, because the pay was higher than they could earn at home. A London employer, in the *Hotels and Catering* sector, said that migrant workers were more likely than domestic workers to be willing to work for the minimum wage, because it was worth considerably more than they could get in their own countries.

Employers were asked whether their reasons for initially recruiting migrant workers had changed. The vast majority said that the conditions that had led to taking on migrant workers were still current and so the reasons remained the same. Some also said that their businesses had grown and they now needed more migrant workers. One farmer in East Anglia said that the farming season was now extended, and the demand for labour was spread more evenly across the year than previously.

Employers’ reasons for not recruiting migrant workers

As part of this research, 20 employers were interviewed who had not used migrant workers in the past five years, and these were asked for their reasons for not recruiting them. Some employers stressed that this was not a deliberate policy. The reason most frequently given in the North East region was that no migrant workers had applied.

Some employers in all three regions said that they had received applications from migrant workers. Amongst the reasons given for not employing them were inadequate knowledge of English and non-UK qualifications or work experience. A *Construction* employer in East Anglia cited both reasons. The company had taken on Latvians and Croatians through an agency in the previous year (2004). The workers could not speak English and the foreman found their lack of English a problem as they were undertaking potentially dangerous work. Following that experience, the company instructed the agencies not to send them any more migrant workers. The same employer raised the difficulty of

checking quality and qualifications: “We need qualified plasterers and good quality carpenters. But how do we assess the quality. What apprenticeships do they do? What standards do they work to?” This company felt they needed much more guidance on these issues.

Another *Construction* employer in London was concerned about English language skills. He said that this was the main reason why migrant labour was not employed. *Construction* workers needed good English language skills to communicate on site, and good writing skills for the paper work. He also mentioned that language problems made it hard for workers to get through the Construction Industry Training Board courses. The same employer gave, as a second reason, his concern about the legality of some migrant workers. Five years previously the company had employed two Latvians who had disappeared when the Home Office came to visit the establishment.

In the *Finance and Accountancy* sector, qualifications was an issue. An employer in East Anglia expressed concern about migrant workers’ qualifications. The employer felt that unless migrant workers came from a country with similar practices, such as Australia or the United States, they were unlikely to have the necessary experience in the specialisms required. Another employer in the North East said that he had recruited locally and had not had applications from migrant workers. But he added that the company required financial advisors to be qualified under the Financial Services Authority: a UK-based qualification which recent migrants were unlikely to have.

One employer in the *Agriculture* sector in the North East said that there had been no applications from migrant workers. She also expressed reservations about how the local community might react if they were to employ foreign nationals. She felt that the organisation had a responsibility to the community and that local people were owed jobs.

A few employers reported that their policy was to recruit staff who they believed would stay with the company for a long time. In their view, migrant workers were less likely to stay. One accountancy firm had employed foreign nationals more than five years ago but found that they wanted to take advantage of the training but did not intend to stay in the area. The manager said that the CVs tended to show that the migrant workers moved around a lot.

Some employers who did not employ migrant labour and had not had bad experiences indicated that they would consider employing them in the future. The insurance employer who had expressed reservations about whether migrant workers would have the necessary specialist experience, still said that he was extremely keen to employ migrant labour: “it seems bad if we have no ethnic labour at all”. In fact, he stressed that if he had two applicants of equal quality and with the appropriate experience, one a domestic worker and one a migrant worker, he would opt for the migrant to show his willingness to employ migrant workers. He said that he believed that “everyone should have the opportunity to work wherever they liked” and that migrant workers had helped the UK economy in sectors like *Construction*.

In the *Construction* sector, one employer was willing to consider employing migrant labour as he thought that would be necessary in the future to enable the company to expand its services. He said that they would probably offer two-year contracts to migrant workers, if this happened.

The variety of responses from employers who had not used migrant workers suggested that they fell into two groups. The first group had not received any applications and had no experience of employing them. Some of these employers were willing to consider employing migrants in the future. The second group had some limited experience of employing migrant workers and had found it unsatisfactory. On that basis they had decided not to recruit them again.

The small number of interviews with employers who did not recruit migrant workers means that it was not possible to draw out differences by size, sector or region. The most frequently cited reasons for not employing migrant workers were language skills, qualifications, or lack of applications. However, it is important to note that most of the employers who expressed concerns about language skills were making assumptions about the likely level of skills, rather than basing their views on actual experience.

Advantages of employing migrant workers

Employers who currently employed migrant workers were asked for their views on the advantages and disadvantages of using migrant labour. Only a minority of employers thought there were no particular advantages to using migrant workers, other than that they were available. The majority cited a range of positive attributes. The ones most frequently mentioned were reliability, willingness to work hard, and their general attitude to work.

The reliability of migrant workers was often compared with domestic workers who could not be depended on to turn up for work. While most employers just used the word reliable and did not expand, a few also pointed to lower absence rates amongst migrant workers. One manufacturing employer in the North East said that the 11 Latvian workers in his company had only had one day off between them in the past year, compared with an average of 12 days per year for the rest of the workforce. Another North East employer in the *Hotels and Catering* sector said that migrant workers had much better sickness and absence records than local workers and “sometimes I have to remind them to take their paid holidays”. Several of the *Agriculture* employers stressed the reliability of the migrant workers and the fact that they “turned up”, comparing them with domestic workers who could not be depended on.

Some employers also mentioned lower turnover as an advantage of migrant workers, and another aspect of their reliability. Employers’ ability to retain these workers was in some sectors related to the nature of the contracts or scheme on which they were employed. A worker registering on WRS would have to reregister if he or she moved on to a different employer within the first 12 months, and this tended to encourage them to stay. SAWS students were there for a fixed term and could not “just go off and work for someone else” as one employer said. Similarly, people who had come in on SBS were contracted for a fixed period to work for an employer.

The notion that migrant workers were also “hard working” was sometimes defined in terms of migrant workers’ productivity and speed. But it was also related to their willingness to work long hours, beyond the normal working day. Several employers explicitly mentioned that migrant workers did not mind doing overtime; in fact they actively sought it to earn extra money. In the *Administration, Business and Management* sector, in East Anglia, employers made comments about the additional hours. One said that some migrant workers “will work all hours”; another that they “will work extra hours and do not need paying time and a half”. In the *Agriculture* sector, employers also commented on their willingness to work long hours. One employer in the North East said that when English labour was employed in the fields, workers would only want to work half a day – e.g. from 6 a.m. to 1 p.m. – and this caused problems. In contrast, the migrant workers want to earn as much as possible and will work eight to ten hours days – “as long as they can earn plenty, they are happy”. Willingness to work overtime was associated with another advantage mentioned by some employers, that of flexibility. By flexibility, they meant that they could ask migrant workers to change their hours, or come in, at short notice.

A large proportion of employers talked generally about migrant workers having a good ‘attitude’ towards their work. Sometimes employers referred to their work ethic, or said that they were ‘motivated’, and keen. A typical example was an employer in the *Agriculture* sector in East Anglia who said that migrant workers “are more interested and willing to work” than English workers who he described as a ‘nightmare’. A London employer in the *Construction* sector said that migrant workers had a “good attitude to work. They will do most jobs and will work weekends when required. They do not moan like domestic labour”.

A couple of employers in the *Hotels and Catering* sector in London, also suggested that migrant workers had a more positive attitude to working in that sector than domestic workers. One said that outside the UK, hospitality was perceived as a good industry to work in and people came to England to get experience and further their career. The other said that migrant workers tended to have more experience of working in hotels and the desire to work in the industry. This contrasted with British job applicants who did not perceive the hospitality industry in this way, despite what she considered to be very good progression and training opportunities.

Less often mentioned, but underlying some of the comments about attitudes towards work, was the fact that migrant workers were more likely to be satisfied with the minimum wage. A few employers did say this directly. One in the *Hotels and Catering* sector in London said that east European staff, in particular, were always happy with the minimum wage as it is worth more when they take it home and more than they could earn at home. Two *Agriculture* employers in East Anglia mentioned that migrant workers would work for the minimum wage unlike the domestic workforce.

Overall, the majority of employers expressed the advantages of migrant workers in terms of their positive attributes, such as being hard-working and reliable, rather than in terms of outputs. Only a few explicitly linked these attributes to business productivity. One *Agriculture* employer in the North East, for example, said that the advantage of employing migrant workers was that they were meeting their deadlines and targets and had increased productivity. Another *Construction* employer in the same region said that migrant workers were very productive and their output was higher than domestic workers. Similar comments about productivity were made by an *Agriculture* employer in East Anglia.

However, although few employers drew out the economic and business benefits when asked about the advantages, these benefits were more widely cited when they were asked a direct question about the importance of migrant workers to their business (see below).

Disadvantages of employing migrant workers

All those who did employ migrant workers were asked for their views on the disadvantages of employing them. Around one in five employers said that there were no disadvantages at all to employing migrant workers. *Agriculture* was the only one of the five sectors in which all the respondents using migrant workers cited at least one disadvantage.

The disadvantage most frequently mentioned was that of language barriers, and the lack of proficiency in English. Two-fifths of all the employers made some reference to language issues as a disadvantage; in many cases this was the only disadvantage they could think of. However, many employers also made clear that language barriers could be overcome. One farmer in East Anglia said the migrant workers were usually from east Europe and had learned Russian at school. That was a common language and migrants used this to translate for any workers who did not fully understand something. In *Agriculture*, widespread practice was to use fellow workers as translators, and returning students, who were most fluent, as supervisors.

In the *Hotels and Catering* sector, where language barriers were also frequently mentioned, some employers were concerned about migrant workers speaking their own language and not integrating with other staff. One employer in the *Hotels and Catering* sector in the North East said that the migrant workers spoke poor English, formed little gangs, and spent a lot of time talking in their groups. It had to be made clear to these workers that this was not acceptable. A large food manufacturer in the same region mentioned that the company was trying to integrate migrant workers with other staff as this helped the migrant workers acquire the language skills they needed. In London, some employers expressed the same concerns about workers not mixing outside their own language groups. Others reported that the migrant workers picked up English quickly. One large hotel employer said that the company did not want one section of staff that was all of the same nationality. They ran English classes to overcome the language problems.

Employers in the *Construction* sector stressed the need for migrant workers to have adequate English to understand health and safety instructions, and some mentioned language problems. One simply said that if the workers could not understand the instructions in English, then the company could not employ them. But another *Construction* employer said that the Health and Safety Executive's website offered translation in most languages for the health and safety notices.

Some employers mentioned the administrative workload as a disadvantage and those in the *Administration, Business and Management* sector were particularly likely to do so. Some employers mentioned the difficulty in setting up bank accounts, and the time taken to get National Insurance numbers. One suggested that banks were slow to set up accounts because there was no money in it for them and this caused a lot of problems for the employer. A few in the same sector also mentioned

problems carrying out the normal vetting procedure “because some countries do not keep records. We have to let someone go if there is any gap in the vetting period”. Another said that the vetting procedure was “cumbersome and time-consuming”, particularly chasing references for a ten-year work history required for working as security officers. In London, one of the *Construction* employers said that he found it very hard to ensure the legality of workers, and had experience of forged documents. Other employers just referred to the time and cost of dealing with the ‘paperwork’. In a few cases, this was seen as enough of a deterrent to avoid recruiting any applicant who needed any sort of work permit.

Generally, however, the disadvantages mentioned were, with a few exceptions, not seen as significant enough to discourage an employer from taking on migrant workers.

Preference for migrant or domestic workers

All those employing migrant workers were asked whether they preferred to recruit domestic or migrant workers. Several employers said that they did not consider they had any choice in that respect – that is, domestic workers were simply not available.

A high proportion, however, said that they had no preference at all – more than half of those who responded to the question were adamant that they had no preference. Typical comments were that they wanted the “best qualified and most suitable person” (East Anglia, *Finance and Accounting*); or “there is no difference, it is purely about the individual and how skilled they are” (London, *Administration, Business and Management*); “want the best person for the job from those who apply for the work” (London, *Construction*); “not bothered whether they are domestic or migrant workers so long as they can do the job” (North East, *Hotels and Catering*).

Employers in London in all five sectors were more likely than in the other two regions to say they did not have any preference. In *Hotels and Catering*, all the employers expressed that view. Only one qualified his response by saying that there was no preference, but being able to employ a domestic worker was always better than going through the work permit application process. One employer in the *Administration, Business and Management* sector in London made the same comment after indicating that the company had no preference. Another expressed a preference for domestic workers because it “made life easier” than dealing with the bureaucracy for migrant workers.

A small proportion, overall, expressed a preference for either migrant workers or domestic workers. *Agriculture* was the only sector in which around half the employers said they definitely preferred migrant workers. Some of them attributed their preference to the positive attributes of migrant workers. Others referred back to the difficulties obtaining domestic workers, and the fact that they would be out of business without migrant workers. An *Agriculture* employer in East Anglia said that he would prefer to employ domestic workers, but the recruitment difficulties in the domestic market prevented this. He said that he “couldn’t run his business with just English workers”, and that this made him “very sad”, as he would like to employ English people if possible, but felt he had no alternative.

In the North East, there was a similar response from employers in *Agriculture*. A few preferred migrant workers because they were hard working and reliable. A couple said there was “no real choice” as local people did not apply for the jobs. One expressed a preference for recruiting UK university students, but could no longer get any applicants.

In other sectors, only a minority of employers expressed a preference for recruiting domestic workers. In some cases they referred to the additional costs of employing migrant workers, and the disadvantage of dealing with the paperwork. But overall, the majority view was that they wanted to recruit people who were suitable and available for the job, regardless of nationality.

Impact of migrant labour on other employees

The interviews explored whether employers perceived their use of migrant labour to have any impact on their current employees, on their relationship with trade unions, or on the local labour force. Few of the companies had a recognised trade union, and so there were few answers to this question.

The vast majority of employers did not consider that there had been any impact on the rest of the workforce. A small number said the impact had been positive from the employer's point of view, in that the work ethic of the migrant workers had encouraged the domestic workers to work harder. One *Hotels and Catering* employer in East Anglia said that he had found it harder to control how much time his employees took off "but now they see that there is competition and stay behind when necessary".

A small proportion commented on the extent to which migrant workers integrated with other workers. While some thought that they mixed well, others had picked up some tensions in the workplace. In the *Administration, Business and Management* sector, for example, one employer in East Anglia said that sometimes there was racial banter from the people working with the migrant workers: "We have had harassment cases and have had to mediate in the complaints". A *Construction* employer in the same region said that there had been some tension between UK staff and migrant workers, such as racist comments. A few employers mentioned that they made it clear to all their employees that they would not accept any intolerance. Some employers felt that employing migrants had widened the horizons of their local workers. For example, an *Agriculture* employer in East Anglia reported that his workforce was very parochial, and employing migrants had helped them understand more about foreign people and other cultures.

Some employers said that they tried to integrate migrant workers by creating mixed work teams. One London employer in the *Hotels and Catering* sector said that the company tried to avoid cliques of one nationality within the company, as they had experienced problems with integration if the teams were made up of one nationality. A *Construction* employer in London said that there had been some difficulties in trying to integrate Polish workers, as some of the local employees felt slightly threatened. So the company had tried to introduce the workers initially as a team, and then slowly mix them up with other workers, and this has eased the process.

Few comments were made about the impact of migrant workers on the local labour force in terms of local job opportunities. Among the rare comments was one from an employer in East Anglia in the *Administration, Business and Management* sector who said that there were probably fewer opportunities for school leavers as a result of recruiting migrant workers, although the employment of school leavers had "rarely worked out". He thought that domestic workers felt a little pushed out, but that was the same when they used agency staff who were not migrants. Another employer in the same region in *Agriculture* said that the employment of migrant workers had led to employing additional UK staff as the business had grown by 25 per cent a year.

There were slightly more comments referring to perceived animosity within the local community. In the North East, for example, two employers commented on this in the *Agriculture* sector. One said that there had been mixed responses to the migrant workers in the local village. Another said that there was a sense in the local community that migrants were "taking our jobs", but she thought that this was based on misconceptions: "There are too many myths, that's the problem". An *Agriculture* employer in East Anglia said that he had noticed resistance in the community to migrant workers settling there.

Overall importance of migrants to the business

Employers were invited to sum up the overall importance of migrant labour to their business and 'the bottom line'. They were also asked what the impact might be on their business if they were not able to recruit migrant workers.

In *Agriculture*, the response was unequivocal. Almost all the employers said the migrant workers were crucial to their business. Several went so far as to say that the business would not survive without the migrant workers. A farmer in East Anglia said he would close his business if he could not employ migrant workers. Another in the same region said that if they could not employ migrant workers it would "bring me to my knees". One in the North East said that he would not have expanded his business without the migrant workers, and did not know what he would do without them. Comments such as "I don't think we could run the business without them" were typical.

Employers in *Administration, Business and Management* were more likely to say that migrant workers were not very important or certainly not crucial to their business. A few did say that they were very important because they provided the company with access to flexible labour. A couple of employers in

this sector said that they could find someone with the right skills and qualifications in the domestic labour market if necessary, but that it would take longer.

In the *Construction* sector, views were more varied. Some said that migrant labour was not important to them while others said it was crucial. One employer said that half his workforce was from east Europe and he could not survive without them. Another said that it was impossible to recruit professionals with the required skills from the domestic labour market and that without migrant workers the company would have to scale down the business and tender for less work. A few said that migrant workers were becoming more important to the business owing to labour shortages, particularly of skilled labour. Companies that were planning to expand tended to stress their reliance on migrant workers. But there was no evidence that these views were related to the size of the company.

In East Anglia and the North East the employers in *Finance and Accounting* tended to say that migrant workers were not very important to their business. In London, by contrast, several employers said that they depended on migrant workers, and without them would not be able to take on some of the work they did. One city finance company said that foreign workers were 'key' and they recruited people internationally who came through the top financial centres. One bank that was dependent on recruiting workers with a particular European language skill said that without them the bank might decide to close down and set up in another country.

In the *Hotels and Catering* sector in London, several employers reported that migrant workers were crucial to the business. A few of these said that without them the company would not exist. Others said that staffing levels would be reduced and service would suffer: "There would be lots of staff shortages, no clean rooms, and no-one able to be check in or out of the hotel". A small number acknowledged that they might have to increase the wages rates and that this would affect the company's profitability and viability. One said that they would have to pay above the minimum wage rate – about £1 an hour more than they were currently paying.

In the North East some *Hotels and Catering* employers agreed that migrant workers were very important to the business. One said that it was good for the business to have migrant workers so that the staff reflected the fact that customers came from all over the world. However, there was less sense than in London that businesses depended on migrants. In East Anglia, several employers said that migrant workers were very important because they simply could not fill staff requirements without them. Some others in the North East and East Anglia said that, although losing them would not have a major impact, migrant workers in *Hotels and Catering* were an asset by bringing a mix of cultures and a positive attitude in a sector that strived to be international.

6. Recruitment and selection

Introduction

This chapter explores the skills, qualifications and characteristics employers are looking for when recruiting migrant workers, and goes on to discuss their recruitment and selection processes. There is very little, if any, variation between what employers are looking for in migrant, compared to domestic, workers. This is not surprising as workers from both groups are being recruited to the same jobs. There are not jobs that are specifically seen as being for migrant workers and others for domestic workers. At the lower-skill level, some jobs are largely filled by migrant workers as no, or very few, local people apply. At higher-skill levels, employers usually report that they take on the best person for the job – and this might just happen to be a foreign national. A few employers are looking for specific abilities (e.g. the ability to speak certain languages) and hence, focusing on foreign nationals. Others might be operating in a global market and want or need to recruit a multinational workforce.

Recruitment difficulties

Recruitment difficulties were reported in two broad types of jobs: low-skilled work generally and some specific, skilled (often highly skilled), occupations. There were no real regional differences in the extent to which recruitment difficulties were reported, apart from *Construction* in London. The main difference was by occupation, rather than sector specifically (e.g. employers reported difficulties filling low-skill jobs across a range of sectors). Although the question about recruitment difficulties was asked early on during the interview, amongst the general questions collecting background information on employment structure, respondents knew that the study was about migrant workers. A number, particularly employers of low-skilled workers, qualified their answers, saying that since they started recruiting migrant workers they had not experienced difficulties. Most were not, however, specifically targeting migrant workers as a labour source, but rather reacting to available pools of labour. Chapter 5 discusses the reasons employers were recruiting migrant workers, and emphasises the importance of a lack of applicants from the domestic workforce. This section takes a slightly broader perspective, looking more generally at where employers were reporting problems recruiting.

Agriculture and horticulture

Agriculture and *Horticulture* employers almost all reported difficulties recruiting, especially to casual, seasonal jobs. There were a number of reasons given for this. The seasonal, casual nature of the work was a major problem – most people want year-round work. The outdoor and heavy nature of some jobs was also unappealing. It was reported that there are so many other, more attractive employment opportunities, that *Agriculture* is often seen as one of the least appealing. Farms are often located in relatively isolated locations with poor public transport. It was also reported, especially in rural areas near large cities, that villages have become wealthier and become dormitories for commuters; hence, there are fewer people looking for work locally or prepared to take the types of job on offer. A few employers in this sector were seeking very large seasonal labour forces (maybe up to several hundred people) and resourcing this from a local population was very difficult.

Low pay was another issue. One employer reported that prior to the introduction of the minimum wage, British students had applied for jobs as the wage rates were favourable compared to other jobs. Following introduction of the minimum wage, the pay differential has declined. For example, jobs in bars are better paid than they used to be and students prefer these jobs to heavy, outside work in all weathers. Another respondent reported that, generally, people were less attracted to agricultural jobs now that they can earn as much elsewhere – once people leave the industry to work elsewhere it is difficult to get them back.

Young school leavers used to be a source of labour for the sector. This has more or less dried up. The majority of young people stay in education longer to obtain qualifications and are not interested in the jobs available. Several employers reported that those young people who did apply were usually not very interested or committed to the work if taken on. Similarly, applicants from the Jobcentre were not found to be very satisfactory – they often quit after a few days.

Although obtaining seasonal workers was the main issue for most growers, other jobs were also reported to be difficult to fill including tractor drivers, spray operators and maintenance engineers.

Construction

Construction employers were most likely to report recruitment difficulties in London, although difficulties were also reported in other regions. There is a shortage of skilled manual labour - people prepared to do unskilled or semi-skilled labouring jobs and in some professional posts. This was attributed to a range of factors including high levels of self-employment and insufficient training to address future demands, pay rates (especially in low-skilled work), the nature of the work and simply the current volume of *Construction* work. It was not anticipated that the situation would improve. Migrant workers were helping to address these difficulties. However, one London employer reported that even with more workers coming over from east Europe, they struggled to recruit: “I don’t know how the building industry can survive without [migrant workers]”.

Finance and Accounting

In *Finance and Accounting*, recruitment difficulties were less widespread. Any difficulties reported were usually when trying to fill specific, often highly skilled professional posts. It is not possible to generalise about these, but they included credit management, tax specialists and more senior roles. These organisations were rarely targeting migrant labour or recruiting many foreign nationals. However, owing to the ways in which such highly skilled, professional posts are advertised, foreign nationals are likely to apply.

Hotels and Catering

Recruitment difficulties were fairly widespread in the *Hotels and Catering* sector. Employers in London were possibly slightly less likely to report difficulties, probably because of the attraction of the capital to students and others working while travelling. Difficulties were experienced in the least skilled jobs (e.g. cleaning, washing up), across a range of customer service roles (e.g. waiting, reception) and also in more specialist office jobs (although these were not necessarily specific to the hospitality sector, e.g. IT, accounts).

Difficulties in recruiting to the lower-skilled hospitality jobs were attributed to a range of factors. The work is often of low status or involves unsocial hours, and some jobs are unattractive. The overall low status of hospitality jobs in Britain was also reported to be a problem for both recruitment and staff turnover. People do not see the sector as offering a career or having professionalism – unlike views of hospitality in some other countries. One respondent commented that it is difficult getting people with the right skills – “they have worked somewhere like — and think they are qualified, but it is not the same”.

Low unemployment and high employment levels were exacerbating the situation. Many people have a choice of jobs and tend to prefer office jobs with standard hours (whether full- or part-time). Surprisingly, this was less likely to be commented on in London.

Administration, Business and Management

A very diverse group of employers (in terms of their activities) was included in the *Administration, Business and Management* sector, and this is reflected in their reports of recruitment difficulties. There were two main areas of difficulty: highly skilled/professional posts and low-skilled jobs. Respondents from employment agencies, factory, and warehousing activities reported difficulties recruiting from the domestic workforce. The nature of the work, hours and pay were generally unattractive, especially at times of relatively full employment. It was commonly reported that people

sent from a Jobcentre were not interested in the work. They might turn up for work for a few days but would then disappear. Others openly said during their job interview that they had only attended because they had to show they were looking for work. A manager in a print finishing plant described how, since accession of the A8 countries, the situation has changed considerably. Previously, the company had to spend a lot of money on agency staff for jobs on the factory floor, with high levels of labour turnover – as they could not find the quality of employee they were looking for amongst local people.

Qualities sought

It was rarely the case that a distinction was made between migrant and domestic workers in their eligibility for jobs. Where large numbers of migrants are employed, this was usually because it was migrant workers who were prepared to take the jobs on offer, rather than that domestic workers were not being considered. There was, therefore, little difference in the skills, qualifications or characteristics employers were looking for in migrant workers compared to domestic workers. Employers were sometimes more likely to emphasise particular criteria for migrant workers, for example, the ability to speak English. The way qualifications were dealt with did sometimes also differ. There were some differences by sector and, in particular, skill level. Regional differences were rare, except insofar as the sectoral and occupational base varies by region.

The ability to speak and comprehend English

For professional and customer-facing jobs across all sectors the ability to communicate in English was important. However, employers varied in the extent to which they required English language skills from migrants filling other, mainly low-skill jobs. There was no real pattern by sector, employer size or region, although a number of themes do emerge.

An ability to understand basic instructions and information was reported to be important for health and safety reasons. For example, in *Agriculture* and *Construction*, and in kitchen and housekeeping roles in the hospitality sector, employees may be using potentially dangerous equipment and materials. They need to understand how to work safely with each and how to avoid and deal with 'trips, slips and spills'. Training and supervision was also reported to be easier if employees had some basic comprehension of English. There was some evidence of employers looking at how they could translate basic induction and health and safety information into other languages – sometimes for all the different countries from which they employed people and sometimes into a few key languages.

Employment agencies working with factory and warehousing employers were, for example, very aware of health and safety issues. While waiting to conduct one interview for this study, the interviewer observed the staff of an agency dealing with an east European who had come in looking for work. He had very recently entered the country and could obviously speak very little English. One member of staff asked him what he would do if there was a fire – he did not understand and could not answer the question so he was told to go away and speak English as much as possible with his friends; the agency would offer him work when his English had improved. Farmers taking on groups through SAWS would often make a general request to their Operator that there was at least one person who could speak English and act as an interpreter. Some wanted students from a limited range of countries to make communication easier; some did not want too many of the same nationality (to encourage mixing and their speaking English); others simply did not mind.

In some jobs it is important that employees are able to record certain basic information and where this was required, employers were often looking for an ability to read and write, as well as speak, English. One *Construction* employer recruiting skilled manual workers reported that they had to have good spoken English, and communication skills that allowed them to relate freely and clearly to clients (most staff were based on client sites). They also needed to be able to write English to maintain logbooks. Another *Construction* employer took a different approach. He reported that many of his non-migrant workers were illiterate and struggled to do administrative tasks. He employed skilled tradespeople on the basis of their technical skills, and tasks that needed literacy and numeracy were performed by his office staff.

Agriculture and Horticulture

Most of the jobs being filled by migrants in *Agriculture and Horticulture* were seasonal and relatively low-skilled. Growers reported that they were not looking for any particular skills or qualifications. People can easily be trained to do the jobs; it is experience on the job that is important. For example, a fruit producer reported that he could train people in ten minutes and that after two days they would be proficient in the job. Some others reported that proficiency took a bit longer, but that generally the migrant workers they took on were quickly able to master the jobs.

The main characteristics these employers were looking for included: physical strength and/or dexterity; reliability; a positive work attitude; willingness to go 'an extra mile'; and willingness to work long hours when needed. A few preferred some previous experience or were looking for people with a driving licence (which might be difficult for migrant workers). Only students are eligible for SAWS and often, but not always, these were studying agriculture. It was also commented on that migrant workers (coming through SAWS but also WRS) were more intelligent than those traditionally recruited to such jobs. This helped in that they were able to pick up the work quickly. Furthermore, being in this country to earn money, gain experience and often learn English meant that they were motivated to work and probably treated the job instrumentally – they were doing it for particular reasons and for a fixed period.

For supervisory and managerial posts, experience in the relevant farming activity was usually sought. Communication skills and managerial abilities were also important. New migrants could often not compete for such posts as their English was not strong enough. However, especially since accession, this was beginning to change. A few growers reported hoping to keep east Europeans longer in jobs, moving them into the permanent workforce and promoting them to supervisory posts.

One food manufacturing employer was interviewed as part of this sector. It was reported that a lot of migrants applying to work for them had food manufacturing qualifications from their own country. The employer did not know what the UK equivalent of these was and therefore the standard of these applicants. Although qualifications are not explicitly looked for, they are an advantage if it means that recruits already have relevant skills and abilities. The company was in discussion with the food manufacturing sector skills council and hoped to find some way of better understanding what these qualifications say about applicants' technical skills and abilities.

Construction

In *Construction*, the skills sought varied by job type, but again it was reported that there was little difference between migrant and domestic workers. For labouring and other low-skilled jobs, the attitudes and generic characteristics reported above for agricultural jobs were most important. There was greater emphasis on physical fitness. Previous experience in similar work was not often looked for. Indeed, one employer said that Latvians "tend to hit the ground running". It was reported that in two weeks the Latvians employed achieved a speed that it could take domestic workers two months to achieve, and that this was rarely because the latter had previous experience of working in the sector.

For skilled manual jobs, relevant qualifications might be sought, but often previous experience was at least as important. For example, one respondent described how his company mainly looked for technical skills and abilities. After an interview they asked a candidate to demonstrate their work, and there was usually a two-week trial period to see how they worked in different situations. There were a couple of reports of difficulties in verifying the equivalence of foreign qualifications but this was not raised as a particular issue.

When recruiting to supervisory and managerial jobs, previous experience and technical skills are important, as well as the ability to manage and communicate with staff. Employers do often like to promote from within. However, if recruiting externally, an applicant's previous experience, including who they had worked for before, can be very important. The latter can create a barrier for migrants, especially those newly entering the country. For example, one employer reported that if recruiting a more senior person such as a foreman, they would check him/her out on the informal grapevine.

Construction companies employing professional engineers, etc. were looking for people who were suitably qualified, often to degree level. If a post was advertised the same would be required whatever the nationality of a person. Previous experience was important in more senior posts. Difficulties over the equivalence of qualifications were not mentioned.

Hotels and Catering

Employers in the hospitality industry varied in the emphasis they placed on different skills, qualities and abilities depending on, for example, the range of jobs they recruited to, their views as to the skill content and their position in the sector (e.g. at the higher quality end or not). Those seeing jobs in the sector (with some exceptions such as cleaning, washing up) as skilled and operating at the higher quality end of the market were more demanding in the general qualities sought, and perhaps more likely to look for previous experience.

A large proportion of jobs in hospitality are customer-facing – customer service is, therefore, very important. Employers emphasised personality, attitude and appearance, as well as looking for people who are hard working, able to multitask, reliable, etc. Employers varied in the extent to which they were looking for experience. Some sought customer service experience but this did not have to be in hospitality. Some gave potential recruits a trial period in which to assess their abilities. In relation to the particular skills of a job, it was reported that people could be trained in these relatively easily: “we can teach skills ... we can't teach personality and we're big on that ... that is our business”. Specific skills are required for some roles (e.g. chefs) although these might be measured by experience and previous places of work rather than just qualifications.

The *Hotels and Catering* sector also employs a range of professionals in office functions including accountants, human resources, payroll, and IT. All these need to be suitably qualified, often experienced as well. The same criteria apply to migrants as to domestic applicants.

Administration, Business and Management

The diversity of the *Administration, Business and Management* sector means that a wide range of jobs, and hence skills, qualifications and qualities, are sought. There is, however, a general divide between the lower- and higher-skilled jobs. Looking first at low-skilled jobs, many of the criteria discussed earlier in this section apply. For factory and warehousing jobs, employers are looking for people who are reliable, hard working, and prepared to work long and/or anti-social hours. Physical strength is sometimes required; in other jobs dexterity or the ability to stand on a production line for long periods are important. There is no emphasis on qualifications and, although experience in a similar environment can be an advantage, it is not particularly important.

For higher-skilled and professional jobs in this sector, as with all others, specific qualifications and experience become more important.

Finance and Accounting

The majority of jobs in *Finance and Accounting* required higher-level skills, qualifications and qualities than in other sectors. For general administrative, clerical and secretarial jobs, GCSEs were often sought, at a minimum in English and maths. Work attitudes, approach to customer service and general presentation and appearance are all usually important, as are IT and office skills. It was often emphasised that when dealing with customers, high-level communication skills were essential – staff have to be able to converse with customers, comprehend the questions they ask and give intelligible answers. Migrants applying for these jobs will be expected to have similar qualities and abilities. Their qualifications will be looked at, but good written and spoken English will be required. This means that such jobs are less accessible to many foreign nationals entering the country.

Professional jobs nearly always require a degree and usually other specialist qualifications and/or experience in addition. Foreign nationals applying for such jobs are expected to have the same or equivalent qualifications. The issue of equivalency was not raised as a particular problem. In one accountancy firm it was reported that specialist recruitment agencies were expected to verify the

relevance of qualifications from different countries. International graduates were required to show their original certificates, including results, as evidence of their qualifications.

The application and recruitment process

The main distinction is between high- and low-skill jobs, rather than by region or sector (except insofar as sectors differ in the nature of jobs they are recruiting to).

High-skill jobs

For high-skilled and professional jobs, employers will advertise in the most appropriate specialist journals, on their own websites and maybe others, in the national press, possibly also locally as well. Specialist agencies are widely used, sometimes headhunters. The extent to which advertising is particularly aimed at reaching foreign nationals varies. For example, if a foreign national is particularly needed for any of the reasons discussed above or if there are particular difficulties recruiting to an occupation in the UK, more emphasis will be placed on this. However, widespread use of the Internet and the level of demand amongst skilled foreign nationals to work in this country means that they are likely to find out about jobs if they are interested.

A CV is commonly required for these higher and more professional jobs, but often an application form is used. Screening, whether the applicants are foreign nationals or from the domestic workforce, will involve assessing whether each person has the requisite qualifications and/or experience. While for most high-skill jobs qualifications are essential, it is the quality of a person's recent work experience that becomes more important the longer they have been in the labour market. For example, it is important which companies applicants have worked for and the types of roles they have had. Increasingly, generic skills are also looked at. For example, an application form might ask for examples of particular activities (e.g. dealing with clients, problem solving).

The employer will always interview. If an agency is used, the agency usually does the first sift and may also conduct initial interviews before passing a shortlist to the employer. Interviews are usually conducted by a combination of human resources staff and technical or other experts in the specific area being recruited to. As already outlined, a combination of qualifications and experience are usually sought. These will be explored in the interview. Specific technical questions relating to the job might be used to test an applicant's skills and knowledge. These will be used regardless of the nationality of an applicant. 'Behaviour interviewing' is popular with some employers. This involves using questions to explore how an applicant might deal with, or react in, a particular situation, or how they have dealt with such a situation in the past.

References were nearly always taken up, and there might be checks on qualifications and whether someone is eligible to work in the country. Checking qualifications, or assessing the relevance of foreign qualifications was not always straightforward. Some employers would take on trust that a qualification was relevant, for example, using responses to very job-specific questions during an interview to assess whether someone had the relevant skills or not. A specialist recruitment agency might be relied on to assess qualifications. One finance employer was developing methods of assessing whether applicants had the appropriate skills through exploring previous experience. This was not just aimed at migrant workers, but was being introduced because the company felt they were missing people with very relevant skills through relying on qualifications. Nevertheless, this approach was helpful in assessing the skills of applicants from abroad.

Employers nearly always emphasised that they are looking for the best person for the job. They do not take into account whether someone is a UK or foreign national. A few were not prepared to take on anyone who did not already have permission to work in the UK. Others were quite prepared to apply for a work permit if necessary. However, if there was little or nothing between two candidates, but one required permission to work in the UK while the other did not, it is more likely that the latter would be employed.

Financial businesses are regulated by the Financial Services Authority (FSA), and potential employees have to go through a number of checks to ensure that they can be trusted when dealing

with other people's money. This could sometimes be difficult when dealing with foreign nationals. Financial checks might be conducted differently in other countries or not be possible at all.

Low-skill jobs

For low-skill jobs, the application and recruitment process did not often vary in relation to whether applicants were migrants or from the domestic labour force. A few respondents reported some differences, for example, to take language abilities into consideration, because of the relative location of applicants or the slightly different jobs workers were being considered for. The sequence of activities during recruitment and selection was often less compartmentalised than for high-skill jobs. For example, an individual might visit an employer to enquire about a job and the application, interview and eligibility checking could all happen at that time. The person might also be told at that same visit whether they were being offered a job or not.

Advertising

These low-skill jobs were almost entirely advertised locally. Employers used the local press, notices on their own premises, and the Jobcentre. Word of mouth was a particularly important means of recruitment and this applied equally to the domestic and migrant workforce – many respondents said they did not have to advertise owing to the number of people making unsolicited applications for jobs, and these were often foreign nationals. It soon becomes known among the migrant community which employers are recruiting and which offer the better terms and conditions. An employment agency in the *Administration, Business and Management* sector commented: "They come to us. We are lucky we do not have to advertise. People seem to know when it is our busy time and apply". This applied to both migrant and domestic workers.

The majority of employers were very impressed with the quality of migrant workers they recruited. A few were starting to look at how they could recruit more directly from the Accession States, especially as they find it so difficult to recruit from the domestic workforce. An *Agriculture* employer had set up a recruitment office in Latvia, managed by a Latvian. This advertises jobs in the local press, receives applications, sifts these and helps suitable applicants prepare and translate their CV, which is then sent to the UK. References were checked locally. Once applicants had been offered a job, they attended a seminar about the UK and what it is like to live there. Flights were arranged and, on arrival in the UK, they were met by a Latvian worker. Recruits were charged an enrolment and deployment fee to recover costs, and this was deducted from their wages at a later point. The UK employer organised registration through the WRS. Applicants from the domestic workforce were not offered such an extensive service, and did not really need it.

Application and selection

It was usually required that applicants to low-skill jobs should fill in an application form, although a few employers did not bother with this. Sometimes there was less emphasis on migrant workers completing a form, to allow for their poor English. Even when an application form was not required, some basic health and personal information was sought. Several employers reported that the person involved in recruiting would sit with someone asking them for this basic information.

Employers varied in the extent to which the application and selection process were separate, or took place at the same time. For example, an hotel manager reported that the application forms would all be assessed and those deemed suitable would be called for interview. Some other employers reported that when someone brought in an application form or called in to enquire about jobs, they would interview them at the same time. One employment agency set aside two sessions a week for interviewing, otherwise they could have been interviewing most of the time rather than dealing with other tasks.

Many employers were recruiting nationals from the Accession States who were often already in the country, in which case a face-to-face interview would take place. A few were using agencies that might have branches abroad, and relying on these to conduct the interviews. A number of employers did, however, report conducting a telephone interview with migrant workers applying from outside the country. This was often enough for an employer to decide whether someone was suitable or not for these low-skill jobs. However, there were a few examples, notably in the *Hotels and Catering* sector,

where a telephone interview was followed by a face-to-face interview – usually in the UK. There were also a few examples of employers travelling abroad to interview potential recruits. For example, the owner of a Turkish restaurant would visit Turkey to interview prospective employees.

In some cases the interview was very cursory, in others there was a more detailed examination of a person's abilities, attitudes, and so on. This did depend on the nature of the work and, importantly, the approach of an employer. The more cursory interviews involved talking about the job, and some employers would quickly make up their mind as to whether an applicant was suitable or not. For some low-skill jobs, especially where turnover was high, employers might take on almost anyone who applied. Others were looking a bit more thoroughly at applicants, to decide whether they were suited for a job. For many of the low-skill jobs, it was the attitudes of an applicant that were particularly important. An employer wanted to assess whether someone was likely to turn up regularly and on time, be able to work with others in the team or on their own as required, and follow instructions. This might be explored through looking at previous work experience, e.g. what types of jobs they had done or how long they had stayed in these jobs. Previous work experience in a similar work environment was usually seen as an advantage because the applicant was then likely to have some basic understanding of what the work involved. However, constant job change (especially without an obvious reason) was viewed unfavourably. Questions might also be asked to test various work attitudes. In a number of cases there would be a trial period which would quickly show whether someone was going to adjust to the job and be prepared to continue turning up for work.

Several employment agencies described how they interviewed all applicants. They would go through the application form and other information requirements. While this was more necessary for migrant workers whose English was poor, the same process would be gone through for domestic workers (who it was pointed out were not always literate themselves). Questions might be asked about previous work experience to assess whether they had any particular skills or were suited to specific jobs. One reported giving all applicants (whether foreign nationals or not) a basic English test. Although virtually everyone who applied was taken onto their books, those who failed this English test were not.

Skilled manual jobs

The recruitment and selection process for these was sometimes, but not always, more thorough than that for low-skill jobs. While these jobs might be advertised, there was still considerable reliance on word of mouth and unsolicited applications. The qualifications of applicants were looked at to varying degrees. For example, when recruiting skilled tradespeople in *Construction*, employers rarely reported looking at the qualifications of migrants; rather they would look at their work experience.

Checking the paperwork

Passports and other documentation were usually checked. Sometimes this happened after a person was offered a job and in other cases this was integrated into the application and interview process. For example, a restaurant manager and an hotel manager reported how they would send the passport or other documentation of those they wanted to recruit to their head office for checking. The manager in an employment agency reported conducting checks on the eligibility of someone to work in the UK during the interview. If it was not clear whether someone could legally work in this country, questions would then be asked to further explore this (e.g. to explore how they came to the country or where they obtained their paperwork). Some employers were more persistent in this than others.

As reported later, in the section on exploitation and illegal working, a few employers did not seem to care whether people were legally able to work in the UK or not. In these few cases no checks were made.

The use of employment agencies

Agriculture employers using SAWS did not assess applicants. They specified the number and sometimes some general preferences (e.g. male/female balance or whether any particular nationalities were preferred) to the Operator they worked with. The Operator would then deal with the whole recruitment process, including checking paperwork. Many Operators are now also providing

workers through WRS and would play a similar role in finding, sifting and supplying applicants. However, with the accession of east European states to the EU, agricultural employers were receiving direct applications from people seeking a job in the UK and may have to become more involved in the recruitment and selection process.

Agencies were widely used to fill a range of low-skill jobs across sectors. Some agencies were providing workers for an employer to employ directly, others employed the staff themselves and provided these to other employers on a temporary basis. To supplement their workforce at peak times, a number of employers used agencies as one means of recruiting. This was generally reported to be expensive and the workers obtained were not always of the quality desired. Another problem was that agencies might provide a constantly changing group, meaning that an employer was regularly having to induct new workers. However, especially when needing a large and varying number of contract workers, an agency could take pressure off an employer. The whole recruitment and selection process was passed to an agency and employers simply had to say how many workers they wanted each day; they did not have to deal with the administrative burden of this (including checking the legality of workers).

Agencies were not being used specifically to provide migrant workers; it was simply the case that the majority on their books were migrants. Workers from the Accession States were common; agencies also often had other foreign nationals, including refugees, on their books. A few employers reported well developed relationships with usually one, sometimes more agencies. Checks were made that they operated legally and dealt with registration and other documentation appropriately. The long-term nature of the relationship meant that the agency understood what types of workers an employer was looking for, and an employer trusted that suitable workers would be provided. One horticultural employer reported a good relationship with the local Jobcentre for filling seasonal jobs – the account manager visited regularly and understood the type of jobs offered and employees needed. Many of the employees provided through this route were refugees.

Other employers had less well developed relationships with agencies. Sometimes this was because they only needed their services occasionally. In other cases, the employer was less engaged with the particular group of workers in question — e.g. in one hotel an agency was used to staff the housekeeping function and this was left totally to the agency in question. Although it is important not to overgeneralise, it was these employers with less well developed relationships who were, on the whole, least likely to conduct checks. For example, they were more vague about how the agency dealt with migrant workers and the extent to which these were on their books.

7. Schemes through which migrants are employed

Introduction

The most commonly used schemes to recruit migrant workers amongst employers participating in this study were WRS (61 employers) and work permits (41 employers). The number of workers recruited through WRS ranged from one to several hundred. Most employers using work permits had very few migrant workers with such a permit. There were some differences in the use of these schemes between sectors and by the type of jobs people were employed in.

By definition, SAWS and SBS were only applicable to two sectors in this study – *Agriculture and Horticulture*, and *Hotels and Catering* respectively – and to certain types of low-skill jobs within these sectors. There was no difficulty finding employers who used and were able to discuss SAWS. However, only six employers in the *Hotels and Catering* sector using SBS were finally interviewed. As reported earlier, a relatively high proportion of those contacted who were expected to be using SBS did not do so. Indeed, a few reported never having heard of the scheme. It is possible that some respondents were confused – SBS is a particular type of work permit, and they may not have made the distinction between this and a business and commercial permit. Looking at the recruitment of migrant workers amongst those expected to be using SBS but saying that they did not, it seems that a few might have recruited migrants through the scheme. They reported having employees with a work permit in occupations eligible for SBS. However, as these respondents had not always heard of SBS it was impossible to ask them about the scheme. A few others in the sector reported having migrant workers in jobs that were more highly skilled than those eligible for SBS (e.g. an accountant, a highly skilled chef). These employees were probably on business and commercial work permits, rather than SBS.

Few employers using HSMP were interviewed. As reported earlier, this is a scheme that individuals apply for directly and they do not need an existing job offer to do so. Employers might only know that someone has permission to work in this country, and be unclear as to the reason. Furthermore, the number of individuals approved through HSMP is extremely small and many who apply work in health occupations (a sector not included in this study).

Employers were using a range of other schemes, the most common being the Working Holidaymaker Scheme and TWES. Employers also reported employing foreign students studying in this country.

There were no regional differences in the use of schemes except insofar as regions vary in their sectoral and occupational balance. For example, SAWS was largely used in the North East and East Anglia as there is little agricultural employment in London. Workers from the Accession States were widely spread across all three regions and, hence, WRS was widely used.

A general point to bear in mind is that not all employers were clear which schemes they had recruited migrant workers through. Problems in this respect with HSMP and SBS have already been discussed. A number of employers were not clear that they had employees registered on WRS. This was explored in Chapter 2. Some were employing through an agency and left the agency to deal with permissions. When talking about their use of other schemes (and sometimes the schemes of particular interest to this study) employers often used generic terms such as 'visa'. An accountant reported that they used to take on trainees from Malaysia through some scheme, but he could not remember the name or anything about it. One respondent in the *Hotels and Catering* sector reported having many Polish staff, and that they had to apply for 'work permits' from the Home Office. In some cases, it is possible that the person being interviewed had not been involved in the actual process of checking whether a person could legally work in this country. However, even when it was clear that this was part of their responsibility some were vague about the details. This may, at least in part, reflect the complexity of the current immigration system.

This chapter looks first at the use of specific schemes by employers and reports their views on each. It goes on to comment on the extent of awareness of schemes by those not using each one. It should be remembered that this study is not representative, in that employers who did and did not use various schemes were targeted through the sampling. The views expressed about schemes by those using or not using each are indicative of the situation generally; however, statistics cannot be used to compare the various users and non-users.

Use of schemes

Employers varied in the extent to which they had decided to recruit migrant workers and then become aware of schemes or vice versa. Indeed, the picture was not always clear-cut. For example, in *Agriculture*, employers had been looking for a source of seasonal labour as they found it increasingly difficult to recruit domestic workers. Some reported hearing about SAWS from other employers or through official sources. A number had tried using agencies and were less than satisfied with the results. On hearing about SAWS they decided to try the option of recruiting foreign nationals. They had rarely set out to recruit migrant workers; however, the existence of SAWS moved them in this direction.

Other employers were simply reacting to the nature of applicants. For example, since accession in May 2004, east Europeans have become an available pool of labour and employers were having to ensure they register on WRS. Although a few employers were beginning to recruit more proactively from the Accession States, owing to the quality and availability of labour from these countries, most were not doing so but simply reacting to supply.

The situation with regard to SBS and work permits was slightly different. Both were used in a reactive sense, in that when someone suitable who needed permission to work in the UK applied, these schemes were used. However, employers were also proactive in utilising these schemes. For example, *Hotels and Catering* employers did report that SBS had enabled them to recruit actively from abroad to address shortages in the UK. Some employers using work permits were bringing foreign nationals in, e.g. because of their abilities in other languages, to work in the UK office of a global company.

SAWS

Employers participating in this study who were using SAWS were more or less evenly spread between East Anglia and the North East. SAWS was being used to address a widespread difficulty in recruiting to relatively low-skill, often seasonal jobs in the sector, for example, harvesting, but also planting and other crop work. A large horticultural operation providing bedding and other plants to DIY stores and garden centres used SAWS workers as well as other migrant workers to plant up and pack plants ready for dispatch. Migrant workers now make up the majority of seasonal workers in this sector. The number of SAWS employees varied considerably, with small farms employing relatively few, and large operations up to 100.

SAWS workers were from a range of non-EU east European countries and Russia. They were all students and young, as required by the scheme. The accession of eight east European states to the EU in May 2004 led to the Government reducing the number of SAWS places. Many, but not all, SAWS employers had begun supplementing their SAWS employees with workers on WRS. Workers from the Accession States were previously eligible under SAWS. Some employers had built up good relationships with previous workers, and these were continuing to work for them through WRS. A number of farmers welcomed this development as they could employ people for longer than the six months allowed under SAWS. It seems that some were hoping these east Europeans would stay longer, possibly moving into permanent jobs. However, others were less happy about workers on WRS. It was commented that unlike SAWS workers, those on WRS were less tied to a particular job/employer and were more likely to move around.

All SAWS workers enter the country through an operator, who deals with the recruitment of people onto the scheme, bringing them into the country, checking their eligibility to work and their allocation to *Agriculture and Horticulture* employers. Most operators serve a number of other employers while a few just service their own business. All advertise and develop links with further education institutions

in countries eligible under SAWS. Employers in the sector specify how many SAWS workers they need in a year and sometimes certain characteristics of these (e.g. their nationality, ability in English, suitability for different types of work).

Agriculture and Horticulture employers were generally very positive about SAWS. They welcomed the way the scheme was organised and run, the type and quality of people they were able to employ through it, its flexibility, and the way in which the scheme enabled them to overcome severe shortages in the domestic labour market.

The efficiency and effectiveness of SAWS operators in running the scheme was commonly commented on. A majority of employers said that Operators ran the scheme very efficiently. They liked the fact that the Operator dealt with contacting and recruiting students eligible to work under SAWS and dealt with most of the paperwork and administration, thus taking the burden away from employers themselves. Employers rarely reported not receiving the numbers or types of people they wanted from Operators. Furthermore, any problems over bringing people into the country were dealt with by the Operators. Operators also kept their clients informed of changes in Government policy, for example, through regular newsletters, which saved individual employers having to find, investigate and keep abreast of these themselves. Employers were less keen on WRS which involved them in more administration and paperwork. Several commented negatively on the need to devote more expense and time to seeking out alternative routes if SAWS was withdrawn. Some SAWS Operators were also providers of workers under WRS to the *Agriculture* employers they dealt with, and were dealing with the related administration (e.g. allocation of workers to growers) and paperwork. Similarly, employment agencies supplying seasonal workers under WRS to these employers were also dealing with this. However, increasingly, *Agriculture* employers were receiving direct applications from Accession State workers and were finding that having to deal with the paperwork was an additional burden, especially if workers moved on quickly. This does suggest that, especially if SAWS is withdrawn, a role will remain for agencies, like the SAWS Operators, who can deal with administrative issues such as the allocation of seasonal workers to employers, and the paperwork allowing people to work in the UK.

The majority were very satisfied with the standard of workers they were allocated, commenting that the students were hard working and were well suited to the work. Employers liked the fact that many of these students had an interest in, and often experience of, the *Agriculture* sector.

Employers valued the flexibility of the scheme, in that students can be moved around by an Operator if there was insufficient work at one site. If their harvest was late, they did not like the idea of having people hanging around with nothing to do. Several growers had, however, adjusted their structures to keep the best seasonal workers employed, so that if one area of work dried up or was not ready, they could work on another.

It was also reported that having students through SAWS had challenged some growers and their domestic workforce. For example, migrants working on piecework, in particular, would work very efficiently and fast, and it could be a challenge to keep them fully employed. While this sometimes created problems with the domestic workforce who were concerned that they would lose hours, it generally had a positive effect. There were some comments on how having migrant workers had expanded the horizons of local employees, making them used to working with people from other cultures. This was generally felt to enrich the workforce. Employing a stable group of SAWS employees was advantageous over agency workers (a source often previously used). It was reported that agencies would often send different people, sometimes each day, and supervisors were constantly having to provide induction. This also meant that workers did not build up expertise and speed in the work. One farmer commented on how there used to be problems with petty thieving in the communal area when he employed (a constantly changing group of) agency workers. This problem had disappeared since taking SAWS students — they all lived on site, were there for a period and generally trustworthy.

For most *Agriculture and Horticulture* employers, being able to recruit seasonal workers through SAWS was crucial to their business. The majority of those using the scheme did not want it phased out and felt strongly (especially if they were unable to recruit migrant workers through other sources) that doing so would severely affect their business, perhaps even putting them out of business altogether. For example, one small farm in East Anglia had received no applications from locals for

the past four years and this was not atypical. Accession had provided an expanded labour source – in that employers were no longer restricted to just employing students, and for six months, from these states. However, a number of employers were concerned about this source of labour drying up in the medium-term, and reported that SAWS would remain important to them. It was felt that workers from the Accession States would move on to 'better' jobs as they became more familiar with the UK labour market and that there would be fewer wanting to work here as the economies in their own countries became more prosperous.

Most employers using SAWS had not been adversely affected by the limit on SAWS numbers following accession. These were largely small employers. Two large employers had experienced some difficulties and would have liked to be able to recruit more students through the scheme. For example, one grower reported a reduced number of SAWS workers, although still taking on 422 in 2005. They had tried local advertising and the Jobcentre but were still struggling to make up the numbers. The SAWS quota was not reduced very much for 2005 and most SAWS operators were also supplying workers through WRS. However, as reported in the previous paragraph, farmers and growers were concerned about the longer-term implications of any further reduction in SAWS numbers.

The seasonal nature of *Agriculture and Horticulture* has been gradually changing in recent years. The summer period is no longer the only time when fruit and vegetable crops, in particular, are harvested. This is partly due to climate change, but also the use of different production techniques due to changing demands from consumers, for example, much more is grown under plastic or glass and there is more forcing of crops outside their normal season. Cucumbers, strawberries and tomatoes are now typically harvested in the UK from around February until November. This means that the seasonal nature of agricultural work has also changed – growers are often looking to employ temporary staff for eight or nine months, rather than a maximum of six months. Students are only allowed to work on SAWS for a six-month period. SAWS workers are available throughout the year, and growers were staggering their intake of students to address their longer seasonal needs. However, several reported that they would like to keep individuals, who had built up speed and experience, for a few months longer. There were mixed views, as reported above, about the extent to which WRS could address this issue.

It is a condition of using SAWS that accommodation is provided on-site. Employers generally welcomed having SAWS workers on-site – they were always on time and available, and often employers would build up a rapport with these employees. A few commented on how, in early years, they had given students considerable personal support, for example, sorting out medical or dental treatment. They had often backed off after the first year or so as this could be very time consuming. The physical provision of accommodation had presented logistical problems for some farmers. Planning and cost issues were mentioned. The initial costs of providing accommodation had been a surprise to some growers. Maintaining and servicing the accommodation could also be expensive. One large employer was starting to charge for some services, e.g. washing machines – they were used extensively and sometimes damaged by inappropriate use.

WRS

For the majority of employers recruiting to low-skill posts, their first real experience of a scheme was WRS. A few had previously recruited students on visas or young people on a working holiday, but the numbers were usually small.

WRS was widely used in the *Agriculture, Hotels and Catering, Construction and Administration, Business and Management* sectors. The vast majority of people on WRS were employed in relatively low-skill jobs, sometimes in skilled manual work. It is notable that this scheme was rarely reported in the employment of higher-skilled non-manual and professional workers.

In *Hotels and Catering*, WRS workers were employed in a range of (usually) semi-skilled or un-skilled roles including cleaning, housekeeping, kitchen workers/porters, waiting and bar work, concierge, and reception work. A few were employed in supervisory or management roles, and some as head chefs, although this was less common.

Approximately half of the *Agriculture and Horticulture* establishments employing migrant labour used WRS, and this was largely for seasonal workers. As reported above, WRS was often being used to make up numbers on SAWS and to encourage good workers to return to work for the same employer. For example, one farm had a few 'returnee students' who had originally been employed through SAWS but were now registered through WRS. Another medium-sized farm in East Anglia employed about 75 per cent of its total workforce through WRS, and the other 25 per cent through the domestic workforce. Most of the jobs carried out by migrant workers on WRS in this sector were low-skill, including crop picking, packing and other general agricultural work. Some were involved in forklift truck driving, and warehouse work. A minority were employed in supervisory and management roles, and English language skills were important for these.

A few *Agriculture* employers did see accession and WRS as a chance to encourage migrant workers to stay with them longer, perhaps taking permanent posts or at least returning year after year to seasonal jobs. The extent to which this happens remains to be seen – as Accession State workers become more established in the UK labour market and the economies of their own countries become more prosperous, it is possible that these workers will be less satisfied with low- skilled, low-paid, often seasonal work. Employers were often prepared to train and develop these staff, so that they could move on to more skilled work or supervisory positions within the organisation, provided there was a strong possibility that they would stay.

WRS workers employed in the *Administration, Business and Management* sector were employed in a wide range of roles. This sector was very heterogeneous in its composition, and this was reflected in the nature of jobs held. Again, the majority of WRS workers were in low-skill jobs – including cleaning, general factory work, warehouse work, food production, forklift truck driving and working in care homes. This sector included some large employment agencies directly employing large numbers of migrant workers, currently mostly through WRS. These supplied labour to a wide range of relatively low-skill jobs in factory and service activities. Not all these WRS workers are low-skilled or unqualified themselves – however, their lack of English and unfamiliarity with the UK labour market often limited them to low-skill jobs. A few respondents reported that when they came across migrant workers with specific, usually manual skills, where possible they tried to place them in similar jobs locally. A few WRS workers were entering more highly skilled, non-manual jobs.

The number of *Construction* employers in the sample was relatively low; however, it does seem that WRS was less likely to be used in the *Construction* sector. In this sector, most WRS employees were in low-skilled or semi-skilled work which was often physically demanding. This tended to be done by workers in their twenties and thirties. Some WRS workers were trained as forklift truck drivers.

A number of employees were using agency workers on contract. These were often migrants, and it seemed that many were from east Europe. However, employers were often vague about whether WRS was being used – they left the checking of the nationality of these workers and whether they had the necessary permission to work in the UK to the agencies.

Most employers welcomed the scheme and were very positive about it. Workers from east Europe were praised (e.g. for being hard working and committed) as discussed in Chapter 5. The influx of workers from Accession States was filling an important gap in the labour supply for employers seeking to fill largely low-skill jobs. No one really questioned the need for these workers to register, they just accepted the need for this to be done – once they realised that this was the case. There were no real sectoral or regional differences in attitudes to WRS. There were some differences by size of employer, and this usually related to the number of WRS employees rather than the size of the organisation.

The majority of negative comments about WRS related to the associated paperwork and administration. One issue raised was the problem of spotting forged documents, such as passports, and this was often discussed in relation to WRS. East Europeans from non-Accession States, and particularly Russians, were said to be entering the country using very good forged documents and employers were finding it difficult to spot these.

Employers had not always realised when first employing workers from Accession States that these people had to register or that they, as employers, had any responsibility for ensuring this happened. For many employers, registering a worker on WRS was never an issue. For example, a warehousing

activity had one employee on WRS who had sorted out registration himself, placing no demands on the company. Generally, the larger the number of Accession State workers, the more demanding registration was on an employer. This frequently meant that such employers had put in place administrative systems for ensuring that all documentation was checked, registrations were applied for and received and that passports etc. had not expired. This was placing an additional administrative burden on employers; however, although mentioned as an issue in the course of their interview, they rarely really complained about this. They seemed to accept it as an inevitable part of accessing a particular labour pool.

An employment agency with several hundred migrant workers reported how they had set up systems for ensuring that they knew all their Accession State workers had posted an application for WRS. Initially they had not realised that this would be an issue, however, after a while it became clear that they would have to have monitoring systems in place. They realised that they could not simply rely on individuals saying that they had applied for registration, and started asking all to provide proof that they had posted their application. At one point they sent a text to all relevant employees saying that they would not be offered work unless proof of posting was provided. A few other employers were posting the documentation themselves. Several respondents showed the monitoring sheets they used to record: how long people had been working for them; when their passport expired; when registration was applied for; and whether a registration certificate had been received back. Migrant workers might be living in temporary or insecure accommodation; they were reluctant to have their passport and registration document returned to such an address and a few employers were letting them use their address for this.

Job changing by Accession State workers, especially where this was fairly frequent, was causing some difficulties around WRS. The individuals themselves and often employers were confused about the need to reregister. Furthermore, if someone changed jobs quickly his/her original permission to work might not have come through. Employers with large numbers on WRS, e.g. employment agencies, reported this as an issue but seemed better able to deal with this. Smaller employers, or those with few Accession State workers could find keeping up to date with registration more of an issue.

Once an Accession State worker has had continual employment in the UK for a year he/she is able to work without permission. No-one participating in the study mentioned issues around identifying whether people had been working long enough to remain without further permission. It does seem that a majority of workers from east Europe do not stay in the UK long-term. A number of examples were given of people coming backwards and forwards between their home country and the UK – requiring further registration for work. One agency commented on how a number of Accession State workers will register for employment with more than one agency – this could further complicate the registration process.

Most employers did, however, provide those they took on with a formal letter confirming employment as a matter of course, and this element of WRS requirements was not an issue for them.

An initial problem, but less so by the time this study was conducted, was the time it was taking for the registration certificate to be returned. It was often taking at least three months for documentation to be turned round. Some employers took responsibility for chasing registrations, and were not always satisfied with the speed or quality of response. Workers themselves were unhappy being without their passport (which has to be sent with their application) for any period – this might be their main, or only, form of identification or they might want to return home for a visit.

Individual workers, rather than employers, had to pay an administration fee of £50 at the time the interviews were conducted (this was subsequently increased to £70). A number of employers did feel that this was unfair and a few were making loans to workers or even paying the fee themselves. Various rationales were behind these views. Many WRS workers were in low-paid jobs and £50 is a large sum, especially for those who have just arrived in this country. A few respondents were aware that the charge was about to increase to £70 and were against this. An employment agency commented how it seemed unfair that people who were prepared to come to this country and work hard in low-paid jobs making an economic contribution should have to pay to do so. This did tend to typify the views expressed.

SBS

Issues around identifying employers using SBS have already been discussed and only six employers using the scheme were interviewed for this study. Under SBS, people were employed in a range of relatively low-skill jobs as allowed under the scheme. Those using the scheme were not employing large numbers through it – however, because the number of respondents and employers that had either used or heard of SBS was small, it was difficult to provide any accurate picture of experiences with this scheme.

The few employers in the *Hotels and Catering* sector who had used SBS viewed it as a good scheme and regretted its withdrawal. All these employers had problems in recruiting from the domestic labour force and SBS had helped them address this. One employer reported being unhappy with having to rely on workers from the Accession States as they could not obtain the same consistency of labour from them. SBS workers were tied to the sector and nearly always had a specific interest in hospitality. WRS workers were much more mobile and had less specific interests. Although this is the view of only one employer, it does accord with the views of some SAWS users.

Most employers reported that it had been easy to demonstrate that they could not recruit domestic labour. Several reported that their recruitment procedures included advertising through Jobcentre Plus and other websites, so that the labour market test required by SBS was straightforward. However, another medium-sized employer did point to the inconvenience of having to advertise widely. This led to the company being inundated with inappropriate applications.

The length of time taken to fill a place through SBS was an issue for some employers in the sector. By the time they have advertised and shown that they were unable to recruit on the domestic labour market, found a migrant worker and applied for and obtained the SBS work permit, the post could have been vacant for some months. In a service industry with immediate demands from customers, it is important that posts are filled quickly.

There was a general feeling that the one-year period that an SBS permit was valid was too short, owing to the time and effort expended in training and inducting employees. One employer noted that SBS was preferable to WRS because workers from the Accession States tended to stay for only three or four months. Others commented that as there was high turnover in these jobs generally, a year could be a long time. One employer in the North East commented on the cap on Bangladeshi applicants. He described how shortages were geographically specific. The large number of Bangladeshis living in London distorts the picture and in the North East there was a shortage of such workers.

Employers were happy with the calibre of applicants through SBS, and felt that it was a good way of helping employers deal with labour shortages. It was commented that while *Hotels and Catering* occupations are not viewed particularly favourably in this country, in some other countries they were seen as professions offering careers. They valued being able to bring in people with this attitude.

One food manufacturing employer using SBS participated in the study (this was due to their being classified under *Agriculture* in the sample list). This large employer, based in East Anglia, had used SBS for approximately two years and employed workers in a range of food manufacturing functions. The company found that the scheme worked well, and reported that it had found reliable, hard working employees through this route. The year limit was not a problem for them; again, this is a sector with high levels of labour turnover. As in the hotel sector, this employer found it easy to prove that they could not recruit locally – they advertised in Jobcentre Plus as a matter of course.

HSMP

Only six employers interviewed had any employees through HSMP – and in a few of these cases it was not entirely clear that this was accurate. By definition, these were all in higher-skilled jobs, mostly non-manual and professional. One employer explained that they had applied for a work permit and the Home Office suggested the individual apply for HSMP instead. Another had someone with an HSMP permit just about to start work.

As the numbers involved are so small, a brief outline is given below of several cases. The main points are that all the employers recruiting someone through HSMP had very little understanding of the scheme. In many ways this is not important. They were recruiting to a skilled, usually professional post and selected the most appropriate applicant. Recruiting someone with an HSMP permit removes the need for an employer to apply for a work permit and hence, should prevent any delay in the person recruited starting in his/her post. Since many of these employers had no previous experience of work permits, this was not an advantage they commented on.

Two employers in the *Administration, Business and Management* sector had each employed an engineer through HSMP. In both cases the employee had relevant experience and had since been offered a permanent contract. These employers had some basic knowledge of the scheme. One said that they understood the scoring system, but was less sure of how the weighting operated.

One employer in the *Finance and Accountancy* sector had recently employed a branch manager through HSMP. The employee, from Sri Lanka, had all the experience needed and was well suited to the role. The company had not specifically sought a migrant worker, but the employee had responded to a website advertisement. This was the first time that the company had employed someone through this route, and thus, only became aware of the details of the scheme once the applicant had approached them. Having looked into the way HSMP operated, they found it fairly straightforward and easy to understand.

An employer in the *Hotels and Catering* sector employed an accountant (of Chinese nationality) through HSMP. He was initially employed as a trainee on a work permit and when qualified, in 2003, he applied to stay with the company under HSMP. The employer knew little about the scheme and how it functioned.

Work permits

The majority of migrant workers enter the UK through the work permit route. It is, therefore, not surprising that work permits were widely used amongst employers participating in this study. To obtain a work permit, workers have to be entering relatively skilled jobs. Hence, they are in a different position to those entering through most of the schemes already discussed.

Work permits were most widely used in *Finance and Accountancy* and parts of the *Administration, Business and Management* sectors – for a range of higher-skilled and professional posts. Some *Hotels and Catering* employers had also used work permits to recruit office staff (e.g. IT, accounting, and general management) and highly skilled chefs. Work permits might be used to bring in specific skills from abroad. For example, two employers in the *Finance and Accountancy* sector used specific computer software from New Zealand and employed a few people with the necessary skills to support this on work permits; others were bringing in people with particular language skills (Japanese being one example). The sample also included a few examples of ‘intra-company transfers’: workers from an establishment in the same company but based elsewhere in the world were brought to the UK either to gain experience or to impart specialist knowledge.

Employers differed in the extent to which they were prepared to apply for work permits. Many recruiting to eligible jobs reported that they took on the best person for the job, regardless of nationality and whether a work permit had to be applied for. However, a few reported that they were not prepared to employ someone who did not already have permission to work in this country.

There is a marked sectoral difference with regard to the use of work permits. The three main sectors using, and thus expressing views about, work permits, were *Hotels and Catering, Administration, Business and Management, and Finance and Accountancy*. However, views about the effectiveness of work permits tended to be very similar across sectors, with the majority of employers finding the process time-consuming and bureaucratic.

An employer in the *Finance and Accountancy* sector complained about being ill-informed about the progress of the application. It was found to be frustrating, especially given the length of time involved. Another employer in the sector found it difficult to verify paperwork, pointing out that “no passport ever looks the same”. Even the agency they employed to check paperwork occasionally made errors in this

regard. Employers across all sectors were unhappy about the cost of having to pay a specialist to process the paperwork, as it was considered too complex for most employers to do themselves.

Several *Hotels and Catering* employers mentioned cases of unsuccessful applications, and this influenced their views of the effectiveness of the scheme. Even where applications were successful, the length of time taken in processing applications was seen as a major disadvantage of work permits. Employers often had to operate without these new staff for several months at a time. One large London-based hotel spent a year applying (and reapplying) for a specialist role for a Malaysian national. Although, they were finally successful, they pointed out that, had the role been less specialised, they would not have pursued the issue because of the time and effort involved. Another issue raised by a minority of employers was the fact that once an employee has a work permit, he/she then has to apply for a visa. One employer described this as “having to jump through two sets of hoops”, leading to frustration and doubts about whether the end result was worth the effort.

A few employers of migrants in low-skill jobs, especially in *Hotels and Catering*, regretted that work permits were not applicable for such jobs. For example, one employer would have liked to be able to use the permits to take on employees such as cleaners and unskilled kitchen staff. The longer-term nature of work permits was a particular attraction.

Other schemes

Employers also had foreign nationals who were working with them through TWES, WHMS and student visas. These were in a range of different jobs. By definition, TWES employees were usually training for skilled or professional work, and the few employers using these were in *Finance and Accountancy*, and *Administration, Business and Management*. Individuals on WHMS and student visas were usually in less-skilled jobs, particularly in *Hotels and Catering* – where high proportions of students (who were therefore temporary) and young people are commonly employed. However, others were in lower-level office and manual jobs across sectors.

Two employers in the *Finance and Accountancy* sector using a specific type of software employed some foreign nationals with the necessary skills through the WHMS. An employer in the *Finance and Accountancy* sector reported employing young foreign nationals on temporary visas (it was not clear exactly which), who were based in the area to play for local rugby clubs.

There were a few comments about the effectiveness of the WHMS. The greatest number of comments related to the short time-frame of one year. A minority of employers disliked the scheme for this reason and preferred not to recruit through it, as they were not willing to spend time and resources training someone for a relatively short period. However, others felt that the scheme was useful in providing casual workers for a short time, and thought it fairly straightforward to use. Some were confused about the length of time some on the scheme could work in the UK – there seemed to be some conflicting information on whether this was one or two years.

Which scheme was first used?

Respondents were generally vague about which scheme they had first used to recruit migrant workers and when. Some did not know – they had been using work permits, for example, in a small *ad hoc* way for years and were not exactly sure when this had started. An accountancy firm used to take foreign nationals as trainees, but the respondent was not sure how long ago, or the name of the scheme. This is not very surprising – migrant workers often make up a very small proportion of the workforce and respondents did not always have the main responsibility for checking paperwork. Some had not been in their current post long and did not know, or had little information about, what happened prior to their joining the company.

The clearest sectoral picture was in *Agriculture*. The majority of employers had first started recruiting migrant workers through SAWS. The use of SAWS, in terms of the number of employers using it and the number of migrant workers coming through it, has built up during the first few years of the twenty-first century. With the accession of eight east European states to the EU, the Government reduced the number of workers allowed in through SAWS. This reduction has led to *Agriculture* employers increasingly using WRS.

For the majority of employers recruiting to lower-skilled posts, their first real experience of a scheme was WRS. A few had previously recruited students on visas or young people through WHMS, but the numbers were usually small. A number of respondents did report that they had received an increasing number of applications for work from foreign nationals before WRS. These were usually people who had entered the UK as asylum seekers and gained refugee status – Iraq and various African countries were most commonly mentioned in this respect. While not on specific schemes, for many employers this was their first experience of employing (often large) numbers of people who had recently entered the country. A number of employers reported that the number of applications from refugees had now fallen, and that workers from the Accession States were increasingly common. For example, one large *Construction* company in the North East described how most of the migrant workers they had first employed were Kurds or Iraqis who had exceptional leave to remain in the UK. More recently, they had received more applications from EU citizens and the company was particularly keen to recruit Polish workers.

Employers recruiting to higher-skilled and professional posts had little experience of schemes, apart from using work permits and occasionally TWES or WHMS. A finance company had only ever employed one migrant worker, and that was through HSMP.

Employers not using the various schemes

Four schemes were of particular interest to this study – SAWS, SBS, WRS and HSMP. It should be remembered that employers were sampled to ensure that, as far as possible, users and non-users of these schemes were interviewed. Employers not using one or other or indeed any of these schemes were usually not well-informed of their existence. Those not employing any migrant workers were particularly uninformed. A number of reasons can be given for this lack of information and use of schemes.

The vast majority of employers participating in this study had not deliberately set out to recruit migrant labour. Owing to a lack of applicants from the domestic labour force, some had explored alternative ways of staffing their business, e.g. in *Agriculture and Horticulture*, employers had become aware of SAWS, started to use it and found it a very satisfactory source of labour. Others were more reactive, recruiting migrants because these were the main, if not only, applicants for the jobs available. These employers had to find out about the various schemes to fill their jobs. Others had simply had no reason to find out about the various schemes.

The reasons for not employing any migrant workers were outlined in Chapter 5. Most of these employers reported receiving sufficient applicants from the domestic workforce. They therefore had no need to search for, or react to, alternative sources. Although they knew in a general sense that there were schemes through which migrant workers could be employed in the UK, there had never been any need for them to find out about these.

SAWS is only relevant to the *Agriculture and Horticulture* sector and, for obvious reasons, was little known about outside this sector. Most agricultural and horticultural employers participating in this study as non-users of SAWS had not heard of the scheme. They simply had no need to find out about alternative sources of labour. Some did not have the seasonal requirements for labour of those who were using SAWS. Others reported being satisfied with their existing methods of recruiting seasonal labour. This was largely through agencies, who were felt to provide sufficient flexibility and labour of the quality wanted. The reasons these employers were satisfied with agency workers while others were not is unclear. However, some had lesser requirements for regular seasonal labour than SAWS users. For example, a farmer with a smallholding in East Anglia reported being aware that several large farms in the area used SAWS, and that it seemed to work well for them. He felt that SAWS was appropriate for growers with larger and ongoing needs for workers across the season; however, he required additional workers on an *ad hoc* basis and preferred to use an agency as and when needed.

SBS was only relevant to *Hotels and Catering* sector employers in this study. Employers interviewed in this sector were generally uninformed about the scheme. One respondent reported that she thought the company had tried to use SBS at one point, but that the candidate turned out not to be eligible. Another had heard of SBS and commented that “it seems complicated”. This view was, however, based on no experience of, or research into, the scheme.

As reported earlier, employers were very unlikely to have heard about HSMP. Indeed, one who did have an employee on this programme only did so because when applying for a work permit the Home Office had suggested the person apply for HSMP instead. This lack of knowledge of HSMP is not really surprising given that it is an individual who applies, rather than an employer, and no evidence of obtaining a job is required. Furthermore, many who do enter the UK through this programme work in the health sector which was not included in this study. One respondent did report knowing something about HSMP because he had heard a discussion about it on the radio in relation to the National Health Service.

There was a mixed picture on the awareness of WRS. Some employers were generally aware that workers from east Europe had to be registered to work in the UK; others had explicitly heard of WRS. There does not appear to be any clear pattern across sectors and regions in this level of knowledge, except insofar as these workers tend to cluster in particular locations. An employer not in one of these locations would be less likely to have any contact or hear about them and WRS through local networks. While WRS workers are very important to many employers, others had simply had no applications from Accession State nationals. These had not had any need to find out about the legality of such workers or what paperwork was required for them to work in this country. A few did report that they had decided, at least for now, not to become involved in recruiting workers from the Accession States. Some were generally against the idea of employing non-British nationals and could staff their business without doing so. Others reported that they could not be bothered with the 'hassle'. They felt that having to get involved in ensuring people were registered to work in the UK would be onerous, although this was largely based on no direct experience or knowledge of the process.

8. Illegal working and exploitation

Introduction

This chapter explores the illegal employment of migrant workers (whether through the initiation of an employer or the migrants themselves) and their possible exploitation in terms of pay and conditions, hours of work, and their generally being taken advantage of. This exploitation might take place in relation to their employment or lives more generally, and be by employers or other members of the community. As reported in Chapter 2, although the Home Office was very interested in this study collecting information on exploitation, it was decided that this would be difficult using the methodology adopted and that no covert research methods should be used. It was expected that the majority of employers in this study would be employing people legally, as an employer employing people illegally, at least knowingly and on a large scale, would be unlikely to participate in a formal study of this nature.

This chapter, therefore, relies on the knowledge and perceptions of employers and other actors interviewed as part of the study on the extent of illegal working and exploitation in their local area and/or sector over the last few years. It should be emphasised that these data are, therefore, not representative in any way, and no claims can be made that they give an accurate picture of the extent of illegal employment. However, this chapter does illustrate a number of key points, including the vulnerable position many migrant workers are in, especially when they first enter the country, and the many ways in which people can be exploited. It also illustrates some of the difficulties in assessing the extent and nature of illegal employment – as discussed elsewhere in this report, the current immigration system and relevant paperwork are complex and employers are often not clear on the rules. It can be difficult to assess whether some employers are knowingly acting illegally, are not prepared to put time and effort into making the necessary checks, or just do not care.

This section largely applies to those in less-skilled jobs. Migrants in more highly-skilled, particularly professional jobs were largely being recruited by employers who understood the rules and saw adhering to these as an inevitable part of the recruitment process. Furthermore, such workers are likely to stay longer in their jobs than those in less-skilled jobs and to be generally in a stronger position in the labour market. They have skills and qualifications which mean they can obtain work easily, and they often have an agenda for working in this country, e.g. to gain the right to live here permanently or to broaden their experience. They themselves will not want to flout the rules, and are unlikely to be in a position in which they need to do so.

There is an overlap between the illegal employment of migrant workers and their exploitation. If migrants are employed illegally and knowingly on both sides, the migrants are obviously in a weak position as far as obtaining proper employment rights is concerned as they have little or no recourse to legal protection. Also, they may speak little English and so be unclear about the workings of the UK labour market (this also affects legal migrants). This chapter does, however, discuss illegal employment and exploitation separately.

The illegal employment of migrant workers

Illegal employment within the sample

In general, the employers interviewed reported that they were very careful about checking that those they recruited were legally able to work in this country. The possibility of being fined £5,000 for each illegal worker found in a workplace worried many. Employers reported that they could not afford to be fined. A few commented that the possibility of being fined meant they did not take on some people, who were probably legally able to work in the country but about whose paperwork or status there was some uncertainty. The majority of employers, especially those dealing with workers in low-skill jobs,

were being extra careful in checking paperwork – whatever the nationality or ethnicity of applicants. This had sometimes caused most difficulties for UK nationals, not all of whom have a passport or a copy of their birth certificate.

Some employers in the study appeared to be recruiting illegally themselves, or had done so in the past. This was often through ignorance. For example, an agricultural employer reported that the previous year he had not known that Accession State nationals had to register. Another respondent (in *Hotels and Catering*) reported that the Poles she had recently recruited needed ‘visas’ – it was not something she had heard about until employees informed her. Others were in a similar situation, and this applied across sectors and size bands. However, employers directly employing workers from the Accession States did, by the time of the interviews, all seem to have ensured that their workers were registered. The situation with agency workers is more complex (and this is discussed further, below).

A few employers interviewed did not seem that bothered about whether people they employed were legally able to work in this country or not. They were looking to fill low-skilled and unskilled posts, usually with high levels of labour turnover. They wanted to recruit with the minimum of time and effort, not getting involved in paperwork and obtaining permission, or incurring any delays. For example, one catering employer reported looking for someone to do the washing up; he found a Lithuanian who told him that he would have to register with the Home Office to be employed. A Pole then came along who was happy to do the job, and this person was the one hired. It is possible that the second individual had simply dealt with all the registration themselves, without involving the employer. Nevertheless, the employer did not want to get involved with any checking, or extra paperwork and administration. Another employer in *Hotels and Catering* reported having a student from Poland whom he assumed it was okay to employ, and another employee from Hong Kong who had been in the country for a long time; again, he assumed this person was entitled to work in Britain. The overall point was that he was “not really concerned”. The manager in an employment agency supplying mostly migrant workers to factories commented: “Some people just do not care. I don’t know how they get away with it. We are always having checks”.

A number of employers were recruiting employees through employment agencies, and were not always sure where these workers came from. Some assumed that these agencies did all the necessary checks and registrations. Others were rather vague about this: “... not sure about [the legality of] cleaners, assume the agencies check their credentials” (*Administration, Business and Management*). Agencies were rarely used explicitly to recruit migrant workers, but rather to fill specific types of posts – and as has been discussed earlier, the majority of people prepared to work in such posts were usually migrants. In some cases, an employer was genuinely trusting the agency. They might perhaps have worked with the same organisation for many years and built a relationship of trust. A number did thoroughly vet the agency/agencies used, for example asking for evidence of the checks made on those employed. The human resources respondent in a large hotel reported that agencies have to prove and demonstrate that they check the right documents – one agency did not get past this stage and the hotel would not use them. Other respondents clearly took no responsibility themselves. They reported that the agency dealt with all the necessary paperwork and they assumed that workers sent to them were in the country legally. There was no particular sector, size or regional split in these approaches to the use of agencies but the jobs involved were always low-skilled or unskilled.

Knowledge of the extent of illegal working locally

The extent to which employers knew of other local employers who took on illegal workers was very mixed, and these data should not be treated as providing a representative picture of illegal working. However, a number of themes emerge and these are explored in this section. Knowledge and perceptions depended on a number of factors, including the sector employers were in, the impact illegal working was having on them (or was perceived to be having), their attitude towards illegal working and their general involvement with other employers. A few reported information they had from migrant workers they employed about other local employers and people suspected of being here illegally. Migrants quickly become part of networks and develop a picture of what happens locally.

The majority of respondents reported having no knowledge of illegal working and several did not think it occurred at all. A few felt that it did happen. Some of this latter group did not have any further views, while several were particularly vociferous on the subject and others could quote specific examples.

Generally, respondents were not that happy about talking about specific examples of illegal employment.

It was often employment agencies that had a bigger picture of illegal working, and exploitation more generally, in their local area. They were frequently dealing with large numbers of employers and migrant workers, networked with other employment agencies, and were tuned into what was happening in the local labour market (or at least the sector(s)) in which they operated. It was reported that there were many unscrupulous employment agencies around. At the low-skilled end of the labour market there was often strong competition for labour, and employers wanted this at low cost. While all the employment agencies interviewed reported that they paid their employees at least the minimum wage, most also said that they knew of other local agencies that did not, or that made large deductions to cover expenses (e.g. accommodation, travel to Britain). One employment agency respondent reported that workers from the Accession States were not being informed of the requirement to register under WRS by some unscrupulous employers (who might or might not be an employment agency). This resulted in such workers having no proof of how long they had worked in the UK, and therefore losing the right after a year to claim benefits or obtain a job without registering.

Illegal working not thought likely

Those who did not think illegal working occurred gave the following reasons for holding their views. In *Construction*, and *Hotels and Catering* it was reported that since accession in May 2004 there was a plentiful supply of legal labour around. A respondent in a large hotel thought it would be difficult to conceal illegal workers and to balance the books. Head office required everyone to be on the payroll – it would be impossible for a local site to take on anyone illegally and pay them cash in hand. A *Construction* employer (in the smallest size band) reported that because of various inspections he thought it would be difficult getting away with not doing things by the book. He checks employees' Construction Industry Scheme (CIS) cards but does not look at their passports, and has been told by his accountant that this is sufficient.

Higher-skill and professional jobs

There were some sectoral differences in responses about illegal working. Employers in *Finance and Accountancy* and those recruiting to higher-skilled/professional posts in *Administration, Business and Management* reported that illegal working was highly unlikely in their sector/these occupations. At an accountancy firm it was reported that employing illegal workers would compromise a firm's professional status and that the type of work requires good faith with clients: "being dishonourable to one's employees would seriously damage a business reputation". It was generally reported that employing anyone illegally would not be possible owing to the extent of regulation in the industry and the checks people have to go through: "We have to do everything by the book. They [employers in the Finance sector] wouldn't get away with it ... the Financial Services Authority do check on HR practices and procedures". The respondent in a multinational finance company similarly reported that illegal working would be unlikely because of FSA checks. However, she did say that there could be illegal working amongst the contract staff (in cleaning and catering) – these were all employed through an agency. There was no clear regional or size difference in these responses.

Hotels and Catering

In *Hotels and Catering* (and there was no regional difference here), there was a stronger feeling that illegal employment did take place. Indeed, employers in other sectors also reported suspecting a high propensity for low-paid jobs in this sector to be filled with illegal (and/or exploited) migrant workers. There was, however, little concrete evidence offered. For example, a manager in one London hotel reported being aware of employers in his sector who have an 'anything goes' attitude towards employment. It was generally felt that most illegal working went on in smaller organisations, particularly in very small cafés and restaurants. The smaller *Hotels and Catering* employers participating in this study did include some employers who were rather cavalier about checking employees' credentials; however, there were others who ensured that they operated legally. Larger hotel and restaurant chains tend to have centralised human resources departments and policies and to have formal procedures for checking documentation. They are also perhaps more visible and open to scrutiny. However, these employers were amongst those who did not always check on the legality of agency staff or know whether the agencies did so.

Agriculture and Horticulture

A few employers (and these were operating across a range of sectors) did report that illegal working was likely to be common in *Agriculture*, especially within the seasonal workforce. This work would more easily be paid 'cash-in-hand' and is often conducted by a highly mobile, transitory group. The manager of a small employment agency providing workers to local farms in East Anglia was particularly vociferous on the subject. He reported that there were many illegal workers in the area, often on forged passports. These were largely employed by agencies who provided them to local farmers at below the going rate: "... [farmers] used to be paid £100 a ton for picking potatoes two years ago, now £60, something doesn't add up. ... We just struggle through the best we can". Other *Agriculture* respondents did report that some farmers probably took on illegal workers. They could turn a blind eye to this by putting all responsibility on the employment agency through which they accessed this labour. There was some general feeling that pressures on costs, especially when labour costs were such a high proportion of the total, were pushing agricultural and horticultural employers to cut corners and take on the cheapest labour they could find. For example, a respondent in a (plant) nursery commented: "... most employers want to be fair but it can be difficult to understand all the regulations. This creates opportunities for advisers, who might advise people how to 'get round' employment regulations. There is pressure from both sides in agriculture – supermarkets pay less for produce but labour costs continue to increase".

However, agricultural and horticultural employers participating in this study were more likely to report that it was increasingly difficult to employ workers illegally, and they could not see how or why employers in the sector might do so. Supermarkets in particular, but also other purchasers, are increasingly putting pressure on their suppliers to operate ethically, and this includes how they treat their workforce. Several respondents commented on how all growers are under the same pressures from clients and that this would make it difficult for unscrupulous employers to last in the business; for example: "If you were to embarrass a leading supermarket, you would be dropped like a hot stone".

Supermarkets are not legally responsible for the employment practices of their suppliers. UK supermarkets do, however, have their own code of practice that aims to set minimum labour standards for suppliers. Most supermarkets are also members of the Ethical Trading Initiative (ETI). This is made up of companies, trade unions and non-governmental organisations committed to a code covering minimum employment practices. The ETI has a Temporary Working Labour Group which focuses on UK *Agriculture*. Supermarkets commit to the ETI code within their own code of labour practice, to which their suppliers are obliged to comply (DEFRA, 2005).

While some respondents felt that the Gangmasters (Licensing) Act and further pressure from supermarkets would reduce the extent of illegal working, others were less confident of this. Not all employers supply supermarkets or other major reputable purchasers. Respondents commented on how some employers or employment agencies never seem to be investigated – this was, however, before the Act came fully into effect. A few had reported employers locally that they knew to be employing illegal workers (and often exploiting them as well) but were less than satisfied with the outcomes. It was argued that if sanctions for operating illegally and unethically are not upheld, there is no real incentive to avoid such practices.

Construction

In *Construction*, illegal working was more likely to be reported in London than elsewhere. There is a particularly large demand for construction workers in the capital, and this is likely to expand with the build-up to the 2012 Olympics in addition to other major projects. Furthermore, skill and labour shortages are reported to be particular issues in this sector.

An interview with an 'other actor' in the *Construction* sector highlighted the extent of illegal working. It was reported that the employment of illegal immigrants was a major issue, especially on big construction sites with many different contractors, subcontractors and sub-sub-contractors. It can become increasingly difficult for the main contractor to know who is employed on a site, and some are less concerned than others about checking. A *Construction* employer reported that it was often larger contractors doing many small jobs that employed illegal migrants – people only work on a job for a short time and it is easier to get away with operating illegally.

There were other anecdotal reports of illegal working. A *Construction* manager reported seeing large numbers of Russians⁹ bricklaying and labouring on a housing development site. He did not feel they met the criteria for a work permit and hence thought that they were probably working illegally. His company employed professional engineers and illegal working was not an issue; however, among low-skilled or unskilled *Construction* workers he felt that illegal working was fairly common.

However, as in all sectors, several employers commented that it would not be possible to employ people illegally: "We have to do everything by the book. We're so big now there is not room for illegality".

Employment agencies

There were many reports of illegal working and exploitation related to employment agencies. A general picture emerges that although there are many good agencies, this is also an area where a considerable amount of exploitation seems to occur. Employment agencies interviewed in the course of the study often reported knowing about other agencies employing illegal workers, but that they did not do so themselves. Indeed, several said they reported illegal working and abuse when they came across it.

Many employers reported being regularly approached by employment agencies trying to encourage them to employ workers. A salad grower reported having 15 to 20 approaches a year; other employers reported at least one a week. These agencies were not providing only migrant workers, but migrants did seem to make up the bulk of the people on their books. Some of these were not very clear about their offer or were not prepared to be specific, and employers were suspicious. It was reported that some were very aggressive, and this did not in any way reduce employers' suspicions or encourage them to use their services – indeed, the opposite was more likely to be the case. While some of these agencies were calling from abroad, employers often reported that it was those based in this country which seemed more likely to be offering labour whose legality was questionable. Although most reports of such behaviour by employment agencies were from employers in *Agriculture and Horticulture*, other employers looking to fill low-skill jobs (e.g. on construction sites and in factories) were also targeted.

The fact that many employers, especially in *Agriculture and Horticulture*, reported being approached by employment agencies, it could be argued that SAWS was not needed. However, the legality of workers offered by some of these agencies was in doubt, as were the terms and conditions under which they might be working. It would place a considerable burden on employers to have to sort this all out and negotiate with a range of employment agencies for labour. SAWS provides a regulated and consistent source of seasonal labour to the sector. The SAWS operators were well regarded and have good contacts to source labour requirements.

Illegal migrants acting individually

Another aspect of illegal working is the extent to which individuals who are not legally allowed to work in the country apply for jobs and try to 'trick' employers into thinking that they are legal and have all the necessary paperwork. A number of examples were provided by employers based on either their own direct experience or hearsay. Employers across all sectors offering low-skill jobs reported that migrants would often just turn up looking for work. These would usually be turned away – it was frequently not clear whether they had the appropriate documentation or were in the country legally.

There were a number of reports of migrants with forged passports and other documentation trying to get work. Some paperwork is (or used to be) relatively easy to forge or used to help people to illegally enter the country and obtain work. For example, the photographs in passports for one east European country used to be unsealed along one edge and it was possible to substitute another picture for the original. An employment agency commented:

There are all sorts of passports, ID, etc. and it is difficult to know which are genuine and which are not. Most east Europeans have genuine paperwork. Africans, Iraqis, Afghans, who

⁹ Whether he knew for a fact that these workers were Russian, or perceived them to be Russian was not clear.

'legged it' to escape a war zone, they often have fake papers, which it is hard to spot. There are a lot of people out there making money from forgeries – this is easy nowadays with technology.

It was most frequently commented that there are a number of Russians working in the country and respondents were not sure how these were able to be legally employed. Others reported having been approached by Russians with fake passports from a range of Accession States. While these were sometimes spotted, this was not always the case. For example, an employment agency reported employing a Russian with an east European passport which they thought was authentic. This person had been registered under WRS by the Home Office. However, once in a job she was 'shopped' by colleagues for being in the country illegally. Other respondents had experience of Brazilians masquerading as Portuguese, who were also exposed by fellow workers. It was commented that Portuguese can tell the difference between fellow expatriates and Brazilians, and that they resent these impostors.

The difficulties in checking whether individuals have the correct and legal documentation were discussed by several employers – employment agencies, who had the most experience of this as they were often dealing with large numbers of migrants, usually had the most to say. For example, one reported on how some fake passports are easy to spot while others are more difficult. However, with experience it became easier to spot inconsistencies – one forgery looked perfect except that there was a hair stuck under the photograph, another looked new but was supposedly five years old. If they think a passport is forged, they will keep questioning the person: "we get it out of them eventually". They might have to question people in a roundabout way and it does incur business costs (in staff time and sometimes paying for an interpreter).

Employers were not always clear whether migrants looking for work illegally were doing so out of ignorance or not. However, in some cases there was no doubt that many knew exactly what they were doing – for example, Russians on forged east European passports or Brazilians with Portuguese passports.

The human resources manager in an hotel that was part of a large chain reported how migrants often apply directly to individual hotels for work. However, all managers have to send their recruitment paperwork to a central unit – they cannot be expected to know about all the relevant paperwork and permissions needed. It often turns out that these people are not eligible to work. She did not know whether they were trying to work illegally or were genuinely ignorant of the rules, necessary documentation, etc. The individuals themselves seemed not always to be clear what paperwork they had or where a permit came from. However, she was not sure how genuine this ignorance was. Some were hiding behind poor English and all were desperate to work.

A number of employers were relying on the possession of a National Insurance number as evidence that a person could legally work in the country. This is not always the case. An employer in *Construction* reported how his payroll manager had eventually realised that the National Insurance number of one employee did not correspond to his age and must be false. Word filtered down to the supervisor who told the worker that something was wrong and he "legged it".

Indeed, there were several examples reported of illegal workers disappearing at the threat of more rigorous checks. For example, an employment agency described how, due to concerns about being fined for employing people who were not legally allowed to work in the UK, they called everyone on their books in to recheck their paperwork. A number did not turn up and they assumed that the majority of these people had been working illegally.

There were some reports of people staying in Britain illegally after their time on the scheme they entered on had ended. The extent to which this really happens is not clear but it does not seem to be particularly widespread. A fruit producer asserted that a proportion of SAWS students did not leave but went to London or elsewhere to work. Some were in their last year at university and had no particular reason to go home. However, most SAWS employers said that very few students do not return home – most have reason to go home (to complete their education, to be with their family) and fully understand they have six months on the scheme.

Exploitation

Another key concern around the employment of migrant workers is the extent to which they are exploited – by employers and by other individuals supposedly helping them find employment or settle in this country. Once again, it is those in low-skill, minimum-pay jobs that are most vulnerable. It should be remembered that this section relies on the knowledge and perceptions of employers participating in this particular study, rather than an in-depth exploration of employers and others exploiting migrant workers.

Pay and conditions

The pay and conditions of migrant workers were discussed in Chapter 4. Data collected in the course of this study suggest that the employers interviewed were generally paying migrant workers the same as domestic employees in the same jobs. In some cases, migrant workers were disproportionately in the lowest paid jobs in an organisation and hence, the lowest paid. A few employers offered migrant workers slightly less favourable conditions compared to domestic workers. However, a number of employers did report hearing of other employers exploiting their migrant workers in some way. Once again, employment agencies were amongst the most informative.

There were, however, numerous reports of employers, including employment agencies, who did not pay migrant workers properly, and the picture is rather mixed and confused. The main feature all such reports have in common is that they applied to low-skill jobs. An agency specialising in supplying labour to *Hotels and Catering* employers said that migrant workers would come to them after being offered bad pay by other agencies. An agency in East Anglia reported having heard stories of gangmasters paying workers as little as £1 an hour. A respondent in the *Construction* sector commented that bigger competitors and international companies operating in the UK were using migrant workers to undermine the pay, terms and conditions of other employees. An employment agency in *Agriculture* reported how the prices paid for agency labour in *Agriculture* were falling and he felt that migrants were being used to undercut the minimum wage.

It was reported that employers, including employment agencies, were not always actually paying migrants below the minimum wage – they were keeping to the letter of the law. However, it was reported that some then claimed back an unreasonably large proportion, e.g. for accommodation and transport, leaving these workers with hardly anything to live on. One employer had heard of an agency offering foreign nationals work in this country and also saying that their travel expenses would be covered; large amounts were then claimed back to cover this travel once they arrived. The manager in a nursery has heard of cases where migrant workers were not paid their final wages or did not receive their holiday pay. Some had been talked into ‘saving’ some of their pay by letting the employer withhold part, only to realise that they had not been reimbursed when they left the country and it was too late to do much about it.

Hours of work and employment rights

There were also reports of migrant workers being expected to work extremely long hours. In some circumstances, migrant workers were taking as much overtime as they could get and welcomed the opportunity to earn more. However, in other cases it does seem that migrant workers were being taken advantage of. Long hours were particularly likely to be reported in smaller *Hotels and Catering* businesses. An employment agency reported taking on an east European couple who had been exploited by another agency, being low paid and expected to work very long hours. The exploiting agency had threatened this couple if they refused to work as they were told.

It was reported that some other employers did not properly inform migrant workers of their employment rights, and this included employees who were either in the country legally or were entitled to legally work here. Sometimes it was reported that migrant workers were not informed that they could legally work here. This would put them in a vulnerable position, facilitating low pay, long hours and poor conditions, but also disempower them in that they did not know they were being exploited or that they had a right to complain. This is one area trade unions were trying to address, where possible providing migrant workers with information on their rights.

Other sources of exploitation

It is not only employers that take advantage of migrant workers, especially those who have newly entered the country. There were a number of reports of individuals also doing so, e.g. charging newly arrived migrants for help in finding work and accommodation. These were often foreign nationals themselves, and frequently from the same country as those they were exploiting. Employment agencies provided the most thorough examples of this – they might be dealing with large numbers of applicants, some coming in with others (e.g. to act as an interpreter) and had become familiar with a range of dubious activities. Someone might accompany a newly entered migrant to job interviews, perhaps acting as an interpreter and charging them for this service:

It can be a delicate subject if someone is over here on their own. They might have been put in charge of someone in England who is charging them to find work, but might not get them a job.

The point being made was that some people were quick to take advantage of, and make money from, people who had newly entered the country and were unsure of how to go about finding work. The nature of the activities was seen as exploitation rather than simply making a legitimate charge for services provided.

A particular issue was about cashing cheques. It can take time before a migrant worker is able to open a bank account, which can present problems if they are paid by cheque. Some employment agencies were paying cash until an employee had a bank account. Cheque cashing shops usually charge ten per cent, and a number of examples were given of migrant workers using the accounts of others and being charged a similar amount. This would only be picked up when an employer noticed they were paying more than one person through the same account number, and seemed to be most commonly noticed by employment agencies. One such agency described how if someone comes in with someone else's bank details they will ask questions. "We asked about one and found it belonged to someone at ... who the employee did not know". It turned out that this particular person had given his/her bank account number to a number of migrant workers and was charging them all for using the account. The employment agency reported this to the organisation involved and when nothing happened took the complaint further – a fraud investigation is now in process. It was also reported that a local bank branch said that if the agency gave employees a letter as evidence of employment, they would open an account for them – it then turned out that a charge was being made, and the provider will no longer recommend this bank.

Protecting migrant workers

Some employers, particularly employment agencies, described how they tried to ensure that migrants coming in looking for work were not being exploited. They would ask questions to find out whether they were paying anyone for advice or support: "If someone brings someone in, we'll say, 'I hope they aren't asking money from you,' and we'll ask this in front of the person they come in with". During the course of the study a number of employers were interviewed who were doing what they could to support and help migrant workers. Farmers using SAWS reported how they often built up a rapport with their migrant workers, especially those who returned for a second time, and how they would try to help them settle in the country. An agency respondent commented: "I treat them how I'd like to be treated myself". The migrant workers themselves often appreciated this help and support – "they say thank you, unlike British workers, they come in with chocolates. A lot are due tax back, we help them and they send flowers when the money comes back".

9. Information, support and guidance on existing policy

Introduction

One of the main sources of advice available to employers of migrant labour is a document entitled: *Comprehensive guidance for employers on changes to the law on preventing illegal working*, published by the Home Office in April 2004. There is also a website and an employers' helpline, both of which aim to provide information and advice for those wishing to employ migrant workers. This chapter explores employers' knowledge and use of the guidance and other sources of information and guidance.

Home Office guidance to employers

There was considerable difference between sectors in terms of levels of exposure to the guidance materials, and on the extent to which those familiar with it had made use of the guidance. Employers in *Agriculture* were the most informed: two-thirds (17) had seen the guidance. Most of these had read it and reported that they used it regularly. Several employers described the guidance as 'useful' or 'very useful', with more than one saying that they had gone through the document and had highlighted particularly useful sections of advice. None of the employers in this sector who were familiar with the document had negative comments. Those who had not come across the guidance usually explained that checking whether people were legally entitled to work in the UK was left to the labour provider or recruitment agency (commonly the SAWS Operator in *Agriculture*).

In both *Administration, Business and Management*, and *Construction*, there were roughly equal numbers of employers who were familiar and not familiar with the guidance (ten employers in the former and five in the latter sector were familiar with the guidance). In both sectors, those who were familiar with it expressed mixed views. While a few found it useful or very useful, others had not used it at all. Some found it confusing or not relevant to their recruitment. For recruitment agencies, which were often dealing with the largest numbers of migrant workers, the detail provided in the guidance on the wide range of documentation people might have was reported to be particularly useful. However, even then it was sometimes reported that the complexity of the documentation was not fully covered. For example, a manager of an employment agency commented on how one document saying that people did have a right to work in the UK looked a bit like a train ticket. She had telephoned the Home Office to check the legality of this.

In *Finance and Accountancy*, very few (three) employers were aware of the guidance, and of those who were, none was using it regularly or finding it to be very useful. This is possibly because illegal working is uncommon in this sector and of little concern to employers. The sector is highly regulated and at least the more highly skilled employees have to be vetted prior to employment.

Considerable numbers of migrant workers are employed in *Hotels and Catering*; however, less than half (11) of the employers in this sector reported being familiar with the guidance. As discussed earlier in this report, in larger companies someone at head office was often responsible for checking the paperwork of migrant workers. It is probable that, if interviews had been conducted at this level, a greater level of awareness of the guidance would have emerged. Those familiar with the guidance were generally positive about it and used it as a key resource. For example, one respondent commented: "I use the booklet almost every time a non-British employee is taken on. The pictures of passports with different types of stamps in it are very useful. It's the first destination to answer any questions".

Several employers mentioned that they had received presentations from consultants or from a Home Office official. They had found this very useful and as a result reported that they felt more confident about how to deal with questionable individuals and/or identification documents. A few other employers reported that presentations had been promised but continually postponed or cancelled. They regretted this, wanting to be able to check with someone more knowledgeable than themselves that they were interpreting the guidance and various documentation properly.

The format of the written guidance was also commented on. While some preferred having access to hard copies, others were quite happy with downloadable PDF files. The main message was that, to reach the widest number of employers, a mix of media are needed. The advantage of a hard copy is that it comes bound and, especially for those without a colour printer, the photographs of passports and other documentation are in colour – making them much easier to identify in practice.

Website

Many of the employers participating in this study were familiar with the Home Office website, and had used it on several occasions to answer questions and download forms. Most employers in *Administration, Business and Management* (16), and in *Agriculture* (20) were familiar with the website, and around half (16) of *Hotels and Catering, Construction* (five) and *Finance and Accountancy* (five) employers.

While levels of awareness of the website were quite high, not all who were aware of it had actually made use of it. Of those who had used it, the comments tended to be very positive. For example, employers had found the website very useful for accessing forms, such as those for WRS. Others found it useful for looking at examples of passports, and visa stamps. An agricultural employer commented that the website was “like an idiots’ guide”.

Only a few employers had not found the website useful. Some had simply not found the information they wanted or an answer to their specific question. Others found the site difficult to navigate and commented that it always took a long time to find what they wanted to know. However, some attributed this as much to the nature of the immigration system itself rather than just the website. Another negative comment was on the amount of jargon used, for example, an employer in the *Administration, Business and Management* sector commented: “it could be a bit more user friendly, with less jargon. You need to be an immigration officer to make sense of some of the content”.

Several employers suggested a ‘what’s new’ page to make it easier to see when updates or changes to the rules and procedures for employing migrant workers had occurred or were about to happen, and what these were.

In general, employers were satisfied with the website, and thought it a useful resource in understanding how to employ migrant workers. Although several requests were made for improvements of its navigation and usability, employers often cited the website as their first destination in answering questions and queries, or in obtaining useful documents and forms.

Helpline

Around half of the employers interviewed in each sector were aware of the employers’ helpline. Amongst those who had used the service there was a mix of views; however, there was no particular pattern across sectors.

Employers had called the helpline with a variety of queries, for example, to check details about passports and various documentary requirements and to obtain information about intra-company transfers. While many had obtained the information they wanted, others were more critical. Even amongst the more satisfied users, it was commented that the helpline was often not answered very quickly and that it took time to get through to an operator.

A few employers who had used the service were frustrated with having received different and sometimes conflicting advice and information. For example, an employment agency enquiring about the documentary requirements for WRS was told on one occasion that a photocopy of documents

would suffice, and on a different occasion that photocopies would not be accepted. Another instance of conflicting advice left a *Hotels and Catering* employer unable to renew an employee's contract, forcing the employee to return to her home country, and causing the company to restart its recruitment efforts.

The most common problem reported by employers was that they were unable to obtain information about specific problems and/or information relating to particular individuals from the helpline. It was also reported that they rarely got to speak to the same person making it difficult to obtain advice on an ongoing issue – they often had to start again with each call because a different person answered the helpline and did not know the history. An employer in the *Business, Administration and Management* sector reported that he preferred to use private consultants as the helpline was less able to comment on individual cases without more detailed knowledge and understanding of the business.

Additional support

Most employers felt that their information and advice needs were being met through existing provision. As discussed above, a number were confident about using the website and helpline to answer queries, and/or had used the Home Office published guidance on a regular basis to help regulate their recruitment procedures. Some employers did, however, feel that they would like to know more about certain issues, or they had ideas about how existing provision could be improved.

The most frequent request was for regular updates on policy regarding migrant workers. Most thought this should be automatically sent to employers, although they had varying views about the most appropriate format. Some employers wanted updates by post and others by email. A few wanted updates to be placed in an obvious position on the website. Hard copies of updates and guidance were reported as particularly useful, as these could be stored and used as references, and easily passed on to colleagues. Employers generally wanted updates to refer only to planned or actual changes, rather than to proposals or possibilities, as these were felt to confuse the picture. Updates should also be clear and simple to understand. Several employers reported an information overload – they wanted less and clearer information, covering the most important facts needed for them to utilise the immigration system simply and efficiently.

The subjects on which employers wanted further information and advice varied. They wanted to know about particular schemes, more support in dealing with paperwork, help in identifying illegal documents and forgeries, and contact details to report illegal workers and/or employers. A few employers wanted to know about eligibility of workers by country, and one suggested that this could be presented to employers through the website “in a sort of matrix format, using nationality as the starting point”. A *Hotels and Catering* employer wanted more information about foreign qualifications and work experience, and thought it would be useful if there was a standard equivalency for use in each industry. Several employers felt that it would be useful to have information and support materials which could be given to migrant workers themselves. It was suggested that this could include health and safety information in multiple languages, how to access local services, how to set up a bank account, and information about their rights as workers, tenants and residents.

Employers had a number of queries relating to migrant workers. These varied from specific questions about the legality of employing certain individuals to queries about tax and National Insurance. One problem was that they did not always know which government department or agency to go to for answers. Since all questions related to migrant workers, many assumed that the Home Office would be able to provide the answer. This was not always the case. A few reported being passed on to a range of different departments/agencies and still not receiving a satisfactory answer. There is a need for clarity in where to go for particular types of information, or for a ‘one-stop-shop’ of some sort.

Many of those who reported that their information and support needs were fully met were using a range of other non-governmental groups and consultant bodies. For example, employers in *Agriculture* obtained information and support from the National Farmers Union and/or through their SAWS operators; businesses in other sectors used a range of human resources and legal consultants. There was a high level of satisfaction with these. The information and support was tailored to particular business or sectoral needs and utilising these sources meant that employers did not have to search for and sort out the information for themselves.

10. Proposed new policy

Introduction

In February 2005, the Government published its Five Year Strategy for Asylum and Immigration in a document entitled *Controlling our borders: making migration work for Britain* (Home Office, 2005a). During the main fieldwork stage of this research a further document was published (Home Office, 2005b) providing more details about how a new migration policy might work and inviting comments from interested parties. This chapter describes employers' levels of awareness of the *Controlling our borders* policy document, and also their views towards the proposals it contains.

There was generally a low level of awareness amongst employers that there were any proposals to change the immigration system in the UK. The majority of those who were aware that something was proposed knew little about the detail. This made it quite difficult discussing the proposals with employers. A number did not find it easy to grasp how things might change from the description given during the interview. They were pushed for time or simply did not engage with what had to be a relatively brief explanation.

A simplification of the currently complex system for managing immigration was welcomed. Employers wanted a system that was more easily understandable and straightforward to operationalise. They did not want to take on any greater responsibilities, e.g. relating to checking paperwork or ensuring certain migrant workers returned home. Those recruiting highly skilled migrants were less concerned about the proposals. Those recruiting migrants to fill low-skill jobs did not want a new system that would make it more difficult for them to obtain such labour.

Levels of awareness of the *Controlling our borders* document

The majority of employers had not heard of this document. Amongst those who had, very few employers had seen or read the document. The rest reported only a vague awareness that changes were being proposed. This was usually as a result of hearing a news item on radio or television, or reading an article in the press.

Respondents in sectors with a greater reliance on migrant workers tended to be slightly better informed and also to have more views on the proposals. For example, some employers working in *Agriculture* had been directly consulted by organisations such as the National Farmers' Union or were being kept informed by their SAWS operator. As might be expected, those not using migrant labour had the least familiarity with the proposals overall. There did not seem to be any regional differences in the pattern of awareness.

Views on the policy proposals

Many employers participating in this study found it difficult to express opinions on proposals they had only just heard about during the interview. Some employers found it difficult to assess whether or not they would be affected. WRS was the most widely used scheme and employers generally felt that the proposals would not affect this stream of labour. Agricultural employers did not always realise that proposals to phase out low-skill schemes might apply to SAWS. Understandably, those not employing migrant workers and with no intention of doing so commented that they would be unaffected one way or the other by any proposals to change the immigration system. While most employers gave their professional views, a few made comments based more on their personal political views and beliefs.

Points system

Views on a proposed single points system based on qualifications and skills were very varied; however, a number of themes emerge and these are outlined below. In general, employers in the *Hotels and Catering*, and *Finance and Accountancy* sectors, tended to express the most positive views. Negative views ranged from concern about the new proposals to outright rejection of them.

The replacement of the current complexity with a much simpler system was generally welcomed. Many employers likened the proposed points system to that used in Canada, Australia, and New Zealand, and these were generally felt to be good models.

A main concern amongst employers was how skills, qualifications and experience would be captured through the points system, and whether this would exclude migrants who were key to their business. Employers of highly skilled migrants entering jobs that clearly met the qualification criteria did not feel that the proposals would have much impact on them; indeed, having a simpler system would be to their advantage.

It was employers of migrants in jobs with less clear qualification requirements who were most critical. A key concern was how skills, qualifications and experience would be quantified. Employers wanted to know if the criteria used in their own businesses would be reflected in the scoring of the new points system; for example, one *Hotels and Catering* manager commented: "The skills and experience required and acquired in the hospitality industry are not usually connected to qualifications outside of the UK. An individual's experience and level is usually much more important". The importance of work experience was stressed repeatedly, with employers wanting to emphasise that just because a job is low-skill, this did not mean that anyone could, or would, do it. A respondent in the *Administration, Business and Management* sector reported: "It depends how they quantify work experience. Surely there is a need for even the least qualified worker. The highly scored applicants aren't going to pick crops".

Many were concerned about proposals to restrict access of migrant workers to low-skill jobs. This was especially true of employers in *Agriculture* and in *Hotels and Catering*. If a single system were to be used that favoured the highly skilled over the lower-skilled, employers were very concerned that this would not reflect the role migrant workers played in the UK labour market. For example, one *Hotels and Catering* employer was concerned that it would be too limiting, and would result in him being "unable to fill those low skilled jobs which no one in the domestic labour market wants. The business needs those workers to survive: you can't go to war with just generals, you need soldiers as well". Not all employers were convinced that workers from the Accession States would continue to want to work in the UK in sufficient numbers, in particular in low-skill jobs. They felt they would need access to a broader pool of labour.

In general, employers who relied on migrant workers to fill low-skill jobs were very concerned about how they would source workers for these roles if the new system did not allow entry to the current types of workers they employed. For example, a respondent in an employment agency commented:

The work most migrants are doing in this country is low-skilled, jobs no one else will do or the English are too stuck up to do. Points should be based on what we need, e.g. more points for factory work, rather than on qualifications.

Whether the migrants in these roles were highly skilled, in terms of qualifications, was not fully explored in this study. Employers were often aware that some migrants they recruited were better qualified than domestic workers who might fill such jobs, but they often did not really know. The literature review shows that employers were largely unaware of migrant workers' qualifications if these were not relevant to the job

Some employers raised the issue of illegal working, suggesting that the proposals might make it more difficult to employ migrant workers and that this would drive these workers, employers, and jobs into the informal economy, or else force closure. As one employer put it, "This would protect UK workers, but may mean that people come in illegally to do low skilled jobs" (East Anglia, *Administration, Business and Management*). This view was expressed in different ways by different employers in response to several aspects of the proposal. Increased illegality was felt by employers to be a serious

risk if the new system was not designed and implemented to meet the needs of a wide range of employers.

Sponsorship

It is proposed that all except the most highly skilled migrant workers should have a 'sponsor' with responsibility to ensure that workers return to their home country. The sponsor could be from a range of organisations. Employers generally felt that ensuring people return home would be very difficult, and they were adamant that this should not be an employer role. Many felt it would place an inordinate burden on businesses and employers.

A minority who employed small groups of migrants and built up a good relationship with them felt that being a sponsor would not be too difficult. This was helped by the fact that, in their experience, most migrant workers they had dealings with did not particularly want to remain in the UK. One employer using SAWS also reported that he would be happy to take on the role of a sponsor for any of the workers he had recruited through the scheme. As a relatively small employer he developed a good relationship with the migrant workers over the summer season and many of them sent him Christmas cards. He commented that, after working for the season, "they are homesick and want to go home" and have no intention of absconding. They also have university courses to complete. In addition, the money they earn here is worth much more in their home country, they look forward to taking it home to their families.

However, the majority of employers did not want the responsibility of ensuring migrants in lower-skilled jobs returned home. They felt that this was a policing role, which went far beyond their responsibilities as employers. A number reported that having such a role placed on them could alienate employers. They were also concerned about the sanctions that might be imposed if it proved impossible to ensure someone did return to their home country.

A key concern amongst respondents was how they would ensure that migrant workers returned home. An agricultural employer thought that the only way would be to hold back part of their pay and only release this once they were on their way home. He did not, however, think this particularly fair to the workers (several were sending money home to their families) or very easy to operationalise (e.g. when and how the money would be released). Several respondents wondered whether the Home Office envisaged employers taking their workers to the airport and watching them board a plane.

Views on sponsorship did not seem to vary before and after the consultation document was published in July 2005. Most employers were not familiar with either the strategy or the consultation document.

Phasing out low-skill schemes

Employers who were reliant on migrant workers filling low-skill jobs were generally against the phasing out of low-skill schemes. Those in *Agriculture* were most hostile to any such plans. Those already using SAWS were worried about its withdrawal. They valued its specific sectoral nature, the type of labour obtained through the scheme and the process of obtaining this. Although many were using WRS, this was a less certain supply – workers could move on to other jobs and there was a feeling that this would not remain a regular source of employees for the sector. Those not using SAWS were, understandably, less concerned about the possible withdrawal of the scheme. Most were happy with their existing sources (usually agencies) or did not require additional seasonal workers. However, a few did report that their existing sources were not always able to supply sufficient workers or that they were unhappy with the cost or quality of the labour supplied, and had thought about looking at SAWS.

Employers in other sectors were more varied in their views. Those relying on WRS workers did not think they would be affected. By the time of most interviews, SBS had already been closed for *Hotels and Catering* employers – although those who had used the scheme regretted this and would have liked it to continue in some form.

There was some debate around the definition of 'low-skill' and what was seen as an assumption that such workers were of less importance to employers and the economy. A *Hotels and Catering* employer opposed any strict demarcation between migrants coming in to fill low- and high-skilled jobs.

Another concern raised about removing low-skilled schemes was that the recent influx of workers from the Accession States may not be a sufficient supply in the long term: "There may be some longer-term issues and longer-term impacts if and when the standard of living increases in east European countries and they no longer want to work here for financial reasons" (*Hotels and Catering*). While anticipating that a supply of labour might emerge from elsewhere as existing sources declined, there was virtually no awareness of the possible impact of further EU expansion.

Finally, one employer in *Hotels and Catering* expressed concern that the contribution of migrant workers should not go unnoticed in the run up to the Olympics: "I hope it will be recognised that the hospitality industry is growing and we've got the Olympics in 2012. We still need to fill a lot of low skilled positions".

English language testing

The proposal to introduce English language testing for migrants wishing to settle permanently in the UK was generally welcomed. Most of the employers interviewed, but especially those in *Agriculture*, and *Hotels and Catering*, thought that it was important for migrants to have a good knowledge of English. Overall, only a few employers disagreed with this proposal.

There were believed to be a number of benefits from the introduction of English testing. Several employers of migrant workers in low-skill jobs thought it important for workers to be able to clearly communicate on site, especially in relation to health and safety. However, as discussed in Chapter 5, several employers were making use of health and safety instructions and guidance printed in foreign languages. Other employers thought testing would be useful because they felt unsure about their legal position when refusing workers without sufficient English proficiency. They felt that a standardised testing system would enable them to select workers more easily.

A few employers considered the long-term benefits of English proficiency, and thought it essential for workers to be able to integrate successfully into the UK labour market. Anyone wanting to remain in the UK and progress in the labour market would need good communication skills in English.

Some of those who were less keen on the introduction of English language testing questioned whether English was absolutely essential in all jobs. For example, a *Hotels and Catering* employer commented: "An English test sounds like an added barrier, and I'm not convinced that you need to know English in order to be useful to the economy". Another employer in *Agriculture*, despite having cited the language barrier as an inconvenience, did not feel strongly that English tests were necessary for incoming workers, at least as far as his firm was concerned. Communication was not particularly part of the job.

For some employers, often with migrant workers in more highly skilled jobs, benefits came from the workers' knowledge of foreign languages rather than English. This was the case for several international banks, specialist language recruitment agencies, and other employers with businesses in Europe and further afield. For example, an employer of migrants in professional roles commented: "An excellent [foreign] mother tongue is more important to this company than good English, when thinking about migrant workers".

Settlement entitlement

The majority of employers participating in this study did not support proposals to allow only skilled workers to settle permanently in the UK. There were a variety of criticisms and concerns expressed, although there did not seem to be marked differences either by region or sector.

Many of the criticisms centred on the 'fairness' of settlement being restricted to skilled workers, and relates to the point made earlier about the assumption being made that workers in low-skill jobs were less important to employers and the economy. For example, an employer in the *Finance and*

Accountancy sector commented on how migrants in a range of jobs were contributing and paying taxes, and therefore should be given equal rights to remain. Other employers reported the key role that migrants play in filling low-skill, hard-to-fill jobs and hence, in the economy. Several respondents commented that these migrants did not always want to stay in the UK, but they also felt that they should be treated the same as those occupying high-skill posts.

Several employers felt this proposal would be a deterrent to investing in training for migrant workers, and were concerned that this, in turn, would unfairly disadvantage this group. There were also concerns about migrant workers who had developed their skills since working in the UK. For example, an employer in the *Hotels and Catering* sector expressed the following view:

The restaurant tends to employ people in the low-skill category, and less highly skilled workers are not necessarily less good employees. What would the situation be for lesser-skilled people who have come to the UK, developed their skills and 'worked-up'? If they were not allowed to stay or were only allowed to stay for a short period, employers might be more reluctant to invest in them in terms of training etc...

Employers were very concerned about losing the value and investment that results from long-standing employees. An *Administration, Business and Management* respondent commented:

Someone can become very valuable to a team, even if they are not highly qualified, so there is a danger we could lose people like this under the proposed system. It is hard to quantify the value of someone, especially as the employment market changes.

A few positive comments were made about the settlement proposals, and these also tended to centre on the issue of 'fairness'. For example, a *Hotels and Catering* employer thought it appropriate that access to opportunities should be shared, suggesting increased turnover would enable greater numbers of migrant workers to benefit from low-skill jobs in the UK. Another employer in the same sector felt it was important to restrict access to immigration, but went further, suggesting that the settlement of skilled workers should also depend on the level of demand for their skills rather than their qualification levels *per se*.

Rooting out abuse

There were few detailed responses to this element of the proposals and most of the comments made were supportive. It was generally felt that action was necessary to root out and penalise employers and individuals who were abusing the system. However, it was also felt that any action should be directed at those who were flouting the law deliberately and to a large extent, and who were operating in the informal economy. There was concern that employers who were doing their best to operate within the law but making genuine mistakes would be unduly penalised.

Several employers expressed doubt about how much more could realistically be achieved. They felt it important to acknowledge that there would always be individuals (both employers and workers) who would want to work around the system. For example, an agricultural employer commented: "People will still come in. They've said they'll stop illegals before but nothing changes. People constantly work out new ways of getting round it".

Views on charges

The current system of charging employers for the use of various routes through which they employ migrant workers is complex, but mainly based on the principle that administration costs should be covered by those using the system rather than the taxpayer.

Those in *Agriculture* were the least critical whereas there was greater variety of opinion in other sectors. In *Agriculture*, this consensus may partly be explained by the fact that most employers are accustomed to paying charges for schemes. The SAWS charge is relatively low, and the alternatives, usually using an agency, expensive. In *Administration, Business and Management* there were very strong negative views because the suggestion of a recruitment charge implied agency fees, which were generally viewed as being very expensive and not always good value. Responses from

employers in *Construction*, and *Hotels and Catering* were very mixed. There were very few comments on this aspect from employers working in *Finance and Accountancy*.

There was considerable confusion over what the charge would be for, what would be provided in exchange, how it would be paid, and how workers would be recruited and selected as part of this process. A few employers felt that a charge on the recruitment of migrant workers would act as a deterrent to employing migrant workers, and would encourage employers to think twice before recruiting from outside the domestic labour market. One employer suggested that a charge for migrant workers might also deter illegal employment.

Several employers had concerns about paying recruitment charges for casual employees, and others who did not stay in employment for more than a few months. This view was common amongst employers in *Hotels and Catering*, who often passed charges onto employees by deducting instalments from the workers' wages. If workers were not retained, then the investment would be lost. When the administrative burden was considered in addition to the cost, quite a few employers requested that any new charges be simple and straightforward to pay and process. Other employers expressed concern that if charges were to increase dramatically, it might become overburdensome to workers on very low wages. One commented that he would rather pay his workers better wages than give more money to the Government.

On the question of what might be an acceptable level of charges, employers found it difficult to quote an absolute maximum without understanding its function (perhaps for fear of going higher than what might otherwise be imposed). Those disagreeing with the principle of a recruitment charge also thought charges should be lower than current rates, if anything at all. Employers who were less averse to the possibility of a recruitment charge were mostly prepared to accept this if levels remained similar to current rates, referring to charges for SAWS and WRS (between £50 and £150) and agency rates (£1,000 to £3,000 a year, depending on the number of workers). A few employers said that they would be willing to pay up to £1,000 per worker, but this was on the assumption that the charge would also provide the agency services to which the rate was being compared, and usually referred to the recruitment of very highly skilled individuals.

Overall, there were several concerns that charges and rates seemed to be rapidly increasing, and that this would inevitably have an impact on profit margins if the charges were not passed on to clients or workers. On the whole, employers felt that whatever the chosen level of charge, the Government should not be generating profit from such a system, and should also be demonstrating how the expense was justified. An employer organisation felt that charges would be acceptable if the system was seen to be operating efficiently and effectively. However, these charges should be seen as covering the costs of administering a managed migration system, rather than a source of general income for the Government.

Many respondents were employing workers from the Accession States. They did not have to pay towards registration, although individual workers did. This issue was explored in the section on WRS in Chapter 7.

11. Discussion

This study explored employers' use of migrant labour. In-depth interviews were conducted with 124 employers in five industrial sectors across three regions. The sample was drawn to include: employers using four particular schemes through which foreign nationals can work legally in the UK (SAWS, WRS, SBS and HSMP); employers who recruited foreign nationals but not through any of these schemes; and a small number of employers who did not employ migrant workers. This final chapter discusses a number of themes emerging from the data presented in this report.

Patterns of use

The employers participating in this study were employing migrant workers in a range of occupations and roles. A main focus was on particular schemes that enable employers to fill low-skill posts from abroad, and the study was conducted at a time when considerable numbers are coming to work in this country from the Accession States. It is generally accepted that the national economy relies on a significant number of skilled migrant workers. These largely enter through work permits. However, what this study shows, and this is supported by various sectoral studies included in the literature review, is that there is also considerable reliance amongst employers in the UK on migrants to fill low-skill posts. Indeed, this study found employers with far fewer migrants in skilled than less-skilled jobs. This partly reflects the sampling, for example, the schemes focused on and the exclusion of the IT and health sectors. It also reflects the fact that despite considerable emphasis being placed on the growth of managerial and professional posts in the UK generally, considerable numbers of low-skill jobs remain and these are important to the performance of the economy. Indeed, in addition to high-skill jobs, one of the occupational groups showing the greatest growth in recent years has been at the lower end of the skill hierarchy (Wilson *et al.*, 2004). This occupational group includes a number of the jobs being filled by migrant workers.

There is a mixed picture of the extent to which it is employer demand that drives the employment of migrant workers in the UK. There can be no doubt that the availability of work attracts migrants to work in this country. However, this is not the only factor. Foreign nationals work in the UK for many reasons: to earn money; to experience the lifestyle; to travel; to learn English; and as part of their training and development. The majority of employers in this study did not explicitly set out to recruit migrant workers, but they recruited those who applied or who were most appropriately skilled, qualified or experienced for certain jobs. Looking at low-skill jobs, most employers seemed to be simply reacting to the most readily available pool of labour. It was reported that very few domestic workers applied for these jobs, or those that did were not really interested and only applied because of pressures, for example, from Jobcentre staff. This shortage of applicants amongst the domestic workforce is also reflected in studies included in the literature review.

The influx of migrant workers had been particularly noticeable since the accession of east European states in 2004. Prior to that, employers were utilising other labour pools and in the early twenty-first century refugees were a common source. Although these are also migrant workers they seem to be regarded as a different type of labour pool compared to more recent migrants. As a result of employing recent migrant workers in low-skill jobs, a few employers had specifically set out to recruit more from the same or similar countries. A representative of an employer organisation reported being contacted by a factory owner who had been very impressed with the workforce in another similar operation wanting to know how he could recruit from Poland. The majority were reacting rather than being proactive.

The situation with more highly skilled, usually professional posts, and for some higher-skilled jobs in *Hotels and Catering* was slightly different. Those recruiting to professional posts rarely reported recruitment difficulties. Foreign nationals are attractive to *Hotels and Catering* employers because jobs in this sector are more highly regarded than in the UK, they are more likely to be regarded as 'career jobs' and there are more established professional training schemes. Nevertheless, the majority

of these employers were not particularly proactive in recruiting from abroad. They might advertise in places more likely to be looked at by foreign nationals and with the development of the Internet this is much easier than in the past. Most reported that they did not have a particular preference for foreign nationals. They offered the job to the most suitable candidate and that person might happen to be a foreign national. A few employers were seeking specific skills or experience (e.g. specific languages) that were less likely to be found in the domestic workforce. Others, usually multinational and global companies, wanted a global workforce and would frequently recruit from abroad or transfer employees from sites in other countries.

A number of 'models' of employment can be identified. There are those who have one or a few migrant workers because they just happened to apply, and these might be in low- or high-skill occupations. There might be only one migrant worker in a company and workers stay for varying lengths of time. At the other extreme, there are employers with large numbers of relatively low-skill jobs who are very reliant on migrant workers. Between these two extremes are employers with greater or lesser reliance on migrant workers.

Employers with no migrant workers broadly fell into two groups. A key reason for not employing migrants was that none applied. These employers rarely had a deliberate policy not to recruit migrants; the issue had simply never arisen. The second group had decided on the basis of past experience not to recruit migrant workers again. Difficulties when employees could not communicate in English were reported. A few employers of highly skilled migrants reported incompatibility between their qualifications and experience and the needs of the job. This was sometimes because employers had difficulty understanding foreign qualifications and sometimes because the legal basis and conduct of a job, for example, do vary between countries so that qualifications and experience are not directly compatible.

Labour and skill shortages

It is argued above that employers were largely reacting to an available supply of labour. Nevertheless, the widespread use of migrant workers amongst the employers participating in this study can often be attributed to shortages within the domestic workforce.

Unemployment is currently relatively low in the UK and employment levels are at their highest ever. Employers seeking to fill low-skill, usually low-paid posts, reported that they simply could not find sufficient, sometimes any, domestic employees to fill these posts. It was reported that those registered for benefits were not prepared to take these jobs. Some employers accepted that this was due to the low pay and unattractive conditions, especially compared to benefits. However, others criticised domestic workers for being lazy and lacking commitment to work. The recent influx of workers from the Accession States is providing a labour supply for these employers who would otherwise be finding it virtually impossible to fill posts. A number reported having no recruitment difficulties since being able to recruit migrant workers. What would happen without these workers is not clear (the issue of wages is discussed below). So far, as one wave of migration has declined another has appeared and employers have been able to rely on foreign nationals (who often subsequently obtain the right to remain in the country) to fill posts. For example, employers reported that a few years ago there were many refugees (e.g. from Iraq and parts of Africa) who had been happy to take these jobs; now there are east Europeans. Some expressed concerns about the future. It was felt that as Accession State nationals gained freedom of movement in the UK and their own economies developed, they would be less prepared to take these low-level jobs. However, this did not seem to be of immediate concern.

Employers recruiting to more highly skilled jobs were not always doing so explicitly because of skill shortages. When asked about recruitment difficulties, most employers reported not having any. The keenness of foreign nationals with relevant skills to work in the UK could be helping to prevent skill shortages at a time of low unemployment and little slack in the domestic workforce.

High- and low-skilled jobs

It is generally reported that highly skilled migrants are extremely important to the economy and economic growth. Migrant workers were filling some key posts amongst this sample of employers,

especially in *Finance and Accountancy*, and some *Administration, Business and Management* activities.

However, it is important that the significance of migrants in low-skilled occupations is not ignored. A large number of low-skilled occupations in the economy need to be filled, for example, in *Agriculture* and various factory, warehousing and service activities.

Wage pressures

Wage pressures are not as strong in the UK economy as might be expected given the relatively low levels of unemployment and high activity levels. It has been argued above that migrant workers are helping to fill a range of low- and high-skill posts and hence reducing the extent to which employers experience recruitment difficulties. Furthermore, some respondents reported that employers were using the readily available supply of migrant workers (legal and illegal) to prevent the wages of domestic workers rising. This study has not provided detailed information on the wages of migrant and other workers and is not claiming to be representative or quantitative in nature. One argument is that, without this inflow of migrant workers (especially to low-skill jobs), wages would have to rise to attract labour. How far the sectors involved would be able to compete effectively if forced to increase their labour costs is unclear. A number of employers reported that they would be unable to survive with higher labour costs; for example, in the *Agriculture and Horticulture* sector employers commented on the considerable pressures they were under from major retailers to keep their prices down – any small increase could have a negative impact.

While rates of pay are one factor in the reluctance of British nationals to take these low-skill jobs, this is not the only factor. Their temporary nature, physical demands, sometimes boring content and long hours also made these jobs unpopular. It is often a combination of these factors that is the main deterrent in that, for example, British nationals are not prepared to take physically demanding, boring jobs at the wage on offer.

Satisfaction with migrant workers

The majority of employers were very satisfied with their experiences of employing migrant workers, and this is supported by a range of studies included in the literature review. While many had not specifically sought to recruit migrant workers, they found that they were (in general) hard working, motivated and committed. This was often because they had an instrumental approach – they were working in this country to earn money to fund education or a better standard of living in their own country, to gain experience and/or training, and to learn English. The extra administrative efforts involved (in checking and monitoring paperwork, registration, etc.) seemed to be compensated for by having a reliable motivated workforce.

The importance of schemes for low-skill jobs

This study shows that schemes allowing migrant workers to fill low-skill jobs are extremely important. Some SAWS employers did not know how they would fill seasonal jobs without this scheme. Accession State nationals, able to legally work in the UK since May 2004 as long as registered through WRS, provide a supply of labour for many different jobs. The assumption that schemes aimed at low-skill jobs can be phased out because of a continuous supply of labour from the Accession States does not seem to be particularly well founded. While this might be the case in the short- to medium-term, there does not seem to be evidence that this will be so in the longer term. The accession of Portugal to the EU was quoted as an example. Initially, many Portuguese entered the UK to fill low-skill jobs. However, as they gained full freedom of movement and rights in the country, and their own economy developed to some extent, the supply of labour declined. There is obviously a much larger potential pool of labour available from east Europe, and more countries are due to join in coming years. However, employers would still like the option to recruit more widely. SAWS employers valued the particular features of this scheme. Although little evidence was collected on SBS, those employers who had used it valued this as a way of bringing in employees from a range of countries to fill relatively low-skill jobs.

The consultation on the proposed points system does specify that temporary schemes might be introduced to address specific labour shortages and recruitment difficulties in low-skill occupations. Employers of low-skill labour would like some sort of stability in the provision of schemes. Furthermore, while the jobs they recruit to are generally viewed as low-skill, not all employers would agree with this definition. For example, in *Hotels and Catering* it was reported that the sector is regarded in the UK as being low-skilled and offering few career opportunities. However, in other countries the sector is viewed differently – hospitality is seen as more of a profession with career opportunities and jobs that require skills and involve training and development.

Some employers commented that foreign nationals should be allowed into the country depending on the need for different types of employee, rather than on the assumption that the more highly qualified are in greatest demand. For example, one reported that factory workers were in great demand and should be given more points regardless of how qualified or skilled they were.

Complexity of the current immigration system

Although some individual schemes are relatively straightforward, in general, the current immigration system in the UK is complex and burdensome. There are many schemes or routes through which migrants can enter the country, and the paperwork is complicated. There is an extremely large number of permits, visas, etc. with different levels of permission (e.g. relating to allowing people to remain, work and claim benefits). Employers would welcome more simplicity, enabling them to bring migrant workers into the country, and to help them know more directly whether someone is entitled to work here or not.

Employers also wanted the system to operate more quickly. While this was not an issue for SAWS and was a declining problem with WRS, employers applying for various work permits all reported that this could be a lengthy and time-consuming process. Having found someone to fill a post, they usually want to employ them as quickly as possible. *Hotels and Catering* employers were particularly likely to comment on this – the success of their operations relies on having sufficient staff to meet the needs of their customers/guests. However, those applying for work permits to fill professional and other highly skilled occupations can also suffer from competitive pressures if posts remain vacant for too long.

Exploitation and illegal working

There is relatively little literature on this area, and much that exists is fairly anecdotal in nature, rather than representative. This study was not able to explore directly the exploitation of, or illegal working amongst, migrant workers. It had to rely on the perceptions and experiences of respondents – the majority of whom would be operating at least legally, if not always treating migrant workers equally with their domestic workers. It would be unlikely that employers operating illegally, particularly in a major way, would participate in a formal study of this nature. Nevertheless, it is likely that a few respondents were not operating completely legally, either through ignorance or because they did not care and did not bother to check.

This study cannot give a complete or representative view of the extent and nature of illegal working and exploitation. Nevertheless, it does illustrate a number of points. There can be considerable overlap between illegal workers and exploitation in that those in the country and/or working here illegally are in a particularly vulnerable position. If they complain to another authority they are likely to be punished themselves and probably have to leave the country. Respondents varied in the extent to which they felt migrants were employed illegally. This seemed least likely to occur in well regulated sectors where employers and employees are subject to checks (e.g. the *Finance and Accountancy* sector) and in larger companies with standard personnel systems and record keeping. In sectors where higher levels of illegal working might be expected, some employers also reported that they could not see how this was possible. For example, in *Agriculture and Horticulture*, supermarkets and other purchasers are increasingly imposing ethical and other standards on their suppliers that apply to the workforce, and employers were not sure how others could get away with employing illegal workers. Nevertheless, where cost pressures are severe and work can be conducted either cash-in-hand or without checks, it appears the illegal working is more likely.

Respondents provided examples of migrant workers being exploited at work and in their everyday lives by employers, British nationals and other foreign nationals. Illegal workers are particularly vulnerable. However, legal workers new to the country, who speak and understand little English and lack familiarity with British systems and ways of doing things, are also at risk. Exploitation was reported in terms of pay and hours, employers not informing employees of their employment rights, cashing cheques, paying for accommodation and generally paying for help in finding work and becoming familiar with living in the country.

Policing the system

A number of employers participating in this study were very concerned about the possibility of being fined £5,000 for each illegal employee found to be working for them. Some reported being worried that they might make a genuine mistake and be held responsible. There were discussions about the complexity of the paperwork and the range of different documents, stamps, etc. showing that someone is eligible to work in the UK. Employers are also faced with some very good forgeries which take considerable experience to spot. It was commented that even Home Office and other officials were unable to identify all forgeries; therefore, this was an impossible task for employers.

The majority of employers were happy to check the documentation of migrant workers but felt that there were limits to which they should be held responsible for making a mistake. They, along with employer associations, felt that the main responsibility for policing the system should be with government officials who could develop the appropriate specialist skills. Several respondents pointed out that their role was to provide the goods or services and to employ people, not police the immigration system.

Several employers had experience of reporting either employers or individuals who they felt were operating illegally and they were not always impressed with the actions taken or the outcomes. It was felt that if policing the immigration system is to be successful, penalties have to be seen to be in place and being imposed.

Employers also wanted more specific advice on particular situations and circumstances. The guidance received was helpful up to a point. However, they needed to be able to refer specific concerns and uncertainties to an organisation that could offer directly relevant and specific, rather than general, advice.

Sponsorship

The issue of sponsorship was not very well developed in the Five Year Strategy published early in 2005 (Home Office, 2005a) and was slightly more fully set out in the consultation document published in July (Home Office, 2005b). Employers did find it difficult to engage with this concept but the responses given indicate that they saw sponsorship in terms of enforcing compliance, not as an expression of trust in the migrants being recruited or a fair sharing of risk. The general opinion was that, as with policing the system, this was not a role for employers. In addition employers reported that they had limited influence in ensuring that migrants returned home once their employment contract ended. Respondents could not see how migrants determined to stay could be made to return home, and again, this was largely seen as a Government role. A few suggestions were made such as withholding pay, but then it was questioned how the final payment could be made – would someone have to be seen onto a plane and passed the payment? This was seen as going far beyond their role and responsibilities as employers.

Charging

This was another issue which employers found difficult to engage with. In particular, they were unable or reluctant to name an acceptable level of charging. Some did accept that there should be a charge, as long as this was to cover administration costs only. A few were suspicious that this could be turned into a revenue generating activity for the Government.

SAWS employers already pay a charge of around £100 and were generally happy with this. Those applying for work permits pay slightly more. Generally, if the system operates smoothly, efficiently and

in a timely manner, employers were not against paying a charge for the necessary permission or registration of migrant workers. A representative of an employer organisation particularly emphasised this point. It was felt that a new system should be introduced and proved to be operating effectively before the issue of charges was fully addressed. Those using agencies to recruit (whether migrant labour or not) often complained about their high charges, especially when the service was unsatisfactory – set against this, paying a charge for administration of the immigration system seemed only reasonable.

Proposals for a managed immigration system

A number of specific points addressed in the proposals for a new structure for allowing foreign nationals into the country have been addressed above. Generally, however, the employers interviewed found it difficult to engage with and comment on these proposals. The vast majority, despite the fact that most were employing some migrant workers, had only vaguely heard that a new Five Year Strategy and consultation document had been published. Very few had read or thought about the proposals being made.

Glossary

- A8: Accession eight (the eight east European states out of ten in total that joined the EU in May 2004, whose nationals are required to register under the Worker Registration Scheme in order to be employed legally in the UK)
- A10: Accession ten (the ten European states that joined the EU in May 2004)
- DWP: Department for Work and Pensions
- EEA: European Economic Area
- EU: European Union
- GLA: Gangmasters (Licensing) Act 2004
- HSMP: Highly Skilled Migrant Programme
- LFS: Labour Force Survey
- RDA: Regional Development Agency
- SAWS: Seasonal Agricultural Workers Scheme
- SBS: Sectors Based Scheme
- TUC: Trades Union Congress
- TWES: Training and Work Experience Scheme
- WRS: Worker Registration Scheme
- WHMS: Working Holidaymakers Scheme

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