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Are you being served? Employer
demand for migrant labour in the
UK's hospitality sector

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Abstract

This paper explores the nature of staff shortages in the UK's hospitality sector, with a focus on the role of migrant workers in meeting and shaping employer demand for labour. Drawing on data from in-depth and survey interviews, we explore the key competencies, personal attributes and employment relations that hospitality employers demand from their employees, and the implications for *whom* employers recruit from a highly diverse pool of available workers differentiated by gender, race, ethnicity and nationality. We find that employers' recruitment decisions are driven by three major objectives that include: (i) minimizing labour costs; (ii) reducing the indeterminacy of labour through recruiting "good attitude" rather than technical skills; and (iii) managing the mobility of workers to find the optimal balance between the labour retention and flexibility needs of the business. The pursuit of these goals has encouraged most employers interviewed in this study to develop a preference for migrant workers over British workers, and, more generally, to distinguish and recruit workers largely based on their nationality. Although interlaced with gender, race and ethnicity, employers' highly stereotyped perceptions of "national characteristics" are used as the key proxy for assessing candidates' suitability for specific occupations. These findings open up an important debate about the meaning and desirable policy response to the persistent "skills shortages" and "labour shortages" reported in the UK's hospitality sector.

Key words: Hospitality sector, labour demand, migrant workers, recruitment, UK

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Introduction[1]

Labour force data for April-June 2006 suggest that the UK's hospitality sector[2] currently employs over 250,000 migrants (defined as persons born outside the UK). This is equivalent to about 22 percent of total employment in the sector, up from 7 percent in 1996 and twice the contribution migrants currently make to overall employment in the UK economy (11 percent). In recent years, the increase in hospitality employers' use of migrant labour has been facilitated – and perhaps been further fuelled – by a significant inflow of workers from the new EU member states in Central and Eastern Europe ("A8 countries"). Although two thirds of the migrant workforce in the hospitality sector is still made up of non-EU nationals, the share of A8 workers tripled from less than one percent in 2004 (about 10,500 workers) to almost 3 percent in 2006 (about 36,000 workers). As all these figures are taken from official labour force surveys, they exclude migrants working short term or illegally.

The significant and growing dependence of the UK's hospitality sector on migrant workers raises important questions about the characteristics and determinants of employers' demand for labour. For example, what attributes are hospitality employers looking for in their workers, and how are these preferences determined and reflected in recruitment and employment practises? Given that the pool of available workers is differentiated by, for

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[2] For the purpose of this paper, the hospitality sector is defined as including all commercial businesses classified under Standard Industrial Classification (SIC) code H55 ('Hotels and restaurants'). This includes: hotels, camping sites and other provision of short stay accommodation, restaurants (including cafes), bars, and canteens. 'Hospitality services' - defined by People 1st (2006, p.11) as "all those directly employed in core hospitality occupations (such as chefs, cooks and waiting staff) in non-hospitality industries (such as schools, hospitals and armed services)" - are excluded.

example, gender, race and nationality, whom do hospitality employers recruit and why? Is hospitality employers' demand for labour a demand for workers in general, or for (particular groups of) migrant workers in particular? Although explored in other countries – see especially Waldinger and Lichter's (2003) analysis of "what" and "whom" employers want in service sectors in Los Angeles – the small literature on employer demand for migrant labour in the UK (see, for example, Dench et al. 2006) has not yet addressed these questions in any detail. This paper begins to fill this gap.

Our analysis explores the determinants and "dimensions" of employers' demand for labour in the UK's hospitality sector, and the implications for employers' use of migrant labour. The discussion is primarily based on qualitative data obtained from in-depth interviews with 30 hospitality employers, carried out during November 2005 – August 2006 in the city of Brighton on the southern coast of England. Wherever relevant and useful, we also discuss data obtained from a separate mail survey of 243 hospitality employers throughout the UK, conducted during April – July 2005.

The paper begins with an overview of the key features of hospitality businesses in the UK, the profile of the hospitality workforce and the government's relevant labour market and immigration policies. This is followed by a selective review of the key theories and concepts that will frame our approach to the empirical analysis of employer demand for labour. The core of the paper then uses our interview data to explore the key attributes and employment relations that hospitality employers seek when recruiting staff, and the implications for *whom* employers recruit from a highly diverse and differentiated pool of available workers. We show that employers' complex and variable demands on their employees are increasingly those that only migrant workers can meet. Workers' "national background" has become a key factor – and in some cases the primary consideration – in employers' recruitment decisions. This raises a number of normative and policy questions which are outlined in the conclusion.

Context and concepts

A key theme underlying our general approach to the discussion – and well established within the existing literature – is that labour markets are, to varying degrees, socially regulated, segmented and embedded in institutional structures (see, for example, Peck 1996). The social regulation of labour markets implies that employers' recruitment and employment decisions may be influenced by a wide range of considerations that go beyond the cost and "human capital" (e.g. education and experience) of labour. These considerations could include highly subjective factors such as the perceived "attitude" and "appearance" of workers. In segmented markets, employer preferences about their "ideal workers" may vary between different jobs, locations and over time. The embeddedness of labour markets further suggests that any analysis of employer demand for labour needs to be set within the wider labour market and immigration policy context.

Employers, migrants and the state in the UK's hospitality sector

Employers

Commercial hospitality businesses in the UK fall into three main categories: restaurants, bars/clubs/pubs and hotels/motels, with around 60,000 establishments in each category (People 1st 2006) providing over 80 percent of employment in the industry (Labour Force Survey 2006). Despite the emergence of large multi-site organisations such as those found in fast food, themed bars, roadside catering and budget hotels, small and micro businesses still predominate, with three quarters employing fewer than ten workers and half employing fewer than five workers (People 1st 2006). Furthermore, notwithstanding a significant degree of complexity and variability in small-and-medium- enterprise (SME) management practice (see, for example, Ram and Edwards 2003), research on the UK's hospitality sector enterprises on the whole has highlighted the persistence of

traditional/informal approaches to recruitment, training, rules and procedures (Lucas, 2005).

Compared to other sectors of the UK economy, the hospitality sector is characterised by a number of distinctive features. These include: relatively low productivity (about three quarters of the UK average, see People 1st 2006); low wages (around 70 percent of the national average, ONS 2005); high turnover rates (currently estimated to range from 30 to 50 percent, see People 1st 2006 and Lucas 2005); very low trade union density (4.3 percent in hospitality, compared to 26.7 percent for the economy overall, LFS 2005); and persistently high vacancy rates (with more than a third of vacancies considered "hard-to-fill", People 1st 2006) . The hospitality workforce comprises relatively high shares of women (just over half); the young (just over half are under the age of 30); part-time workers (almost half); and full-time students (a fifth). Reflecting, in part, differences in the nature and structure of labour demand, some of these workforce characteristics vary significantly across different types of businesses (see Table A1 in the Appendix). For example, part-time employment and full-time students are much more common in bars/pubs/clubs (65 percent and 30 percent, respectively) than in hotels/motels (36 percent and 14 percent, respectively).

Migrants

In terms of place of birth and ethnicity, the workforce employed in the UK's hospitality sector is diverse, differentiated across different types of businesses and jobs, and rapidly changing over time. The share of migrants in the hospitality workforce has steadily risen in recent years, reaching 22.5 percent in 2006. This increase was primarily driven by a rise in the employment of migrants born outside the EU. More recently, however, migrants from the new EU member states in Central and Eastern Europe have been the fastest growing group in the sector although their share in total hospitality employment – 2.9 percent – is still relatively small. The increasing role of migrants has also contributed to a change in the ethnic composition of the workforce (see Table A2). During 2001-2006, the share of workers describing their ethnicity as white declined from 90 percent to 85

percent (the decline was most pronounced among British-born workers). Asians are today the second biggest ethnic group working in the sector, comprising just under 6 percent of hospitality employment.

Tables 1 and 2 below illustrate some of the variation in the place of birth and ethnic composition of the workforce employed across different types of hospitality business and hospitality jobs in 2006. For example, in bars, only 7 percent of employed persons were foreign-born and 96 percent were white. In contrast, in restaurants, a third was foreign-born and a quarter described their ethnicity as other than white. Almost 90 percent of bar staff are British born, compared to less than 80 percent among waiters and waitresses, and less than 70 percent among chefs and cooks. For another example, compared to their employment share throughout the sector, Black ethnic minority workers are over-represented among kitchen and catering assistants, and under-represented among waiters and waitresses. Although the reasons for these differences are complex and manifold, differences in demand structures and employer preferences across different types of businesses are likely to be an important factor.

Table 1: Employment, place of birth and ethnicity of workers in the three top industries in the UK's hospitality sector, 2006

	Restaurants	Bars	Hotels, Motels	Total*
Total employment	495,306	260,439	239,819	1,233,970
Place of Birth (col %)				
UK/Britain	67.6%	92.9%	79.6%	78.5%
Other EU15	3.6%	2.2%	4.6%	3.5%
EU8	3.2%	1.5%	3.9%	2.9%
EU2	0.8%	0.0%	0.0%	0.4%
Non-EU	24.8%	3.3%	11.8%	14.6%
Ethnicity (col %)				
White	76.4%	96.0%	85.1%	84.7%
Mixed	1.9%	1.2%	1.3%	1.4%
Asian	9.3%	1.2%	4.3%	5.9%
Black	2.0%	0.9%	3.8%	2.2%
Chinese	4.9%	0.2%	0.7%	2.3%
Other	5.3%	0.4%	4.8%	3.5%

Source: Labour Force Survey, April-June 2006
* Total hospitality employment includes employment in restaurants, bars, hotels/motels, campsites and canteens.

Table 2 Employment, place of birth and ethnicity of workers in four major occupations in the hospitality sector, 2006

	Kitchen & catering assist.	Waiters & waitresses	Chefs and cooks	Bar staff
Total employment	211,418	181,522	165,852	160,673
Place of Birth (col %)				
UK/Britain	78.8%	77.9%	66.9%	89.9%
Other EU15	2.4%	3.0%	4.8%	3.6%
EU8	4.2%	3.6%	3.3%	2.3%
EU2	0.5%	0.0%	0.3%	0.0%
Non-EU	14.0%	15.6%	24.6%	4.2%
Ethnicity (col %)				
White	82.0%	83.8%	79.1%	93.2%
Mixed	1.3%	3.5%	0.3%	2.2%
Asian	7.7%	6.1%	8.8%	1.1%
Black	3.1%	1.2%	1.9%	1.9%
Chinese	2.2%	1.6%	4.7%	0.7%
Other	3.7%	3.9%	4.8%	0.8%

Source: Labour Force Survey, April-June 2006

State

Since coming to power in the late 1990s, the current Government has taken a very active approach to regulating labour immigration in the UK. Before EU enlargement in May 2004, the UK's overall "Managed Migration" policies were liberal toward the immigration and employment of skilled and highly skilled workers but more restrictive with regard to low-skilled labour immigration. The hospitality sector was one of only three sectors in the UK economy where a Sector-based Scheme (SBS) facilitated the legal employment of a limited number non-EU workers (10,000 in 2003) in selected low skilled jobs. Non-EU migrants on student and working-holiday maker visas, which allowed legal employment on a part-time basis, also constituted a major pool of workers. A significant number of hospitality employers were thought to be employing migrants illegally, either in violation of the employment restrictions attached to migrants' immigration status – e.g. employing students who are working in excess of the legally allowed 20 hours per week during term time (see Ruhs and Anderson 2006) – or by employing migrants without leave to remain in the UK. Illegal employment of migrants constituted little risk to employers as the enforcement of immigration and employment laws against employers was relatively weak (see Ruhs 2006).

Upon EU enlargement in May 2004, Britain granted workers from the new EU member states free access to the UK labour market. Since that date the new EU nationals have been free to migrate and take up employment in the UK without requiring work permits. This decision was part of the Government's strategy for migration management, expanding migration to fill vacancies in skilled and especially in low-waged occupations, where employers found it difficult to legally employ migrants before May 2004. EU enlargement led to a significant increase in the employment of East European migrants in the hospitality sector, and throughout the UK economy more generally. About 111,000 East European workers from the new EU member states registered for employment in the hospitality and catering sectors during May 2004 - December 2006, roughly a quarter as kitchen and catering assistants and just under a fifth as waiters or waitresses (Home Office 2007). As the government now expects hospitality employers to meet all of their

low-skilled vacancies with workers from within the enlarged EU, the existing labour immigration programmes for low-skilled workers from outside the EU are being "phased out".

The government's managed migration policies have been closely related to its labour market policies. A "flexible labour market with minimum standards" has been a core element of the government's overall policies for providing "employment opportunities for all". In an effort to avoid labour market flexibility resulting in exploitation of low-wage workers, the government introduced a National Minimum Wage (NMW) and adopted the Working Time Regulations (WTR) in the late 1990s. While a number of studies suggest that hospitality industry employers do tend to comply with the NMW (see, for example, Cronin and Thewlis 2004), the success of the WTR was hindered from the start by an 'opt-out' clause which allows employees to wave their rights to WTR protection. Moreover, others have found that the entrenchment of informal employee relations in hospitality businesses generates scope for employer non-compliance with regulations (see, for example, Ram et al. 2001). More recently, the Low Pay Commission (2007) expressed concerns about some employers taking advantage of the greatly increased supply of East European workers by offering migrants wages and employment conditions that do not meet minimum standards.

Understanding employer demand for labour in the hospitality sector

Different academic disciplines – including economics, sociology, geography and management studies – have developed a wide range of theoretical concepts and empirical insights that aim to explain the characteristics and determinants of employer demand for labour. This section selectively reviews some of the major concepts and findings relevant to the analysis of demand for labour in the hospitality sector. We distinguish between three broad categories pertaining to employers' motivations: (i) maximizing profits in segmented labour markets; (ii) reducing the indeterminacy of labour through recruiting "good attitude"; and (iii) managing labour mobility.

Maximising profits in a segmented labour market

One of the fundamental determinants of employer behaviour is the objective to maximize profits. As a consequence, employer demand for labour critically depends on the price of labour. One of the core messages of labour economics is that the relationship between the price of labour and the number of workers demanded by employers is negative. Although the degree to which labour demand responds to price changes is an empirical question, there is an undeniable "tendency for firms to reduce employment when wages increase and to shift relative employment toward workers who become relatively less expensive" (Hamermesh 1993, p. 58).

In the most basic textbook model of labour economics, employers face a homogenous supply of workers who all share the same reservation wage (i.e. the minimum wage that induces employment). The price mechanism clears the market, with workers receiving remuneration based on their productivity (which, in turn, is largely determined by their skills and experience). In this model, profit-maximizing employers have no reason to discriminate among workers with the same human capital. However, in practice, labour markets are often segmented in the sense that different types of jobs are filled by different types of workers and remuneration does not always correspond to workers' human capital. Although the sources and empirical significance of labour market segmentation remain contested (for a review, see, for example, Leontaridi 1998; Peck 1996), the availability of migrant labour almost inevitably leads to important segmentations in the supply of labour, especially at the low skill end of the labour market. Segmentations in labour supply can affect employer preferences for different groups of workers.

Research on migrants' motivation and employment abroad has shown that they are often willing to accept low-skilled jobs in high-income countries at wages and under employment conditions significantly lower than those mandated by local labour laws and regulations. Migrants' primary 'frame of reference' (Piore 1979) is often the labor market in their countries of origin, especially if they plan a limited and relatively short spell of employment abroad. Consequently, there may be significant differences between the

wage and employment expectations of migrants and non-migrants (i.e. local workers), and also between migrants from different countries, depending on the differences between the economic conditions in migrants' home countries. Existing research on employer demand for migrant labour has further shown that employers are typically acutely aware of the economic and other trade-offs that migrants are willing to make by tolerating wages and employment conditions that are poor by the standards of their host country but higher than those prevailing in migrants' countries of origin (see, for example, Anderson et al. 2006; Waldinger and Lichter 2003). These differences in reservation wage between migrants and locals, and between different groups of migrants, can be expected to have an important impact on "whom" profit-maximising employers want.

Reducing indeterminacy by recruiting "good attitude"

In theory, the human capital characteristics of workers should be closely correlated with their productivity at the workplace. Employers should thus be able to recruit the workers they need based on the education, experience, and other observable traits of the worker. In practice, however, the contribution workers make to their workplace is often variable and unpredictable. Because of this "indeterminacy", labour process theories have emphasized that the recruitment of labour involves the purchase of potential quantities of physical, social and psychological elements of labour power, and that employers operate within all these dimensions to ensure that the working day is as productive as possible (Thompson and Warhurst 1998).

In the hospitality sector, the indeterminacy of labour stems to a large degree from the nature of the commodity provided and the triadic production process. The hospitality "commodity" is a fusion of, on one hand, physical, tangible "hardware" elements including the exterior and interior of the establishment, the rooms, the meals, beverages and leisure services and, on the other, the relatively intangible "software" components, such as the service quality, style of service-delivery, and the emotional interaction between the producer and the consumer (Nickson *et al* 2001, p. 172). These components make up an overall "customer experience" which is

simultaneously produced and consumed on the premises of the establishment. The physical presence of the customer during productive activity makes hospitality sector employment relations triadic (involving workers, bosses and customers), affording the consumer a real-time role in the negotiation of products and services (Lucas 2005). The indeterminacy in hospitality workplaces thus stems as much from the variability of customer demands as from the incalculability of food-preparation workers.

In order to reduce the indeterminacy of labour, hospitality employers can introduce Taylorist strategies, aimed at the rationalization of production and the standardization of the product. Examples of such strategies include: buying-in ready-made materials, the simplification of menus (Wood 1992); the introduction of "assembly-line" food-preparation systems to reduce the need for technical skills; and the replacement of traditional forms of service-delivery with counter service or heavily scripted interaction (see Ritzer 1996; Leidner 2003; Hochschild 1983). A second method is to try to recruit workers with the appropriate social, tacit, and aesthetic qualities; characteristics which employers often describe using the vague and catch-all term "good attitude". For example, one of the very few studies of employers' use of migrant labour in the UK found that for customer-facing jobs in hospitality, "employers emphasized personality, attitude and appearance, as well as looking for people who are hardworking, able to multitask, reliable, etc." (Dench et al 2006, 41; also see Thompson and Warhurst 2001). Although dominant in front-line and interactive service occupations, recent surveys in the UK suggest that hospitality employers emphasise social skills over technical and practical skills across different occupations, including chefs and elementary workers (People 1st 2005; Learning and Skills Council 2004).

What exactly employers mean by a "good attitude" is an important question for empirical research. For example, Waldinger and Lichter (2003) argue that, in practice, attitude serves as shorthand for the presence or absence of subordination and deference. Whatever its meaning in practice, it is clear that employers are often unable to assess the attitude and other soft skills of potential employees. Consequently, recruitment is typically based on stereotypical assumptions about embodied social attributes (McDowell et al

2007). Employers' stereotyped perceptions about the "ideal" hospitality worker may be based on a variety of factors including workers' gender, race, nationality and ethnicity (Adib and Guerrier 2003; McDowell et al 2007). Waldinger and Lichter (2003) argue that employers' "cognitive map" includes a variable "hiring queue" which orders job candidates by racial and ethnic origin.

Managing labour mobility

Hospitality employers are typically confronted with a fluctuating and unpredictable volume of demand from customers, depending on the extent to which businesses rely on seasonal or passing trade. A well-documented tension exists between, on one hand, the need to train and retain skills as a source of commercial advantage and, on the other, the pressure to pursue flexible labour practices in the face of seasonal and day-to-day fluctuations in the volume of customer demand (see Anderson et al. 2006). This tension is encapsulated in much of the recent management literature, which tends to echo the notion of finding, keeping and training the best service workers (Henkoff 1994) while at the same time advocating "lean production" methods and the minimization of labour "wastage" (Bowen and Youngdahl 1998). Wood (1992) emphasizes the inherently ad-hoc nature of hospitality management characterized by practices that "treat labour as a 'hire and fire' commodity on the basis of secure knowledge about the availability of such labour in ready supply" (p.147).

Hospitality employers in the UK have long relied on the employment of students and young workers as a pragmatic response to the ad hoc needs of hospitality employers. Indeed, this is often couched in terms of a "coincidence of needs" due to students' willingness to meet the part-time/seasonal recruitment drives of employers because of the constraints that other commitments place on their engagement with paid-employment (Lucas 2005). Arguably, this can be interpreted as an attempt by employers to construct virtual internal labour markets with the aim of fostering informal trust relations while retaining important skills for the future; though, crucially, without providing the formal incentives that usually accompany this

arrangement. Thus, reconciliation of the dual demands for labour flexibility and retention is partially dependent upon the mobility-power of labour. This is particularly true of casually-employed hospitality workers, due to the fact that their status affords the power of "exit" rather than "voice" when resolving disputes. Consequently, the success of strategies aimed at the retention and flexibility of labour is tempered primarily by workers' levels of mobility, as reflected in rates of labour turnover and absenteeism (Smith 2006).

What and whom do employers want in the UK's hospitality sector?

Our empirical analysis uses qualitative and quantitative interview data to explore how employers in the UK's hospitality sector perceive, rationalize and meet their demand for labour in practice. More specifically, we use the three key themes discussed in the previous section as a theoretical lens to explore how the various "dimensions" of demand for labour impact on employers' decisions about whom to recruit from a diverse pool of available workers.

Thirty semi-structured interviews were held with hospitality industry employers in Brighton, a city with a population of about 160,000 on the southern coast of England, between November 2005 and August 2006. Brighton has a lower than average share of Black and Asian residents in the population and a very high proportion of students, with around thirty thousand attending the two universities, and an estimated further thirty-five thousand international students attending the thirty language schools (Whitehead et al. 2004). Tourism is a major source of income and jobs in the local economy. The businesses we interviewed account for about 11 percent of all hotels, guest houses, restaurants, cafes, fast foods, take-aways and wine bars in Brighton.[3] Our sample was purposively selected rather than randomly chosen, due to the fact that we sought to include a variety of

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[3] According to the Brighton and Hove Business Directory 2005, Brighton has 57 hotels, 32 guesthouses, 104 restaurants, 36 cafes, 42 fast-food outlets and take-aways, and 12 wine bars.

business types and sizes. Interviews were conducted with fifteen hotel employers/managers and fifteen restaurant employers/managers. The former included five small hotels, five medium-sized hotels (with 30-80 rooms) and five large hotels (with over 100 rooms). The hotels included a range of types, from "budget" to "luxury", with the price of double rooms ranging between £35 and £180. Among the restaurants, six were in the ethnic cuisine sub-sector (all employing between four and twelve staff), three were bar/restaurants (employing around twenty staff) and the remaining six comprised a mixture of quick-service and fine-dining restaurants (with between fifteen and twenty-five staff). Although just under half of the respondents were managers (including two head chefs), these are all referred to as "employers" in the presentation of findings below. In all cases, the interviewees dealt directly with recruitment and selection of workers. Two thirds of respondents were white British. The remainder was either Asian (mainly in ethnic restaurants) or white European.

We also make use of quantitative data collected in a mail survey of hospitality employers carried out during April-July 2005. As with in-depth interviews, selection of employers for the mail survey was not random. Access to employers was facilitated by Work Permits UK (WPUK), which is part of the Home Office, and by the British Hospitality Association (BHA), the national trade association of the UK's hotel, catering and leisure industry. A total of 5,000 questionnaires were distributed drawing a total of 243 responses (equivalent to a response rate of 5 percent). Of the 243 businesses surveyed, almost two-thirds (63 percent) were hotels, while the remainder was divided between restaurants (32 percent) - including 21 "ethnic restaurants" - and a small number of canteens (5 percent). The mail survey drew responses from across the UK although about three quarters of companies were located in England. Only six percent of the businesses surveyed were in London; significant numbers were in the in the South (20 percent of the total) and North West (10 percent). Over 90 percent of the survey respondents were owners and/or managers of their businesses. Table A3 in the Appendix gives an overview of the basic features of the businesses that participated in the survey.

In search of cheap labour

Given the relatively high labour-intensity of their businesses, minimising labour costs is clearly a major factor in the recruitment and employment practises of the hospitality employers surveyed and interview in our study. The employers responding to our mail survey reported an average hourly pay of £5.12 for work in low-skilled jobs in their businesses (£5.05 in hotels and £5.23 in restaurants). Just under a third paid exactly the minimum wage of £4.85 for 22+ year olds. 13 percent suggested that they paid less than the minimum wage which may be legal if the worker is under 22 years of age (at the time of the survey, the minimum wage for 18-21 year olds was £4.10), or if the employer provides the worker with accommodation and deducts the rent from the minimum wage (the maximum "accommodation offset" legally allowed was £3.75 per day). The Low Pay Commission recently expressed concern about accommodation charges in excess of the official "accommodation offset", i.e. the legally allowed deduction from the minimum wage to cover the costs of providing workers with accommodation (Low Pay Commission 2007).

As could be expected, none of the employers participating in in-depth interviews reported pay rates below the minimum rates required. The interviews in Brighton made clear, however, that various methods were employed to keep wages low. A small number of employers paid workers at a basic-rate below the NMW, and used the money from tips to make up the wage to the legal minimum. However, a more common strategy was to employ workers on "on the job experience" rates.

> "We just get people in, they do an OJE [on the job experience], and
> if they do well, we employ them and, if they don't, then that's it.
> And if we're really short-staffed, we just bring them in and keep lots
> of people going on OJEs. They last for thirty days, and after that the
> pay goes up by 20p. For the younger ones, they need to get through
> the thirty days before they get the minimum." (Manager of a quick-
> service chain restaurant)

Hospitality employers usually recognise the relatively low pay they are offering to workers. 90 percent of survey respondents reported difficulties

with recruiting British workers, mainly because of the "undesirable nature of the work" (mentioned by 48 percent of respondents) and "unattractive salary" (mentioned by 40 percent). Employers consider low pay and poor conditions as entrenched features that stem from the inherent nature of hospitality work and from low profit margins that serve to constrain wage-rates for all occupations across the sector. Consequently, employers' search for cheap labour becomes a search for workers who accept low wages and poor working conditions and who are prepared to raise labour productivity through increased effort. These attributes are typically perceived to be embodied in migrants' superior "work ethic", a term selectively deployed by employers to denote a distinction between migrants and UK-born workers, and between migrants from different countries. Migrants' perceived acceptance of the pay and conditions in hospitality sector jobs is often rationalized in terms of economic disparities between countries of origin, and employers forecast potential levels of effort by constructing virtual hierarchies of migrants on the basis of nationality.

> "I would say that British people generally whinge and complain more, but that's probably just because they're in their own country. I mean if Polish people are working in Poland, they might be the same as British people are here. But you do seem to get different work ethics with different countries" (Manager of a French restaurant).

> "We're looking at a differential that makes a big difference when they're here…. It will definitely sway your decision. I mean, out of all these people I've got a choice between an English, French, Italian, or a Polish person – they [the Polish] are a point ahead, *automatically*" [author's emphasis]
> (Manager of a quick-service chain restaurant)

The perceived entrenchment of low-wages and poor conditions leads employers to pursue progressive strategies aimed at "getting more for your money" through the regular replacement of workers with "greener" labour. Recently arrived migrants from Eastern Europe, where incomes are known to

be significantly lower than in Britain, are currently seen as the most suitable pool of hard working staff who can be employed at low cost.

Recruiting the "ideal" hospitality worker

Recruitment in hospitality businesses typically takes place through face-to-face interviews. Employers construct "quick character assessments" during interviews, as this is understood to be an effective way of gauging a candidate's likely contribution to the business. Employers typically place more faith in their own judgments, being generally suspicious of official credentials such as formal/vocational qualifications or past experience.

> "It's almost a gut instinct – when you first meet somebody you keep deciding whether you like them or whether you don't like them. But to be quite honest, I don't look at their hotel experience or anything. I really look for people that have the right personality" (Manager of a 'boutique' hotel).

In practice, at the point of entry to a workplace, candidates are assessed according to (i) employers' impressions of candidates based on an informal chat and (ii) employers' assumptions about the similarities between the interviewee's economic or cultural background and that of past or existing employees. Although these two elements interact in complex and variable ways, employers' recruitment strategies often converge around shared perceptions of "national characteristics" and the way that these translate into degrees of "good work ethic" and "suitability" for specific hospitality occupations.

"Good attitude" first, skills second

Hospitality employers' perceptions and definitions of skills typically blur into a variety of competencies, attitude and qualities that are often thread together by the subjective and variable notion of a good "work ethic". In "elementary" back-of-house occupations, good work ethic typically means effort and reliability. British workers are frequently perceived as "non-committal" compared to migrants who are considered reliable in the sense that they are

more likely to stay with the job and more able to maintain high levels of effort for sustained periods of employment. Similarly, only a small minority of employers seeking to fill back-of-house occupations requiring food-preparation skills placed formal skills above informal attributes, and of those who did, all expressed dissatisfaction with the quality of British staff that they had employed in the past. A common complaint was that the training in UK catering colleges provides theoretical knowledge at the expense of practical experience, whereas migrants from overseas colleges were seen to possess a mixture of both.

British workers with formal qualifications are often perceived as lacking the appropriate attitudes required to develop practical competencies over time. The "unreasonable demands" of British candidates (for immediate head-chef appointments, higher pay etc) are contrasted to the willingness of migrants to accept lower pay and status while "working their way up" from intermediate kitchen positions. This is most pronounced in the ethnic cuisine restaurants, where all the employers in the Brighton sample claimed that the attitudes of British-born chefs – regardless of their levels of technical competence – made them wholly unemployable, compared with those of candidates from overseas.

> "I've tried to employ a lot of home-grown talent in the kitchens and….they're just here for the money and when it comes to a Saturday night they'd rather be in the pub or whatever – they haven't got that work ethic. In India they have a different ethic" (Manager of an Indian restaurant)

The projection of past recruitment experiences onto future strategies thus results in a dualist definition of technical hospitality skills as, firstly, representing a firm-specific development of skill that is not deemed possible without the application of effort and, secondly, as specifically suited to migrants rather than British-born workers for this very reason. A similar picture is painted of front-of-house skills, though the way these interpenetrate with the perceived "work ethic" of migrants is more complex

and variable than the relatively straightforward notion that the latter simply work harder than British workers.

While a small minority of the employers we interviewed sought workers with silver-service waiting skills (in some large hotels) and/or specialist bar-work skills (in one boutique hotel), the remainder preferred to hire candidates without past experience and to "mould" them in accordance with the particular technical, social and tacit demands of the job. In turn, this places a premium on candidate's enthusiasm, malleability or their willingness to learn. Although such descriptions of front-line skills are often used to highlight the absence of skills amongst British candidates, employers also differentiated between migrant nationalities on the basis of perceived "suitability" to specific occupational roles. In some cases, migrants' "professionalism" in front-line occupations is attributed more to the "cultural inheritance" of migrants than to an economically-derived work ethic.

> "Spanish people, Italian people, it's kind of in their blood. It's in their blood to know a little bit about wine. Regardless of whether they've studied about wine or not, so it's kind of comes naturally to them"
> (Manager of a luxury hotel)

> "The Polish, in my mind, are very hard workers – they could work all day and not really complain, whereas the Spanish are a bit more fiery. But that just goes with the culture I suppose. Italians I've found to be the most professional, and the Greeks are very good as well – very very professional, very proud of what they do"
> (Food and Beverage Manager of a seaside hotel)

Recruiting "social and aesthetic" qualities: the role of nationality, gender and race

We have shown that employers' quick character assessments often translate into rough estimates of a candidate's work ethic on the basis of economic disparities, and the matching of specific nationalities to socially-constructed skills on the basis of perceived national and cultural characteristics. As such, these assessments rely on the assumption that the performances of particular migrants can be generalised to entire nationality groups. However, employers also use face-to-face interviews to assess the attributes of

candidates that are more readily-observable – namely, their social and "aesthetic" qualities – and although these may confirm or conflict with entrenched notions of national characteristics, they also overlap with stereotyped perceptions of gender and race. Stereotyped portrayals of nationality, gender and race are deeply embedded within hospitality recruitment practices and the performance of (particularly front-line) work-roles.

> "You have to be selective, and find people that have the right character … Take my receptionist for instance – she's Chinese – and when she first came over she really struggled with her English but, a credit to her personality, she can really turn that to her advantage and be cute and sort of charming. She's one of those cute little girls who always smiles and laughs. She's just the sort of person who you'd wish to have in your reception team"
> (Manager of a luxury hotel)

Although employers' perceptions of gender-roles can result in the recruitment of an all-female service-delivery staff, most businesses we interviewed filled roles in front-line departments with a mixture of male and female workers. In contrast, constructions of "model front-line personalities" often coincided closely with perceptions of national characteristics; or more specifically, with workers' ability to display these ascribed characteristics during the service-encounter. Thus, constructions of nationality – or, the value attached to attributes perceived as economically or culturally derived – often took precedence over gender stereotypes in recruitment decisions.

At the same time, the tendency to couple front-line skills with national stereotypes typically entailed the implicit, and sometimes explicit, placing of workers on the basis of racial divisions. Although most employers took pride in the multicultural make up of their workforces, when black workers were employed, they invariably worked in back-of-house occupations, while gender divides were often also in evidence.

> "It's a mix of races…..we've got everything, you know, endless – Australians, New Zealanders, we've got Spanish – which seems to

be big at the moment. You know, the Czechs…. I've never had any African or Arab people working with customers, but then they're always male anyway, the ones that come in looking for work"
(Manager of a seaside hotel)

"You'll probably find that people like the Australians and the Kiwis and the South Africans, they can 'blag' very well. I mean, they've got a good sort of way about them when it comes to that, whereas they're not very hands-on. But they talk a good game, and, so yeah – they'd probably end up more in front of house, where as the Africans, em, like the Ghanaians for example would be, not so much 'vocal', but more hands on, so it's probably best to stick 'em in the kitchen"
(Manager of a chain bar/restaurant)

In line with the labour force survey data presented in Table 2, our in-depth interviews clearly indicated that workers with different nationalities tend to be employed in different kinds of hospitality jobs. Migrants from both outside the EU (mainly from African, Middle Eastern and Asian countries) and from the new EU member states were typically concentrated in back-of-house occupations, whereas the vast majority of front-of-house positions were staffed by workers from EU15 countries as well the "Old Commonwealth" countries (mainly from Australia, New Zealand and South Africa), and closer analysis reveals that, out of these last two groups, EU15 nationals are usually found to be employed as waiter/waitresses while the latter are primarily employed as bar staff. In all the businesses interviewed in Brighton, workers from Australia and New Zealand were only working in bar jobs, whereas Ghanaians were only found to be employed as kitchen porters. Although workers with different nationalities sometimes move between jobs in a fluid fashion, national stereotyping about work ethic and considerations about the social/aesthetic qualities of workers clearly impact on the creation and reinforcement of occupational boundaries.

Overall, employers' perspectives on hospitality sector skills reveal a complex process whereby, aside from the few exceptions where technical skills are highly-valued, workers are often – and in some cases primarily – distinguished and recruited on the basis of their nationality. The importance

of nationality in the selection of workers for specific work roles stems from employers' assessments of workers' attitudes and aesthetic qualities, both of which are heavily influenced by stereotyped assumptions about workers' national and cultural characteristics. While a clear distinction is held to exist between UK-born workers and migrants per se, employers also draw on subjectively-derived hierarchies when distinguishing between migrants from different countries.

Managing labour mobility: retention and flexibility strategies

The hospitality industry as a whole exhibits a tendency for labour to be employed on a casual, seasonal or at least temporary basis. This characteristic stems partly from the inherent variability of consumer demand, and the subsequent tendency of hospitality employers to adopt ad-hoc approaches when recruiting and organizing labour as a means to remain flexible (Wood 1992). However, such an approach is often tempered by the need to invest in, and subsequently, retain workers for a sufficient period so that skills (typically viewed as firm-specific) can be developed and, moreover, passed on to other workers through on-the-job training. Businesses most affected by unpredictability of demand are likely to adopt extreme "hire and fire" strategies, whereas those with stable all-year-round trade are more likely to invest in the development of a stable and relatively permanent workforce. It is not always easy to divorce strategies aimed at retention from those aimed at flexibility, and day-to-day practices are often characterized more by tension and contradiction than harmony and symmetry. In either case, both approaches are characterized by attempts to control the mobility of workers through formal contractual arrangements and/or informal trust-relations. The following analysis aims to shed light on how different types of hospitality businesses attempt to reconcile these competing pressures, and the implications for employers' use of migrant labour.

Recruitment agencies and variable contracts

The large hotels in our Brighton sample sought to resolve the tension between the requirements of flexibility and retention through the combined use of recruitment agencies and variable contracts, especially when hiring housekeepers and, in some cases, kitchen porters. The use of recruitment agencies can be viewed as an investment strategy, as a premium-rate is paid for the externalisation of risk and the elimination of "labour wastage". All the housekeepers in the large hotels we interviewed in Brighton were sourced through the same recruitment agency which, before May 2004, had largely supplied labour from outside the EU, but now specialised in providing workers from the new member states. Thus, these hotels pay agencies to manage the mobility of migrant workers. The use of agencies among large hotels in Brighton may, however, be the exception. Among mail survey respondents from throughout the UK, the use of agencies was very low (4 percent) regardless of firm size.

Another strategy adopted to avoid labour wastage involves the drawing up of elaborate contractual arrangements to organise non-agency staff into, *inter alia*, "casual workers", "variable workers", "occasional workers", "short-term fixed" workers, "seasonal workers" or "holiday workers", most of which permit a high degree of scope for numerical flexibility. It was also common practice for staff to remain "on the books" when not actually receiving work, which not only retains a large pool of available staff to be called upon as and when required, but also carries the extra bonus of keeping official labour turnover rates to a minimum. Migrants again play a key role in this strategy. In businesses interviewed in Brighton, the vast majority of front-line workers on these contracts were from outside the UK. Moreover, hotels recruit a large proportion of these staff through a variety of overseas-based English language schools and specialist catering colleges.

> "The [language schools] have a list of people on their books and
> they put us in touch. Most of them have spent time doing
> English courses, then come to the job. They give their CVs to
> [the language school], they sort everything out and we just have

to get a photocopy and stick it on file. I believe we just pay £700
a year for getting people sent"
(Food and Beverage Manager of a seaside hotel)

Immigration status and accommodation

Some employers, especially those in 'ethnic' restaurants, spend significant time and money on the recruitment of back-of-house food-preparation staff via the Work Permit scheme. This can be regarded as a form of investment due to initial layout of capital needed to pay for, *inter alia*, the application process, legal advice, airline tickets and accommodation, all of which must be arranged before the arrival of the worker. Essentially, these employers purchase "virtual guarantees" of labour retention enshrined in work permit stipulations that tie the worker to the employer for the duration of the visa.[4] All the ethnic-cuisine employers included in the Brighton sample deducted money from employees' wages to recoup a proportion of these costs, although it was not clear whether this simply entailed charges for accommodation or for the total costs incurred by the recruitment process.

It is important to add that ethnic cuisine employers did not rely entirely on these formalized "guarantees", as they spent a great deal of time researching their prospective workers – through informal and/or familial contacts – before applying for a Work Permit. This again indicates the perceived difficulty of divorcing formal recruitment practices from informal word-of-mouth networks.

The majority of ethnic restaurant employers we interviewed claimed that the Sector-based Scheme, which grants strictly limited one-year work permits, was not "worthwhile", partly due to the fact that that is difficult to train staff in one year, though some employers claimed that this also leaves little time to recoup the initial investment costs. More importantly, however, most respondents suggested that replacements for workers must be found if it becomes likely that existing permit holders are granted permanent

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[4] A worker employed on a work permit can change employers but this requires the new employer to make a new application for a work permit. Work permit holders' choice of employers is thus significantly restricted in practice.

residence status in the UK. Employers feared that the increased scope for mobility brought by acquiring permanent residence would prompt a reduction in effort levels, demands for higher pay and, ultimately, resignation if these demands were not met.

> "[We have] five or three year permits. If the work permit is extended, then we carry on in the restaurant, but if we get residency to live in the UK, then he says 'get your own business'. So, when he knows someone is going to get residency he goes to Thailand or Indonesia and gets a new chef"
> (Head Waiter of a Chinese restaurant)

As employers are legally required to provide permit holders with full-time employment for the duration of their visas, they seek to reduce labour costs by fine-tuning the shift arrangements of front-line workers, as these are not usually employed on Work Permits. This highlights the trade-off that must be made as a result of the tension between labour retention and numerical flexibility. While the UK Work Permits system restricts the mobility of workers, it can also act as a hindrance to flexible labour practices.

The offer of accommodation is another potential way of restricting the mobility of workers, despite its potential benefits to employees. Almost two thirds of employers included in the mail survey indicated that some of their workers currently lived in accommodation provided by the employer. More than half of ethnic restaurants surveyed indicated that they housed, on average, 60 percent of their workers. The great majority of employers charged workers for the accommodation provided, with prices ranging between £32 and £46 per week (which usually includes free food in the restaurant). Housing workers is particularly common among ethnic restaurants. All the ethnic restaurant employers and three hotel employers in the Brighton sample provided rented accommodation or "live-in" arrangements for a proportion of their staff.

To limit the mobility of their employees, some employers also engage in the illegal practice of retaining migrant workers' passports. Of the 215 mail survey respondents who provided information about passport retention, 36

(17 percent) said that they "always" or "sometimes" held their migrant workers' passports. Among the businesses surveyed, passport retention was highest in the restaurant sector where almost a quarter of employers suggested that they held their migrant workers' passports. When asked about their reasons for doing so, employers gave a variety of answers including "for safekeeping", "company policy" and because of "immigration regulations". Although the data cannot be used to assess the scale of the practise, the retention of passports is clearly used by some employers to make it difficult or impossible for their (migrant) workers to leave their jobs.

Employers' use of migrant networks

In the majority of SMEs interviewed, employers made use of migrant networks outside the workplace to gain access to workers as and when required. Indeed, from the employer's perspective, this often serves as a more reliable strategy than advertising the job in newspapers or Job Centres, or placing a sign for vacancies in the window of the establishment. The crucial benefit of this approach is to be found in the way that existing workers are able to "vouch" for new candidates, which effectively reduces the element of risk involved when employers attempt to assess candidates through subjective character appraisals in face-to-face interviews.

> "Word of mouth is definitely important 'cos then we can trust the people we've already got to pass on the job description and what's expected of them. Take the Spanish for instance – so far we've not had one worker I can fault – they tell their friends that the job's like this or like that, and they know what to expect when they get here"
> (Manager of a seaside hotel)

Employers commonly rely on migrant networks as an integral adjunct for ad-hoc recruitment practices. Even the most formal strategies pursued in the largest of hotels are propped up by informal word-of-mouth networks, while ethnic cuisine employers also tend to draw on such networks when recruiting via the Work Permit scheme. EU enlargement in May 2004 has substantially increased the number of migrants available for legal employment and, as a

consequence, contributed to the proliferation of hospitality employers' use of migrant network for recruitment purposes. Every employer in the Brighton sample claimed to be in possession of "hundreds" of CVs (especially from new EU workers from Eastern Europe), and this has clearly fuelled an increase in the use of informal migrant networks, as both a reliable and inexpensive strategy for employers and as a defensive strategy for migrants already in employment.

> "The big thing now seems to be the Eastern block nationals…. I mean, I'm turning away half a dozen people a day now! ….. I've almost constantly got a pile of CV's and I've always got people saying 'my brother's coming over' and that kind of thing….You'll tend to get a situation where there's six or seven Poles living in the same house. Five of them work for me and, of one's feeling ill, they don't even bother phoning in sick. So I'll be saying 'I thought such and such was working', and they'll say 'they're not feeling well, so I'm doing their shift'. And, so they really keep it covered" (Manager of a quick-service chain restaurant).

Thus, while informal word-of-mouth networks, especially among migrant workers, are clearly an essential element in employers' recruitment strategies, they also serve to fuel day-to-day ad-hoc management practices. In this way, in contrast to Smith's (2006) thesis, attempts to manage the mobility of labour does not only mean retaining workers through the restriction of their engagement in the external job market, but takes on a more nuanced and fluid meaning when viewed within the context of ongoing flexibility practices.

Conclusion

Public debates and policy discussions about the demand for labour in the hospitality sector, and in most other sectors of the UK economy, are typically couched in terms of "skills shortages" and/or "labour shortages". The Government's *Managed Migration* policies aim to constitute a "rational" policy response to the perceived quantitative shortages of workers and skills within

the British labour market. It essentially seeks to provide the economy with the number of suitably "skilled" migrant workers demanded by employers, where skills are typically described and measured in terms of NVQ (national vocational qualification) levels that capture a worker's technical skills.

This paper shows that, in practice, hospitality employers' demand for labour is multidimensional and much more complex than suggested by the idea that employers have a need for a certain number of workers with the suitable technical skills. Employers recruit "good attitudes" over specific skills, primarily because they seek workers that are accepting of low pay and precarious employment conditions, while being willing to apply themselves in order to develop the required competences for particular hospitality work-roles. This central concern with attitudes and effort-levels is not only linked to the development of skills, but also to the loyalty of workers when confronted with highly-flexible "hire and fire" practices and variable shift planning. The "ideal" hospitality worker, as perceived and constructed by employers, must also possess strong social skills and his or her appearance must fit in with the "aesthetic image" enshrined in the particular style of service-delivery adopted in the business.

Some dimensions of employer demand for labour are conflicting. For instance, the search for workers with "authentic" cultural/aesthetic characteristics can conflict with the need to hire workers whose origin and primary frame of reference is in "appropriately" low –income countries.   For another example, to optimally manage the mobility of their workers, employers need to balance the need for a flexible workforce with opportunities for retaining workers when required. While some employers seek to obtain virtual guarantees of a particular work ethic by recruiting migrant workers whose movements are restricted by Work Permit stipulations or through the illegal practise of passport retention, this also compels employers to pursue highly-flexible ad-hoc approaches when employing other workers.

Although employers' quick character assessments and recruitment decisions can be based on a wide range of considerations and assumptions about a candidate's suitability for the job, workers are often – and in some

cases primarily - distinguished and recruited on the basis of their nationality. While most of the employers in our study have developed a clear preference for migrant workers over British workers, they also differentiate between migrant workers from different countries. These distinctions based on the nationality of workers largely draw on employers' assessments of workers' willingness to accept low pay, attitudes and aesthetic qualities, all of which rely on stereotypes about workers' economic backgrounds and/or their perceived cultural traits and social characteristics. British workers are often considered as "unmotivated and unwilling to learn"; waiting-skills are seen to "come naturally" to Spanish, Italians or Greeks; bar-skills are often the exclusive domain of Australians or New Zealanders; Poles are known to be very "hard-working" and "appreciative" of wages in the UK; migrants requiring work permits (i.e. those from outside the EU) are considered easier to retain; and so on.

Stereotypes based on nationality clearly overlap with perceptions of gender and race, as can be seen with the few examples of black and/or male workers being placed into back-of-house roles and white and/or female workers into front-line roles – on the assumption and expectation that these workers would provide the appropriate aural displays. However, our empirical analysis suggest that the coupling of skills with nationalities is so deeply entrenched in hospitality workplace practices that it often cuts across race and gender lines. Although a small number of employers interviewed in this study displayed prejudices based on gender and race when describing the suitability of workers, these were far outnumbered by references to nationality and, aside from a very small minority of employers, were secondary in terms of the actual recruitment and employment practices pursued.

Employers' stereotypes about the qualities and characteristics associated with workers of certain nationalities are highly subjective and variable. They are significantly influenced by employers' experiences with migrants already employed. At the same time, national stereotypes and recruitment practices are also shaped by regulatory structures, such as minimum wage legislation and the government's migration policies, that are

external to individual employers. For example, the recent arrival of workers from the new member states ("A8 workers"), triggered by the government's decision to grant A8 workers free access to the British labour market, has clearly altered the structure of the labour market, and employers are increasingly seeking to employ these workers as a source of "fresh" flexible labour. The fact that some employers have recently replaced their staff with workers from A8 countries illustrates, among other things, the variable and temporary nature of stereotyping, and its contingency in the face of imperatives to (re)establish workplace controls and raise productivity.

Aspects of our analysis are undoubtedly specific to time and place, as they relate to hospitality businesses in Brighton that are affected by the wider seasonal fluctuations in trade, and to a local labour market with relatively low numbers of British unemployed and comparatively high numbers of migrants (especially young migrants of white-European ethnic origin). However, the main findings about employer preferences for migrant over British workers, and the importance assigned to nationality in the recruitment process, reflect the conclusions of existing analyses of the demand for workers in inter-active service occupations in other countries (see, for example, Waldinger and Lichter 2003) and in other sectors of the UK economy (see, for example, Anderson 2007 on the demand for domestic workers).

One possible explanation for this convergence can be found in the tendency for employers in some sectors to pursue and, in turn, to rely on informal modes of recruitment and selection that require less time and fewer resources than formal management strategies. The hospitality sector – particularly in seasonal locations such as Brighton – necessarily relies to a certain degree on ad hoc responses to market uncertainties, but this low cost strategy must always be balanced with the need to train and retain the specific "skills" that produce a high quality "customer experience". In many cases, day-to-day market uncertainties, together with the pressures to minimize costs and maximize profits, leads to a reliance on the informal trust relations that are forged over time between employers and local migrant groups. In this way, the nature of recruitment strategies are crafted by, on

one hand, the inherent tensions and contradictions within the exigencies of hospitality production systems and, on the other, the ongoing practical attempts to "solve" these tensions through informal trust-relations aimed at producing/reproducing the perceived efforts, mobility and "aesthetics" of specific nationalities available in the local labor market. For this reason, nationality is considered a useful proxy for the potential contribution of workers to the businesses.

The recruitment practises identified in this paper could be interpreted as a rational response by profit-maximizing employers to uncertainties in market demand, the segmented nature of labour supply and the regulatory structures governing the UK's flexible labour market. At the same time, hospitality employers' common preference for non-British workers, and the importance assigned to nationality in the recruitment process, open up an important normative debate about acceptable and unacceptable reasons for employers to select and recruit workers (compare Waldinger and Lichter's 2003 discussion of "fair" and "unfair" discrimination). Some recruitment practises identified in this paper, such as the retention of migrant workers' passports, are clearly illegal. The acceptability of other reasons of employers for preferring migrants over British workers, or for distinguishing between workers based on their nationality, are likely to be more contested.

Our findings also complicate discussions about desirable responses by Government to employers' calls for migrant workers in order to fill "labour and skills shortages". Using migration policy to increase the number of migrant workers available to the UK's hospitality sector affects not only the *number* of migrants demanded by employers – which is what is typically meant by the common argument that demand for labour is "supply-driven" – but also the qualitative dimensions and *structure* of employer demand, i.e. the attributes and employment relations that employers are looking for in their workers. Providing employers with the migrant labour they say is "needed" without considering the impacts on the structure of the demand for labour can create embedded demands for a work ethic that is based primarily on being "different" and, in some cases, more acquiescent in the workplace than British workers.

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Appendix

Table A1: Key features of employment in the UK's hospitality sector, 2006

	Restaurants	Bars	Hotels, Motels	Total*
Total employment	495,306	260,439	239,819	1,233,970
Female	50.2%	57.3%	56.2%	56.1%
Aged 16-19	24.6%	26.9%	15.3%	19.7%
Aged 20-24	19.4%	29.0%	17.9%	18.6%
Aged 25-29	11.0%	8.7%	14.6%	10.4%
Full-time student	24.1%	30.1%	14.1%	20.2%
Self-employed	10.6%	5.3%	2.2%	9.0%
Part-time employment	49.3%	64.6%	36.2%	49.0%
British nationality	75.7%	92.0%	82.3%	82.3%
Born in Britain/UK	67.6%	92.9%	79.6%	78.5%
Migrants employed spent less than 5 years in UK	34.6%	41.3%	52.1%	37.6%

Source: Labour Force Survey, April-June 2006
* Total hospitality employment includes employment in restaurants, bars, hotels/motels, campsites and canteens.

Table A2: Place of birth and ethnicity of workers employed in the UK's
hospitality sector, 2001 – 2006

	April-June 2001		April-June 2003		April-June 2006*	
	Numbers	Percent	Numbers	Percent	Numbers	Percent
Total	1,170,120	100%	1,193,011	100%	1,233,281	100%
			Nationality:			
British nationality	1,036,004	88.5%	1,019,674	85.5%	1,015,055	82.3%
Other nationality	134,116	11.5%	173,337	14.5%	218,226	17.7%
			Place of birth:			
UK/Britain	991,136	84.7%	963,485	80.8%	968,712	78.5%
Other EU15	48,741	4.2%	66,007	5.5%	43,289	3.5%
EU8	6,974	0.6%	10,271	0.9%	36,179	2.9%
EU2	3,046	0.3%	3,430	0.3%	4,824	0.4%
Non-EU	119,973	10.3%	149,818	12.6%	180,277	14.6%
			Ethnicity:			
White	1,055,688	90.2%	1,045,759	87.7%	1,044,413	84.7%
Mixed	5,379	0.5%	8,526	0.7%	17,802	1.4%
Asian	55,405	4.7%	65,141	5.5%	72,925	5.9%
Black	22,755	1.9%	13,585	1.1%	26,934	2.2%
Chinese	20,533	1.8%	30,979	2.6%	28,084	2.3%
Other	10,360	0.9%	27,529	2.3%	43,123	3.5%
			Place of birth and ethnicity:			
UK/Britain						
White	965,840	82.5%	931,114	78.0%	929,680	75.4%
Other	25,296	2.2%	32,371	2.7%	39,032	3.2%
Other EU15						
White	48,397	4.1%	58,663	4.9%	39,204	3.2%
Other	344	0.0%	7,344	0.6%	4,085	0.3%
EU8						
White	6,974	0.6%	10,271	0.9%	28,671	2.3%
Other	0	0.0%	0	0.0%	7,508	0.6%
EU2						
White	3,046	0.3%	2,463	0.2%	3,612	0.3%
Other	0	0.0%	967	0.1%	1,212	0.1%
Non-EU						
White	31,181	2.7%	43,248	3.6%	43,246	3.5%
Other	88,792	7.6%	106,570	8.9%	137,031	11.1%

Source: Labour Force Survey 2001, 2003, and 2006 (always April-June)
* The definition of the EU for April-June 2006 excludes Rumania and Bulgaria which joined the EU in January 2007.

Table A3: Overview of basic characteristics of hospitality businesses surveyed, April-July 2005

	Hotels		Restaurants		Canteens		Total		Ethnic restaurants	
Region:										
England	104	68.4%	59	74.7%	7	58.3%	170	70.0%	14	66.7%
Wales	13	8.6%	1	1.3%	2	16.7%	16	6.6%	1	4.8%
Scotland	16	10.5%	1	1.3%			17	7.0%	1	4.8%
Northern Ireland	1	0.7%	1	1.3%			2	0.8%		
Unclassified	18	11.8%	17	21.5%	3	25.0%	38	15.6%	5	23.8%
Total	*152*	100%	*79*	100%	*12*	100%	*243*	100%	21	100.0%
Number of workers employed/used:										
<10	12	8.9%	25	37.9%	5	45.5%	42	19.8%	8	44.4%
10-24	24	17.8%	26	39.4%	4	36.4%	54	25.5%	8	44.4%
25-49	52	38.5%	10	15.2%	0	0.0%	62	29.2%	1	5.6%
50-	47	34.8%	5	7.6%	2	18.2%	54	25.5%	1	5.6%
Total	*135*	100%	*66*	100%	*11*	100%	*212*	100%	18	100.0%
Men in workforce:		41%		65%		78%		51%		81%
Total N		*145*		*75*		*12*		*232*		*19*
Workforce employed part-time:		37%		43%		49%		39%		41%
Total N		*128*		*63*		*10*		*201*		*17*
Workforce employed by agency:		3%		3%		29%		4%		0%
Total N		*117*		*51*		*7*		*175*		*12*
Workforce in low-skill jobs:		41%		46%		38%		43%		45%
Total N		*119*		*57*		*9*		*185*		*17*

Composition of business workforce:

British	79.8%	58.2%	52.8%	71.7%	46.8%
EU15 (excl. British)	6.4%	8.8%	6.9%	7.2%	0.2%
Accession states	7.8%	3.5%	1.4%	6.1%	0.8%
Non-EU	5.5%	28.2%	39.0%	14.3%	49.4%
Unknown nationality	0.4%	1.4%	0.0%	0.7%	2.8%
Total percent	100%	100%	100%	100%	100%
Total N	*124*	*61*	*10*	*195*	*17*

Source: COMPAS mail survey of employers, April – July 2005