



Department
for Business
Innovation & Skills

NATIONAL MINIMUM WAGE

Understanding worker behaviour in
maintaining compliance with the law

MARCH 2014

Executive Summary

Research Aims

The key aim of the research was to explore why workers work for less than the NMW. In particular, to:

- Understand what influences their behaviour and perceptions
- Examine general awareness of their rights.
- Explore where they get their information

The insights from this research will be used to inform developments in NMW policy designed to improve the overall functioning of the NMW system.

This information will inform policy development designed to improve the perceptions and behaviours of low paid workers, develop the availability of information regarding their entitlement to the NMW and improve the awareness of NMW rights amongst low paid workers.

Design

The research used a qualitative interview approach with a wide range of workers who are either currently working below the National Minimum wage or had complained about their employer paying below the NMW to the Pay and Work Rights Helpline (PWRH). A total of 55 workers took part in the research. Interviews were conducted between 11th November 2013 and 28th January 2014. A total of 39 interviews were conducted with workers currently working below the National Minimum Wage (non-complainants) and 16 with workers who had contacted the PWRH to complain about their employer paying them below the National Minimum Wage (complainants).

The sample for non-complainants was gathered using a free-find approach which relies on specialist qualitative researchers using a screening questionnaire to identify workers working below the NMW.

Recruiters visited places where people tend to socialise and get together in relatively deprived communities. Social clubs that meet in community centres and similar venues provided useful opportunities for recruiters to make discreet enquiries with people. Recruiters also visited other venues where people congregate such as pubs, cafes, outside shops (e.g. bookmakers, newsagents, pay day loan shops) and public areas in local authority housing estates.

There was also an element of controlled snowballing on this project as stopping people face to face to ask them about how much they earn can be challenging. Therefore, recruiters asked everyone they met (or had recruited for other projects) if they knew of anyone that is not earning as much as they are supposed to. Many of the apprentices in the sample were found via their parents who have put recruiters in touch with their children. Controlled snowballing means that there is little chance

that respondents know each other on this research as participants have not been asked if they know anyone else in the same position.

In terms of locations, non-complainants were recruited from:

- London
- Glasgow
- Birmingham
- Bristol
- Leicester
- Bradford

The sample for complainants was gathered with the help of HMRC and PWRH staff who called workers who had contacted PWRH¹ previously to ask if they would be willing to take part in the research. Those who agreed were then re-contacted for interview.

Key Findings

There are many and varied reasons why some people work for less than the NMW but there appear to be two distinct groups of workers who work for below the NMW. One group consists of those who are aware of the NMW but choose to work below it because they receive other benefits from their employer which they value more than the NMW. The other group consists of those who are unaware of NMW and their eligibility to it.

Why workers work for less than the NMW

Amongst those who were aware of NMW and knew they were being underpaid, the reasons for working below it appear to be far more complex:

Perceptions about eligibility: Some workers believe that they are not eligible to claim NMW because of the kind of job they do or the sector they work in. There is also a perception among older workers that NMW is only for younger workers.

Non-financial benefits: For some workers non-financial benefits outweighed earning the NMW. Therefore they placed greater value on benefits such as ability to work flexible hours, free meals, proximity to home and friendly colleagues and managers.

Informal working: Workers also perceived financial benefits to working informally below the radar on a cash-in-hand basis allowing them to claim state benefits illegally.

¹ The PWRH provide information and advice on Government enforcement and employment rights and advise workers on NMW, various regulations and working hours. They can also take complaints in relation to breaches of legislation and can refer the complaint to the enforcement agency to investigate.

Social: There was a reluctance to report an employer, especially if they have a good relationship with them.

Emotional and psychological: Some workers had low self-confidence and self-worth which, when combined with their perceived lack of skills and qualifications, led them to think they could not find work elsewhere. They were also fearful of losing their job, perhaps because of a lack awareness of the NMW enforcement regime.

Workers awareness of their rights and obligations

Most of the workers had heard of the NMW but were not aware if they were eligible to it or what the current rates were. Awareness and knowledge of pay and rights was often dependent on levels of education, self confidence, working for employers that keep proper records and levels of advocacy and support from friends and family.

While some had a vague idea that workers had certain rights, participants tended not to be clear on what rights they had and the working conditions they were entitled to. This had an impact on their ability to ask their employer about their entitlements.

There was a tendency amongst workers, particularly apprentices, to place the onus on employers to inform them of their pay and rights as they saw it as the employer's responsibility to ensure they were paying the NMW.

Very few workers in the sample had seen terms and conditions of their employment and even fewer had signed contracts so this affected their awareness of how much they were being paid. Some workers, including those who have not yet complained, mentioned that they have asked their employer for payslips but have not received any, despite repeated requests. This is particularly salient amongst those working informally in small businesses.

Some reported that they believed their financial situation and workplace relationships would be affected if they decided to try and claim NMW or report their employer; for example, they could lose their job, have their hours reduced or lose the goodwill of their employer, who had hitherto provided them with other non-financial benefits.

There were some workers who were aware of their pay and rights and they tended to be people who have been through the NMW complaints process with PWRH. These complainants often had verbal agreements regarding their pay and working hours so they decided to keep their own record of how much they were being paid. They decided to complain when it became clear to them that their employer was not paying them for any extra hours they worked.

Understand where workers look for information

Workers tended to discuss pay and rights issues with family and friends in the first instance. It is worth stressing that those that had complained successfully often had family members or friends helping them to make the initial enquiry regarding NMW and then continuing to support them through the process.

Most workers appeared to be unaware of government tools about NMW which may partly explain their general lack of knowledge about eligibility to NMW. The lack of awareness of the Pay and Work Rights Helpline was a real barrier for many of these workers who did not know where or how to access information about their pay and rights. Those that sought out information about NMW had done so on prompting by family and friends, as very few had received any information from their work place or, in the case of apprentices, their college.

Most relied on search engines such as Google to take them to the appropriate online source of information to seek out basic information about pay and rights in relation to NMW. However face to face and telephone were seen as the best way to get relevant and tailored information.

Ideally they would want to see case studies and testimonials from workers who have successfully claimed NMW. Workers were anxious about taking further steps regarding claiming NMW without being fully apprised of the facts and the possible consequences. Most importantly, all communications should reassure them about confidentiality and anonymity as workers need to have confidence they will be supported through the enforcement process.

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1. Introduction

The key aim of the research was to explore why workers work for less than the NMW. In particular, to:

- Understand what influences their behaviour and perceptions
- Explore where they get their information
- Examine general awareness of their rights.

This information will inform policy development designed to improve the perceptions and behaviours of low paid workers, develop the availability of information regarding their entitlement to the NMW and improve the awareness of NMW rights amongst low paid workers.

The insights from this research will be used to inform developments in NMW policy designed to improve the overall functioning of the NMW system.

1.1 Policy Background

In setting out the context for this research and the main issues, it is important to appreciate the broader policy-based relations between government and workers. The National Minimum Wage Compliance Strategy was published in March 2010. The Government's vision for the NMW, as set out in the NMW Compliance Strategy, is that everyone who is entitled to the NMW should receive it; the Government are working with workers and employers to achieve this. This research will specifically target workers as BIS published a qualitative study with employers in 2010 which highlighted improvements that could be made to NMW compliance.

A number of objectives underpin this vision for workers:

- Workers need to know their rights and obligations and where to go for more information if needed;
- Workers need access to assistance;
- Workers need to have confidence they will be supported through the enforcement process;
- Workers need to believe it is better to operate within the system than outside it.

1.2 Research Aims

The overarching aims for the research were to explore workers understanding of the NMW and to learn how they could be helped to comply with it. In particular:

- To explore why workers work for less than the NMW
- Assess workers awareness of their rights and obligations
- Understand where workers look for information
- How workers use the tools which are made available by government and whether workers find them helpful and easy to use.

1.3 Structure of the Report

Following this overview of the research methodology and objectives, the findings from the research and literature review are discussed as follows:

- **Chapter 2** – is a literature review, providing context to the research findings
- **Chapter 3** – describes workers motivations for working below NMW
- **Chapter 4** – explores workers awareness of rights and obligations.
- **Chapter 5** – examines workers usage of information provided by government and their views on these as well as preferred sources of information and support
- **Chapter 6** – draws together findings and presents a set of concluding comments

The report has been structured around the three main objectives which were set by BIS at the start of the project. This is intended to enable links to be made between the objectives of the research and actions that BIS may wish to implement.

1.4 Methodology

The research adopted a wholly qualitative approach exploring the perceptions and experiences of workers through a series of in-depth interviews. A key element of the design was to ensure that a wide range of views were captured, both in terms of the nature of the sector they worked in as well as different age groups, gender and a wide geographic spread to capture any variations in experience. Therefore in-depth interviews took place across the UK (in England, Scotland, Wales and Northern Ireland) with workers and apprentices.

The fieldwork was split in to two phases. An initial pilot stage was conducted to test the interview guide with six workers between the 11th and 15th November 2013 inclusive. As no major changes were made to the research materials, these interviews were included in the overall research findings. The main stage of fieldwork was conducted between 25th November and 22nd January 2014.

The sample consisted of workers (including apprentices) who are currently working below the NMW (*referred to as non-complainants in this report*) and workers who had contacted the PWRH to find out about NMW and then tried claim it (*referred to as complainants*).

Given the varying experiences of non-complainants and complainants, two separate discussion guides were designed to capture both the motivations for working below the NMW and the triggers for making a complaint about their employer. For all of these interviews we adopted a case study approach, allowing participants the freedom to recount their experiences chronologically so that researchers were apprised of their employment journey. Most of the in-depth interviews were conducted face to face and lasted up to an hour in length. In a small number of instances interviews were carried out by telephone so as to meet the availability of the respondent.

Prior to the interviews with workers, researchers conducted eight telephone interviews with staff at PWRH, HMRC and ACAS, to gather their views and understanding of workers' barriers and motivations, to claiming the National

Minimum Wage. These interviews were conducted between 7th and 11th October 2013 and each interview lasted 30 minutes.

1.5 Sample

The research is based on 55 interviews with workers. A mixed approach to sampling was adopted whereby the sample for non-complainants was gathered using a free-find approach which involved specialist qualitative researchers using a screening questionnaire to identify workers working below the NMW.

For this project it was felt inadvisable to visit respondents' places of work given that their employers were breaking the law.

Instead recruiters visited places where people tend to socialise and get together in relatively deprived communities. Social clubs that meet in community centres and similar venues provided useful opportunities for recruiters to make discreet enquiries with people. Recruiters also visited other venues where people congregate such as pubs, cafes, outside shops (e.g. bookmakers, newsagents, pay day loan shops) and public areas in local authority housing estates.

There was also an element of controlled snowballing on this project as stopping people face to face to ask them about how much they earn can be challenging. Therefore recruiters asked everyone they met (or had recruited for other projects) if they knew of anyone that is not earning as much as they are supposed to. Many of the apprentices in the sample were found via their parents who have put recruiters in touch with their children. Controlled snowballing means that there is little chance that respondents know each other on this research as participants have not been asked if they know anyone else in the same position.

In terms of locations, non-complainants were recruited from:

- London
- Glasgow
- Birmingham
- Bristol
- Leicester
- Bradford

The sample for complainants was gathered with the help of HMRC and PWRH staff who called workers who had contacted PWRH previously to ask if they would be willing to take part in the research. Those who agreed were then re-contacted for interview.

A recruitment questionnaire was developed to fill these purposive quotas, alongside others based on region and trade sector. A copy of the recruitment questionnaire is provided in the Appendices. When designing the recruitment questionnaire and briefing the recruiters there was an implicit understanding that all interaction and engagement with potential participants would need to be managed with great sensitivity, anticipating difficult employment conditions or the quality of their relationship with their employer.

There was an understanding that some workers would be wary about taking part or that they would change their mind once they agreed to, so flexibility was built in to the research design to allow for this eventuality.

The sampling framework was designed to provide a wide spread of workers targeted by a broad range of low paid sectors with a focus on the particular hotspots of infringement. They included the catering, hairdressing, wholesale and retail and Care services.

Table 1: Achieved sample

	Complained	Not complained
Sectors		
Accommodation and food service activities (i.e. hotels and restaurants).	3	11
Other Service activities (in particular hairdressing sector)	4	11
Wholesale And Retail Trade; Repair Of Motor Vehicles And Motorcycles (i.e. general retail and sectors comprising of apprentices).	6	11
Care (also including nursery assistants, nannies etc.)	3	6
Worker type		
Apprentices	5	10
Others	11	29
Age		
Young (under 24)	8	16
Older (over 24)	8	23
TOTAL	16	39

1.6 Data collection and analysis

All of the interviews were exploratory and interactive in form and were based on topic guides (Appendix A), which allowed questioning that was responsive to the issues which arose during the course of the interview.

The topic guide covered the following issues:

- A mapping exercise, exploring their current employment circumstances and the process of finding work, how much control they feel they have about their work and pay and their relationship with their employer;
- Their perceptions of their rights, the ways they would find out about their entitlements, who they would speak to, the perceived importance of any rights. For this part of the interview, participants were shown some scenarios of where workers were working below the NMW in order to prompt a candid discussion about the way these workers were being treated and then reflect on this from their own position as a worker;
- Their reactions to information about the NMW, specifically their eligibility and their perceptions of the current enforcement regime as well as recovering any underpayment by reporting their employer;
- Their awareness and usage of information and tools provided by government and which if any they found helpful. The researchers also sought to capture preferred (and not so preferred) sources of information and the reasons behind this.

All the interviews were recorded and transcribed verbatim for subsequent analysis. The transcribed interviews were subject to a rigorous content analysis (Matrix Mapping), which involved systematically sifting, summarising and sorting the verbatim material according to key issues and themes within a thematic framework.

1.7 Analysing and interpreting the findings

It is important to note that although qualitative research provides more detailed insights into motivations and experiences, the views obtained are not statistically representative of all workers (complainants and non-complainants). The findings have been illustrated with the use of verbatim quotations. The quotations have been edited for clarity but care has been taken not to change the respondents' meaning in any way. Any alterations are shown using parenthesis and ellipses. Quotations attributions will include the age and gender of the worker as well as the sector.

2. Literature review

This section provides context to this report by summarising the existing research on workers compliance with the National Minimum wage.

The NMW was introduced in April 1999 to prevent unduly low pay and to create a level playing field for employers. There are four rates of pay, established on the basis of recommendations from the Low Pay Commission. The rates at the time of conducting the research (Autumn 2013) are outlined in the table below.

Category of worker	Hourly rate from 1 Oct 2013
Aged 21 and above	£6.31
Aged 18 to 20 inclusive	£5.03
Aged under 18 (but above compulsory school leaving age)	£3.72
Apprentices aged under 19 ²	£2.68

The rates above apply from 1 October 2013 and are likely to change again on 1 October 2014.

One of the key objectives of the Government is to ensure that everyone who is entitled to the NMW receives it. However, existing evidence indicates that there are a number of workers who are working for below the NMW. Research that has been conducted up until now has tended to focus on workers in the *informal economy* (such as migrant workers), *apprentices* and specific sectors such as hairdressing. *Their reasons for working below the NMW are also well documented.*

Existing evidence highlights the main reasons for some workers working below NMW as:

- Lack of awareness
- Complicity and collusion between employer and worker
- Constraining factors
- Adverse treatment

The following research summaries are cited under headings with the objectives for the current research study.

Why workers work for less than the NMW

Research with *workers in the informal economy* has highlighted two main reasons why they work below the NMW. The first reason is around workers lack of awareness of their entitlement and the perceptual barriers which may lead workers to believe that they are not entitled to the NMW (in particular those that

² Apprentices aged 19 and over, but in the first year of their apprenticeship are also on £2.68 per hour.

believe that unskilled, cash-in-hand work does not carry an entitlement to the NMW or other workers' rights).

Second, a number of workers are complicit in being underpaid and consequently have no motivation to report the underpayment. For example, these workers might also benefit from other receiving state benefits or are using the job to gain work experience or fit work around childcare.

Previous research amongst employers has found that employers' awareness of enforcement activity and non-compliance penalties were low, with the assumption that there would be a fine to pay. Employers assumed that the likelihood of them being caught was very low and assumed that in order to be a subject of investigation, a member of staff would have to complain about their wages. However, employers were confident that their staff would not complain as they were happy with the additional 'perks' they received from informal working, were friends or family of the employer or were too concerned about the risk of losing their job.³ This is explored further in the latest research to gauge how much of a difference these 'perks' can make to workers and whether they are indeed part of a real barrier to claiming NMW.

The same study also suggested advantages to employees who were not paid NMW. These included factors such as; not having to pay tax or NI when wages were paid cash in hand and enabling employees to claim benefits at the same time⁴. This will be explored further in the latest research to understand to what degree workers are complicit in this arrangement.

Workers awareness of their rights and obligations

Another reason for non-compliance with the NMW is the worker's lack of awareness of their rights and obligations. Lack of awareness may be because they are vulnerable workers or that although they have some awareness of their rights; their knowledge on the specifics is low. Specifically, evidence from the hairdressing sector and apprentices suggests that although these workers have some awareness of the existence of the NMW, their understanding of the rates and how they operated was weak. In addition, some workers thought that employees from countries outside the EU did not have to be paid the rate⁵.

A number of constraining factors have also been identified such as limited labour market options, poor qualifications, lack of self-confidence and occasionally, language barriers^{6 7}.

The constraining factors above indicate some level of vulnerability on the part of the worker. A vulnerable worker has been previously defined as *'someone working in an environment where the risk of being denied employment rights is high and who does not have the capacity or means to protect themselves from*

³ http://www.lowpay.gov.uk/lowpay/research/pdf/Ipsos_Mori_Non-compliance_of_the_NMW_020212_FINAL.pdf

⁴ http://www.lowpay.gov.uk/lowpay/research/pdf/Ipsos_Mori_Non-compliance_of_the_NMW_020212_FINAL.pdf

⁵ <http://www.lowpay.gov.uk/lowpay/research/pdf/t0Z96GK6.pdf>

⁶ http://www.newham.gov.uk/NR/rdonlyres/9B787830-7B65-4647-8780-24F08B98790D/0/NoncomplianceoftheNMW_FINALv1_290212pdfAdobeAcrobat.pdf

⁷ <http://www.lowpay.gov.uk/lowpay/research/pdf/t0NTAVZ4.pdf>

that abuse. Both factors need to be present. A worker may be susceptible to vulnerability, but that is only significant if an employer exploits that vulnerability’.

The capacity of individuals to protect themselves depends on a range of factors. These include their financial resources, level of wages and awareness of employment rights. Other factors are skills and employability, including fluency in English, the support networks available to them and the extent of their wider dependence on an employer – for example for accommodation and loans⁸.

More generally and with all other things equal, adverse treatment in the workplace was found to be more commonly experienced by those with limited options in the external labour market. It was also found to be more commonly experienced by those without a written contract of employment, those without colleagues with whom they can discuss work-related problems, those working in organisations with a poor climate of employment relations and those who consider that their employer discriminates in favour of certain types of worker.

Adverse treatment was also found to be more common among younger workers, among those with long-standing health problems and those with financial difficulties⁹.

Therefore this latest research tries to understand workers awareness of their rights and obligations and their understanding of the enforcement process for the NMW (in particular the ‘fair arrears’ element). Also, whether they feel confident that they will be supported through the process and their views on whether they believe it is better to operate within the system than outside it.

Barriers to NMW compliance

Previous research on the issue of employment regulation has found that it is perceived as complex, with employers anxious about the impact that regulation could have on their business in the future, should they face litigation for failing to meet all the legal requirements¹⁰. The research also found that in small and micro firms, the norm was to operate ‘like a family’, which was at odds with developing formal practices. For example, smaller businesses tend to have an informal set up which means that employers do not necessarily have up-to-date knowledge of regulations which may result in non-compliance. These employers are also more likely to keep poor records and may not provide pay slips to workers, which in turn means that workers are unaware of how much they have been paid and whether or not this varies from what was agreed verbally.

So while the barriers to NMW compliance are well documented for employers, workers in the informal economy and apprentices, there remained up until now gaps in understanding of older workers and those working in the formal economy focusing on the care sector, wholesale and retail trade as well as accommodation and food service activities.

⁸ Success at work, Protecting vulnerable workers, supporting good employers, March 2006 A policy statement

⁹ Vulnerability and adverse treatment in the workplace, ERRS 112, Sept 2010

¹⁰ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/128792/13-638-employer-perceptions-and-the-impact-of-employment-regulation.pdf

Understand where workers look for information

Previous studies have found that lack of awareness and knowledge were the main reasons for non-compliance despite information and tools provided by government. Therefore there is a need to understand where workers receive their information about pay and rights and which of the government tools they find helpful and useful. As well as examining the underlying reasons for non-compliance, the study also tries to understand the best way to inform workers of their pay and rights.

3. Workers motivations for working below the NMW

This section considers the motivations for workers working for less than the NMW and their perceptions of the NMW:

Table 2: Key Findings Chapter 3

<p>KEY FINDINGS:</p> <ul style="list-style-type: none">• There is some awareness of the NMW but there is very little knowledge of specific information around entitlement.• There is confusion around eligibility for NMW and as a consequence many do not do not seek out information about it.• Those who are aware choose to work for less than NMW for a number of practical, social, emotional and psychological reasons including:<ul style="list-style-type: none">○ Gratitude to their employer○ Low expectations regarding pay○ Non-financial benefits

3.1 Reasons for working below the NMW

It is already known that there are varied reasons why some people work for less than the NMW.

Lack of awareness generally around pay and rights is an important issue and is discussed further in the next section (Section 4).

While some of the reasons for working below NMW may be due to a lack of awareness and knowledge around pay and rights, it is also true that some of this is due to far more complex reasons which hinge on practical, social, emotional and psychological reasons:

Practical reasons can include their family circumstances. Therefore they place greater value on perks and non-financial benefits from their employer, such as flexible working, meals, accommodation and eligibility for state benefits by working illegally.

Social reasons include the reluctance to report an employer if they are friends or if they are working for family.

Emotional reasons include gratitude to their employer

Psychological reasons include the low degree of self-worth and self-confidence where workers start to believe that they cannot earn more money or where they believe that it is impossible to change pay levels in their sector.

It is true to say that there was some awareness of the NMW amongst most of the non-complainants in the sample (complainants were already aware having been through the process with the PWRH). However, this awareness was limited to just having heard about the NMW or roughly knowing how much it was. There was little indication that these workers believed they were eligible or entitled to it. This shows that despite awareness of NMW, there was low understanding of how it is applied. The following quote aptly demonstrates the gap between awareness and knowledge:

“I know about the minimum wages outside of the apprenticeship, but I didn’t know what we should be getting as apprentice. Even the over time they were paying was under what they should have paid me. But I just accepted it because I didn’t know what I should have been entitled to.” Male, 20, (PT student) Apprentice, Retail

Those that know about NMW may be colluding with their employer and therefore are may be complicit in working for less than minimum wage. The main reasons cited by these workers for working below the NMW can be summarised as:

- Gratitude to employer
- Low or no expectations
- Perception that arrangement suits employer and themselves – including financial and non-financial perks and benefits.

Gratitude to employer

There was a sense from workers that they were lucky to have a job in the current economic climate and many felt that their chances of finding another job straightaway was very low. Some expressed gratitude that their employer took them on when business was slow and that they are being kept on despite a lack of growth in the business. Therefore, a sense of loyalty deterred them from raising the issue of NMW with their employer or reporting their employer. Not only did they believe that they could damage their relationship with their employer but they also believed that they could lose their job and for many this was not something they could consider.

“I am grateful to my employer for giving me the work without me having any skills or experience. He has been very good to me. I wouldn’t want to get him into trouble.” Male, aged 16, Apprentice, Mechanic.

“The young people and foreign workers are just so grateful to have a job that they will never complain.” Female, aged 30, complainant, Retail

For some, gratitude to their employer also engendered a good relationship which in turn deterred them from raising the issue of pay with their employer. Some believed that any discrepancy in their pay and NMW was probably due to an oversight rather than being intentional. Therefore, they tended to give their employer the benefit of the doubt and assume that the employer did not know about NMW. Some also trusted their employer to do the right thing and assumed their employer would be informed about their legal obligations and make sure employees were paid fairly according to the law.

So when some workers were told about NMW and they discovered they were being paid below it, there was a degree of shock and also betrayal. This was particularly strong amongst those who placed a lot of trust in their employers or who were working for friends.

“I trust my employer to do the right thing. My college found me this placement so I assumed that they will make sure everything is according to the rules. I am shocked to find out that they are paying me below the NMW.” Female, aged 17, Apprentice, Stable Assistant.

Some women in the sample were reluctant to explore the issue of pay and rights with their employers as they did not want to ‘rock the boat’ and make things worse for them.

“I need the money to support my sisters back home in India. I have no choice but to accept what I get. We don’t have rights in the real world.” Female, aged 34, Catering

Women were more accepting of their working conditions despite low pay and long hours because they valued other ‘perks’ more. They could include:

- Flexible working around school hours and holidays
- Food for themselves and, sometimes, family
- Working from home

They also mentioned other aspects that they valued over monetary reward such as enjoying the work they did or working with people they liked. Another reason why financial reward did not appear to be the main issue for some women is because they tended to see their income as additional to the main breadwinners, so it was not as important to earn a lot.

“I will not complain because I am happy with the part time arrangement. I enjoy the work and also happy that I am getting a chance to make some extra money.” Female, aged 33, Catering

Sometimes, in order to retain eligibility for certain in-work benefits they needed to ensure that they worked fewer hours or without a contract. Therefore they were complicit with their employer with regards to NMW non-compliance.

Low or no expectations regarding pay

Many of the workers in the sample had no expectation that their employer should pay them NMW. . Until they had been informed about NMW by researchers some workers tended to believe that they were not eligible. Indeed, amongst younger workers there was an assumption that the employer would be paying them NMW if they had been eligible; and the reason they are not being paid NMW by their employer must be because they are not; emphasising the degree of trust that some workers place in their employers.

There is also a general expectation that their industry or sector is poorly paid therefore some workers felt that there was nothing that could be done about low pay. They did not feel empowered enough to explore why this was the case or how they could improve their pay and working conditions. A combination of a lack

of inclination and capability in terms of knowledge and confidence also hindered them in seeking further information about pay and rights.

“We all just accept it because this is the norm in the catering field. Everyone gets below the minimum wage so there is no point complaining. Even you leave one job you will get another one paying more or less the same, so what is the point.” Male, aged 32, Catering

Certain female dominated sectors such as Care and Retail were also regarded as traditionally poorly paid so women in particular had no expectation of fair pay.

Tied in with this was the belief that if they did not work for low pay then employers would be able to find other workers who would, as illustrated in the quote below:

“He hired a Chinese girl, Polish girls and an 18 year old working in the shop. I feel they intentionally hired such people because they know that foreign workers won’t complain and that young people are naïve and don’t know the rights. The bosses were clearly exploiting the workers. The government should take action against the employers rather than expecting vulnerable employees to complain. These days there are so many foreign workers who are willing to work for so less money that it makes it easier for the employer to break the law without any harm to their business.” Female, aged 30, Retail, Complainant.

This issue of overseas workers working for less than then the NMW because they are unaware is echoed by a member of staff at PWRH.

“Foreign workers...they are more unaware of where they can get information from and that’s maybe why they get in these positions...” PWRH staff

Combined with their perceptions around industry pay standards, it was clear that workers lacked confidence in their ability to find a better paid job and they also believed that they did not have the qualifications or skills to get a better job. This served to lower their expectations around pay which hindered their ability to consider looking for a better paid job.

“It is hard to find work these days. The easier option is to become an apprentice and then get into work. This is what a lot of young people are doing today. They will accept anything they will get as it is so hard to find jobs at that age.” Male, aged 20, Apprentice, Retail

It is not surprising therefore that one of the other insights to emerge from this research is the apparent low self-worth and low self confidence amongst these workers. Further on in this report we discuss the barriers to complaining about employers who do not comply with NMW and it is clear that one of the key barriers is a lack of confidence, resilience and knowledge to address the issue of pay and rights with their employer. Issues of self-worth and self-confidence are

very much an inextricable part of this as it perpetuates workers' belief that they are not capable of earning more money for the work that they do.

These findings are supported by findings from a previous study that found that the capacity of individuals to protect themselves depends on a range of factors. These include their financial resources, level of wages and awareness of employment rights. Other factors are skills and employability, including fluency in English, the support networks available to them and the extent of their wider dependence on an employer, for example for accommodation and loans¹¹.

Perception that arrangement suits employer and themselves

There is also a perception amongst some that they cannot get another job that is as flexible with regards to working days and hours. This is particularly salient for those with caring responsibilities such as parents with young children or those caring for people with disabilities. Other perks also make it easier for workers to stay in jobs paying less than NMW, mainly because they appear to outweigh any financial benefits. Typical perks and non-financial benefits included:

- flexible hours
- food (meals provided by employer or able to take food home to family)
- accommodation
- eligible for state benefits by working illegally/off the books

Some workers mentioned that by being paid cash in hand or 'off the books' they could also claim Tax Credits as well as other in work benefits, which enabled them to manage their finances while still working for low pay. While workers knew that this was not legitimate, they were unwilling to explore minimum wage eligibility further in case it upset this arrangement, and they lost much needed income and contributory benefits.

This issue of complicity is consistent with the findings from a study amongst employers that suggested advantages to employees who were not paid NMW. These included factors such as; not having to pay tax or NI when wages were paid cash in hand and enabling employees to claim benefits at the same time¹².

"It is common practice in Leicester for employers to give part time slips for full time pay. They pay you for 16 hours and the person then claims benefit. So this arrangement suits both parties." Female, aged 34, Beauty Salon

"People bend over backwards for cash in hand work". Male, aged 42, Barber

3.2 Existing beliefs and perceptions about NMW

It was clear during the interviews that there were some mixed messages about the NMW which may impact on a workers' decision making capacity about claiming the NMW. For example some told researchers that NMW is "only

¹¹ Success at work, Protecting vulnerable workers, supporting good employers, March 2006 A policy statement

¹² http://www.lowpay.gov.uk/lowpay/research/pdf/ipsos_Mori_Non-compliance_of_the_NMW_020212_FINAL.pdf

applicable to young people” whereas others felt that it “*does not apply to young people*”, illustrating the confusion around who is eligible and who is not.

There were some other beliefs and (mis)perceptions about NMW and they included:

Minimum employment period of 2 years: Some mentioned that they would have to be in the role for 2 years before they could qualify for NMW. It was not clear where they had gathered this information from but this would appear to be a barrier for many if it succeeds in gaining currency among low paid workers.

Claiming NMW is difficult and expensive: There was a perception that trying to claim NMW in arrears could be a long and complex process which could involve costs and legal processes to which they were reluctant to commit.

Does not apply to small employers: Those working in small businesses (likely to be family-run and also have an informal approach to employment regulation), believed that their employer did not have to pay NMW because they were too small to be eligible. It is not entirely clear where they would have got this information from; perhaps from the employer or other workers.

Does not apply to casual workers: Those describing themselves as casual workers or who were being paid cash-in-hand, did not always believe that they would be eligible for the NMW.

This was also the case amongst those who were working on ‘zero hour’ contracts, where NMW law was not seen as applicable. For these workers eligibility to the NMW was regarded as something only salaried workers were entitled to. The quote below illustrates this well:

“This (NMW) is for people in proper jobs. It is not for people like us who get paid cash in hand.” Female, aged 26, Factory.

There were also some workers who believed that NMW was not applicable to those on a salary. Once again demonstrating the conflicting messages and understanding around eligibility to the NMW.

“I had heard about the NMW, but I thought it applied only to people on casual pay. I thought it didn’t apply to salaried jobs.” Male, aged 32, Catering

Nothing can be done about it: This perception may be a result of a lack of awareness and knowledge about the NMW enforcement regime. The quote below describes the frustration experienced by those who are aware of the NMW.

“Everybody knows about the NMW. But the main thing is that people like us do not know what we can do if we are getting below the NMW. That is why most people just accept the situation because they feel they have no other option.” Female, aged 34, Beauty Salon

“I don’t want to raise the issue with my manager because I would be targeted and will be treated harshly. He will cut my overtime and give me a hard time at work. I feel that apprentices do not have any rights in the real working world. We have no security about completing our training and therefore we have to accept whatever we are given by our employers. I feel that employers use apprentice as cheap labour.”
Male, aged 20, Apprentice, Mechanic

Big companies cannot get away with illegality: It is interesting to note that workers believed big companies employing accountants would not and could not act illegally with regards to NMW. Therefore the presumption was that big companies are compliant with NMW and that workers in these companies are paid fairly.

“I think McDonalds is better than the company I work for because they are well known, they are big company and will do the right thing. They pay NMW to their employees.” Female, aged 26,
Factory

4. Workers' awareness of their rights and obligations

Objective 2:

This section discusses workers awareness and attitudes to their rights as well as the barriers to not complaining once they are apprised of NMW.

Table 3: Key Findings Chapter 4

KEY FINDINGS:

- Awareness and knowledge of pay and rights is very low amongst all workers. Those with lower literacy rates may be more dependent on their employer with regards to information on pay and rights.
- Very few reported having seen or signed contracts, or received payslips which means that awareness of their own pay and rights were low.
- Awareness and knowledge of pay and rights were often dependent on education levels, self-confidence, working for employers who keep good records and advocacy from family and friends.
- The main barriers to complaining amongst those who were aware of NMW were a fear of being identified and a fear of repercussions.

4.1 Existing levels of awareness and knowledge of NMW

As already mentioned in section 3, some workers had heard of the NMW. However, they did not always know that it applied to them.

Even amongst those who spontaneously mentioned NMW, there were low levels of knowledge about NMW and they were unable to say how much it was or how to go about claiming it. In section 3.2 we discussed beliefs and perceptions about NMW and it is clear that many did not know the basics about entitlement and eligibility. As they did not know many facts about NMW, they did not feel confident enough to speak to their employer about it; in some cases they assumed their employer would know more.

Most apprentices had heard of the NMW with some mentioning that they had heard about it on television. They seemed to know there was a minimum level of pay but they did not always know what this was. They were not always aware of the other details around NMW, such as whether they were eligible, the different rates of pay by age bands, how they could claim it, and the enforcement regime.

There was also a strong sense that NMW was the employer's responsibility and not the responsibility of workers. Younger workers and apprentices in particular, felt that it was the responsibility of the employer (and in some cases the college tutor who helped secure the apprenticeship) to check that they were being paid the NMW, rather than relying on the workers to tell them. This fits in with the

narrative around the reluctance to confront employers about pay and rights. They do not feel knowledgeable or empowered to secure fair pay and fear that they will lose their job if they do try to claim NMW. They would therefore prefer it if the employer made it their responsibility and bypass the risk of strained and difficult relations in the workplace.

4.1.1 Awareness and knowledge of NMW amongst apprentices

It is worth noting that none of the apprentices in the sample had heard NMW discussed at the college they were attending prior to taking up their apprenticeship. This, they believed in hindsight, was not right and that they should have been informed about NMW and their rights at college. They would have expected their tutors to tell them about their rights and entitlements and as they had not received information regarding NMW or their rights, they had assumed that they were not entitled to this (otherwise someone would have told them).

“I didn’t bother about the NMW and had not looked into it because I felt it was the employer’s responsibility to pay the right wages. I trusted the college and employers to do the right thing. I am shocked to find out that I am being paid less than what I am entitled to. Most people in my situation won’t complain because they don’t know the entitlements and more importantly lack information about how to exercise their rights.” Female, aged 19, Apprentice, Nursery nurse

“I will not complain because I don’t have any other alternative and will lose out more by complaining. It would jeopardise my chances of getting work in the same company after completion of my scheme. I have such a specialist field that it would be impossible to find work elsewhere” Female, aged 17, Apprentice, Stable assistant

It should be stressed that apprentices often placed great trust in their college tutors and believed that they would look after their welfare and interests. Combined with this there was an expectation that colleges should be carrying out background checks on employers to ensure that they would comply with NMW law. As well as a lack of knowledge and sense of enquiry, a lack of advocacy and support also hindered the apprentices’ ability to seek help about NMW.

4.2 Factors that affect workers awareness of the NMW

While some were aware of NMW and knew they were being paid below it, often they were not sure how much they were paid below it.

Awareness and knowledge of pay and rights were often dependent on the following key factors:

Education levels of workers: This was key in pro-activity regarding finding out about pay and rights. Those with educational qualifications appeared to have more confidence in investigating their rights and entitlement to pay and rights and were much more active about pursuing matters and getting things done.

They also appeared to have more confidence in their ability to question the employer about pay and rights because they felt they could seek out information independently and not have to be reliant on the employer to inform them of their rights.

Self-confidence and sense of self-worth: This was very important in determining whether workers would try to claim NMW or whether they continued to work for below NMW. As mentioned earlier, self-confidence and self-worth are very much tied in with other important factors such as the industry they work in, their perception of skills and qualifications and their expectations around pay. Additionally this can also be affected by the attitudes and behaviour of other workers; for example, if no-one is complaining about poor pay then it is unlikely that workers would want to risk making life difficult for themselves or fellow workers. Self-confidence can also be eroded by an employer who constantly undermines the worker.

“These rights exist for employers and workers who have proper jobs and are on the payroll. I think that most women in my situation and from other countries will not have the courage and confidence to take action against our employers....” Female, aged 34, Catering

Working for employers who keep proper records: This can be empowering as it can help workers understand their pay and entitlements. It also has the effect of legitimising their position at work as they feel they are part of the workforce and therefore entitled to certain rights and working conditions. In contrast, not having a contract or access to payslips can mean workers do not know whether NI and Tax are being paid or not or subsequently whether or not they are entitled to contributory benefits which could have an impact on their household finances.

Workers across most sectors working in small businesses reported that they had not seen any formal employer records (e.g. contracts and payslips) despite asking for them.

“I feel now that it is really important for workers to have contracts because then they know the rules and it provides some sort of security. I was told I would get a contract but they never gave me one and kept putting it off.” Female, aged 32, Complainant, Unemployed

It became apparent during the interviews that not all employers in the sample kept good records. Some workers mentioned that employers would keep two sets of records, one which gave true hours worked and one that gave another account of hours worked.

“It is common practice for a lot of employers in Leicester to give part time pay slips for full time work. The employees in many cases are happy with this arrangement because they also claim benefit with their part-time work.” Female, aged 34, Beauty Salon

Advocacy from family members and good support networks: It is worth noting that almost all complainants in the sample who complained about NMW or got back pay from under-paying employers often had family support in helping them achieve this. This was usually a parent or other member of the family informing them of their rights and then supporting them, whether financially or emotionally, through the process to the eventual outcome. Some workers mentioned support from PWRH and HMRC staff, but this was usually additional to the support they received from family and friends.

“I had no idea that workers actually had rights. I didn’t know that one can complain if you are being underpaid. One of my friends told me to complain. Otherwise I would have just keep quiet and got on with my life.” Male, aged 32, Catering, Complainant

4.3 Minimum expectations of pay and rights

When asked about what they understood by rights and entitlements, workers often looked confused as they did not appear to understand the concept of ‘rights’ or at least did not think that they applied to them. So researchers often had to rephrase the question to ask what they expected from their employer. It was clear that most of these workers had minimal expectations from their employers.

“I had no idea that workers actually had rights. I didn’t know that one can complain if you are being underpaid. One of my friends told me to complain. Otherwise I would have just kept quiet and got on with my life.” Male, aged 32, Catering, complainant.

At the very least they wanted to be treated fairly and paid fairly. Some workers reported that the work place could be stressful and employers could be intimidating by shouting or using bad language. Therefore they wanted their employer to treat them with respect.

Some workers felt that that their employer did not always pay them for the hours they worked. As few had expectations of formal paper work, they tended to expect verbal agreements. Often many did not recall the details of their contract, which is to be expected if they are reliant on a verbal one from some time ago. As a result if they believed that their employer was not paying them for any additional hours they worked then this eroded the trust they had placed in the employer at the time of the verbal contract.

“I feel angry and bitter at the way I was treated. If I had a contract it would have helped me to deal with the issues that came up later.” Male, aged 20 Apprentice, Retail, Complainant,

Some cited that they did not know how many hours were recorded in their contract. Many of the workers in the sample had no experience of pay slips and were often working within a culture where pay slips were not the norm. There was no expectation of holiday or sick pay amongst casual workers. Indeed apart from not being paid if they were too ill to work, some also feared that they would be sacked if they phoned in sick.

*“I didn’t want to come across as being pushy and causing trouble. I had just started work. So I decided to keep quiet and do what the others did. I was told by the girls that we were not allowed to take breaks. But the employer never really talked about this directly.”
Female, aged 30, Retail, Complainant.*

4.4 Barriers to complaining about being underpaid the NMW

Even once informed about NMW, workers gave many reasons why they would continue to work for less than NMW and would not complain nor ask their employer about it. These reasons can be summarised as fear of being identified and fear of repercussions as a result of complaining.

Workers mentioned that they needed anonymity because they feared losing their job. They also feared damaging their relationship with their employer and being subjected to poor working conditions. Some workers also mentioned that they enjoyed their current job and this prevented them from complaining about NMW.

*“I need the money and I need a job and I wouldn’t like to tarnish a relationship with my employer over pay. I’ve been in that situation before and the relationship turned sour. How do you say that (re NMW) to someone without upsetting them or offending them?”
Female, 37, Virtual PA.*

However, when it came to working for a bigger company, attitudes were markedly different because there was an expectation amongst workers that they should be paid NMW. Added to this they felt reassured that their anonymity would be easily preserved and they also felt that big employers could probably afford to pay workers NMW.

*“I would complain if I was working in a proper company. People in formal jobs have better support in terms of advice and advocacy. I don’t have the support so it would be a nightmare for me to do so.”
Female, aged 25, Catering.*

Workers feared losing their job and this made it difficult for them to consider taking any action against their employer. There is a need to address the above issues so that the Government can implement their vision to ensure that workers have the confidence that they will be assisted through the enforcement process.

Complainants’ experience of barriers

Those who have complained about their employer expressed anxiety about being found out, and worried about how this might affect them in the future.

“I was very scared. I was nervous thinking what if the employer found out and came after me. I was worried that it might affect my chances of getting another job.” Female, aged 20, Retail, Complainant

Those that have complained about NMW, tended to do so after they left their job and while they were financially secure in another job. On the other hand, those

that complained whilst in a job found that their employers tried to make an example of them in order to deter others from doing the same.

“After I complained they started to cut my hours and they made sure I worked on my own so I was kept away from other workers. Over a 2 year period I’d gone from working 7 days a week to working only 2 days a week” Female, aged 32, Carer, Complainant

5. Workers information sources

This section examines how workers currently access information sources about NMW, and how they would prefer to hear and learn about the NMW.

Table 4: Key Findings Chapter 5

KEY FINDINGS:

- The majority of workers in the sample had not seen any information about NMW and most were unaware of government tools and information.
- Those that sought out information about NMW had done so on prompting by family and friends.
- Most relied on search engines such as Google to take them to the appropriate online source of information
- However face to face and telephone were seen as the most helpful and informative ways of gaining relevant and tailored information.
- In terms of reaching this group, given word of mouth is important to them it is worthwhile considering communicating NMW to a wider group of workers and not just those who are low paid.
- Ideally they would want to see case studies and testimonials from workers who have successfully claimed NMW.

5.1 Awareness of government communications

Most workers were not aware of any government communications regarding NMW and had not accessed any government tools.

As they had not seen any information about NMW, for research purposes all the relevant information such as eligibility, rates and enforcement regime were presented as a hard copy in an easy to read format so that workers could see all the information in one place.

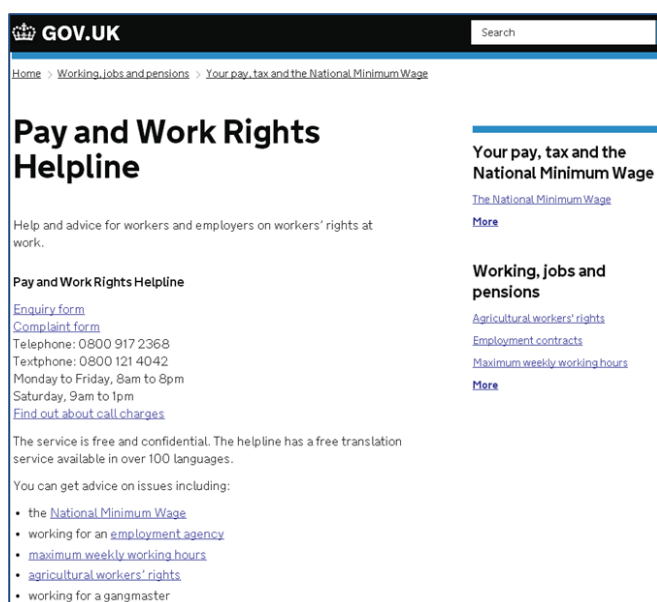
5.1.1 Attitudes to existing government communications among complainants

Many non-complainants were unaware of the PWRH helpline although they welcomed it and thought it would be the best way of finding out about the NMW. Complainants expressed that the information on Gov.uk was difficult to get too quickly. They cited that often it took several clicks of a mouse to get to the relevant information. However they all agreed that when they found the information it was very useful and easy to understand.

Some complainants mentioned that they came across the NMW website by using a Search engine such as Google. They found PWRH website and contacted the PWRH helpline.

“...But the situation was OK when I got the advisor. He was very good and called me every two weeks to keep me posted about what was happening.” Female, aged 30, Retail, Complainant.

It is fair to say that only complainants mentioned PWRH, HMRC or the Gov.uk website but some of these were signposted to them by family and friends who provide essential support and advocacy.



Current page layout for PWRH

All workers were shown the NMW Facebook page which was launched in 2012. None of the research participants had seen this prior to the interviews.



There were mixed feelings about providing information about the NMW on Social Media such as Facebook with the over-riding concern being “how do I know it’s genuine?”

FaceBook did not appear to be one of the main information sources for young people as they tended to use it for fun and leisure. No-one expected to find information about NMW on Facebook.

However, some thought that Facebook was a good idea and would use the Facebook page for basic information and then use the PWRH helpline if their question was more complicated. Some suggested the possibility of messaging the NMW helpline through Facebook.

“I’m on it most days so it would definitely be somethingit’s good to have it there”. Female aged 19, Hairdresser, Apprentice

facebook Search for people, places and things

The National Minimum Wage

Current rates per hour are:

- Adult rate £6.31
- 18-20 year olds £5.03
- 16-17 year olds £3.72
- Apprentice rate £2.68



National Minimum Wage

209 likes · 14 talking about this

Like

Mes

Community

The UK National Minimum Wage. Call the Pay & Rights helpline free on 0800 917 2368 for confidential advice. For latest rates see <https://www.gov.uk/national-minimum-wage-rates>

About - Suggest an Edit

Photos Likes Events


Posts by Page

Post Photo / Video

Write something...

National Minimum Wage changed their cover photo.

1 October



The National Minimum Wage

Current rates per hour are:

- Adult rate £6.31
- 18-20 year olds £5.03
- 16-17 year olds £3.72
- Apprentice rate £2.68

National Minimum Wage

1 October

From today, all National Minimum Wage rates have changed.

Adult rate - £6.31/hour

18-20 year olds - £5.03/hour

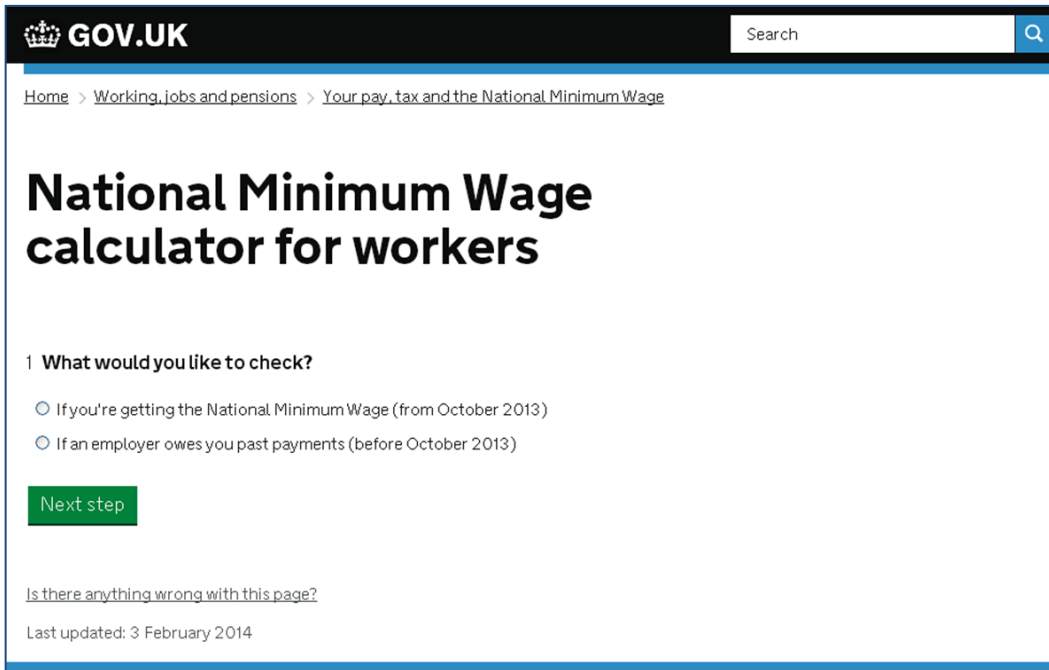
16-17 year olds - £3.72/hour

Apprentice rate - £2.68/hour - this rate is for apprentices in their first year or those in their first year. If you're 19 or over, you get the rate that applies to your age group.

NMW Facebook page launched in 2012

Very few mentioned the NMW calculator tool spontaneously. Although those that did cited difficulties using it:

“I did once go onto the minimum wage calculator but I couldn’t get it working! You had to type in to find out tax and national insurance and it was a bit complicated” Female aged 19, Hairdresser, Apprentice



NMW
calculator

5.2 Information sources: Trusted and used

Currently some workers seek information about pay and rights from the following sources:

- Online: using search engines such as Google or going directly to Gov.uk website
- Some favoured face to face advice and went to the Citizens Advice Bureau (CAB)
- Apprentices tended to seek information and advice from tutors at college or family and friends
- A few workers mentioned getting useful advice from other employers, for example, one worker who had two jobs sought advice from one of his employers about another.

However, during the interviews with PWRH staff, some mentioned that some CAB staff would direct workers to ACAS which could deter workers from taking things further as legal costs were implied.

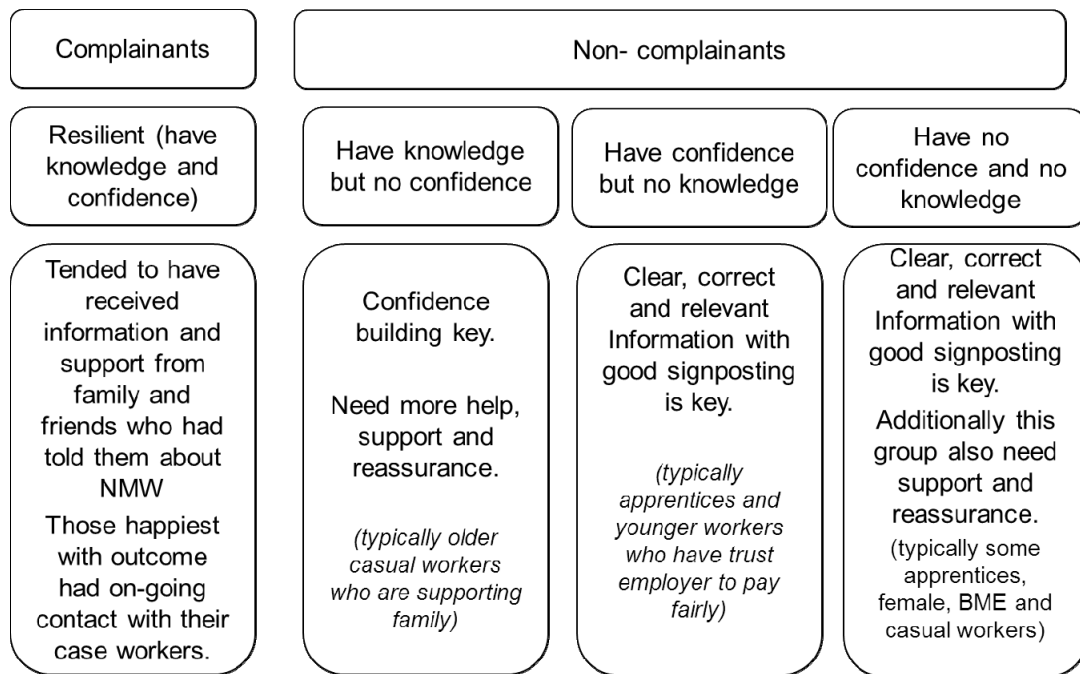
5.3 Communication preferences

When considering communication preferences for workers the research identified 3 main segments for the non-complainants and the optimal communication approach.

Therefore, those workers who have *knowledge of NMW but no confidence* to do anything about it would need more support to enable them through the NMW claim process. Confidence building is key for this group that would tend to consist of older and casual workers who are working for low pay to support their family, and therefore are reluctant to do anything that could cause a sudden loss of income.

Those who have confidence but no knowledge have different support needs. This group that typically includes apprentices and younger workers need to be armed with the information and facts about NMW that will help them to speak with their tutors and family and friends in the first instance to empower them enough to approach their employer.

The third segment comprises of those who have no knowledge of NMW and no confidence. This group typically includes women, apprentices in low paid sectors, Black and Minority Ethnic (BME) and migrant workers as well as casual workers. These workers need signposting to clear and easy to understand and interpret information about NMW as well as support and reassurance. This is particularly the case for those who are working cash in hand and may be concerned that by raising a concern about NMW they may be exposing themselves to scrutiny from HMRC about their undeclared income.



5.4 Ideal website content

Having presented the website and NMW content for their comments, it was agreed that the information was very useful and important. However they had some suggestions about to improve this further to help them, and others like them, access the information easily.

- Workers would like to see all relevant information on one page so that there is minimal clicking through to other pages to find out more.
- It is very important to have testimonials and case studies of real people who have been through the process successfully, ideally covering different sectors and different types of workers e.g. by age, gender at least.
- They would like to see an improvement to the current NMW calculator on the first page so that it is easier to use and that will help them to calculate whether or not they are being underpaid
- It is also important to use appropriately enabling and supportive language on the first page of the website to encourage workers to make contact e.g.

*“have a confidential chat with one of our advisors”
“call us for a chat if you want to find out more”*

- It may be worth exploring altruistic motivations in any communications to see if they are more likely to complain if they are also helping others.

‘If I see something that’s not right I try and do something about it’.
Male, 43, Warehouse picker

“I wanted to take action because it was the principle of the act rather than money. I wanted to send a message to the manager that he can’t do this to apprentices. He can’t treat them this way.”
Male, Age 20 Apprentice, Retail

- Given the lack of knowledge around enforcement some information about how much back-pay they could be entitled would be a spur for many, for example, giving them some facts about how many years back-pay they could be entitled to.

5.5 Ideal communication channels

In terms of the ideal ways of communicating with workers who either lack awareness of NMW or are reluctant to complain it is worth stressing that this group place great value in word of mouth communications. This group of workers are most reliant on word of mouth in that they speak to family and friends before they search for information. Therefore, there is just as much need to communicate to their main influencers so that the message filters through to them from all areas of their social circle.

While they would ideally like to see posters and information about NMW in their workplace, they believe that this is unlikely as their employer would not allow it. Therefore social spaces such as libraries, community centres and faith based centres may help to communicate the message to a wider circle.

Digitally, it may be difficult to communicate to some of these workers as their work does not always tend to be desk based nor necessitate access to the internet. That said, they may have Smartphones and access to the internet outside the work place.

Other recommendations around ideal communications include an emphasis on confidentiality and television adverts:

“Most important is to tell people it will be confidential. This will give them the boost to complain. PWRH should provide regular updates to people who have registered a complaint, even if they are on a waiting list. It gives you confidence in the system.” Female, aged 20, Retail, complainant

“....there should be an advert or something on TV to let people know what they are entitled to. I don't know anyone who would know that...” Female, aged 36, Hairdresser

6. Conclusions and Implications

This section brings together the findings and draws out the conclusions and implications of the research. Throughout, these are presented in response to the three research questions:

- Why do workers work for less than the NMW?
- Are they aware of and how much do they know about their rights and obligations?
- How do workers use the tools which are made available by government and whether they find them helpful and easy to use?

The section closes by discussing some of the implications of the findings for government, specifically with regards to awareness raising and improving access to information about NMW and enforcement.

6.1 Conclusions

Why do workers work for less than the NMW?

The report has discussed the many and varied reasons why some people work for less than the NMW. It has been explained that while some of this may be due to a lack of awareness and knowledge around pay and rights, it is also true that some of this is due to far more complex reasons which are to do with practical, social and emotional and psychological reasons:

Practical reasons include their family circumstances. Therefore they place greater value on perks and non-financial benefits from their employer, such as flexible working, meals, accommodation and eligibility for state benefits by working illegally.

Social reasons include the reluctance to report an employer if they are friends or if they are working for family.

Emotional reasons include gratitude to their employer.

Psychological reasons include the low degree of self-worth and self-confidence where workers start to believe that they cannot earn more money or where they believe that it is impossible to change the way things are in their sector.

It is evident that many workers lack sufficient knowledge about NMW in order to claim it. Given the value and trust placed in advice from family and friends it is worth considering raising awareness of NMW amongst a wider group of workers and not just targeting those who are low paid.

Apprentices were particularly keen to find out more as they felt that not enough information was provided in colleges. They suggested marketing and awareness raising activities targeting young people in colleges and schools. They also suggested using social media and websites to inform young people. Greater credibility and influence could be garnered by instituting blogs and discussions about NMW by young people for young people.

They believed that all young people should be made aware of NMW and not just those seeking apprenticeships. They suggested leaflets and information sheets about the NMW and the entitlements to be included in the leaving pack that every student receives when they leave school. This pack would ideally contain information about where to go for advice about NMW and relevant information about the job market.

Older workers mentioned Job centres as ideal places to advertise and explain the NMW and how to go about claiming it to job seekers.

BIS is taking action to reduce employer non-compliance with the NMW rules for apprentices and therefore taking the following action. HMRC follows up every complaint made to the Pay and Work Rights helpline and ensures that complaints from apprentices are prioritised for consideration.

BIS is also stepping up communications activity to increase the level of awareness of the minimum wage rules across the board, (including apprentices). BIS want to help employers avoid falling foul of minimum wage rules unwittingly, and ensure that individuals are well-informed about their minimum wage eligibility.

BIS has already issued NMW posters to stakeholders asking them to display them where employers and workers will see them, to raise awareness of the National Minimum Wage rules. The poster highlights the new NMW rates that came into effect on 1 October 2013 and the contact details for the Pay and Work Rights Helpline.

On 1 November 2013 BIS also launched a spot the difference campaign so that employers are aware of the differences between workers that result in differing rates of NMW and other issues such as factoring in travel time between jobs. This will also motivate employers to comply with NMW by highlighting the benefits to their businesses and drawing attention to the consequences of not paying workers what they are legally entitled to. BIS issued National and regional press releases targeting the top five sectors as well as the top five regions.

Finally, BIS has improved guidance on gov.uk and information more generally, to ensure there are clear, comprehensive and consistent information on the minimum wage rules.

The Government is taking a tougher approach on employers that break minimum wage law. Since 1 October, employers who fail to pay the National Minimum Wage

(NMW) will be publicly named and shamed under revamped criteria to make it easier to clamp down on rogue businesses (on 28 February 2014 the Government named its first five employers). This is on top of financial penalties which employers already face if they fail to pay NMW.

The Prime Minister also announced recently that employers could be faced with a fine of up to £20,000 for every underpaid worker.

Are they aware of and how much do they know about their rights and obligations?

It is clear that **workers have a general awareness of the NMW but not enough knowledge about the specific details around rights and obligations**. Therefore they were not always aware that they are eligible for NMW, the different rates of pay by age bands, how they could claim it and that employers could be made to pay back the arrears owed to them.

As many did not know enough about the processes and outcomes they lacked the confidence to make a complaint. This was compounded by their lack of understanding of the enforcement regime so they were left believing that nothing could be done about it.

Most younger workers, including apprentices, believed that it was the **employers' responsibility** to ensure they were being paid the NMW. There was an implicit understanding amongst apprentices that the employer would be paying them NMW if they had been eligible; and the reason they are not being paid NMW by their employer must be because they are not.

Many of the workers in this sample (including apprentices) had **no formal records of employment (e.g contracts)** and did not receive payslips. As a consequence they did not know whether or not they were paying taxes or whether their employer was making deductions for food, accommodation or uniform.

Those working in small businesses often had verbal agreements so they perceived that there was no opportunity for recourse if the amount agreed varied from the amount they were eventually paid. This left workers in a much weaker position with employers having much more control over their pay and rights.

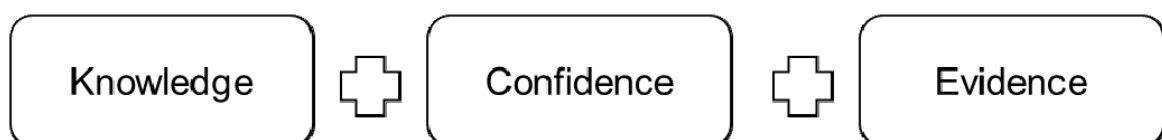
The lack of awareness and knowledge about pay and rights is confounded further to some extent by **misinformation and misperceptions about NMW** and they include:

- *Minimum employment period of 2 years* before they could qualify for NMW.
- *Claiming NMW is difficult and expensive* which could involve costs and legal processes.
- *Does not apply to small employers* as they did not have to pay NMW because they were too small to be eligible.

- *Does not apply to casual, ‘zero hour’ or cash-in-hand workers as they would not be eligible for the NMW.*
- *Only applies to casual wages:* In stark contrast to the above, there were also some workers who believed that NMW was not applicable to those on a salary.
- *Nothing can be done about it:* This perception is probably more to do with their lack of awareness and knowledge about the NMW enforcement regime.
- *Big companies cannot get away with illegality:* They employ accountants and keep proper records so were seen by workers as compliant with regards to NMW.

It is worth stressing that those that had complained successfully often had family members or friends helping them to make the initial enquiry regarding NMW and then continuing to support them through the process. Therefore in order to consider exploring their claims to NMW:

- Workers need to know who to complain to
- They need to know who will take them through the process
- They need to know who will provide the support
- In an ideal world, workers:
 - Want to be able to make one phone call about NMW
 - Want one point of contact
 - Want to have an idea of the key points in the process and the likely outcomes before they make a complaint
 - Want to know how long the process would be from start to finish.
 - Want to know all the possible outcomes at the outset
 - Want to see testimonials that they can relate to covering different sectors and jobs



Before workers contact PWRH to make a complaint about their employer, they would need easily accessible information specific to their sector and situation, to give them the confidence to take their case further.

From their comments it is clear that they would need to have the opportunity to speak to someone in the first instance to decide whether or not to complain. While some workers (complainants) have already spoken to PWRH, not all the workers in the research were aware of PWRH.

The lack of awareness of PWRH is a real barrier for many of these workers who do not know where or how to access information about their pay and rights. Those who had been through the complaints process tended to have heard of PWRH via family or a quick search of the internet once they found out they were being paid below NMW.

However, for most workers in hairdressing salons, restaurants and garages the internet may not be easily accessible at work or home; indeed they may not have the digital competency or confidence to search for this information. That said, in order to seek information about PWRH, they need to be aware that they are being paid below the NMW and this requires awareness raising of NMW.

This will be important in helping workers know their rights and obligations and where to go for more information if needed.

How do workers use the tools which are made available by government and whether they find them helpful and easy to use?

Workers appeared to be unaware of government tools about NMW which may explain their general lack of knowledge about eligibility to NMW. Those that sought out information about NMW had done so on prompting by family and friends, as very few had received any information from their work place or, in the case of apprentices, their college.

Most relied on search engines such as Google to take them to the appropriate online source of information to seek out basic information about pay and rights in relation to NMW. However face to face and telephone were seen as the best way to get relevant and tailored information. Given that none of the non-complainants in the sample had come across PWRH before, raising awareness of PWRH would address the need for tailored information.

Ideally they would want to see case studies and testimonials from workers who have successfully claimed NMW. Workers are anxious about taking further steps regarding claiming NMW without being fully apprised of the facts and the possible consequences.

Most importantly, all communications should reassure them about confidentiality and anonymity as workers need to have confidence they will be supported through the enforcement process.

“Most important is to tell people it will be confidential. This will give them the boost to complain.” Female, 20, Retail

7. Technical Appendix

The research was qualitative in design, adopting in-depth interviews in order to explore workers' understanding and perceptions of pay and rights and the NMW. The in-depth interviews were carried out by qualitative researchers who have extensive experience and have been trained in the techniques of non-directive interviewing. Each interview was exploratory and interactive in form so that questioning could be responsive to the experiences and circumstances of the business. Interviews were based on a topic guide, which listed the key themes and sub topics to be addressed and the specific issues for coverage within each. Although topic guides help to ensure systematic coverage of key points across interviews, they are used flexibly to allow issues of relevance for individual respondents to be covered through detailed follow-up questioning.

All members of the research team took part in a briefing to ensure the interviewing approach was consistent across the interviews. The interviews were conducted at a neutral location where workers would feel comfortable discussing their employment situation. They included cafes, community centres and GfK NOP offices. Some of the interviews were conducted by telephone. All interviews were digitally recorded.

Material collected through qualitative methods is invariably rich but unstructured. The primary aim of any analytical method is to provide a means of exploring coherence and structure within a cumbersome data set whilst retaining a hold on the original accounts and observations from which it is derived. The analysis of the in-depth interviews was undertaken using a qualitative content analytic method called 'Matrix Mapping', which involves a systematic process of sifting, summarising and sorting the material according to key issues and themes. Information from each interview was summarised and an analysis grid was produced which identified the range and nature of views, experiences, and issues for development and form the basis of this report.

8. APPENDIX A

TOPIC GUIDES

Understanding worker behaviour in maintaining compliance with National Minimum Wage (NMW) Law

Discussion Guide – Non-complainants

Aim of the research: To understand why workers work for less than the NMW, awareness of NMW, what influences perceptions and behaviour, and sources of information about NMW

Objectives:

- Explore reasons for workers working for less than NMW
 - Explore all potential causes relating to awareness of NMW; personal circumstances; social norms etc.
 - Perceptions of who is attributable for non-compliance with NMW
- Assess workers' awareness of their rights and obligations in relation to NMW
 - Rates; eligibility; enforcement
- Information sources & tools
 - Awareness & use of existing tools
 - Needs & preferences for tools

About this guide

- This is a guide, and not a questionnaire.
- It includes the areas to be covered in the sessions, but we will not use these exact words and we may not cover all issues in all interviews.
- Issues will be focussed on as relevant for each respondent and space will be allowed for participants to discuss relevant topics, which are not on our guide.

1. Introduction

5 mins

Moderator

- Thank participant for taking part in the research.
- Introduce self, GfK NOP, the interview and time with the participant will last an hour.
- Explain purpose of research – *GfK NOP is conducting this research to explore the impact of low incomes in the area to develop a better understanding of how low pay can affect workers, and what the government can do to improve pay conditions.*
- Reassure re: confidentiality, recording and MRS Code of Conduct. *We are independent researchers, and we are not concerned with identifying you or catching you out, just with hearing about your experiences and views. Please feel free to be honest; I'm not here to judge. Your perspective is really important to us.*

- Explain importance to participant of their being able to say what they think, no right or wrong answers, need for honesty, any opinion useful and valid.
- Confirm that the case study participant is happy with the plan of action and understands. Any questions?

2. Respondent context

10 mins

The aim of this section is to explore the participant's background and current circumstances to establish what is important to them and how work fits into this

- Tell us a bit about yourself:
 - > Local area
 - Where do you live at the moment? What's it like? How would you describe it to someone who had never visited it? How long have you lived here? Where were you before?
 - > Routine
 - Describe a typical day in your life. What do you do? What are the best parts of your day? What do you do if you want to relax?
 - > People
 - Who do you live with at the moment? Who else do you speak to in a typical week? Who are the most important people to you at the moment?
 - > Health
 - How is your health nowadays? To what extent does your health prevent you from doing any of the things that you'd like to do?
 - > Finances
 - How do you manage financially at the moment? How easy or difficult is it to manage financially? What would change in your life if you had more money?
 - What are your sources of cash at the moment? What about benefits? (If necessary: some people claim benefits whilst working, do you claim benefits?)
 - > Past
 - How has your life changed in the last 5 years? What have been the most important changes?

3. Current work and pay

5 mins

The aim of this section is to fully explore current work circumstances including pay

- Explore route to employment: life story/journey to where you are now (in terms of job, training, education.)
- Could you briefly describe to me your current job/working situation
 - Job role/title
 - Job tasks and responsibilities
 - Hours you work
 - How long you have been in your current job

- Pay
- Any other benefits – Probe first and then prompt
 - Car/van
 - Childcare vouchers
 - Accommodation
 - Flexible working
 - Work experience
 - Other (probe : what else)
- Application/recruitment process
- Why did you accept the job?
- Arrangement of contract / terms
 - At your current job, did you have to sign a contract?
 - (If they have: How do you feel about signing a contract? Do you remember what kinds of things it said in the contract? Do you think it is important to sign a contract? Does your contract reflect what happens in practice?)
 - (If not: How do you feel about not signing a contract? Do you think it is important to sign a contract?)
- Likes and dislikes about role
- Likes and dislikes about employer
 - Relationship with employer/manager/supervisor
 - Discussing/raising issues and concerns – how comfortable do they feel doing this?
- Motivation
 - Do you enjoy the work that you do? Why/why not?
 - What do you get out of your job? (This could be things such as other benefits, payment in kind or could be things such as how it makes you feel, career progression, whether it suits your lifestyle.)
 - Do you feel that your employer values you as an employee? Why/why not?
- Plans for the future – a year from now
 - What do you see yourself doing a year from now? Why do you say that?
 - Do you see yourself in the same job role? Why/why not?
 - Would you like to be doing something else? Why/why not? What would you prefer to do?
 - Is there anything preventing you from doing what you would like to do? Why do you say this? Is this something that you could overcome?

4. Awareness of workers' rights

10 mins

Understand extent and level of workers' knowledge about rights, including pay

Below section – some struggled to answer these questions. One question that worked particularly well;

- Who would you speak to if you felt you were being under paid?
- What rights do you think you have as a worker?
 - Why do you think that?
 - Where did you find out about that/how do you know about that?
- Do you think that other people have rights that don't apply to you?
 - Why do you think that?
 - Where did you find out about that/how do you know about that?
 - What rights do you think other workers have that you don't? Why do you think they don't apply to you?
- How important are workers' rights to you personally? Why/why not?
 - Do you think workers' rights could empower you in the workplace? Why/why not?
- What happens if people are underpaid?
 - Why do you think that?
 - Where did you hear about that?
 - Whose responsibility do you think it is to ensure that underpayment does not occur? Why do you think that?

Exercise A: workers' rights part 1

Scenarios 1 – 6

(Researcher note: Please show 2-3 scenarios that you feel the respondent will be able to relate to and provide responses for)

- I am now going to read some scenarios about work situations to you. I would like you to comment on what you think of the situation and what you think that person should do.
- What are your initial thoughts of this scenario?
- What do you think the person should do in this situation? Why do you think that?
- Do you think the person in this situation is in the right, or is their employer?
- What rights do you think the person has in this situation? Do you think they have the power to exercise these rights?
- If the person in the scenario took the course of action you suggested, what do you think would happen next?

Scenario 1

- Matt is 19 years old and works at a hairdressing salon. He's been working there since he left school at 17 and is training to be a hair stylist. He works 38 hours a week and his weekly pay is less than £100.
- Matt asked his employer about increasing his pay but he was told as he is an apprentice he is being paid the Apprentice wage. However, Matt doesn't attend college and he does not think that he is being trained so he's not sure whether or not he is an Apprentice.

Scenario 2

- Alex is 28 years old and works 9 hours a day, 6 days a week at a burger van in busy outdoor market. His employer provides accommodation and travel.
- His take home pay is £100 cash every week because his employer pays for his accommodation and travel and deducts that from his pay.
- Alex has spoken to his friends and they have told him he should be paid more but Alex is too afraid to say anything to his employer and he is also too afraid to speak to anyone officially because he's afraid that his employer might find out and make life difficult for him.

Scenario 3

- Mary is 24 years old and arrived in the UK about 18 months ago. Her friend got her job in a large city hotel as soon as she arrived and she has been working as a waitress in the hotel restaurant for a year. Her employer pays for her uniform and her food while she is working so she is happy with that.
- However, she has heard other colleagues comparing their pay and she is convinced she is earning less than them for the same hours and same work.
- She is too afraid to speak to her manager because she thinks that it might ruin the good relationship or worse she could lose her job if she asks for a pay rise.

Scenario 4

- Mahmood is 25 years old and works in his cousin's shop. He repairs laptops and mobile phones and is happy with the kind of work he does as he is using his specialist skills.
- He works 30 hours a week and he is paid £150 after deductions for tax and national insurance.
- He is eligible for benefits so he manages to pay his rent and household expenses so while he suspects he is underpaid, he doesn't want to raise the issue with his cousin because it will cause problems in the family.

Scenario 5

- Max is 30 years old and works in a garage as a mechanic. As English is not his first language someone else negotiated the pay and conditions on his behalf. Max signed a contract but didn't really understand what he was signing. He finds out after his first pay packet that he is being paid less than what was verbally agreed by his friend and the owner of the garage.

Scenario 6

- David is 19 years old and works in a large home appliance store in the town centre. He works 5 days a week and his contracted hours are 9am until 6pm. His manager expects him to arrive by 8.30am each day to help get the shop ready before it opens to the customers.
- David doesn't get paid for this additional 30 minutes each day and isn't sure whether it's something he should be raising with his manager.

5. Responses to NMW

10 mins

This section will inform participants about the NMW, and gather spontaneous responses

Researcher note: Showcards can be found at the end of this DG.

- Show show-card A on existence of *National Minimum Wage*, then ask for responses
 - Have you heard of the National Minimum Wage?
 - How much did you know about it beforehand?
 - Where did you hear about it?
 - What do you think about it?

- Show show-card B on *Level of NMW*, then ask for responses
 - Had you seen/heard about this before?
 - Where did you see/hear about it?
 - What do you think about it?
- Show show-card C on *Eligibility for NMW*, then ask for responses
 - Had you heard about this beforehand?
 - Where did you hear about it?
 - What do you think about it?
 - Were you aware that you're eligible for the NMW?
 - Are you aware of what rate applies to you?
 - How much do you feel you know about deductions and payments that your employer (or a third party) makes to meet the costs of employing you e.g your uniform, equipment
- Show show-card D on *Enforcement of NMW*, then ask for responses
 - Had you heard about this beforehand?
 - Where did you hear about it?
 - What do you think about it?
 - Had you heard of these organisations that run enforcement regime before? (if so: where did you hear about them?)
 - Do you think this enforcement would be effective?
 - In getting back any underpayment of NMW?
 - In penalising your employer, by either a penalty charge of by naming them?
 - Now that you know about it, is it something you would use? Why/why not? Do you think you would be supported through this process? If you did make a complaint against your employer, what do you think would happen?
 - What concerns do you have?
 - What about confidentiality?
 - How important is it that HMRC or NMW enforcers keep your identity and everything you tell them confidential
 - Why is that?

Exercise: workers' rights part 2

- I am now going to return to the scenarios we previously looked at. Based on what we have just discussed about NMW, I would like you to comment on what you think of the situation and what you think that person should do now.
- What are your thoughts on this scenario now? Have your thoughts changed in relation to your rights and how much you are paid? Why/why not?
- What do you think the person should do in this situation? Why do you think that?
- Do you think the person in this situation is in the right, or is their employer?
- What rights do you think the person has in this situation? Do you think they have the power to exercise these rights?
- If the person in the scenario took the course of action you suggested, what do you think would happen next?
- What channels do you think they should use in finding out and reporting information?
- Do you have any concerns or think there are any barriers?

6. Reasons for working below the NMW

10 mins

This section will be asked of complainants and will explore why they work below the NMW

- What are your reasons for working below the NMW?
 - Was not aware of NMW
 - Did not understand the NMW
 - Wanted to find out more but haven't got round to it/too busy
 - Unsure about eligibility
 - Afraid of consequences of speaking to employer
 - Happy with working conditions
 - Think being paid fairly
 - Employer treats them well
- Now that you know about the NMW what would motivate you to try and find out more about getting the correct NMW?
- How likely are you to try and do something to ensure that you receive the correct NMW?
 - Why/why not?
- What or who would prevent you from receiving the correct NMW?
 - Why is that?
- What help would you need to help you receive the correct NMW? What else?
- Where would you like to get this help from?
 - Why is that?

7. Sources of information / advice on NMW

5 mins

This section will identify needs & preferences for sources of advice

- Have you ever looked for information and advice on NMW?
 - If so: where have you looked? How did you find out about this? What did you try and find out about? Why did you want to find this out? How helpful was this information/source?
 - If not: Why have you not looked? If you wanted to find out info/advice, who would you approach?
- Ideally, if you wanted to find out more information or advice about NMW;
 - What would you like to know about it?
 - What kind of support would you like?
 - E.g. Confidential face to face advice
 - Confidential telephone helpline
 - Website
 - Posters at workplace
 - NMW representatives visiting workplace to raise issue of NMW
 - What would be your preferred channel (internet, telephone, face to face, advert)? Would you trust some sources more compared to others? Why do you say that?
 - Would you want information/advice from a particular organisation/body? Why do you say that? What are those organisations/bodies?
- Were you aware of these sources providing information, advice and support on NMW? Show show-cards on:
 - Showcard E PWRH
 - Showcard F Facebook
 - Showcard G gov.uk
 - Would you ever use these sources? Why/why not?
 - Would you prefer to speak to someone on the telephone, internet, face to face?
- Would you like to know more about the NMW?
- What would be the best way to get in touch with you to tell you about the National Minimum Wage:
 - Phone
 - Email
 - Letter
 - SMS/Text
- And would you prefer not to be contacted using any of these methods? Why is that?

8. Summary and Close

5 mins

This section will sum up the interview and thank participants for their time.

- What has been the most interesting/ surprising thing we've spoken about today?
- Is there anything else you would like to add?
- Any questions?
- Researcher note: Please signpost respondents to the PWRH helpline (if appropriate)
 - If you would like to find out more you can call the Pay and Work Rights Helpline on 0800 917 2368
- Thank and close

Understanding worker behaviour in maintaining compliance with National Minimum Wage (NMW) Law

Discussion Guide – Complainants

Aim of the research: To understand why workers work for less than the NMW, awareness of NMW, what influences perceptions and behaviour, and sources of information about NMW

Objectives:

- Explore reasons for workers working for less than NMW
 - Explore all potential causes relating to awareness of NMW; personal circumstances; social norms etc.
 - Perceptions of who is attributable for non-compliance with NMW
- Assess workers' awareness of their rights and obligations in relation to NMW
 - Rates; eligibility; enforcement
- Information sources & tools
 - Awareness & use of existing tools
 - Needs & preferences for tools

About this guide

- This is a guide, and not a questionnaire.
- It includes the areas to be covered in the sessions, but we will not use these exact words and we may not cover all issues in all interviews.
- Issues will be focussed on as relevant for each respondent and space will be allowed for participants to discuss relevant topics, which are not on our guide.

1. Introduction

5 mins

Moderator

- **Note:** *These participants have all been in touch with the Pay and Work Rights Helpline previously about NMW issues. They were recently called by PWRH staff who invited them to take part in the research and they subsequently opted in to take part. They will be aware of the NMW so the focus of these interviews is to find out their views on why other workers at their work place have not complained and also explore what motivated them to complain and how they went about it.*
- Thank participant for taking part in the research.
- Introduce self, GfK NOP, the interview and time with the participant will last an hour.
- Explain purpose of research – GfK NOP is conducting this research to explore the impact of low incomes in the area to develop a better understanding of how low pay can affect workers, and what the government can do to improve pay conditions.
- Reassure re: confidentiality, recording and MRS Code of Conduct. *We are independent researchers, and we are not concerned with identifying you or catching you out, just with hearing about your experiences and views. Please feel free to be honest; I'm not here to judge. Your perspective is really important to us.*

- Explain importance to participant of their being able to say what they think, no right or wrong answers, need for honesty, any opinion useful and valid.
- Confirm that the case study participant is happy with the plan of action and understands. Any questions?

2. Respondent context

10 mins

The aim of this section is to explore the participant's background and current circumstances to establish what is important to them and how work fits into this

- Tell us a bit about yourself:
 - > Local area
 - Where do you live at the moment? What's it like? How would you describe it to someone who had never visited it? How long have you lived here? Where were you before?
 - > Routine
 - Describe a typical day in your life. What do you do? What are the best parts of your day? What do you do if you want to relax?
 - > People
 - Who do you live with at the moment? Who else do you speak to in a typical week? Who are the most important people to you at the moment?
 - > Health
 - How is your health nowadays? To what extent does your health prevent you from doing any of the things that you'd like to do?
 - > Finances
 - How do you manage financially at the moment? How easy or difficult is it to manage financially? What would change in your life if you had more money?
 - What are your sources of cash at the moment? What about benefits? (If necessary: some people claim benefits whilst working, do you claim benefits?)
 - > Past
 - How has your life changed in the last 5 years? What have been the most important changes?

3. Current work and pay

10 mins

The aim of this section is to fully explore current work circumstances including pay

- Explore route to employment: life story/journey to where you are now (in terms of job, training, education.)
- Could you briefly describe to me your current job/working situation
 - Job role/title
 - Job tasks and responsibilities
 - Hours you work
 - How long you have been in your current job
 - Pay
 - Any other benefits
 - Application/recruitment process
 - Why did you accept the job?
- Arrangement of contract / terms
 - At your current job, did you have to sign a contract?
 - (If they have: How do you feel about signing a contract? Do you remember what kinds of things it said in the contract? Do you think it is important to sign a contract? Does your contract reflect what happens in practice?)
 - (If not: How do you feel about not signing a contract? Do you think it is important to sign a contract?)
- Likes and dislikes about role
- Now can you tell me briefly tell me about job you were in when you called the PWRH helpline (moderator note: it may be that participant is still at the same work place so ask questions as appropriate)
 - Job role/title
 - Job tasks and responsibilities
 - Hours you work
 - How long you have been in your current job
 - Pay
 - Any other benefits
 - Application/recruitment process
 - Why did you accept the job?
- Arrangement of contract / terms
 - Did you have to sign a contract?
 - (If they have: How did you feel about signing a contract? Do you remember what kinds of things it said in the contract? Do you think it was important to sign a contract? Does your contract reflect what happens in practice?)
- Likes and dislikes about employer

- Motivation
 - Do you enjoy what you do? Why/why not?
 - What do you get out of your job? (This could be things such as other benefits, payment in kind or could be things such as how it makes you feel, career progression, whether it suits your lifestyle.)
 - Do you feel that your employer values you as an employee? Why/why not?
- Plans for the future – a year from now
 - What do you see yourself doing a year from now? Why do you say that?
 - Do you see yourself in the same job role? Why/why not?
 - Would you like to be doing something else? Why/why not? What would you prefer to do?
 - Is there anything preventing you from doing what you would like to do? Why do you say this? Is this something that you could overcome?

4. Exercising their rights

10 mins

Understand how they went about making a complaint about rights/ pay and their motivations.

- Can you tell me about your experience of finding out about your rights/pay?
 - What did you do?
 - Who did you speak to?
 - How did you know who to speak to?
 - When did you speak to PWRH
 - Whilst still working there
 - After leaving but before finding another job
 - After starting work elsewhere
 - What happened when you spoke to the people at PWRH?
 - How did you feel after you contacted them?
 - Why is that?
- What motivated you to get in touch with PWRH?
 - Whilst you were still there/once you'd left
 - How did your other colleagues react?
 - How did your employer react?
- Can you tell me why you decided to leave/stay at this work place?
 - Explore what things changed at work
 - How did you feel at work?
- Can you recall what happened at your workplace afterwards
 - Explore how much they know about enforcement
 - Explore the issue of underpayment of NMW and how the NMW was enforced at the workplace
- What would have happened if you hadn't called PWRH?
 - Why is that?

5. Working for less than NMW

10 mins

Understand why they think workers work for less than NMW

- What do you think are the reasons other workers choose not to complain about their rights and pay?
- Lack of awareness of entitlement
 - applicability to type of job, formality of employment contract, complexity of rates;
- Personal circumstances
 - e.g. travel, fit with domestic responsibilities, type of work, household income, age, health, incentives to claim, overall income from work versus benefits, perceptions of personal value/self-confidence etc
- Employment circumstances
 - e.g. opportunities to learn/ train, hours – number and flexibility, those working in organisations with a poor climate of employment relations
 - Afraid of employer/consequences of exploring issue of NMW
- Constrained by their circumstances
 - e.g. as limited labour market options, poor qualifications, lack of self-confidence, the extent of their wider dependence on an employer – for example for accommodation and loans and occasionally, language barriers
- Social norms
 - e.g. occupational value, sector norms, value of personal skills/ attributes and colleagues are working for less
- Assume they don't have any rights because of their nationality/status
- Assume they are already being paid fairly
- No one told them about NMW
- Satisfied with their working conditions
- Employer provides other benefits – what are they?
- What else?
- Who do you think is usually responsible for underpayment of workers?
 - The employer e.g.
 - unaware/error,
 - aware but complicit and can't pay but would like to)
 - The worker
 - unaware
 - complicit
- What do you think would motivate these workers to try and find out more about getting the national minimum wage?
- Have you ever told anyone about NMW/pay/rights?
 - What kind of things did you say?
 - How did you explain it to them?

- What words did you use?
- Did they understand/do something about it?
 - Why not?
- What else could you have said/done?
- What additional help do you think they would need to contact someone about their pay/rights?
 - Who/what sources are they likely to trust more/less?
 - What kind of information would they need?
 - What else would make it easier for them to make a complaint/claim NMW?

Exercise A: workers' rights part 1

Scenarios 1 – 6

(Researcher note: Please show 2-3 scenarios that you feel the respondent will be able to relate to and provide responses for)

- I am now going to read some scenarios about work situations to you. I would like you to comment on what you think of the situation and what you think that person should do.
- What are your initial thoughts of this **scenario**?
- What do you think the person should do in this situation? Why do you think that?
- What rights do you think the person has in this situation? Do you think they have the power to exercise these rights?
- If the person in the scenario took the course of action you suggested, what do you think would happen next?
- What channels do you think they should use in finding out and reporting information?
- Do you have any concerns or think there are any barriers?

Scenario 1

- Matt is 19 years old and works at a hairdressing salon. He's been working there since he left school at 17 and is training to be a hair stylist. He works 38 hours a week and his weekly pay is less than £100.
- Matt asked his employer about increasing his pay but he was told as he is an apprentice he is being paid the Apprentice wage. However, Matt doesn't attend college and he does not think that he is being trained so he's not sure whether or not he is an Apprentice.

Scenario 2

- Alex is 28 years old and works 9 hours a day, 6 days a week at a burger van in busy outdoor market. His employer provides accommodation and travel.
- His take home pay is £100 cash every week because his employer pays for his accommodation and travel and deducts that from his pay.
- Alex has spoken to his friends and they have told him he should be paid more but Alex is too afraid to say anything to his employer and he is also too afraid to speak to anyone officially because he's afraid his employer might find out and make life difficult for him.

Scenario 3

- Mary is 24 years old and arrived in the UK about 18 months ago. Her friend got her job in a large city hotel as soon as she arrived and she has been working as a waitress in the hotel restaurant for a year. Her employer pays for her uniform and her food while she is working so she is happy with that.
- However, she has heard other colleagues comparing their pay and she is convinced she is earning less than them for the same hours and same work.
- She is too afraid to speak to her manager because she thinks that it might ruin the good relationship or worse she could lose her job if she asks for a pay rise.

Scenario 4

- Mahmood is 25 years old and works in his cousin's shop. He repairs laptops and mobile phones and is happy with the kind of work he does as he is using his specialist skills.
- He works 30 hours a week and he is paid £150 after deductions for tax and national insurance.
- He is eligible for benefits so he manages to pay his rent and household expenses so while he suspects he is underpaid, he doesn't want to raise the issue with his cousin because it will cause problems in the family.

Scenario 5

- Max is 30 years old and works in a garage as a mechanic. As English is not his first language someone else negotiated the pay and conditions on his behalf. Max signed a contract but didn't really understand what he was signing. He finds out after his first pay packet that he is being paid less than what was verbally agreed by his friend and the owner of the garage.

Scenario 6

- David is 19 years old and works in a large home appliance store in the town centre. He works 5 days a week and his contracted hours are 9am until 6pm. His manager expects him to arrive by 8.30am each day to help get the shop ready before it opens to the customers.
- David doesn't get paid for this additional 30 minutes each day and isn't sure whether it's something he should be raising with his manager.

6. Sources of information / advice on NMW

10 mins

This section will identify needs & preferences for sources of advice

- Where did you look for information and advice on NMW?
 - How did you find out about this? What did you try and find out about? Why did you want to find this out? How helpful was this information/source?
- Were you aware of these sources providing information, advice and support on NMW? Show show-cards on:

Showcard E PWRH/Showcard F Facebook/Showcard G gov.uk

- Would you ever use these sources? Why/why not?
- Would you prefer to speak to someone on the telephone, internet, face to face?
- Would you like to know more about the NMW?
- What would be the best way to get in touch with you to tell you about the National Minimum Wage:
 - Phone/Email/Letter/SMS/Text
- And would you prefer not to be contacted using any of these methods? Why is that?

7. Summary and Close

5 mins

This section will sum up the interview and thank participants for their time.

- What has been the most interesting/ surprising thing we've spoken about today?
- Is there anything else you would like to add?
- Any questions?
- **Researcher note: Please signpost respondents to the PWRH helpline (if appropriate)**
 - If you would like to find out more you can call the Pay and Work Rights Helpline on 0800 917 2368
- Thank and close

Showcards

Show-card A: *National Minimum Wage*

- The National Minimum Wage provides a legally binding minimum hourly rate of pay for most workers over compulsory school age
- It doesn't matter how small an employer is, they still have to pay the minimum wage.
- The minimum wage rate depends on a worker's age and if they're an apprentice.

Show-card B: *Level of National Minimum Wage*

- The National Minimum Wage rate per hour depends on your age and whether you're an apprentice - you must be at least school leaving age to get it.

Year	21 and over	18 to 20	Under 18	Apprentice*
2013 (current rate)	£6.31	£5.03	£3.72	£2.68

- *This rate is for apprentices under 19 or those in their first year. If you're 19 or over and past your first year you get the rate that applies to your age.

Show-card C on *Eligibility for NMW*

Workers must be school leaving age or over to get the minimum wage.

Contracts for payments below the minimum wage are not legally binding. The worker is still entitled to the minimum wage.

Workers are also entitled to the minimum wage if they are:

- part-time
- casual labourers, e.g. someone hired for 1 day
- agency workers
- workers and homeworkers paid by the number of items they make
- apprentices
- trainees, workers on probation
- disabled workers
- agricultural workers
- foreign workers
- seafarers
- offshore workers

Apprentices under 19 or in their first year get an apprentice rate.

Show-card D on *Enforcement of NMW*

- It's a civil offence for employers not to pay someone the National Minimum Wage or to falsify payment records.
- Employers who discover they've paid a worker below the minimum wage must pay any arrears immediately.
- HM Revenue & Customs (HMRC) officers have the right to carry out checks at any time and ask to see payment records. They can also investigate employers, following a worker's complaint to them.
- If HMRC finds that an employer hasn't been paying the correct rates, any arrears have to be paid back immediately. There will also be a penalty and offenders might be named by the government.
- It's the employer's responsibility to keep records proving that they are paying the minimum wage - most employers use their payroll records as proof. All records have to be kept for a minimum of 3 years.

Sources of information / advice on NMW

Showcard E : PWRH



Quick answer

Pay and Work Rights Helpline

Help and advice for workers and employers on workers' rights at work.

Pay and Work Rights Helpline

[Enquiry form](#)

[Complaint form](#)

Telephone: 0800 917 2368

Textphone: 0800 121 4042

Monday to Friday, 8am to 8pm

Saturday, 9am to 1pm

[Find out about call charges](#)

The service is free and confidential. The helpline has a free translation service available in over 100 languages.

You can get advice on issues including:

- the [National Minimum Wage](#)
- working for an [employment agency](#)
- [maximum weekly working hours](#)
- [agricultural workers' rights](#)
- working for a gangmaster

Your pay, tax and the National Minimum Wage

[The National Minimum Wage](#)

[More](#)

Working, jobs and pensions

[Agricultural workers' rights](#)


[Employment contracts](#)


[Maximum weekly working hours](#)

[More](#)

Showcard F: Facebook

facebook
Search for people, places and things





The National Minimum Wage

Current rates per hour are:

- Adult rate £6.31
- 18-20 year olds £5.03
- 16-17 year olds £3.72
- Apprentice rate £2.68



National Minimum Wage

209 likes · 14 talking about this


Like

Messages


Community

The UK National Minimum Wage. Call the Pay & Rights helpline free on 0800 917 2368 for confidential advice. For latest rates see <https://www.gov.uk/national-minimum-wage-rates>

About - Suggest an Edit



Photos

 **209**

Likes



Events


Posts by Page

Post
Photo / Video

Write something...

National Minimum Wage changed their cover photo.

1 October



National Minimum Wage

1 October

From today, all National Minimum Wage rates have

Adult rate - £6.31/hour

18-20 year olds - £5.03/hour

16-17 year olds - £3.72/hour

Apprentice rate - £2.68/hour - this rate is for apprentices or those in their first year. If you're 19 or over in your first year you get the rate that applies to your age.

Guide

The National Minimum Wage

1. [What is the minimum wage](#)
2. [Who gets the minimum wage](#)
3. [Employers and the minimum wage](#)
4. [Worker disputes over minimum wage](#)

1. What is the minimum wage

The National Minimum Wage is the minimum pay per hour almost all workers are entitled to by law.

It doesn't matter how small an employer is, they still have to pay the minimum wage.

The [minimum wage rate](#) depends on a worker's age and if they're an apprentice.

Use the [National Minimum Wage calculator](#) to check if the minimum wage has been paid.

Workers can check if:

- they're getting the minimum wage
- an employer owes them payments from past jobs

Your pay, tax and the National Minimum Wage

[National Minimum Wage rates](#)

[National minimum wage: accommodation](#)

[Payslips: your rights](#)

[More](#)

Working, jobs and pensions

[Employment status](#)

[Volunteer placements, rights and expenses](#)

[Employment rights and pay for interns](#)

[More](#)

Elsewhere on GOV.UK

[Minimum wage for different types of work](#)

9. APPENDIX B

RECRUITMENT SCREENER

Respondents Name: _____
Time of Depth: _____
Date of Depth: _____
Depth No.: _____



Good morning/afternoon/evening. My name is <insert name> and I am from Criteria Fieldwork, a market research company. We are working on some research with GfK NOP and independent research agency.

GfK NOP are independent researchers who are legally bound to keep research participant's details and anything shared during the research confidential. Please let me know if you would like more information about the professional Market Research standards GfK NOP abide by.

We are currently working together on a research study exploring the views of people on the local area, in particular looking at the impact of low incomes in the area and how it can affect local people. By speaking to you we can get your views which will help us to develop a better understanding of how low pay can affect workers, and what the government can do to improve pay conditions for workers. It is entirely voluntary and everything you say will be confidential and you will never be identified in any way.

We are looking for people to take part in a one to one interview. The interview would last for 1 hour and take place at a central location, such as local community centre or hotel, at a time convenient to you. As a token of our appreciation for participation eligible attendees will receive a cash payment of £40 as a thank you for their time. I just need to ask a few questions first...

DEMOGRAPHICS

Q1a Code Gender:

- Male 1
- Female 2

Please aim for a spread of gender across depths at Q1a

Q1b Age: _____

Q1c Are you at present (code all that apply):

Married 1 Single 2 Divorced 3 Widowed 4 Separated 5
 Cohabiting 6 Living with parents 7 Sharing with friends 8 Living alone 9

Q1d Do you have children or are you expecting your first child?

- Yes, I have children 1 **Complete grid below**
- Yes, expecting first child 2 **Continue to Q1e**
- No 3 **Continue to Q1e**

Respondent's children:

	Gender	Age
Living at Home		
Away from home		

Q1e Respondent's working status:

- Working full time (28+ Hours per week) 1
- Working part time (6-29 Hours per week) 2
- Working less than 6 hours a week 3
- Education (GCSE or pre-GCSE) 4
- Education (A-level or equivalent) 5
- Education (Vocational - *write in*): _____ 6
- Education (Degree or equivalent) 7
- Education (Post-graduate) 8
- Non-Working 9
- Retired 10
- Other 11
- (*write in*): _____

All to be working full or part time at Q1e

Q2 (a) Respondent occupation:

(b) Principle job responsibilities:

(c) Nature of employment contract (probe fully):

	Code	Interviewer instructions
Permanent contract (directly with employer)	1	Recruit for depth x – x
Freelance	2	Exclude
Self employed	3	Exclude
Casual/Zero Hours contract	4	Recruit for depths x – x
Temporary work directly for an employer (i.e. with/without contract)	5	Recruit for depths x – x
Temporary work via an agency (i.e. no contract)	6	Recruit for depths x – x
Apprenticeship (<i>recruiter - probe for details</i>)	7	Recruit for depths x – x
Work experience	8	Exclude
Work shadowing	9	Exclude
Unpaid volunteer work	10	Exclude
Other (write in):	11	Check with researchers

DO NOT RECRUIT ANYONE CODED: 2,3,8,9 or 10 at Q2c

Depths x – x:

All to be apprentices with a formal apprenticeship agreement with their employer (please probe fully for details) code 7 at Q2

Depths x - x:

To be working on a permanent contract or not, or completing temporary work directly for an employer or via an agency (codes 1, 4,5 or 6) at Q2c

PLUS

None to be apprentices at Q2 (code 7)

Quotas continued overleaf....

All Depths:

X6 to work in accommodation or food service industries (i.e. Hotels and restaurants) at Q2

X5 to work in other service activities (hairdressing sector etc) at Q2

X5 to work in the wholesale / retail or repair of motor vehicles/ motor cycles PLUS at least X2 are apprentices at Q2

X4 to work in the Care sector PLUS at least X1 is an apprentice at Q2

Spread of sectors to be represented in each location

None to work in the following work circumstances:

- self-employed people running their own business
- company directors
- volunteers or voluntary workers
- workers on a government employment programme, e.g. the Work Programme
- family members of the employer living in the employer's home
- non-family members living in the employer's home who share in the work and leisure activities, are treated as one of the family and aren't charged for meals or accommodation (e.g. au pairs)
- higher and further education students on a work placement up to 1 year
- workers on government pre-apprenticeships schemes
- people on the following European Union programmes: Leonardo da Vinci, Youth in Action, Erasmus, Comenius
- people working on a Jobcentre Plus Work trial for 6 weeks
- members of the armed forces
- share fishermen
- prisoners
- people living and working in a religious community
- students doing work experience as part of a higher or further education course on a government or European programme
- work shadowing

Recruiter note: please ask this question as tactfully as possible to get an honest answer without drawing attention to this particular element of screening-

Q3a Can you tell me what your basic hourly rate is, if you know it?

£ ●

If not sure ask:

Q3b Can you tell me how much your gross pay is without deductions?

£ ●

Q3c What period does this cover?

- | | |
|-----------------------------|----|
| 1 week | 1 |
| 2 weeks | 2 |
| 3 weeks | 3 |
| 4 weeks | 4 |
| Calendar month/5 week month | 5 |
| Two months | 6 |
| 8 times a year | 7 |
| 9 times a year | 8 |
| 10 times a year | 9 |
| 3 months | 10 |
| 6 months | 11 |
| One year | 12 |
| Less than one week | 13 |
| One off/lump payment | 14 |

Q3d If coded 1 or 13 (i.e. a week or less than a week) then ask: How many hours did you work in this period?

Hours

Interviewer note: If hourly rate is not known then please use responses from Q3b-3d to work out the hourly rate to see if they are earning below the National Minimum Wage and therefore eligible for or interview.

**Depths x – x (apprentices):
If aged 16-18 then all to be earning less than £2.68 per hour**

Depth x (16- 24 in employment):
If aged 16-18 and non-apprentice then all to be earning less than £3.72 per hour
If aged 18-20 then all to be earning less than £5.03 per hour

Depths x - x (25+ years in employment):
All be earning less than £6.31 per hour

Age	Hourly rate
Apprentice (aged 16-18)	£2.68
Non-apprentice aged 16-17	£3.72
18-20	£5.03
21+	£6.31

Q4 Which of the following describes your ethnicity?

White	
British	1
Welsh	2
Irish	3
Polish	4
Any other white background	5
Asian or Asian British	
Indian Sikh	6
Indian Gujarati	7
Pakistani	8
Bangladeshi	9
Any other Asian Background	10
Black or Black British	
Caribbean	11
Africa	12
Other black background	13
Mixed	
White and black Caribbean	14
White and black African	15
White and Asian	16
Any other mixed background	17
Chinese	
Chinese	18
Any other ethnic group	19

Ethnicity to fall out naturally by area at Q4

OCCUPATION/INDUSTRY EXCLUSIONS

Q5 Thinking about the following occupations, can you tell me which, if any:

- a) you currently work in or have worked in the past?
- b) any member of your family or close friends currently work in?

Read out:	a) b)
Advertising	X X
Market Research	X X
Public Relations	X X
Journalism	X X
Marketing	X X
Local Government	X X
Central Government	X X
Lobby group/Think Tank	X X
Political Party Administration	X X
Recruitment/jobcentre _____	X X
None of the above	0 0

**If yes to any responses above the line, close interview
All to code None of the above at Q5a and Q5b**

Q5c Do you intend to work in any of those occupations in the next 6 months?

- Yes **X Close**
- No **2 Continue**

PREVIOUS ATTENDANCE

Q6a Are you scheduled to participate in a market research group discussion/depth interview in the near future?

- Yes **X Close**
- No **2 Continue**

Q6b Have you ever attended a market research group discussion/depth interview?

- Yes **1 Ask Q6c**
- No **2 Go to Q7**

Q6c How long ago did you last attend a market research group discussion/depth interview?

- In the last 6 months **X Close**
- 6 Months-3 years ago **2 Ask Q6d**
- More than 3 years ago **3 Ask Q6d**

None to have attended in the last 6 months

Q6d How many market research group discussions/depth interviews have you attended in total?

If more than 3 market research group discussions/depth interviews attended in total close

Q6e What was each of those market research group discussions/depth interviews about?

Interviewer write in:

If on a similar subject as this survey, close interview

Q7 It may be necessary for the research team to contact you by email or telephone after the research has taken place to follow up on ideas generated during the discussion. You would only be contacted if strictly necessary and only in connection with this research. Are you happy to agree to be re-contacted on this basis, and for us to pass your email address to the research team?

Yes 1 **Continue**
No 2 **Refer to the office**

INVITE TO PARTICIPATE IF RESPONDENT MEETS ALL QUOTAS

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