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## **Ethnicity and low wage traps: favouritism, homosocial reproduction and economic marginalization**

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### **Abstract**

This article analyses the relationship between cultural difference, social connections and opportunity structures using interview evidence from low-paid workers and managers in local government, the health service, facilities management and housing. Exploring the operation of homosocial reproduction it reveals the double-edged nature of informality and the role of favouritism in particular in perpetuating ethnic advantage and privilege. Whilst demonstrating that uses of homosocial reproduction need to be sensitive to intersections of identities or categories of difference, the article adds further evidence of the persistent gap between equal opportunities policies and practice for ethnic minorities in the United Kingdom labour market. The article concludes that stronger forms of positive action, and even positive discrimination, are needed to address the low pay traps and restricted opportunities of ethnic minority workers.

### **Keywords**

Ethnicity, favouritism, homosocial reproduction, intersectionality, pay, privilege, social capital, social mobility, workplace cultures

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## **Introduction**

Moving out of unemployment into paid work may seem like the first step on the ladder of social mobility, but taking a relatively low level position can mean entrapment in poorly paid work (Scherer, 2004). According to research by the Low Pay Commission (2013), women and ethnic minorities are over-represented among low paid workers, linked to their historical segregation and segmentation into particular sectors, industries and occupations (Bradshaw et al., 2010). Mid-skilled occupations are commonly under-represented among ethnic minority groups (Catney and Sabater, 2015) with analysis from researchers such as Brynin and Güveli (2012) revealing that barriers to the highest-paid occupations are contributing to wage differentials between the white majority and minority groups.

Accounts of unfair workplace cultures and discrimination against ethnic minority groups reveal their enduring role in shaping occupational segregation and unequal outcomes (see for example Healy et al., 2011; Kingston et al., 2015). Such studies show how social connections and social similarity can both open and limit opportunity. For instance, research in the United Kingdom (UK) retail sector (Harris and Ogbonna, 2015) and Norwegian construction sector (Friberg, 2012) shows that social homophily (or the tendency to associate and bond with people who are similar) has harmful discriminatory consequences, privileging the labour market opportunities of some and eroding those of others. Behtoui and Neergaard (2010) find that being part of a stigmatized immigrant group is associated with a substantial lack of valuable social connections which in turn has a detrimental impact on wages. Studies like these imply that processes of social exclusion and inclusion reflect and perpetuate the type of strong organizational subcultures discussed by Ackroyd and Thompson (1999) that form the fabric of working lives but which both overtly and inadvertently limit opportunities for outsiders.

This article focuses on low wage traps created by the types of social exclusion processes noted above that limit opportunities for progression into better jobs. Using interview evidence from case studies it reinforces and develops arguments about the significance of the relationship between cultural difference, social connections and opportunity structures. The article (a) locates social exclusion within the concept of homosocial reproduction; (b) describes the research design, data collection method and analysis; (c) identifies the operation of homosocial reproduction in a range of UK sectors and analyses the adverse consequences for equal opportunity and socio-economic mobility; and (d) considers the policy implications for tackling the low pay entrapment of ethnic minorities and migrant workers.

### **Informality at work: homosocial reproduction and organizational subcultures**

Individuals are situated in complex networks of social affiliations (Loury, 2005) which can influence access to opportunities and support. Exploring the relationship between structures, power and majorities and minorities and their contribution to gendered outcomes, Kanter (1977) argues that uncertainty encourages managerial elites to pursue social similarity. The greater the degree of uncertainty, the higher the pressure to form a homogenous group who share a similar outlook, social background and social group characteristics, because the similarity forms a basis for trust and mutual understanding. The result is the creation and perpetuation of a network of privileged, influential insiders, who are socially connected and similar. Kanter calls this homosocial reproduction. With reduced uncertainty comes more potential heterogeneity and less reliance on personal trust, opening up closed circles, but this depends on the privileged elite being prepared to allow entry.

Kanter focuses on women but the processes she reveals can be applied to other groups, and researchers have explored how homosocial reproduction explains promotion disadvantages for black employees (Baldi and McBrier, 1997; Nkomo and Cox, 1990), but engagement with intersections of identities is lacking. Social norms, customs and common cultures, expressed in homosocial reproduction, have the potential to

create strong divides in our personal environments, with weaker ties between non-similar individuals fueling the scope for the formation of niches within social space (McPherson et al., 2001), embodying agency amongst socio-cultural groups.

Clearly, homosocial reproduction influences the equality and diversity dimension of workplace cultures but it is not only a managerial activity. Cockburn's (1983) classic study of print workers was one of the first to reveal how a male-dominated, unionized industrial culture can construct barriers to entry, control work allocation and define concepts of skill to perpetuate the status quo and close off opportunities for women. Recently, Harris and Ogbonna (2015) provide a vivid account of how ethnic groups restrict access to labour market areas in the UK retail sector. Engaging with processes of homosocial reproduction amongst shopfloor workers, they articulate how cultural constructions of suitable and unsuitable colleagues foster unfair workplace discrimination. With a focus on employment and organization, their qualitative case study of the retail sector concludes that the activities of shopfloor workers can be 'clandestine and sinister as well as morally undesirable' (Harris and Ogbonna, 2015: 15). Not only do shopfloor workers prefer to work with those who are demographically similar, they also proactively seek to influence job allocations and to control the demographic dynamics of their immediate work teams, legitimizing them as 'common sense' practices. Holding intermediary work positions that make them gatekeepers to work opportunities thus contributes to the ability of shopfloor workers to influence opportunity structures.

Tacit management approval can contribute to the normalization of undesirable behaviours in practices and procedures (Ackroyd and Thompson, 1999). Subcultures emerge between individuals' social networks and employing organizations. These informal dynamics are important for equalities practice because they can adversely impact the ability and possibly inclination, of human resource managers to influence how line managers (and indeed shopfloor workers) control and shape access to labour market opportunities and the climate for workplace equality. Those disadvantaged by homosocial reproduction may lack the influence

to challenge ensuing structural inequalities. There may also be little impetus for a counter-culture if the 'company culture' is being used as a means of management control (Grugulis et al., 2000), albeit tacitly. Homosocial reproduction may involve management's exploitation of prejudice for perceived gains such as avoiding interpersonal and group conflict at work and creating a more cohesive workforce. It reflects the minority view from the Fair Treatment at Work Survey 2008 that: 'if employers do not provide equal opportunities, this must be because discrimination will help the organisation to meet its goals: reducing costs by paying lower wages, satisfying the preferences of customers' (Fevre et al., 2011:4).

Constrained agency is at play in such processes. Using survey data and qualitative interviews with employers and Polish migrants, Friberg (2012) outlines how cultural difference is important in the structuring of labour markets in Norway. Drawing on Bourdieu (1986) and engaging with homosocial reproduction in all but name, Friberg finds exclusionary stereotyping in employment practices. However, he suggests that these are reinforced by the migrants' own tactical use of the cultural capital available to them when negotiating conflicting expectations in different job segments. In organizational subcultures, cultural capital (described by Bourdieu, 1986, as symbolic assets that may be institutionalized through formal education or embodied in accent, bearing and behavioural dispositions) operates alongside social capital (derived from bonds of kinship, friendship and common community origin and identity).

This article engages with structural inequalities, organizational subcultures and the constrained agency of low-paid workers. It adopts Kanter's concept of homosocial reproduction, extends it to ethnic minorities and deploys it, using an intersectionally sensitive approach, to investigate and explain entrapment in low paid work. The article shows that it is a powerful conceptual tool in explaining the development of structural inequality. The analysis is focused on worker experiences of core employment structures: routes into low paid work, training and development regimes, and promotion opportunities. Three main aspects of homosocial reproduction are evaluated:

- 1) How it provides ethnic minorities with access to low-paid jobs, particularly in the private sector, which of course includes outsourced public sector jobs.
- 2) How its operation in promotion locks ethnic minorities out of better paid jobs, stunting social mobility.
- 3) How employment policy pays insufficient attention to its effects, and the importance of positive action and discrimination, given the longstanding limits of formalisation and challenges in influencing workplace cultures.

## **Methods**

Qualitative approaches are important in exploring the experiences of low-paid workers as they can help to reveal the processes at play in low wage traps (Lloyd et al., 2008) and discrimination (Fevre et al., 2011). The analysis below draws on recent research that explored the experiences of low-paid workers from a range of ethnicities, both men and women (Hudson et al, 2013). The research team understood ethnicity as situationally defined and fundamentally political (Jenkins, 2008; Kenny and Briner, 2013). Fieldwork was undertaken between March 2012 and February 2013. A multiple case-study approach was used to explore social interactions and relations and equalities policy and practice in organizational life, engaging with workplace cultures. This approach allowed the research team to take into account variations in workplace context and locality.

The focus was on large organisations (with over 1,000 employees) with more progression opportunities. Nine workplace case studies were undertaken, from the public, private and voluntary sector in England and Scotland. This article focuses on a subset of the cases from England (Table 1), capturing a total of 35 interviews with low-paid workers (25 of these were ethnic minority or migrant and 10 white British) and 22 with managers. The emphasis was on teasing out ways in which ethnicity was salient in low-paid

workers' everyday working lives, by allowing workers to define and explain their own situation and work experiences and then comparing their accounts with those of management interviewees. While the research sought to capture accounts of discrimination, the aim was not to target workers known to have experienced discrimination at work, but rather to explore the everyday, working lives of low-paid workers in organizational context.

The choice of case studies was also influenced by the changing landscape of low pay and in-work poverty, in which employment relationships have become increasingly fragmented. The UK has experienced unprecedented cuts in public sector employment alongside low-paid jobs and workers being outsourced (van Wanrooy et al., 2013). These developments were evident in Council1, NHS and Housing which had taken over the ownership of the houses formerly owned by a council. Global facilities management companies now have a significant presence in public sector operations. Instead of working for a single well-defined employer, employees increasingly work across organisational boundaries (Rubery et al., 2010), sometimes holding multiple mini-job contracts (Greater London Authority, 2012). Keen to engage with the realities of labour market restructuring and accompanying changing organizational boundaries of direct and indirect employment, we included facilities management company case studies delivering outsourced services (as in FacilitiesCo in Table 1).

Gatekeepers (human resource managers with the assistance of line managers) were asked to facilitate interviews with a sample of workers across the ethnicities represented in their lowest paid areas of work. To avoid over-simplified black-white dualisms, white British/Scottish and ethnic minority workers (including migrant workers) were sampled. Gatekeepers were asked to identify workers eligible for working tax credits or earning below average incomes. We were particularly interested in the interactions of ethnicity and workplace cultures. With a view to supporting an intersectionally sensitive approach (McBride et al., 2015; Healy et al., 2011), both men and women were interviewed. The approach provided insights into new ethnic divisions of labour, particularly an increased presence of Eastern European migrant workers, and

affirmed longstanding divisions such as an over-representation of Bangladeshis in low-paid work and related intersections of gender, ethnicity and faith. Once identified, potential interviewees were invited to participate in the research by being interviewed at a time and location convenient to them. The research team implemented the standard ethical procedures of providing a clear, written explanation of the research; of ensuring both anonymity and security of the data; of offering the right to withdraw at any stage; and of getting signed, informed consent from each interviewee. All interviews were recorded and transcribed.

Data analysis (facilitated through the use of Nvivo software) explored a priori themes underpinning the development of matched semi-structured interview topic guides for low paid workers and managers. Amongst these themes were the potential role of social networks in recruitment and discrimination as well as broader exploratory themes around the enablers and constraints on low paid worker progression in workplace practices and cultures. As we started to code we engaged with emergent themes from different social actors. In particular we came across dynamics implying hierarchies of cultural legitimacy (Bourdieu, 1984). Ethnic minority and migrant low paid workers expressed concerns about ‘favouritism’ in organisational progression, a theme little mentioned by the managers interviewed as will be explored further below. The approach was consistent with arguments that additional insights can be gained by simultaneously examining the victims and perpetrators of discrimination as well as the organizational contexts in which discrimination occurs (Harris and Ogbonna, 2015).

**Insert TABLE 1 here**

## **Findings: Informal processes and low wage traps**

### ***Informal structures and routes into low-paid work***

Ethnic minority and migrant women and men were over-represented in low paid work and women were over-represented in part-time and feminized work. Most human resource (HR) managers perceived a need

to improve ethnic parity in workforce composition through action on recruitment, with Council2 and Housing in the semi-rural area having the greatest gap to bridge. In the public and voluntary sectors, white British and ethnic minority low-paid workers reported finding their jobs through formal responses to job advertisements in local newspapers and on employer websites. They were sometimes told about vacancies by family or friends already working for these employers who were aware that a lack of affordable childcare meant that their female relatives and friends often required part-time work. Ethnic minority and migrant women faced additional challenges, for example some migrant women lacked access to informal care as relatives were living abroad.

In the private sector informal, word-of-mouth recruitment processes were extensive for low-paid work, largely involving migrant workers. In FacilitiesCo there was evidence of potentially discriminatory informal recruitment practices, in contrast to the public and voluntary sector cases. For example, a FacilitiesCo manager reported how recruitment at one site normally did not require external advertising because people within the organisation would pass on news of the vacancies to family and friends. Access to these social networks gave family and friends knowledge of the organisation and its workplace culture. It provided them with informal pathways into employment, which were closed to others in the external labour market.

Reinforcing management accounts of informal practices, there were numerous examples of migrant and ethnic minority workers being proactive in using their insider connections (family members and friends) even before vacancies were advertised. An ethnic minority woman had been working as a cleaner for 30 years, in the same location, first directly employed by the council and then by FacilitiesCo. She described how she obtained the job:

‘Because my sister- in- law used to work on the first floor then, because years ago it was a bit different. Years ago you couldn’t just come and work anywhere, it is who you know, especially in the town hall. ... she worked here and she got me in’. (Ethnic minority woman, FacilitiesCo)

It did not seem that recruitment practices had changed that much for cleaners, though their role had been outsourced. They were predominantly Eastern European women with childcare responsibilities. A younger migrant colleague explained that she obtained her job in the last two years due to a friend's recommendation. The aunt of a friend of another migrant woman helped her to get her cleaning job.

The interaction between informal process and formal routes, through agencies, illustrates how pathways between insecure employment and permanent work can develop. There were examples of workers in FacilitiesCo who gained their first permanent post after a period of casual work or 'temping' through agencies. An ethnic minority woman described how one of her friends had been working for an employment agency that sent the friend to work in FacilitiesCo. The friend got to know an ethnic minority manager who, after several months, linked her up with a permanent job. So she asked her friend to try to find a permanent job for her too, which she eventually did via an insecure route:

'And she called me, she said, I have found a permanent job. I said, if you get a chance, can you ask about me, maybe they have got something, even temporary for me. About 8 hours, let's say, like a normal shift. So she asked [the manager], and I think after a couple of months, I started working on a zero-hours contract. I had been working in different places as hospitality and catering. So I was covering people who was on holiday ... on maternity ... who was sick ... And after that I got the 8 hours contract, the normal one'. (Migrant woman, FacilitiesCo).

A transition from a temporary low-paid job to a permanent low-paid job could take years rather than months. An ethnic minority woman had been working for an employment agency, intermittently working on the catering side of FacilitiesCo. Eventually, after three and a half years, the company made her permanent and increased the regularity of her working hours. She explained how insecure this period had been but how building up positive workplace relationships had supported a transition into permanent work, which while still low-paid, gave her greater financial stability:

'Well previously I worked for them, but I was doing agency work. So I worked now and again. But because they liked me so much and I got on really well with the customers, they wanted to take me on permanently, basically... I was doing agency work for ... three and a half years...but I didn't like it. I did enjoy doing the work, but there was never enough of it. But some weeks you could work 7 days a week, and the next week you could get two days' work. So it wasn't

structured enough to live on the income that I was earning'. (Ethnic minority woman, FacilitiesCo)

Work-time underemployment is linked to financial hardship (Warren, 2015) and contributes to low wage traps. Some working mothers wanted to increase their working hours as children got older, but they encountered barriers. For example, on the cleaning side in FacilitiesCo, some migrant women with older children held multiple permanent employment contracts with different employers but they were each for a small number of hours. Even when they were able to combine several low paid short hour contracts this did not help them lift their households out of in-work poverty.

It appeared that for other agency workers, the prospects for a movement into permanent work looked bleak. Council1 was also in the process of outsourcing social care to agencies. In Housing, a voluntary sector organization working closely with a council, night-time social care staff were indirectly employed through an employment agency. While this provided a route into work for ethnic minority workers, progression into permanent employment was unlikely in a budget cutting climate:

'All our night staff are from an agency and I haven't counted them but they are mostly black and I would say from African backgrounds and that would be probably about 15 of those but they are employed by an agency and obviously we have them. Casual is the way in and that would be like a casual contract because there is not a lot of recruitment at the moment and it is more cutting than building'. (Manager, Housing)

### ***Restrictive development regimes for low-paid workers***

Across the case studies, managers conveyed the lack of progression pathways for all low-paid workers. Downsizing and delayering were felt to be an important part of the context for limited progression opportunities, particularly in the public sector case studies of health and local government. In terms of the prospects for improved part-time work opportunities that might support the progression of low paid working

mothers, there was more focus on job-cutting than job redesign. These are longstanding developments, accentuated by the impact of recession and austerity-related restructuring measures. Low-paid workers confirmed the importance of these factors, on some occasions noting the disappearance of promotion opportunities and budget uncertainty in the context of the threat of out-sourcing. Other interviewees indicated that the job insecurity surrounding lower and middle management positions made them reluctant to seek progression and promotion.

More generally and disproportionately affecting women in feminized roles, low-paid worker progression routes were stunted, as recognized by HR managers, for example in the health service:

‘Someone who is an Accident and Emergency receptionist, they may stay an Accident and Emergency receptionist for a very long time. A medical records clerk, where do they go?’. (HR manager, NHS)

Low-paid workers (and some junior managers) painted a picture of workplace cultures characterized by training and development opportunities focused on the existing job. Employers typically provided training at a minimum to meet mandatory health and safety requirements:

‘At a junior level it's only very, very basic courses that people do. A very, very basic level just to comply with statutory requirements. I have asked to do other courses and have been turned down’. (Muslim ethnic minority woman, Council2)

Recurring themes for low-paid workers across ethnicities were unsupportive line management and a related lack of workplace opportunity for advice, mentoring, coaching and work shadowing. Performance development reviews that should have provided an opportunity to discuss training opportunities were often experienced as a tick-box exercise. These issues curtailed the building of positive social networks in the workplace that might enable opportunities. The structuring of some low-paid work reinforced barriers to training. For example, FacilitiesCo cleaners were predominantly migrant workers, often female, travelling

between several 'mini jobs' to build a livelihood and so had no time to undertake additional training even if it were available.

Cultural workplace practices can reinforce these kind of structural disadvantages, reducing the potential for migrant and ethnic minority workers to exercise agency and engage with, albeit limited, workplace development regimes. Ethnic minority interviewees described how employers' use of workers' language skills could compartmentalize and type-cast them into low paying roles; a theme also recognized by some managers. For example, in one of the councils a junior manager discussed how Bengali speakers with limited English in social care roles, predominantly women, were paired with Bengali clients. It allowed Bengali speaking workers to put their language skills to best advantage (for the organization), but limited their social mobility in the medium to longer-term. The practice saved on interpreting costs for the council, but inhibited the ethnic diversity of social networks and restricted the English language development of Bangladeshi care workers who needed to work on their English to improve their prospects of progressing in the labour market. The disadvantage to the employee was recognized by some managers:

'They put them with, say, a Bengali family where they can communicate. So they're not stretched, they're not made to actually use their existing, say, English by going to service users who speak good English'. (Line manager, Council1)

An NHS trust had clearest recognition among senior management that the development and progression of low-paid workers needed to be addressed and that ethnic minorities were disproportionately affected. Seeking to challenge and change organisational cultures, several low-paid worker initiatives were introduced; for example, the appointment of a senior manager to develop a cultural change strategy that included designing a course to provide a promotion stepping stone from health care assistant grade to nursing grade, which would largely benefit women in these feminized roles. Subsequently, the trust hit the headlines with the announcement that it was to downgrade nursing roles in order to reduce costs. This illustrates the vulnerability of innovative practice to cost-cutting austerity measures.

### *Informal structures and progression: Favouritism at work*

Community contacts and social relationships beyond the workplace shaped the experiences of low-paid workers by building opportunities for some and restricting them for others. Perceptions of the interplay of social networks and favouritism was a recurring theme in discussions of progression opportunities in internal labour markets across the case studies, though not ubiquitous across the low-paid sample. It was a dynamic discussed by 24 percent of ethnic minority/ migrant and 10 percent of white English low paid workers, and 18 percent of managers, particularly minority ethnic managers.

Low-paid worker accounts included: descriptions of some people being seen to fit into some workplace roles more than others; staff getting their family members into jobs; the importance of good relationships with those in influential roles; the role of management mindsets in decisions on the distribution of workplace opportunities; and explanations of how some co-workers seemed able to generate social interactions with line managers that created advantages. For example, one Muslim ethnic minority woman explained the challenge of progressing up white British hierarchies:

‘The post came for just an ATO dispenser [promotion] and I applied for it and I had the experience; I was dispensing anyway so I’ve had the experience, I knew what to do. But I just think that the people that worked there for longer, people who are closer and spoke to the manager more, were friendlier, got the job. I know that for sure, I do, and I just think favouritism is a big issue’. (Muslim ethnic minority woman, NHS)

Across the case studies there was variation in the experience of ‘ethnic assignation’ – placing primary emphasis on a person’s ethnic identity (Kenny and Briner, 2013). This was evident in how weaker ties between different ethnic groups helped to shape access to opportunities. Essentially, homosocial reproduction was at play. Some of the strongest accounts of an informal push towards ethnic identity in the allocation of workplace opportunities were apparent in local government. In a council located in an area with a Bangladeshi population experiencing persistent socio-economic disadvantage, there were some

striking examples from low-paid Bangladeshi workers, both women and men, of a sense of progression routes being blocked. Their accounts provided insights into the informal processes shaping the general lack of progression of Bangladeshis into higher level jobs within the council, reinforcing the constraints of restrictive development opportunities. For example, a Bangladeshi man described how an inexperienced white British man had been promoted to a management post over non-white British members of staff, implying situated racism. He explained how he felt that ethnic minority talents were being stifled, with favouritism restricting equality.

‘This one person who came to the service, who had only been in the service for 2 years, and there was this job going as a manager. There had been so many people applying for it who had been in the service for a very long time, but this one person who was in the service for only 2 years. I mean the guy might have been good at his job, but there were [non-white] people who were better. But he was very close to one of the managers. Funnily he got the job...’. (Muslim ethnic minority man, Council2)

Low paid Bangladeshi women were also affected by such processes. For example, one described how, in her view, a re-grading exercise had been rigged in favour of white British colleagues (both male and female). There was considerable restructuring occurring in the council due to budget cuts and related job re-evaluations, with people in her community role being re-graded. She was interviewed as part of the evaluation process, and argued that her experience merited a higher grading. Subsequently, she was informed that she was to be placed on the lower grade without any explanation as to why. None of her Bangladeshi colleagues have been assigned to the higher grade. Moreover, prior to the re-grading, white British colleagues were given access to a training course, attendance at which seems to have contributed to those colleagues being assigned to the higher grade. Neither she nor her Bangladeshi colleagues had been told about the course, and she felt that this had been a deliberate ploy on the part of the management to skew the re-grading process in favour of white British colleagues.

A pervasive view among ethnic minority men and women was that it was futile to try to challenge this kind of workplace informality because only white British management accounts of workplace situations counted. Some workers were tentative about saying that racial identity was involved because of the hidden and subtle nature of the informal behaviours at play and the established difficulty in proving acts of discrimination. Again, the role of perceived unfair management decision-making was evident:

‘Personally for me, I don’t think it had anything to do with the race. It’s a hard thing to prove anyway. Unless something’s physically said, yes, it’s a hard thing to say. [...] A manager always has discretion, he can have his, “Well, he’s done this and he’s done that.” He can always manipulate a situation ...’. (Ethnic minority man, Housing)

While there was little specific mention of preferences that could be interpreted as homosocial reproduction in management discussions of barriers to workplace progression, there were some interesting exceptions amongst ethnic minorities and migrant workers in junior management positions:

‘As for promoting inside of [FacilitiesCo], I don’t believe is very fair policy... every manager they’ve got their own favourites which they going to promote. In [several] years in [FacilitiesCo], I never met anybody who was promoted because he deserved it...’. (Line manager, migrant, FacilitiesCo)

He expressed frustration with the taboo that surrounded discussion of favouritism, placing it beyond the influence of formal equal opportunities policies. Generally, employers seemed complacent about the effectiveness of equalities policies and the gap between policy and practice. For example, in FacilitiesCo, there were clear weaknesses in ethnic monitoring, HR having just started to explore equality dimensions of workforce composition.

Processes of recruitment and selection have undergone formalization as HR professionals seek to manage the risk of discrimination cases and assert their specialist influence (Wolf & Jenkins, 2006). Formalisation is not always easy to enforce, as illustrated in the following quotation from FacilitiesCo:

‘... we’ve policies and guidance and advice and training and a lot of the training that we’re doing for people, in equal opportunities for instance and NVQ’s ... It’s a very different one to manage

and control to ensure the people have done it. We can look at who they've recruited and see what the mix is, it doesn't tell you everything though. It doesn't tell you what they've done behind that... for any organisation this size, I think that's a challenge'. (HR manager, FacilitiesCo)

While Council 2 had more experience of equality and diversity monitoring, the under-representation of ethnic minorities (and women) in better paid jobs was longstanding. The disadvantaged position of ethnic minorities was striking and a need to increase their numbers was emphasized, rather than recognition of informal progression barriers:

'BME wise I think we have got very, very low numbers of staff. We have certainly got very low levels at managerial level... It takes time to sort that, because you need new recruitment, which we are not doing of course... So we are already on a very long-term journey, without certainly in recent times positive action commitments, and now we are not doing very much of it and we are taking opportunities away, so we are worsening it already, the whole situation'. (HR manager, Council2)

Having presented empirical data that illustrate the main findings, this article discusses the contribution to understanding the entrapment of ethnic minority workers in low-paid work and the inadequacy of current responses.

### **Discussion: Homosocial reproduction, low wage traps and the poverty of proceduralism**

Concerns about homosocial reproduction were evident in all the case studies, which reinforces the well-established problem of the gap between formal equal opportunity policy and informal practice (for example, Hoque and Noon, 2004; Ahmed, 2007; van Wanrooy et al., 2013). Social connections between employees and managers embody flows of power and influence drawn on in recruitment and promotion processes, privileging some ethnic groups. The advantage appears to fall in favour of white British employees, particularly white British men, a theme reinforced by monitoring data from the case study organisations indicating the under-representation of ethnic minorities and women in management positions.

Increasing the employment share of migrant workers in low waged work (CIPD, 2013), job referrals seemed to occur where competition from other ethnic groups was less intense. Equal

opportunities policies and processes for recruitment were more clearly defined in the public sector, but outsourcing is likely to increase workforce exposure to, and incentives to use, job referrals. These pathways to work provide advantaged (unfair) access for some ethnic groups but generally only to low-paid jobs. Labour Force Survey analysis shows that between 2011 and 2013, despite improvement in the wider job market, there was a 37 per cent increase in ethnic minorities employed through employment agencies (TUC, 2015).

The illusion produced by job referrals is that migrant workers and ethnic minorities are privileged through their social connections to existing employees. In reality, job referrals provide no real 'advantage' unless the alternative is unemployment, which it is for those already disadvantaged by labour market structures (Shildrick et al., 2012). While social capital can aid access to low paid work, cultural capital, for example demeanor, accent and dress, needs to be recognised and valued by others (Bourdieu and Wacquant 2007, cited in Friberg, 2012) in order to support access to better paid jobs. Negative stereotypes surrounding ethnic minority and migrant women and men get imported into the workplace and, as Friberg (2012) argues, perceptions of ethnicity are a form of cultural capital. They help to constitute hierarchies of cultural legitimacy (Bourdieu, 1984).

On accessing jobs, further issues around job quality include the dearth of learning environments (Felstead et al., 2011) that could enable social interactions with colleagues beyond their immediate work role. Not only is unsupportive line management and the targeting of training budgets limiting low-paid worker resources, a transition from precarious jobs to permanent jobs sometimes led to work-time underemployment amongst ethnic minority and migrant women. The exclusion of ethnic minority women from career development courses provides an insight into symbolic violence (Bourdieu and Wacquant, 2007) cementing individuals' placement in a social hierarchy.

Homosocial reproduction was either unrecognized or unstated by management even though it was symptomatic of organizational sub-cultures of unfair/unequal treatment, which served to racialize gendered career paths, institutionalize racial disadvantage and stifle worker attempts to progress. Most HR managers recognized limited low-paid worker progression pathways, but failed to acknowledge the role of homosocial reproduction in racializing meritocracy and consolidating

progression ceilings embodied in gender and ethnic segregation for both ethnic minorities and migrant workers.

It has long been argued that formalisation is not a panacea being conditioned by layers of organisational power and control that undermine formal objectives (Collinson et al, 1990; Jewson and Mason, 1986). Workplace culture is arguably a means of control (Grugulis et al., 2000) that is challenging to influence given its institutional embeddedness. Therefore it is unsurprising that the normalization of homosocial reproduction appeared to be occurring despite processes of recruitment and selection having undergone greater formalization as HR professionals seek to manage the risk of discrimination cases and assert their specialist influence. Workers in positions of influence can circumvent procedures and undermine fairness, either inadvertently or intentionally (see for example Collinson et al., 1990; Noon et al., 2012). Thus while formalization of procedures ostensibly removes the risk of bias, inconsistency and prejudice, our findings add to recent studies suggesting that, despite extensive processes of formalization, informality remains in decision-making processes. In this ‘poverty of proceduralism’ (Loury, 2005), the generation of documents and the bureaucratisation of diversity becomes a substitute for action to engage with equality of opportunity within work organisations. Wrapped up as good practice, race equality documents are presented, both internally and externally, as a form of compliance that can thinly veil a tick-box approach (Ahmed, 2007). These organizational tendencies reinforce arguments that the equality and diversity dimensions of workplace cultures can resist progress to tackle segregation (Nemoto, 2013).

As Friberg (2012) argues, cultural difference can become a causal force, both reflecting and shaping material relations. It does so ‘by creating demand for certain national or ethnic groups in certain segments of the labour market and diminishing the same groups’ chances of mobility into others’ (Friberg, 2012: 19). Periods of economic crisis may enhance the perceived attractions of homosocial reproduction and be reflected in the persistent susceptibility of ethnic minorities to hard times (Jenkins, 1986: 232; EHRC, 2015: 15). These processes need to be explored as part of the context of self-reported discrimination (Kingston et al, 2015) to map the labour market experiences of migrant workers and ethnic groups with a longer labour market presence. The

significance of homosocial reproduction as a barrier to social mobility may be enhanced in the context of more polarized and insecure labour markets that ostensibly require workers to navigate their careers by relying on their own skills and knowledge of potential opportunities for training, promotions and jobs elsewhere (Kovalenko and Mortelmans, 2013). Thus the British flexible model may not provide the best chances of making up for initial disadvantages as argued by Scherer (2004), particularly for ethnic minorities (TUC, 2015).

The weaknesses of the formal response, underpinned by a procedural approach to social justice, reinforces the need for an ethical account of social justice (Loury, 2005). A challenge is to change the way that things are done, and the meaning of good practice. Efforts to strengthen cross-cultural networks (McCabe et al, 2013) are necessary but not sufficient. As Ahmed (2007) argues, ‘good practice’ can be a means by which organisations package and re-arrange themselves to put on their best display. This may require a bold response in the form of positive action and positive discrimination. Greater recognition of the discriminatory operation of individualistic meritocratic principles, and the moral justification for action, is needed to facilitate more equitable solutions (Premdas, 2016).

### **Conclusion: Countering homosocial reproduction**

The findings add further evidence to the argument for more interventionist policies to tackle labour market discrimination (Catney and Sabater, 2015) engaging with the politics of diversity in a climate in which diversity is being depoliticized in mainstream discourse (Noon, 2010). Cheap labour and economic marginalization has long been associated with ethnic disadvantage. In efforts to challenge this, it is important not to be beguiled by the role of informal habits, connections and preferences in providing migrants and ethnic minorities with access to paid work. Although the informal recruitment processes do not always involve bias against these workers, this informality is a double-edged sword in terms of its potential impact on employment trajectories and the scope

for social mobility. Our findings show that in the longer-term, managers and migrant and ethnic minority workers do not have mutually reinforcing interests in their use of social capital. Given related themes in Swedish, US and Norwegian studies (Behtoui and Neergaard, 2010; Friberg, 2012), these issues have mounting international relevance. While recent arrivals to the UK entering low paid work are generally more disadvantaged, for example due to unrecognised educational qualifications, the ill-effects of homosocial reproduction are also experienced by more established ethnic and religious groups (for example Bangladeshi Muslim women) and the importance of acknowledging differences between minority ethnic groups in relation to employment and job mobility opportunities is pertinent (Khattab, 2012). Our findings demonstrate the value of deploying homosocial reproduction with intersectional sensitivity.

There are important implications for state intervention in the relationship between poverty and inequalities. Social rights are key, supporting progressive forms of positive action or even positive discrimination and helping to counter tendencies to undervalue ethnic minority labour. For this to happen there needs to be pressure on the state to acknowledge that informal, hidden, disadvantageous labour market structures and processes are persistent and that they have the effects of circumventing formalization, perpetuating the perennial gap between equal opportunities policies and practice and contributing to the association between ethnicity and low wage traps. The contours and impacts of labour market restructuring, accentuated by austerity and lack of ethnic minority gains from recovery, adds to the imperative for action.

As Loury (2005:586) notes in support of qualitative, historically-based claims for social justice: ‘When the developmental prospects of an individual depend on the circumstances of those with whom he is socially affiliated, even a minimal commitment to equality of opportunity for individuals requires such policies’. National labour market structures can be configured to enhance or restrict social mobility (Scherer, 2004)

and social rights, adequately enforced, can have a potentially empowering role (Browne et al., 2004). Positive discrimination may be what is needed to engage with representations of who belongs and who does not. The potentially deleterious influence of homosocial reproduction in perpetuating labour market inequalities and discriminatory boundaries between groups deserves tangible recognition and redress in employment policy.

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**Table 1: The case studies**

<b>Employer name</b>	<b>Broad sector</b>	<b>Type of organisation, area and ethnic diversity</b>
Council1	Public sector	A council in an urban area with a high proportion of ethnic minority staff, now almost reflecting the proportion of minorities in the local area
NHS	Public sector	An NHS Trust in an urban area with a high proportion of ethnic minority staff, but yet to fully reflect the diversity of the local population.
FacilitiesCo	Private sector	A global facilities management company in an urban area with a high proportion of ethnic minority staff, particularly migrant workers in low-paid jobs
Housing	Voluntary sector	A housing association in a semi-rural area. Ten percent of the workforce is from an ethnic minority background
Council2	Public sector	A council in a semi-rural area with a high proportion of ethnic minority staff, though not reflecting the proportion of minorities in the local area