

# 11 Migration and human resource management

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## Learning objectives

- To understand the background of labour migration
- To understand the contemporary context of migration and the varieties of mobility
- To understand the role of MNCs and the impact of trade unions on the regulation and use of migrants
- To raise issues related to rights and decency at work in relation to migrants and their employment

## Introduction

This chapter sets the scene for the understanding of labour mobility in time and in space from the perspective of international human resource management. Labour mobility and migration confront human resource managers with a number of unique challenges. Migration is the territorial movement of people, both temporary and permanent. Migration presents opportunities and challenges to managers and policy makers. For multinational firms, migrants represent an important source of skills, diversity and labour power. Multinational enterprises (MNEs) may have, or seek to recruit, employees who are immigrants, and to post employees internally to other countries. They also may engage multinational work groups from abroad through subcontractors or work agencies. Managing migrant workers presents challenges to human resource managers. The aim of this chapter is to give an understanding of what some of those challenges are, to introduce some of the concepts used by migration scholars to understand them and to illustrate how they apply in selected real-world examples.

People migrate for a variety of reasons. Academic work on migration studies often talks of 'push' and 'pull' factors that cause migration movements. Push factors are difficulties at home which create an incentive to leave, such as war, persecution and famine. Pull factors are incentives to go to a new location, such as good jobs, free farmland or the discovery of valuable resources such as gold. Labour migration can help to alleviate poverty and unemployment in depressed regions, while providing a source of manpower and skills for employers in regions of labour shortage. It can be a vehicle for transferring skills and practices internationally within firms, and between societies. Migration is also a source of social friction. It creates downward pressure on wages for native workers, and these workers may sometimes lose their jobs due to their being replaced by migrant workers. Migration is sometimes seen as a threat to national cohesion and security. Since access to social benefits in welfare states is often related to residence, governments attempt to control the amount and type of immigrant, usually to favour skilled migrants and to minimize demand on social welfare systems.

We start with a brief historical overview of the development of labour and migration since the late Middle Ages. Next, this chapter focuses in greater detail on the significance of migration in the contemporary world. First, we give an account of the main directions and scales of migration flows around the world. Second, we focus on different types of labour migration, stressing the significance of each type in shaping migrants' lives. We then present some of the most important migration policy issues and the main HRM issues raised by migration. Chief among these is the issue of diversity and multiculturalism (especially in the workplace): its causes, consequences and management. This section aims at detailing and understanding the experiences of labour migration in an increasingly mobile world. Finally, after the scenarios of the various migrant experiences are sketched, we end by describing some of the principal ways in which vulnerable migrants' rights are protected, focusing mainly on the trade union's role and functions.

## Labour migration in history

The purpose of this section is to give the student an appreciation for the complex history of migration, and how deeply it has shaped and been shaped by the development of modern capitalism. Migration is not just a feature of the modern world, but rather has been around as long as there have been humans. From prehistoric times, people have moved in search of better hunting grounds or more suitable farmland, or owing to competition and conflict with other groups. However, international migration in the modern definition is closely connected with the existence of the nation-states and the global economy, which developed since the end of the Middle Ages. This section will review some historical examples, in order to set the current situation in the context of its historical development. Push and pull factors are visible throughout history. On the one hand, people have fled

wars and persecution, or made war and persecuted weaker groups to make new lands available for their settlement. On the other, people have sought out new economic opportunities, such as available farmland or industrial jobs at higher wages than those available at home. The cultural and ethnic makeup of modern-day societies reflects mass population movements of the past.

The early modern period from about 1500 to 1800 was characterized by migrant flows around Europe's initial period of colonial expansion. Europeans moved to North and South American colonies fleeing religious prosecution, often with the intention of settling and farming new land, usually after pushing out, exterminating or enslaving the previous occupants. Africans were brought by slave traders to work in plantations, mines, industry and as servants to the wealthy in the New World. Areas such as South Africa and Australia were also settled by Europeans in this time period. Immigration was often forcibly resisted by people living in the colonized areas. Europeans who immigrated in this period usually did so as part of a colonial project, not integrating, but rather supplanting and/or dominating the native societies they encountered in their new homes.

Over the course of the 19th century, the emigration outflow from Europe continued, although many of the colonies became independent countries (such as the United States or Argentina), while other became established "white" settler dominions (such as Australia). Under French dominion, French and other European settlers settled in Algeria, becoming an important minority group there (which, on independence in 1962 was largely pushed out). Germans moved to German East Africa (present day Namibia), and English settlers established themselves in Kenya, Rhodesia and South Africa. Migration occurred within colonial empires – also between the subject peoples under colonial rules. For example, under the British Raj, many Indians moved to the British colony in South Africa to work. In the 19th century, Chinese established enclave communities throughout Southeast Asia (Vandensbosch 1947), and also in the United States (Lee 2006). The vast colonial empires of the major European powers sometimes involved settlement, but always required administrators, and these would come from the colonizing power. Business entrepreneurs frequently followed, or even preceded the flag into the new colonial holdings of the European powers (for an account of colonialism in Africa, see, for example, Parkham 1992).

It was not only in moving to the New World and colonial empires that migration occurred. Industrialization in the 19th century brought millions of workers from rural areas to industrial centres in Western Europe. Lower travel costs and shorter travel times caused by railroads and other infrastructure improvements made mass migration possible (Bade 2003). The destinations included centres of coal and steel production as well as rapidly expanding urban industrial zones. For example, the industrial revolution in Britain required an ever-growing labour force that could not be met by the local population. British employers recruited workers from Ireland for the textile mills and building trades in cities such as Liverpool and Manchester (Castles and Kosack 1985).

In France, immigration was spontaneous and uncontrolled, and by 1886 there were more than a million migrants working mostly in agriculture and mining companies. In Germany, Polish and Italian workers came to work in construction and in the mines. Private recruitment agents facilitated labour migration because they could make a quick profit owing to the workers' weak negotiating position. Apart from low-skilled labour migration, highly skilled migrants were also on the move in 19th century Europe. Travelling craftsmen and merchants contributed to technology and skill transfer (Bade 2003). In contrast to low-wage labourers, they were invited to come to the host country and lived in good conditions. The migratory patterns that had developed in the 19th century were disrupted by the First World War. Men were called back to their home country for military service or munitions production. Owing to the political tensions, many countries enacted tight immigration legislation, causing a halt to the free movement of workers throughout Europe. With the close of the 19th century, and into the 20th, countries began to institute increasing controls on who could cross their borders, settle and work. Passports and visas became increasingly important.

World Wars I and II, and the various conflicts between them, caused considerable migrant flows in the form of refugees and displaced people, but with the advent of peace and rapid economic growth in the post-war period, economically focused migration came to dominate again. Europe's post-war reconstruction and subsequent economic growth prompted substantial inflows, often from the former colonies which became independent after World War II. France experienced immigration from francophone countries, particularly from Africa; Britain saw immigration from the Indian subcontinent, Africa and the Caribbean; and the Netherlands experienced repatriation and immigration of Moluks and Indonesians from its former Indonesian colony and in the 1970s immigration from its former colony Surinam. Sweden hosted substantial numbers of Finnish work migrants. Many European countries made use of migrant labour and guest worker programmes in the post World War II period, to fill jobs which increasingly prosperous western Europeans were no longer willing to do (Castles and Kosack 1985).

West Germany's guest worker programme provides a good example of how the guest worker programmes of the 1960s and 1970s functioned. The state and employers in West Germany started importing temporary labour as a solution to the growing labour shortage during the so-called post-war *Wirtschaftswunder* (economic miracle). Rapid industrial expansion and a shift to mass production (conveyor-line work, piece-work, and shift-work) required a large unskilled labour force as a key element in the post-war boom (Kindleberger 1967). The Federal Labour Office (*Bundesanstalt für Arbeit – BfA*) signed recruitment agreements for temporary employment with Italy, Spain, Greece, Turkey, Morocco, Portugal, Tunisia and Yugoslavia. The idea was to provide employers with relatively cheap, flexible and mobile labour for low-skilled, dirty and hard jobs that nobody else wanted to do. Employers requiring foreign labour had to pay a fee to the *BfA* and provide accommodation for the workers. Recruitment was based on

a rotation system where mostly male migrants worked in Germany for a one- or two-year period and were then required to leave. Migrants were expected to not bring their families, not get involved in labour struggles and make few demands on social welfare systems (Castles 1986). The number of foreign workers increased from 95,000 in 1956 to 2.6 million by mid-1973 – the greatest labour migration anywhere in post-war Europe (Castles 1986). Yet, in 1973 the oil crisis caused a period of economic stagnation, high unemployment and an official halt to migrant entry to Germany. The German government expected migrants to leave after stopping recruitment, but many decided to stay and to reunify with their family in Germany. Employers were not in favour of mass repatriation. They feared labour shortages and upward pressure on wages. The former guest workers had become an integral part not only of the labour force but also of society.

Such immigration was not limited to Europe. In the United States, in the 20th century immigration was subject of increasing regulation compared to the 19th century. Mexican workers, however, continued to cross the border in substantial numbers, mainly to work in agriculture. Mexican migrant workers, working for wages well below what a native worker would accept, came to almost completely dominate wage work on industrial farms in the United States. In 1942, to allow US farmers to tap into the Mexican labour supply, the US and Mexican governments organized a guest-worker programme called the Bracero Program, which continued in various forms until 1964. The Bracero Program was an agreement between the US and Mexican government which allowed Mexicans to enter the United States for work (usually agricultural work). Wages were established by the agreement. The significant overhead involved in the programme often resulted in Mexican workers seeking illegal employment instead. With the ending of the Bracero Program, migration from Mexico and Latin America has continued, but quite often in illegal form, with poorly paid illegal immigrants making up a large part of the US workforce in certain industries, such as construction, meatpacking and agriculture.

## Contemporary migration

The main migrant destination country in the world in terms of absolute numbers is the United States, followed by the Russian Federation, Germany, Saudi Arabia and Canada (World Bank 2011). The main immigration countries relative to their total population are Qatar, Morocco, the United Arab Emirates, Kuwait and Andorra (World Bank 2011). In recent years, the Gulf countries, Kuwait, Qatar, Saudi Arabia, Bahrain and the United Arab Emirates, have experienced significant flows of emigrants from South and East Asia (World Bank 2011). According to the World Bank (2011), the largest migration corridor in the world continues to be the Mexico–United States corridor with 11.66 million migrants in 2011. In the second place, we find the migration corridors in the former Soviet Union, Russia–Ukraine. The migration corridor between Bangladesh and India is in the third place.

Within Europe, a new wave of migration started together with the end of the communist regimes and demolition of the Iron Curtain between the East and West Europe (Philip 2001). Starting from the 1990s, there has been a surge of migration flows towards the United Kingdom, Spain, Italy and Germany, mainly from Eastern Europe; this accelerated with the accession of most of Eastern Europe to the EU in 2004 (2007 for Romania and Bulgaria) (IOM 2010).

Migration flows emerge within and between specific world regions following patterns driven by the factors which have been outlined above. Migration occurs everywhere in the world; limited space prevents us from discussing each migration flow in detail. However, in order to give a sense of how and why some particularly important flows have emerged, how they have been regulated and the policy issues which develop out of these, we present the cases of regional migration in the EU, and in Southeast Asia, as examples.

## Regional migration in the EU

HRM across Europe is influenced by EU regulation, of which an important dimension is the free movement of labour. The Treaty of Rome introduced the principle of free movement of workers in 1957 to encourage cross-border mobility. Subsequent legislation, directives and European Court of Justice (ECJ) rulings added to the supranational legal regulation of the employment relationship in the EU. Since the accession of the Eastern European and Mediterranean island states in 2004 and 2007, transnational labour mobility from East to West accelerated. Workers can either take up work themselves or be sent via a firm as a posted worker to another EU member state. The rights of individual and posted workers are organized via different EU regulatory channels. Individual migrants fall under EU frameworks for labour mobility, while posted workers are regulated as dependents of the service providers they work for. Even though all foreign workers have to be treated equally within the EU, some workers have more rights than others. Individual labour migrants have the right to benefit from social security provisions in the host state, while posted workers remain insured in the home country (Dolvik and Visser 2009). This saves host country companies labour costs and encourages the employment of relatively inexpensive posted labour from underdeveloped regions. Posted workers are ensured key labour rights through the Posting of Workers Directive (PWD). Although originally intended by its drafters to allow host states to grant the migrant worker rights beyond the set expressed in the directive, the ECJ has since reinterpreted the directive as a comprehensive list of areas in which the host country can oblige foreign service providers to apply host country standards (Dolvik and Visser 2009). These decisions are highly controversial. Critics see this decision as placing fundamental workers' rights below the free movement of service providers in the EU (Dolvik and Visser 2009). Advocates of the court's approach see it as the logical extension of the free movement rights embedded in the EU's constitution.

## Regional migration in Southeast Asia

Southeast Asia's migration flows are another example of a regional guest worker migration system with many similarities to the EU. Uneven development in the region means that some countries in the region, Singapore, Malaysia and Thailand, have become significantly wealthier than other countries in the region, motivating migration from other nearby countries. Indonesia and the Philippines, in particular, are important labour supplier countries. As is typical elsewhere, migrant jobs are usually in agriculture, domestic work (i.e., childcare and housework), construction, and sometimes manufacturing. Southeast Asian states administer strict guest worker programmes, with permission to reside tightly tied to employment, restricted length of stay so that workers must rotate back home frequently, and high administrative costs mostly borne by the migrant workers themselves. Recruitment agencies often charge fees as high as three months' salary for placements. Some restrictions go quite far in terms of limiting the personal freedom of the migrants. For example, Singapore restricts unskilled foreign work migrants from marrying a Singaporean national. Illegal migration is therefore also popular as a way of avoiding these costs and restrictions, although the legal risks, if caught, are high for migrants and employers alike. The situation for domestic workers has attracted criticism from human rights groups.

## Labour migration

The attraction of economically developed places has always provided the incentives for some people to move. When people move to new places looking for a job or better employment conditions, they are considered *labour migrants*. Throughout history, labour migration has been an important type of migration flow, but it has acquired greater importance today because of advances which facilitate easier, faster and cheaper movements around the globe (Hatton and Williamson 2005). These days, there are more than 100 million workers moving around the world, which constitutes 3% of the global labour force (Betts 2011). The main labour migration flows are directed from developing countries towards industrialized countries (32 million), from one developing country toward another (30 million) and flows among industrial countries (28 million) (IOM 2010). Labour migrants are often divided into high-skilled and low-skilled migrants.

## High-skilled labour and low-skilled labour migration

High-skilled migrants are generally accepted to be migrants who possess at least a university degree or equivalent training and skills (Martin 2003). According to Regets (2007), the high-skilled labour migration has expanded distinctly, in both

the developed and developing countries, and has become an important element of national economic policies. Developing countries are trying to retain their highly skilled persons, while developed countries are trying to attract them away. Migration motivations may differ among high-skilled and low-skilled migrants. Although both push and pull factors are important, high-skilled migrants are attracted to destination countries by better employment prospects, higher salaries and opportunities to gain international experience, while low-skilled migrants are more often pushed from their countries of origin by low wages or unemployment. The out-migration of highly skilled and well-educated professionals from developing countries to more developed countries is a phenomenon known as *brain drain*. Brain drain has become a concern in many developing countries, such as in Africa, India and more recently Eastern Europe (Cohen 2008). Brain drain can sometime represent wastage, since the skills of migrants tend to be undervalued in host societies, because of discrimination, lack of knowledge of migrant source-country education systems and lack of official recognition of foreign certifications. As a result, highly educated migrants sometimes end up in unskilled jobs when migrating. This is often accepted by the migrant if the pay for the low-skilled job in a developed country is sufficiently higher than the pay for a high-skilled job in the migrant's home country.

## Labour market segmentation and migrant workers

Migrants in host countries are often 'target earners' (Piore 1979). Target earners perceive their temporary jobs instrumentally, that is, solely as a way to earn money quickly. This is different from an understanding of work as a source of identity and social status, or as a rung on a career ladder (migrants' jobs and social positions in their home countries serve that purpose). They seek to save a certain amount of money to make an investment back home, whether it is to buy a business, or a house, or to pay for their children's education. This does not mean their plans cannot change – if, for example, they decide to settle.

Such 'target earning' workers commonly lack the motivation to organize to advance their conditions in foreign labour markets. This induces firms to treat low-skilled migrants as substitutable, disposable labour by employing them under exploitative employment conditions. According to segmentation theory, native workers refuse to accept such employment conditions and migrant workers are therefore seen as complementary rather than as substitutes for native workers: migrant workers simply realize a certain unfulfilled demand for labour. However, there are indications that firms sometimes use migrant workers not to complement but to substitute their core labour force (Lillie 2012).

For a variety of reasons, migrants are often unable to enter employment on similar terms as native workers – even if they have a similar profile in terms of skill, experience and work ethic to native workers, they tend to be shunted into certain kinds of jobs. Low-skilled migrant workers often perform work under

precarious working conditions. They are regularly subjected to underpayment, forced to work longer hours than overtime rules allow for and exposed to hazardous working conditions. Lower segments of the labour market become the prerogative of migrant workers and other marginalized groups (Doeringer and Piore 1971; Piore 1979; Gordon, Edwards and Reich 1982; Rubery and Wilkinson 1994). This phenomenon is best explained by *labour market segmentation theory*, which holds that institutional barriers can segment labour markets, granting certain groups access only to specific segments of the labour market.

Segmentation theory assumes a dual labour market structure consisting of a capital-intensive, secure primary segment and a labour-intensive, insecure but flexible secondary labour market segment. The employment conditions under which many low-skilled migrants work are characteristic of the secondary labour market segment. This segmentation is driven by employers' demand for different types of labour: low-skilled and substitutable labour for the secondary segment, and workers with a certain level of training, skills and commitment for the primary segment. The primary labour segment functions as an internal market (i.e., within the firm), while market forces govern the employment relations in the secondary market. Employers' recruitment practices for jobs in the secondary segment rely more on market principles, offering less security, lower wages and poorer benefits (McGovern 2007).

## Migration policy issues

Migration, being a dynamic phenomenon, requires diversified policy intervention in order to maximize its benefits and minimize the ill effects for both countries of origin and destination as well as migrants themselves (IOM 2010).

National governments seek to control border access and residence rights of foreigners in order to minimize the amount of people who can draw on government services and social security, to ensure cultural coherence, to keep out people who are thought to present security threats (such as criminals and/or foreign spies) and to regulate access to the labour market. Immigration policies often seek to encourage immigration by people with wealth or rare skills, while making it more difficult for those whose skills are in oversupply. Often, labour market access comes with the caveat that the migrant cannot expect to draw on public funds (e.g., in case of unemployment). Sometimes, as with the H1B visa programme in the United States for highly skilled migrants, visas are tied to a particular job, and if that job is lost the visa holder must leave the country.

Marriage and family reunification form a major channel for migration, and a way by which migrants taking advantage of high-skilled migrant programmes can bring their partners and children. Because of public perceptions that this avenue is often taken advantage of (e.g., via sham marriages), it is usually subject

to various controls, tests and limitations. Another avenue is a blood tie with the country in question – Germany, Finland, Ireland and Israel, for example, are all countries which grant citizenship to people with ancestors with provable claims to that country's ethnicity.

Countries have made various agreements to permit migration between each other. For example, there has been free movement between the Nordic countries (Sweden, Norway, Finland, Denmark, Iceland and the Faroe Islands) since the 1950s. Particularly notable is the freedom of movement within the European Union, which allows citizens of any EU member state to take up residence in any other member state, on the same terms as citizens of that member state. Certain, allegedly temporary, restrictions were applied by some old EU members to the Eastern European states which joined the EU in 2004 (the Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Slovakia and Slovenia), and a longer period upon those which joined in 2007 (Bulgaria and Rumania), but these are intended to be gradually phased out. Access of intra-EU migrants to social rights such as pensions, health insurance and unemployment insurance have been partially assured through mutual recognition, although there are still gaps in access in the system, which often disadvantage mobile workers in terms of benefits.

One major aspect of migration is its economic impact in both origin and destination countries/regions. Remittances, or money sent by migrants back to their home country/region, have an important economic impact (Castles and Miller 2009). In 2010, total global remittance flows were estimated to be more than \$440 billion, which was an increase of 6% compared with 2009 (World Bank 2011). It is likely that actual remittances are much higher, taking into the consideration that remittances often flow through informal, undocumented channels (World Bank 2011; King et al. 2006).

## HRM issues raised by migration

For HRM managers, migration presents challenges coping with immigration rules and regulations, international recruitment and recognition of diverse national educational and certification systems, diversity management and managing relationships between different nationalities on multinational work environments. In the international HRM literature, labour mobility is almost exclusively analysed in terms of expatriate managers, with most of the focus on why firms use expatriates, which selection procedures are best, how to best support expatriates and how to best make use of the skills they acquire in their international assignments (e.g., Harzing 2004). This intensive focus on expatriate managers ignores the fact that most employees are not managers, and expatriate managers represent only a very small proportion of total labour migration. More important are the challenges of diversity management and managing the relationships between multinational groups of workers.

## Diversity and multiculturalism

With the number of international migrants increasing rapidly, workplaces around the world have become more diverse. Formerly homogenous workforces are being replaced by a mixture of ethnic and cultural groups. Flows of migrants are transforming societies, and this transformation is an outgoing subject of public and political debate (Legrain 2006). From the societal perspective, diversity offers benefits in terms of a variety of lifestyles, languages, ideas, styles and cultural norms. The acceptance and appreciation of cultural diversity is referred to as multiculturalism (Pharek 2000). Multiculturalism in business, education, social policy and culture is seen as a way of reducing intra-group conflict in diverse societies, and of harnessing the advantage diversity can bring.

Diversity, multicultural and multilingual workforce and workplaces and the difficulties of managing these have become increasingly important. Diversity management is usually driven by legislative necessity, but many organizations have made a virtue of necessity and now realize its benefits in terms of tapping into diverse forms of knowledge and skills, which can come from hiring people of different backgrounds (Egan and Bendick 2003). A diverse and multicultural workplace is thought to bring benefits such as better decision making, greater creativity and innovation and more successful marketing to different types of customers (Cox 1991). However, diversity might also bring potential costs and challenges such as interpersonal conflict and communication breakdowns (Cox 1991), and if managed improperly, also to racism, sexism and ageism, which can create a hostile and non-productive environment (Parvis 2003).

However, multiculturalism and diversity are not accepted by some members of migration host societies. Some would seek to marginalize and stigmatize migrants, and to blame them as a source of economic problems (Castles and Miller 2009). Many countries have seen the rise of anti-immigration political parties and right-wing groups that seek to implement stricter immigration laws, and sometimes engage in violent anti-immigrant activities.

The potential costs and challenges of a multicultural environment might be greater with temporary migrant workers. In such cases, the problems that accompany multicultural environments, such as communication problems and group clusters according to nationalities, might persist not only in the workplace but also in their home environments. According to Parvis (2003) these challenges, if not detected, will lead to loss of innovative potential and ultimately to failure in the undertakings of an organization.

## Managing multinational work environments

It is not uncommon to encounter work environments segmented by ethnicity, nationality and/or language. Certain types of jobs may be dominated by a certain national or ethnic group. At work sites where many different national groups of

workers work side by side, management is often obliged to organize work groups according to language grouping. Although issues related to segmentation of labour markets resulting from labour migration have long been understood from a sociological perspective (Piore 1979), there have been few business and management studies on how to manage in such an environment.

Industries such as construction, shipbuilding, agriculture, domestic services and building maintenance, where subcontracting is common, use large numbers of migrant workers and experience ethnically segmented labour markets. Commonly, workers are recruited via work agencies or personal networks with good contacts to their home countries. Workers who speak the host society language well frequently become an interface point with management, taking on the role of foreman. These types of workers often progress into management or go into the labour-supply business, using personal contacts and local knowledge of home country and host society to match workers with available jobs. This type of recruitment is known as “ganging” because migrants from a particular country work together with others from their home country, obviating the need to learn the local language or embed themselves in the local culture. In this way, it is possible to manage and coordinate very diverse groups of workers who do not share a common language.

## Protecting migrant rights at the workplace

The fact that migrants are often not well integrated into host societies makes protection of migrant worker rights a matter of special concern. Added to this is the fact that they often work in secondary labour markets, where pay, conditions, job security and respect for worker rights are in general lower than in primary labour markets.

Efforts to protect migrant rights focus on making state enforcement of immigration rules more humane, promoting access of migrants to host-state services, fighting discrimination and racism and ensuring decent treatment in the workplace. State agencies which enforce immigration laws often take little account of the situation of the migrants, and consequences of enforcement actions for them, their families and their employers. For example, a deportation can break up a family and leave dependants without means of support. There are many non-governmental organizations which help migrants access legal and other types of services; these sometimes represent any migrants who need assistance, or in other cases represent particular migrant communities. An example of the first would be Migrar, in Germany, which provides legal assistance and advice to illegal migrant workers. An example of the second type is the Federation of Poles in Britain, which has a cultural, social and community binding function, as well as representing the interests of Polish-born people living in the United Kingdom.

At the international level, the International Organization for Migration (IOM) is a UN agency set up to promote the rights of migrant workers. The IOM seeks to do this through advocating for good practices in the treatment of migrants, conducting research on migration, and providing technical assistance to countries in developing practices which protect the rights of migrants. The International Labour Organization (ILO) is another UN-associated bureaucracy, with a mandate to protect workers' rights. Despite the efforts of the IOM and ILO, it cannot be said that there is an international consensus to protect migrant worker rights. States tend to place domestic economic interests and security policy higher on their priority list than the protection of foreign nationals working on their territory.



### Case study: Eemshaven, the Netherlands

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**T**he Eemshaven, an industrial area in the northern part of the Netherlands, was recently termed 'energy port' because of the substantial investments in energy made in this region. Two large multinational enterprises have invested over 4 billion euros to build two energy centrals in the Eemshaven. The formerly Dutch company Nuon, now owned by the Swedish Vattenfall, invested an estimated 1.8 billion euros and the German RWE invested up to 2.6 billion euros. The construction of these energy centrals requires an extensive labour force, which is principally from abroad. The construction of the Nuon multi-fuel power plant is managed by the Japan-based main contractor, Mitsubishi. RWE, in contrast, uses its own engineering team and manages subsequently predominantly foreign contractors to build its energy central. These foreign contractors generally bring their own foreign personnel with them. Still, a similar variety of foreign contractors, subcontractors and agencies is active at the Nuon construction site. However, Mitsubishi also hired Ballast Nedam, a large Dutch construction company that is primarily active in the Netherlands, to perform civil works.

All in all, a very transnational work force is building the energy centrals in the Eemshaven. At least 15 nationalities are employed on both sites, with people coming from, among others, Poland, Germany, Turkey, Italy, Portugal, Spain, France, Denmark, Hungary, Slovenia and Lithuania. During the main construction phase, around 2500 people will be working at the Nuon site and an estimated 3000 for RWE. There are no accurate numbers available, but the majority of workers employed at these sites are non-Dutch. The workers originating from a variety of countries are often unable to communicate with their co-workers on the worksite, as most of these workers only have basic foreign language skills. The official language of communication on the RWE site is German, while it is English on the Nuon site. Still, the language of communication usually varies between the different work groups. Most work teams are aligned on the basis of nationality, and therefore no, or only a very basic, understanding of English or German often suffices. The thousands of migrant workers are temporarily accommodated in the Groningen region that surrounds the Eemshaven. To this end, a number of temporary container hotels are created, some of which can accommodate up to 1200 people at the same time.

Subcontracting practices are usually the norm at large construction sites. The Eemshaven is no exception to this, since there is a vast active presence of transnational subcontractors and agencies at the site. This obstructs transparency in the lengthy contracting chains and hinders effective union action against the 'real' employer. In addition, this paves the way for exploitative firm practices vis-à-vis migrant workers. In the Eemshaven, there are more than a few cases known where transnational subcontractors force their employees to work more hours than allowed according to Dutch regulations, and refuse to pay their workers overtime allowances. Effective union action to change the working conditions of migrant workers is quite complicated because of the great variety of employment practices used by the broad range of firms active at these transnational building sites.

### Questions

1. Draft a convincing note to a manager of a construction contractor that is active in the Eemshaven explaining why it is more profitable to hire migrant workers via a (transnational) temp agency than to directly recruit domestic workers.
2. Does it sound like the Eemshaven is an example of good multicultural workplace practices? Why or why not? Would the project benefit from multicultural management, or does it not matter in the circumstances?
3. Apply the three dilemmas for trade unionism to the Eemshaven case.

## Unions and migrants

Although trade unions usually start from an ideological basis of working class solidarity, their actual functioning as organizations is often closely tied to local communities, national identities or even ethnic backgrounds. These organic identities can serve as a source of strength for them, but this also means that they sometimes end up promoting a racist and insular discourse in response to migration – at least initially. According to Penninx and Roosblad (2000), unions face three main dilemmas in dealing with immigrant labour. First, unions need to decide whether to accept or oppose migration politically. In the second instance, when (im)migrant workers have arrived, unions face the decision whether to seek to actively recruit and organize the migrants, including them as full members or to exclude them partly or completely from full union membership and not organize them. Virdee (2000) shows that over time, unions have evolved from policies of racist – sometimes even overt – exclusion of migrants to proactive policies of inclusion. Most unions have adopted a policy of formal inclusion, but the degree of inclusion differs, especially in terms of equal access to social and legal rights. Moreover, the degree of protection is often strongly related to a migrant's duration of stay as unions seem more inclined to take action in favour

of permanent immigrants than to represent temporary labour migrants. Third, if unions opt for inclusion, they have to decide whether to advocate and implement special measures for (im)migrant workers or to maintain equal treatment for all workers. The different responses of unions in the United Kingdom and Denmark to diversity management provide an illustration of this last dilemma. Where the Danish unions were supportive of specific diversity policies, unions in the United Kingdom rather opposed specific measures to increase diversity in the workplace, because they believed it did not challenge the basis of race discrimination and thus in the longer term would not improve immigrants' labour market position (Wrench 2004).

Although many unions, especially in countries where immigration is a relatively new phenomenon, still struggle internally with racism and whether to include foreign-born workers as members (Lillie and Sippola 2011), for unions in countries where immigration has a longer history, the question is usually what sort of strategies are best for recruiting migrants, and to what extent there should be proactive policies favouring recruitment of minorities into leadership positions. Immigrant and migrant workers are, on average, more likely to perform casual, lower-paid jobs in sectors where unions have little or no influence. This complicates effective union action to change these workers' employment conditions. The most successful union campaigns targeting immigrant workers' problems combine strategic pressuring of employers by union officials with bottom-up rank-and-file mobilization. Bottom-up rank and file mobilization involves active agitation by the migrant workers themselves, often in the form of strikes and public demonstrations (Milkman 2006). The Southern California 1992 drywallers' strike to increase industry-wide wage levels is an example of a successful bottom-up grassroots organizing approach of Latino immigrant workers. This strike was initiated from below by Latino workers and received at a later stage material and moral support from established unions. Key to this campaign's success was the effective rank-and-file mobilization combined with the strategic professional union assistance that led to industry-wide organizing strongly embedded in the broader community (Milkman 2006). Employing staff from 'target' migrant groups is a common way to make a visible commitment to that minority, while also ensuring the necessary linguistic and cultural skills to organize and represent those workers. Some unions in the United Kingdom have had success with reserving elected seats for minority groups, to ensure a minimum level of representation in the union leadership. Seeking broad alliances has proved to be one of the more successful strategies used by unions to create a lasting change in working conditions of (im)migrant workers (see Wills 2009 or Fitzgerald and Hardy 2010 for interesting examples in the United Kingdom). Unions often are able to integrate 'settled' immigrant groups into their membership, but still struggle with more highly mobile migrants, who have no intention to settle (Greer, Ciupijus and Lillie 2013).

## Conclusion

In this chapter, we have highlighted some of the issues, challenges and opportunities which labour migration presents for international human resource management. We have shown that labour migration is not a new phenomenon and has always played an important part in the capitalist world economy. In the past, as now, it has been motivated by a combination of push factors – factors which make the migrants' home location undesirable – and pull factors, or factors which make the destination country desirable. Labour migrants are strategic in their migration, and often behave as 'target earners', particularly when they are temporary and less skilled. They are most often employed in secondary labour markets.

Employers find migrants useful either because less skilled migrants are less expensive than locals, or because they possess scarce skills, as in the case of highly skilled migrants. National migration policies tend to favour highly skilled migrants. Many countries make use of guest-worker policies, which allow migrants access to that country's labour market, but only in restricted ways, and seek to prevent the migrant from settling. The idea is to keep migrants in the secondary labour market, allowing them access to jobs which locals cannot fill (on the high-skill end) or do not want (on the low-skill end).

The challenge for managers is to take advantage of the skill and labour power of migrants, and the different perspectives they bring, while minimizing the tensions created by a diverse workforce, and avoiding falling afoul of state policies designed to restrict migration. For unions, and others concerned with migrant rights and the effects of migration on labour markets, the challenge is to balance the interests of native members with the rights and interests of migrants.

### Reflective questions

1. How has labour migration developed through history and what are the main economic factors affecting these changes? How has labour migration affected macroeconomic developments in the contemporary world?
2. What are the main characteristics of high-skilled and low-skilled labour migrants? Describe the main differences in terms of motivations and the integration process among these groups.
3. What are the main challenges and benefits of multicultural work environments for migrants? Describe and explain some effective ways to manage diversity in the work place (to maximize its benefits).
4. What is meant by the terms 'push' and 'pull' factors in migration studies?
5. What are the three dilemmas trade unions face in dealing with immigrant labour? Explain why these are dilemmas.
6. Based on the history of migration described in the chapter, do you think migration today is different from migration in the past, or is it just more of the same? Why?

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