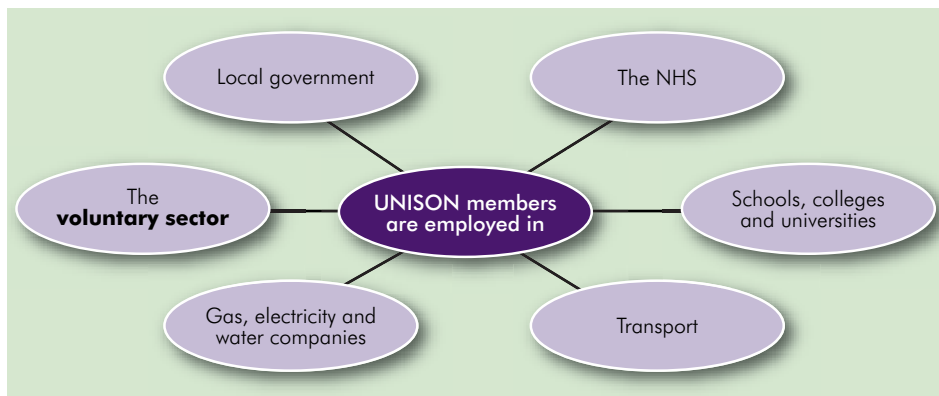


Use of PEST analysis at UNISON

Introduction

UNISON is Britain and Europe's biggest public sector **trade union**, representing more than 1.3 million members working in public services.



Job roles they represent in the public sector include, for example:

- librarians
- Human Resources, IT and finance workers
- teaching assistants and early years nursery staff
- secretaries
- cleaners, caretakers and school meals supervisors
- care workers, social workers and nurses.

UNISON campaigns on a variety of issues relevant to its members. Currently, it is running the Migrant Workers Participation Project. This campaign focuses on the issues faced by migrant workers in the UK. Migrant workers are employees who have moved from overseas to the UK to find work. They form an important and growing part of the workforce in both the **private sector** and **public sector**.

These workers are at particular risk of being exploited in the workplace. This may be due to lack of knowledge of their rights, their limited command of the English language and the fact that they are often reluctant to complain about their treatment by employers. They may also be exploited because of racist attitudes. UNISON believes that the best way of preventing exploitation is through trade union **representation** in the workplace. One of the objectives of the current UNISON campaign is to increase the number of migrant workers who are part of the union.

When making decisions, a business needs to take account of internal and external factors:

- Internal factors are ones that are within its control. Examples include how many staff the business employs, the number of machines it uses and how much money owners choose to invest in the business.
- External factors are those that are outside of its control. These may be direct or indirect influences. Direct influences include suppliers, customers and competitors. Indirect influences include legislation, the economy or technology.

These external influences are summarised by the mnemonic PEST. This stands for Political, Economic, Social and Technological influences.



CURRICULUM TOPICS

- Political factors
- Economic factors
- Social factors
- Technological factors

GLOSSARY

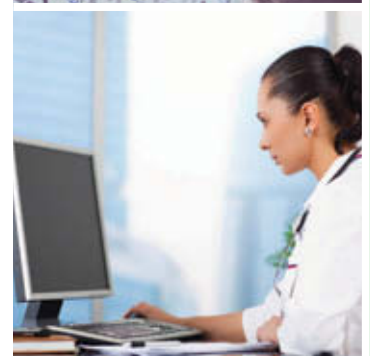
Trade union: an organisation that represents the mutual interests of employees across a range of issues.

Voluntary sector: the part of the economy which is made up of for example charities and non-profit making organisations.

Private sector: the part of the economy owned and run by individuals not by the government.

Public sector: the part of the economy owned by government or its agents.

Representation: to speak, act or present officially for another person.





GLOSSARY

Aims: the general end purposes towards which an organisation focuses its activities.

Objectives: the end purposes that an organisation or individual seeks to achieve.

Strategies: long term plans used to achieve an organisation's aims and objectives.

Tactics: the short-term actions taken to achieve specific goals.

Political factors: changes arising from government initiatives or public opinion.

Employment legislation: the set of laws which cover the relationship between firms and their employees; for example, laws on discrimination, recruitment and dismissal.

Lobbying: attempting to win over the support of politicians and the government in favour of a change in the law/policy.

Minimum wage: lowest permitted wage set by Parliament and designed to provide employees with an acceptable standard of living.

Working time directive: a European Union law that defines the maximum number of hours a person should work without regular genuine breaks.

Legal aid: subsidised support covering all or part of legal and advice fees, available to those on limited incomes.

UNISON looks at a range of issues to assess the external factors it needs to take account of when considering the needs of its members. UNISON considered these factors when setting its **aims** and **objectives** for protecting the rights of migrant workers. An understanding of many external factors helped it to decide which **strategies** and **tactics** were best for achieving these objectives.



Political factors

Political factors include government policies, legislation and foreign influences, particularly from the European Union (EU). Several **political factors** surround the issue of immigration. Legislation on immigration comes both from the UK government and from the EU. For example, workers from all EU countries, except Romania and Bulgaria, have the right to live and work in the UK. Since the expansion of the EU in 2004, around 700,000 Polish workers have registered to work in the UK, boosting the UK workforce, enabling the economy to expand.

Immigration is an emotive issue, which often generates sensational headlines in tabloid newspapers. These include allegations that migrant workers 'take' British jobs or that they 'undercut' pay levels, working for less than British workers. The data available does not support these allegations. UNISON believes that if migrant workers are part of a trade union membership and can benefit from properly negotiated pay rates, this type of misinformation will not arise. As part of its campaign, UNISON aims to dispel the negative views on migration. Migrant workers play an extremely important role in providing many needed services. This provision would not be possible without migrant workers. Government statistics prove that the overall effects of net migration into the UK have been positive for UK businesses and the economy.

'Migrants make a net contribution to the exchequer when tax receipts are compared with expenditure. This net contribution is higher for migrants than for other groups. The gap between the net contribution of migrants and that of the wider population has in fact grown over recent years. (Learning & Skills Council report, 2007)

In areas of high migrant populations, there are greater pressures due to, for example, insufficient housing and health provision. The migrant workers population is not evenly spread across the UK - the majority of migrants are in London and the South East, according to government statistics. In addition, because of the short-term nature of much of the work, the pattern of migrant workers is not easy to track. Government and local authorities need to be able to invest in services sufficiently quickly to meet the demand. It is important to understand that the same pressures on services would occur if large numbers of UK workers suddenly moved to an area.

One of the most important political factors in UNISON's external environment is **employment legislation**. UNISON aims to ensure that these laws meet the needs of workers by **lobbying** the government when it feels the law needs changing. In a recent report, the Trade Union Congress (TUC) found that many employers were ignoring employment law. Some companies were not paying their workers the **minimum wage**, while others forced workers to work longer than legally permitted under the **working time directive**. It can be very difficult for migrant workers to get legal advice when they have problems at work. This is partly due to language barriers. Many also fear losing their jobs if they complain. Like other low-paid workers, they rely on legal advice, paid for by the government through **legal aid**. Reduced funding for legal aid and for immigration advice in particular has resulted in fewer solicitors taking on legal aid cases. Many migrant workers seeking help have been turned away. As a result, UNISON has put in place legal advice and information services to help migrant workers understand their rights.



Economic factors

Most migrants come to the UK from countries that are less economically developed. They can earn a better wage in the UK than in their home country. For example, the average monthly salary in the UK in 2007 was almost £2,500 whereas in Poland it was £500. This difference in wages allows the migrants to enjoy an improved standard of living. The migrant workers are also able to send money back to their families who remain in their home countries.

However, as well as the economic benefits migrant workers receive themselves, they are also an important part of the UK economy, both in public and private sectors. According to government figures, the working output of new migration adds 0.5% to the country's **Gross Domestic Product (GDP)**. In 2006, this was equivalent to adding an extra £6 billion to the economy.

One of the reasons why migration improves the economy is that it increases the size of the total **labour market**. Migrant workers to the UK replenish a decreasing workforce. In 2006, 400,000 people left the UK and 590,000 people arrived, 157,000 of these came to study. Migrant workers fill several areas of the labour market where there are skills shortages or they do jobs that people in the UK do not want to do because the working conditions may be poor or wages low. Often migrant workers are 'deskilled' because they take work in different industries at a lower skill level than the one for which they are qualified. These industries include agriculture, hospitality and food packing.

Many business leaders express the view that migrant workers often have a more positive **work ethic** than domestic workers. Employing workers who not only have the necessary skills but who are also keen to work allows many businesses to achieve a **competitive advantage**. UNISON recognises the benefits to the economy that migrants bring. It has worked hard to ensure that workers receive fair pay and valid career opportunities to keep attracting migrant workers to the UK.

Social factors

A number of **social factors** have increased the flow of workers into the UK. Many migrants moved to the UK to improve their standard of living. Social factors in the UK also contribute to the demand for migrant workers in the UK. The UK has an ageing population. Without immigration, the labour force would be shrinking. As a result, there is a smaller labour force supporting the growing population of retired workers. This is forecast to get worse over the next 20 years. There are also specific vocational areas where the UK has a **skills** shortage. For example, 16% of all care workers are migrant workers. These workers are skilled workers who have trained in their home nations. Without them, the range of care provision would be less.

Many social issues may affect migrant workers whilst they are in the UK. For example, UNISON is aware that many migrant workers have difficulty communicating in English. This creates problems with understanding important documents such as contracts of employment, company rules and notices. Migrant workers are often unaware of their rights in the workplace. The language barrier also affects migrants outside the workplace. It causes difficulties in shops, accessing housing and education and understanding the **welfare** system. Not being able to understand cultural issues such as behaviour and customs is another big factor. Together these problems make many migrant workers feel socially excluded from English-speaking co-workers.

UNISON has helped many migrant workers overcome these issues in different ways:

- It produces workers' rights leaflets in 11 different languages.
- It also works with community groups like the ONNS (Overseas Network of Nurses in Scotland). These groups provide advice and social communities for overseas workers.
- UNISON has provided information on welfare and tax so workers can understand what they need to pay and any benefits they can receive.
- Recently it has developed a dedicated migrant workers' section on its website where key information is available in a range of languages.
- It is also running ESOL (English for Speakers of Other Languages) courses to help migrant members learn English.



THE TIMES 100

www.thetimes100.co.uk

GLOSSARY

Gross Domestic Product: the total of the value of a country's output over the course of a year. Different from gross national product which includes net income from abroad.

Labour market: the available pool of workers within a country or region.

Work ethic: an employee's attitude towards the work they do.

Competitive advantage: a strategic element that enables an organisation to compete more effectively than its rivals.

Social factors: trends in society including demographic and cultural changes.

Skills: specific abilities, attributes and techniques.

Welfare: the range of benefits and support available from the government, such as housing, unemployment and child support benefits.



UNISON
the public service union

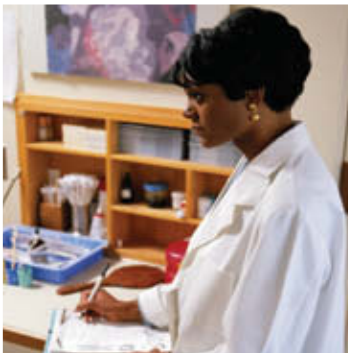
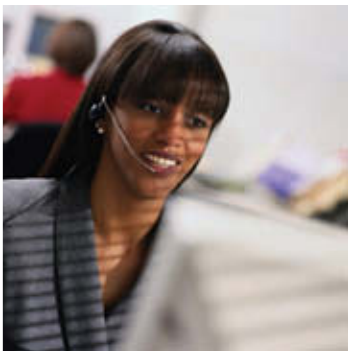


GLOSSARY

Bargaining agenda: series of issues that are itemised when trade union representatives talk with employers.

Automation: the use of robots, computers and machines to complete jobs instead of workers.

International aid: the financial assistance developed countries give to developing countries.



As part of UNISON’s **bargaining agenda**, it is seeking to make employers aware of the issues that are important to migrant workers. For example, it wants employers to print health and safety rules in other languages and to provide migrant workers with a welcome pack that gives information about local services and sources of information. It also aims to persuade employers to provide paid time off and pay course costs for workers attending language courses. Because migrant workers are better able to identify the bargaining issues that are important to them, UNISON believes it is important for them to be members and actively involved in the union.

Technological factors

Changes in technology, including a rise in **automation** in the workplace and the development of the internet, have transformed the way in which many businesses work:

- Automation of production processes in factories means less-skilled workers are needed.
- The internet has opened up a need for information processing in purchasing and data management areas, for example, in online shopping. Many migrant graduates have come to fill these more specialised vacancies.
- The biggest technological factor affecting migration has been the increased availability and reduced cost of transport. Over 75% of migrants fly into the UK, most using budget airlines.
- Advances in online money transfers enable migrant workers to send money home easily and securely. This makes them more willing to migrate. A United Nations statistic shows that migrant workers send home over twice the amount given in **international aid** to developing countries.
- Improvements in telecommunications have made it easier for potential migrants to discover what job opportunities are available. Through online chat rooms, they gain information and advice from other migrants from their own country and can keep in contact with friends and family in their home countries.

UNISON’s website is an important means of communicating with members. For example, it has welfare pages providing migrants with information about the benefits they can receive. The site provides access to leaflets in a range of different languages. These give advice on their rights at work and information about health and safety. This greatly improves the livelihood and work experience of UNISON members.

Conclusion

UNISON aims to improve the working lives of migrant workers by increasing their level of trade union representation. PEST analysis is a useful tool for analysing the external environment surrounding migrant workers. It also helps to identify and understand the reasons why migrants come to the UK and the issues they face. UNISON has worked hard to raise awareness of the economic benefits migrant workers bring to the UK economy.

UNISON greatly supports migrant workers. It has provided them with a range of advice and assistance. This has made it easier for them to settle in the workplace. UNISON has an ongoing role in persuading employers and the government to implement policies to benefit migrant workers. This has enabled the UK economy to benefit from the increasing number of workers migrating here. Migrants provide an increasingly skilled workforce necessary to maintain the growing number of services demanded by the UK’s growing economy.

Questions

1. Explain the purpose and benefits of PEST analysis.
2. Outline the factors that could lead to exploitation of migrant workers.
3. Analyse the factors which have led to increased immigration to the UK in recent years.
4. Evaluate the extent to which the UK economy benefits from migrant labour.

