

**AWARENESS OF THE MINIMUM WAGE IN
THE HAIRDRESSING INDUSTRY**

**AN EVALUATION OF THE DTI/HMRC TARGETED
CAMPAIGN**

A research report for the Low Pay Commission

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FEBRUARY 2007

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Acknowledgements

The authors acknowledge the contribution of Dr Mick Brookes and Mr Martin Kender of Middlesex University Business School in analyzing the statistical data and Dr Celia Stanworth and Mr Colin Jones of the University of Greenwich Business School in conducting the focus groups.

We would also like to thank Mr Ray Seymour of the National Hairdressers' Federation and Mr Andrew Darby and Mr Alan Goldsbro at Habia.

We are also very grateful to those training providers, and especially their Directors of Training, who allowed us access to their trainees to participate in our focus groups. We would also like to thank all the trainees who took part.

Finally we would like to thank Ms Hazel Hector at the Low Pay Commission, Mr Guy Hooper from HMRC and Ms Jolanta Edwards and Mr Mike O'Donnell of the DTI for their help and advice in completing this research.

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EXECUTIVE SUMMARY

This report to the Low Pay Commission provides the results of an inquiry into levels of awareness and understanding of the National Minimum Wage (NMW) in the hairdressing industry, conducted in 2006 by a team drawn from the Universities of Greenwich and Middlesex. Its main aim was to estimate the impact of the Department of Trade and Industry's (DTI) and HM Revenue and Customs (HMRC) 2005-06 campaign to raise awareness levels and improve levels of compliance in the industry.

The results are based on three surveys and focus groups with trainees in five training organisations. The three surveys used different methodologies: the first was a postal survey carried out through a hairdressing journal widely read in the industry; the second was a telephone survey based on a Yellow Pages listing of hairdressing salons; and the third was a postal survey of members of the National Hairdressers' Federation (NHF). The focus groups of trainees were held with the co-operation of both the trainees themselves and of training providers. While the number of trainees interviewed through the focus groups was limited, there were some useful observations as a result. Response rates to the surveys were small, and the results may therefore only be regarded as indicative. Nevertheless, the depth of data acquired from respondents was good and the data were consistent.

Unfortunately for this research, there was no baseline study conducted against which to judge the success of the campaign. Ideally the research would have compared levels of awareness among hairdressing staffs prior to the campaign and after its completion. The evaluation of awareness also took place almost a year after the campaign had begun. This might have affected the degree of awareness shown by respondents.

The research showed that:

- Overall, while there was general awareness of the existence of the minimum wage, knowledge among both employers and workers of the different minimum wage rates and ages applying was patchy.
- Although awareness was higher among owners and managers than among employees and trainees, only a minority of our respondents could correctly identify the rates and how they operated.
- Some significant patterns of knowledge, or lack of it, were apparent, with understanding of rates other than the main adult rate especially weak.
- In addition, some respondents thought that employees from countries outside the EU did not have to be paid the rate.
- There was some indication from the research that membership of the employers' body, the National Hairdressers Federation, had a positive effect on awareness but this was inconclusive.
- Trainees showed low levels of awareness and understanding of the NMW.
- The DTI/HMRC campaign had reached a modest proportion of the respondents surveyed, and in a small but significant number of cases this had led to positive changes in practice being made in response.

- The campaign has also improved awareness of the National Minimum Wage Helpline, allowing specific individual inquiries to be made, although inquirers had no more general understanding of the NMW and how it worked than non-inquirers.

In the light of our research findings we also make suggestions for methods of improving the level of awareness among both employers and workers of the minimum wage, including the suggestion that employers should be required to display information about the minimum wage, including the relevant rates, in the workplace. It was also suggested that training establishments could also be a useful location to display NMW information.

The methods used for raising awareness were also considered. Some respondents felt that the DTI booklet was not instantly attractive and needed to be designed to focus more clearly on its key messages. There were also suggestions from respondents that non-print methods of communication such as TV and cinema advertising might be more effective than printed literature in spreading awareness of the core messages, if not the detail of the minimum wage.

TERMS OF REFERENCE

The Low Pay Commission (LPC) commissioned Professors White and Croucher to carry out an evaluation of the Department for Trade and Industry (DTI) and HM Revenue and Customs' (HMRC) pilot targeted National Minimum Wage enforcement campaign in the hairdressing sector.

Aims and Objectives

The aim of the project was to evaluate the effectiveness of DTI/HMRC's first targeted enforcement campaign to raise awareness of the minimum wage and tackle non-compliance in the hairdressing sector. The project was to focus on the awareness side of the campaign.

Specifically, the research should identify:

- Whether the level of awareness of the minimum wage, amongst both workers and employers, has increased as a result of the campaign.
- The aspects of the campaign that were most effective, and those that have had least impact.
- Particular areas of the minimum wage provision where there is confusion or misunderstanding.
- Levels of awareness of the NMW Helpline and how to make a minimum wage complaint.
- Any changes that could be made to future campaigns to increase their impact.
- Any evidence arising on the campaign's effectiveness in tackling non-compliance.

CHAPTER 1: THE HAIRDRESSING INDUSTRY

This chapter sets the context for the research, discussing the hairdressing sector in terms of employment, recruitment, retention and training arrangements.

There are currently estimated to be around 35,000 hairdressing and barbers' salons in the UK according to Habia, the standards setting body for the hair and beauty sector (2006), mostly providing general hairdressing services (cutting, styling, permanent waving and colouring). A range of additional services may also be offered on hairdressing premises, including beauty treatments.

Table 1.1 below shows the key features of the two sectors covered in this report – hairdressing and barbering.

Table 1.1. Main Features of the Industry

	Hairdressing	Barbers
Turnover	£3 billion	£430 million
Employees	180,000	7,500
Businesses	31,000	4,300
Client visits	340 million	47 million
Number of trainees	100,000	not known
Vacancies	37,000	2,000

Source: Habia (2006)

Table 1.2 below provides information on the number of hairdressing businesses in England, Scotland, Northern Ireland and Wales compiled by Experian on the basis of the Yellow Pages Database in 2005. Habia suggests that this is an underestimate. Research by Guild Press Ltd shows that up to 12 per cent of beauty businesses do not have a listing at Companies House.

Table 1.2: The Number of Hairdressing Salons and Barbers in 2005

Hairdressing businesses	Hairdressing	Barbers
England	28,787	2,412
Scotland	3,184	264
Northern Ireland	1,375	122
Wales	1,901	123
Total	35,247	2,921

Source: Experian, cited in Habia (2006:7)

The turnover of the total hairdressing and spa industry was estimated to be worth about £4.8 billion in 2005, of which beauty therapy was worth £904 million (Guild Press Beauty Industry Survey 2005). Habia has estimated the total number of businesses, including nail bars, as 43,700 in 2006 (Habia 2006). Of these 43,700 businesses, 31,000 are hairdressing salons and 4,300 are barbers' shops.

The structure of the industry is characterised by a very low level of concentration in terms of business size, i.e. there are very few large businesses (Westminster Business School, 2000). The industry is predominantly labour-intensive and small-scale, with 43% of hairdressing outlets employing five or fewer people and 68% employing ten or fewer employees (Habia 2004). In barbering and beauty therapy there are even higher proportions employing five or fewer employees (86 per cent and 65 per cent respectively). In the economy as a whole, only 20 per cent of employees are employed in such small workplaces. Eight-five per cent of hairdressing salons are single outlet businesses with the manager working alongside the employees. Some 16 per cent of hairdressing firms consist of chains of salons, often of three or four outlets. The industry has a much smaller number of large companies - for example Vidal Sassoon, Regis, Toni and Guy, some of which are franchises. These represent around two per cent of outlets and only about five per cent of industry turnover (Westminster Business School 2000). Some of the medium-sized and large chains are also major in-house training providers. The large companies represent the 'glamorous' side of the industry, associated with high fashion, style and technical innovations.

Hairdressing salons are to be found throughout the country, with distribution varying primarily because of population density. Most salons are found in town centres or suburban areas (Habia 2000). In general, hairdressing salons have a fairly low turnover (about £100,000 a year in 2000 according to Westminster Business School) by comparison with other types of industry, since hairdressing has a low pricing structure (Habia, 2002). A study of the industry by Habia in 2004 found that business confidence was generally 'buoyant', with 94 per cent reporting the same or higher client spend over the previous year and 97 per cent expecting the same or increased client spend over the coming twelve months (Habia 2004). This confidence is also reflected in the growth in employment numbers since the 1990s although Habia reports some recruitment difficulties and high staff turnover (Habia 2006). Turnover is, however, not greatly different to other sectors dominated by small and micro-businesses. Habia also comments on an 'over-reliance on recruitment of staff in the under-26 age group' (Habia 2006:10).

Workers in the industry are predominantly employees but Habia estimates that around six per cent of hairdressing salons rent out styling chairs (so-called chair renting) to self-employed hairdressers. In addition to salon-based work, there are mobile or freelance hairdressers, working either in their own homes or travelling to clients' homes, thus avoiding the overhead costs of premises. Mobile hairdressers also provide services to clients who cannot access high street salons. Precise numbers are unknown.

Employment in Hairdressing

Figures for employment show that the industry had a workforce of some 230,000 people in 2006 (Habia 2006). This includes self-employed staff and owner-managers. In hairdressing around 89 per cent of the workforce is female, of whom 74 per cent are working on a full-time basis. In beauty

therapy, 98 per cent of the workforce is female. Habia is currently undertaking a new skills survey of the industry for publication in 2007.

It is interesting to compare these figures with those provided by the Office for National Statistics (ONS). According to figures from the ONS there was a total of 117,000 employees (excluding self-employed and owner-managers) in hairdressing and related occupations in 2006, an increase since 1998 of around 25,000 (27 per cent). Of these, 107,000 were female (91 per cent) (ONS 2006a). Of the 107,000 female workers, 80,000 worked full-time and 27,000 part-time. There were, additionally, 85,000 self-employed hairdressers in June 2006, of whom 71,000 were female.

Besides being a predominantly female industry, hairdressing also has a very high proportion of young workers (Habia, 2002). Over half of the hairdressing workforce is between 16 and 34, but only just over 4 per cent come from ethnic minority groups (Habia 2002). Given that a high proportion of the ethnic minority population is made up of young people, this is a substantial under-representation.

There are estimated to be around 60,000 hairdressing managers and proprietors in addition to employees (Westminster Business School 2000). This grouping was amongst the fastest growing in the UK during the 1990s, with a growth rate of 302 per cent between 1992 and 1999 (Nolan 2001).

Recruitment and Retention

In a survey conducted in 2004, hairdressing salons reported problems recruiting staff in all job categories but particularly stylists, senior stylists, barbers and senior barbers. Staff turnover was running at 29 per cent per annum. Salons were heavily reliant on recruiting those aged under 26 (reported by 83 per cent of respondents to the Habia survey) and those aged under 19 (56 per cent of respondents). The difficulty in recruiting is born out by the number of vacancies recorded in the survey.

One of the key reasons given by employers for recruitment problems is the industry's poor image as a low paying sector. Other factors were the perception that there are few career opportunities, the lengthy period of training required to become qualified, misleading information provided by careers staff, and government policies that encourage schools to retain less academic pupils post age-16. All these factors mean that the calibre of the recruits available to the hairdressing industry is poor (Habia 2002). On the other hand, the sector is reported to have some of the most satisfied employees in the economy (City and Guilds 2006 cited in Habia 2006).

The prime recruiting group for the industry is females aged 16 to 19 years of age without 'A' levels or equivalent qualifications, and the industry recruits 6.8 per cent of this age group. This age grouping is also shrinking in size in the UK labour market, yet the demand for hairdressers is predicted to continue to grow up until 2010 (Habia 2002). Females are now more likely to stay on in full time education than males, and their results are improving. The

hairdressing industry is in competition for 16-19 year-olds with other sectors such as retail, clerical/secretarial, caring, hotels and catering and customer service or call centres. Most of these areas are predicted to grow faster than the average up until 2010.

Staff mobility and wastage is perceived to be a serious problem in the industry. Some of this movement may be between salons, but some is out of the industry altogether. This represents a high cost to the industry because of the costs of attracting and training replacement recruits and the long training period. There is also a high mobility level amongst senior stylists, mostly between salons, but a low rate amongst managers, probably because many of them are the owners of the salons where they work. Senior stylists often migrate from micro to larger businesses, especially in urban areas where poaching with the offer of higher salaries is common (Habia 2002). High mobility is a crucial factor in hairdressing because of the large number of micro businesses, where the loss of one staff member can affect turnover greatly (Habia 2002).

Employers reported that reasons for poor retention of young workers included lack of commitment, unreliability, poor calibre of recruits (particularly in urban areas), and a lack of social skills. Besides technical skills, hairdressers are providing a very personal service for their clients and therefore interpersonal skills are very important. The poor standard of recruits into the industry also affects training outcomes, as we will see in the next section.

Training

In the Habia 2006 survey, overall 89 per cent of staff were reported to hold relevant qualifications in hairdressing and 82 per cent in barbering (Habia 2006). The majority of staff without any qualification is those working as receptionists. A well-established tradition of work-based training, particularly for young workers, exists in the industry, often combined with external training provision. There are around 600 approved assessment centres, divided evenly between Further Education Colleges and private training providers, the latter acting either as management agents or training only their own staff. They award National Vocational Qualifications (NVQs) and Scottish Vocational Qualifications (SVQs) and Modern Apprenticeships.

Eighty-one per cent of all hairdressers currently working in the industry have qualifications of some sort, and 53 per cent of hairdressers (and 85 per cent of barbers) have achieved NVQ Level 3 or equivalent in hairdressing (Habia 2006). Work-based training in salons is the norm in the UK. Typical trainees are females aged between 16 and 24. However, it is possible for people to find work in the industry without prior qualifications and indeed there is no statutory requirement for hairdressers to be qualified. The hairdressing training body feels, however, that most employers are supportive of training.

Pay

Hairdressing has long been, and continues to be, a low-paying sector. At the time that Wages Councils were abolished, the hairdressing Wages Council fixed the lowest rate of all Wages-Councils. Earnings figures for April 2006 from the Annual Survey of Hours and Earnings (ASHE) show that the median gross hourly pay for hairdressing and related occupations was £6.06 per hour and the mean £6.64 per hour (ONS 2006b). The lowest decile was £5 an hour and the 80th percentile £7.75 per hour. Females appear to earn more than males. Male median hourly earnings were £5.65 per hour, compared to £6.11 per hour for females. Male mean hourly earnings were £6.45 per hour, compared to £6.66 for females. Median hourly earnings for female part-timers were £6 per hour and the mean was £6.57 per hour. These figures differ from those cited by the Low Pay Commission in its report because our figures do not exclude overtime earnings.

ASHE shows that lowest decile earnings for hairdressers and barbers were £4.61 per hour and for beauticians £5.19 per hour. The fact that lowest decile hourly earnings fall below the adult minimum rate is largely attributable to the fact that a substantial proportion of the workforce is below age 22 and hence on the young persons' development rate rather than the adult rate. Most trainees are on apprenticeship contracts and are excluded from the minimum wage. The ASHE covers all employees aged 18 and over.

Conclusion

The hairdressing sector makes a significant contribution to economic activity in the UK. A high proportion of the workforce is female (with many part-time workers) and there are many young workers. It also has a high proportion of small and micro businesses, reflected in the large number of managers and proprietors. It has grown in recent times and the sector appears to remain buoyant. Hairdresser training is predominantly work-based, combined with external training and a high proportion of workers in the industry hold recognised qualifications. Few, however, go on to complete all components of the Advanced Apprenticeship. Pay levels are low in comparison to other industries.

AWARENESS OF THE NMW

There has been little research on awareness and knowledge of the National Minimum Wage amongst workers, although there has been some previous work on the awareness and knowledge of employers in various sectors through LPC sponsored research - for example an earlier study of hairdressing (Druker et al 2002, Druker et al 2005). The Low Pay Commission commissioned the Low Pay Unit to conduct research into the impact of the minimum wage among workers following its introduction in 1999 (Low Pay Unit 1999). This, albeit limited, study of 45 workers found that awareness was high. The DTI also commissioned research post-implementation and found

awareness high among both employers and workers (cited in LPC 1999). More recent studies conducted of workers' awareness and knowledge of the minimum wage were those for the DTI in 2001 (Meager et al 2002) and 2005 (Casebourne et al 2006). These surveys concerned workers' awareness of all employment rights, not just the NMW. The latest in 2005 was conducted by BRMB. This was achieved through random sampling with one adult interviewed per household. Face-to-face interviews were conducted in the home using Computer-assisted personal interviewing (CAPI). The survey achieved over a thousand responses, a response rate of 58 per cent. Unfortunately for our research, the sample was not large enough to yield a sufficient sample of hairdressing employees.

The research found a high level of awareness about the NMW. Almost all (95 per cent) knew that the adult minimum wage was payable from age 22 and almost as many (93 per cent) knew that workers aged 18 to 21 are covered. Knowledge of the 16/17 year old rate was lower (58 per cent). A quarter thought, incorrectly, that those aged 65 and above were not eligible (Casebourne et al 2006:63).

In addition, all respondents who had said that at least two age groups had rights to the NMW were then asked whether they thought the NMW was the same for all of these age groups. One-third of all respondents thought that there was a single rate of the NMW that applied regardless of age. It was also found that in general respondents over-estimated the rate of the NMW. Nine in ten respondents knew that the right to the minimum wage covers employees from the first day of employment.

In terms of sources of information, just one in five said that they would go to Personnel or an HR officer first, while 18 per cent said they would go to a manager at work. Some 16 per cent would go to a Citizens' Advice Bureau (CAB) and just over one in ten would go to a trade union.

This research provides a useful benchmark against which to compare our findings among hairdressing employees.

THE DTI CAMPAIGN

The DTI announced in 2005 that it was undertaking a pilot campaign to raise awareness of the minimum wage among both employers and workers. The industry chosen for the pilot exercise was the hairdressing sector. This industry was chosen for a number of reasons, the first being that it is a relatively small industry, compared to other low paying sectors. It is an industry primarily made up of small businesses where awareness was more likely to be problematic. It also has a well-developed employers' organisation and apprentice training is widespread, allowing access to apprentices through training providers.

Working in close collaboration with the National Hairdressers Federation (NHF) and HM Revenue and Customs (which is the enforcement body for the NMW) Compliance Team, the DTI produced two guides relating to

hairdressing and the NMW. One was a detailed guide aimed at employers and the second was a shorter guide aimed at hairdressing apprentices.

The DTI arranged for the NHF (the employers' organisation) and Habia (the Standards Setting Body for the hair and beauty industry) to send the guidance to all their members.

In England the DTI wrote to all hairdressing apprentices (using a Learning and Skills Council database) providing details of their entitlements and enclosing the short guide. The letter was sent to home addresses, outlining the situation in broad terms and directing recipients to the NMW Helpline. A copy of the letter is appended as Appendix 1 to this report.

In England the DTI also wrote to all Learning and Skills Council (LSC) Area Managers (around 35) enclosing a letter for them to forward to all their hairdressing training providers with details about the minimum wage and copies of the guidance. The DTI asked training providers to send the guidance to all hairdressing apprentices and employers with whom they had contact.

In the devolved administrations the DTI asked the Welsh Assembly Department for Education and Lifelong Learning (ELWa), Scottish Enterprise and the Department for Education and Skills (Northern Ireland) to circulate the guidance to training providers, hairdressing employers and apprentices.

A number of articles about the minimum wage by Government ministers were placed in the hairdressing trade press. The DTI also took a stand at the annual major international hairdressing conference in London held in November 2005.

CHAPTER 2. RESEARCH METHODOLOGY

The principal objective of the research was to evaluate the impact of the Department for Trade and Industry's (DTI) and HM Revenue and Customs (HMRC) campaign to raise awareness of the minimum wage and the detailed provisions of the National Minimum Wage Act within the hairdressing industry. This objective presented three key issues to be taken into account in devising the methods to be adopted. These were:

- the extent of awareness of the existence of the National Minimum Wage after the campaign;
- the level of understanding in terms of the different NMW rates, who they apply to and exemptions; and
- the sociology of awareness (i.e. whether managers and workers had different levels of awareness, whether women and men had different levels of awareness and whether there were regional differences).

This had to be achieved in the context of a relatively small-scale project over a short period of time. Funding was also limited so that large-scale market research type techniques, as used in the recent DTI research on workers' awareness of employment rights (Casebourne et al 2006), were not possible.

The issue essentially requires a comparative approach. First, in order to know whether awareness was improved by the DTI/HMRC campaign, a sequential 'before and after' approach was required. Ideally, a base level survey of awareness would have been carried out prior to the DTI/HMRC campaign to provide comparative data. However, this option was not available. Secondly, in order to evaluate whether the campaign had worked, we needed a control group that was not subjected to a campaign. It would therefore have been useful if we could have carried out research in a comparator sector, such as the nursing home industry, to provide a perspective on levels of awareness in hairdressing. This option was also not available, but it may be that in the coming year the second industry to be targeted by a DTI/HMRC campaign may benefit from comparison with the work undertaken here.

Problems of Research Method

The research aimed to uncover awareness among different groups within the industry. Approaching employers and managers in the industry presented certain difficulties, given the extremely fragmented and complex nature of hairdressing. Trying to ascertain the precise status of individual managers, partners and owners proved difficult and could give rise to initial confusion. These problems are even more apparent when trying to find out the awareness of employees and, in particular, young workers and trainees. As Moser and Kalton (1979) point out, employees in a relatively weak position in relation to their employer are unlikely to feel comfortable giving responses on questions about pay and their rights more generally. In general, those working in the industry, as in other low-paid sectors, tend to regard the issue of the NMW as one on which they are unlikely to have a comprehensive knowledge. These considerations meant that only low response rates to questions of fact

could be expected. This might have been aggravated in the hairdressing sector by the fact that a large proportion of the workforce is young workers and trainees. The researchers therefore used sets of questions in all the surveys that were as short and easy to answer as possible. The researchers also used a variety of methods to investigate the key issues.

The Methods Proposed and Adopted

Two main methods were used:

- 1) surveys (both postal and by telephone), primarily to discover the extent of awareness, and
- 2) focus groups, primarily to discover the nature of awareness.

Given the likelihood of low response rates, it was decided to attempt a number of different surveys. We conducted three surveys:

- A survey conducted via the Hairdressing International Journal.
- A survey conducted via the National Hairdressers Federation of its members
- A telephone survey of salons listed in the Yellow Pages.

The questions for the surveys were developed in consultation with industry experts, the DTI and HMRC. The research team did not accept all of the suggestions made, as to have done so would have led to an unwieldy survey that was likely to lower even further the anticipated response rates. The questions asked in all the surveys were designed in such a way as to leave more difficult issues towards the end of the questionnaire and therefore to encourage respondents to 'warm up'. The survey questions focussed on the nature of the salon, the respondents' employment status within the salon, attitude to the NMW and understanding of the rates and their operation. The postal survey was piloted by telephone with six respondents, in order to refine the questions and to ensure their validity.

One major survey proved impossible to conduct. This was a proposed survey of hairdressing trainees, to be conducted through mailing questionnaires to trainees recorded on the Learning and Skills Council (LSC) database. The LSC database records all trainees undertaking courses in hairdressing, and could have formed the basis for the researchers to survey trainees. The database, however, was only delivered to the researchers by late summer and it was therefore impossible for them to send out questionnaires, to enter the data and to analyse it by the due deadline for the project. Given the poor response from trainees to our other surveys it is also debatable how effective such a survey would have been.

Hairdressing Journal International Survey

A survey was conducted of the readership of 'Hairdressers Journal International' (HJI), published by Reed Business International. This newspaper has a wide circulation in hairdressing (around 12,000) including

managers and workers of all types. The paper is attractively produced, and has run regular news and information features on the National Minimum Wage since its inception. The researchers contacted and discussed the survey and its positioning in the journal with HJI journalists and business managers. Responses to previous surveys (albeit on non-employment issues) had generally been very good and the publisher was confident that we would get a good response. The issue in which the survey appeared, with a pre-paid return cover, carried an editorial feature on the National Minimum Wage, specifically asking readers to respond to our survey. The researchers were able on this occasion to provide good quality visual representations of the two DTI information booklets issued as part of the awareness campaign. The survey was inserted in HJI's first edition of July 2006, and postal reply slips were returned to Middlesex University. As with all other surveys conducted as part of this research, the data was entered into Excel and SPSS data files, the entries were checked and data analysed. The HJI survey, contrary to expectations, yielded only 71 responses, and the results could therefore only be regarded as indicative. The responses were biased towards London and the Southeast.

Telephone Survey of Yellow Pages Salons

The next survey to be conducted was a telephone survey managers or employees, in an attempt to gain a more representative sample. In this case, unlike the HJI survey, it was possible to ensure that responses were representative by region. However, it clearly was not possible in this case to show respondents the DTI leaflets and so they had to be described verbally. Hairdressing salons were identified by use of the online Yellow Pages and a random selection was telephoned during a one-week intensive survey period in early August 2006. We asked to speak to owner-managers and staff. The telephone survey also had a low response rate, despite the method of administration. Almost one thousand 'cold call' phone calls had to be made to achieve one hundred responses distributed evenly across the regions. This was partly because the survey was administered in late summer, when holidays were being taken. It also underlined the general reluctance of people throughout the industry to answer detailed questions on our subject. Trainees and younger hairdressers more generally were particularly reluctant to answer the questions. This survey allowed the researchers to obtain more detailed and nuanced results, and was a valuable part of our investigation. Very often, respondents provided more detailed and rich information than the researchers asked for directly. As with the other surveys, data were entered in to Excel and SPSS files and analysed.

NHF Survey

One hypothesis of the investigation was that members of the employers' association (NHF) would be more fully aware of the National Minimum Wage than others. The hypothesis was justified by the involvement of the NHF in the DTI campaign and the fact that membership of the federation tends to correlate with more business-like practices. The NHF distributed copies of the survey to a sample of one thousand members, with each region uniformly

represented. The survey forms were returned to Middlesex University for analysis. As with the other surveys, only a small response – 84 responses - was obtained (an 8.4 per cent response rate).

In order to improve the research findings in terms of the nature of employees', and particularly trainees', awareness of the NMW, eight focus groups were organised through contacts in five training organisations. The focus groups – which were conducted with hairdressing trainees (and in one case stylists undergoing product training) - were conducted by Professor Geoff White and his colleagues, and on these occasions it was possible to show copies of the appropriate DTI campaign booklet to those present. Focus groups were taped and the transcripts used to form the basis of Chapter 4.

Finally, an on-line survey was attempted through the hairdressing training body Habia's web-site, but no responses were obtained.

Conclusion

Although a variety of methods were used to meet the research objectives, it is evident that response rates were very low. This was, in many ways, to be expected given the nature of the investigation. Discussing the NMW with both managers and workers is a sensitive issue and there was a natural reluctance to be 'tested' on knowledge of the wage. More generally, postal surveys tend to have poor responses among employers in small and micro-business sectors because of the absence of professional administrative or HR staff to whom such tasks could be delegated. Replying to such surveys is seen as time consuming and not a priority. In the case of workers, many low paid workers are not highly educated and responding in writing is seen as a chore.

Moreover, the evaluation was conducted almost a year after the campaign literature was sent out. It is therefore not surprising that many of the respondents had no recollection of receiving the DTI leaflets.

In total, aggregating respondents from all surveys and the focus groups, only some two hundred and fifty respondents participated. Nevertheless, the detailed nature of the responses does provide a relatively rich source for evaluating the precise nature of awareness of the NMW among those who did respond. While the results of the research cannot therefore be regarded as representative of the population within hairdressing, and may only be regarded as indicative, they are relatively detailed.

CHAPTER 3. RESULTS FROM THE SURVEYS

As detailed in Chapter 2 on our research methods, we attempted to collect data by three surveys: the first a postal survey via the Reed International magazine 'Hairdressers International Journal'; the second through a telephone survey of salons via Yellow Pages listings; and third, a postal survey of the National Hairdressers' Federation membership.

In this chapter we analyse the results from our three surveys.

1) Hairdressers' Journal International Survey

To gain access to a mix of owners, managers, employees and trainees in the hairdressing industry, it was decided to conduct a survey through a widely-read trade magazine. The only magazine that agreed to co-operate was Hairdressers' International Journal, owned by Reed Business Publishing and with a certified circulation of some thirteen thousand, reasonably balanced between salon owners and managers on the one hand and workers and trainees on the other. The magazine has had a history of discussing the NMW in its editorials and elsewhere, and frequently attracts correspondence on the topic. Readers might therefore be expected to be relatively well-informed on the subject.

Survey Conduct

The questions were inserted in a pre-paid return format (the page folded into an envelope format) inside the July edition of the journal with a request to respond to a Middlesex University address. The magazine carried an editorial in support of the questionnaire, encouraging readers to complete and return it. The responses were entered into an Excel database to generate statistical analysis. The format of the survey instrument (a magazine insert) meant that there were limitations on the numbers and types of questions that could be asked.

Readership Characteristics

The ABC certificate of circulation issued for the fifty-one issues of Hairdressers International Journal distributed between 1 July 2004 and 30 June 2005 gives details of the magazine's circulation. The total net average circulation per issue was 13,508 copies. Some 3,590 of these copies were issued free to salons on telephone request. The regional circulation breakdown was as shown in Table 3.1.

Table 3.1. Regional Circulation of Hairdressing International Journal

Region	Percentage of circulation
Northern	3.42
Yorkshire	6.47
North West	8.64
East Midlands	6.72
Midlands	7.61
East Anglia	3.83
South East	24.09
London	7.51
South West	8.94
Wales	3.74
Scotland	7.22
Northern Ireland	1.58

Source: ABC data

The regional categories used by ABC are not the same as those used by the Office for National Statistics, but it appears likely from analysis that circulation is centred on London and the South East. However, this is countered by the fact that our telephone survey was biased towards the rest of the UK.

The occupational breakdown of the readership is only analysed in terms of owners, managers, senior stylists and creative directors and is given in table 3.2 below. There is no analysis of other readers such as stylists and trainees.

Table 3.2. Occupational Breakdown of Readership

Align figures in the table

Position/Occupation	Percentage of readership
Owner/partner	16.93
Manager/Director	5.08
Head/senior stylist	4.28
Creative director	0.08
Total	26.37

It appears likely from these figures that the majority of readers are therefore not owners or managers, but workers in salons. Nevertheless, readership is probably weighted towards owners and managers in proportionate terms, but 75 per cent are unknown.

Sample Characteristics

There was a poor response to our survey, with only 71 respondents, 43 female and 28 male. The responses were predominantly from salon owners (45) and salon managers (4), making up 69 per cent of the total. The self-selected sample was therefore biased towards owners and managers. The remainder of the respondents were 13 employees (18.3 per cent), three self-employed workers, five trainees and one college lecturer.

Table 3.3: Status of Respondents

Status	Number	Percentage
Salon Owner	45	63%
Salon Manager	4	6%
Employees	13	18%
Trainees	5	7%
Self-employed	3	4%
Other	1	1%
Total	71	100%

Almost two-thirds of the respondents were female.

Table 3.4: Gender Breakdown of Respondents

	Male	Female	Total
Owners and managers	26	23	49
Others	2	20	22
Total	28	43	71

The sample was, as anticipated from the circulation figures, biased towards owners and managers in London and the South East. In other respects, the sample appears not to have any marked bias in relation to region.

Table 3.5: Regional Breakdown of Respondents

Region	Employers	Others	Total
South East	16	7	23
South West	7	5	12
London	5	3	8
East of England	6	0	6
West Midlands	4	0	4
East Midlands	2	1	3
North East	1	0	1
Yorks & Humberside	1	2	3
North West	4	3	7
Scotland	2	0	2
Wales	1	0	1
N. Ireland	0	0	0
No Response	0	1	1
Total	49	22	71

Minimum Wage Awareness

Some 60 respondents, the great majority, claimed that they were aware of the existence of the minimum wage with only 11 (15.5 per cent) saying they were unaware. Table 3.6 shows claimed awareness. Owners and managers claimed a greater awareness than other respondents.

Table 3.6: Minimum Wage Awareness

	Aware	Unaware	Total
Owners and managers	47	2	49
Others	13	9	22
Total	60	11	71

The respondents were then asked about the two main minimum wage rates. We did not ask them about the 16/17 year old rate as most workers of this age within the hairdressing sector are trainees and hence not eligible. It was thought that this would otherwise confuse respondents. They were first asked to give the current main adult rate. Overall, only 42 per cent could give the correct figure. A small majority of owners and managers was able to do so correctly, but only a small minority of workers was able to provide a correct answer. Even though the level of knowledge is considerably higher amongst salon owners and managers than workers, there was still a significant minority who did not know the correct rate. Of the 13 employee respondents, only one knew the correct adult minimum wage rate and none of the five trainees knew the correct rate. Two of the employees cited an earlier NMW rate.

Table 3.7: Awareness of Adult Rate

	Correct	Incorrect	Total
Owners and managers	27	22	49
Others	3	19	22
Total	30	41	71

Respondents were then asked to give the development rate. Again a majority (69 per cent) did not know the correct figure. Although owners and managers again scored better than other respondents, only a minority of them knew the appropriate rate.

Table 3.8: Awareness of Development Rate

	Correct	Incorrect	Total
Owners and managers	19	30	49
Others	3	19	22
Total	22	49	71

Two further questions were asked about age requirements for the adult and development minimum wage rates. Again, the majority (62 per cent) could not identify the correct ages. While owners and managers scored most highly, only a minority of them and a small minority of others could accurately state the correct age bands - both upper and lower - for these rates. Results are shown in tables 3.9 and 3.10.

Table 3.9: Awareness of Age Band for Adult Rate

	Aware	Unaware	Total
Employers	24	25	49
Others	3	19	22
Total	27	44	71

Table 3.10: Awareness of Age Band for Development Rate

	Aware	Unaware	Total
Employers	20	29	49
Others	5	17	22
Total	25	46	71

Respondents' Sources of Information

Very few of the respondents could be said to be fully conversant with the minimum wage since only ten (14 per cent) were able to correctly answer the four awareness questions. We also asked how respondents had acquired information on the NMW. Information came from a wide variety of sources. The evidence relating to the DTI campaign was somewhat mixed. From this survey, 29 of the 49 owners or managers had seen the DTI employers'

booklet. However, as a result, of the 29 who had seen it, seven had made changes to their practices. To a certain extent these tended to be the best aware employers, since 17 of these 29 were also aware of the correct adult minimum wage rate and thirteen recorded the correct development rate.

Just one employee out of the 22 had used the Helpline (this person had not seen the DTI booklet). No 'others' had seen the DTI booklet.

The results from this survey are therefore considerably more positive in relation to the DTI campaign than the telephone survey discussed later in this chapter. The disparity between the results may be accounted for by two factors. First, the postal survey was able to show a picture of the DTI booklets, aiding recognition. Second, the postal survey sample is self-selecting and therefore almost certainly biased in favour of those who felt relatively confident about answering the questions.

There was evidence of a reasonable level of use of the HMRC Helpline, with 16 of the 71 respondents having called it. Calls were made predominantly by employers, with only two of the 16 callers being employees. This level of use was broadly similar to the telephone survey and this gives some confidence in the results. Unfortunately, calling the Helpline does not appear to add greatly to the callers' level of knowledge of the minimum wage. Only nine of the 16 who had called the Helpline knew the correct adult rate and neither of the two employees had any correct information about the minimum wage apart from the fact that the development rate was applicable from 18. This might suggest that the Helpline helps resolve specific inquiries rather than addressing the more general problem of awareness. On the other hand, if employers and workers know where to find accurate information when they need it, why would they want to carry around this knowledge in their heads.

Membership of the National Hairdressers' Federation (NHF)

One purpose of the investigation overall was to ascertain how significant membership of the employers' association, the NHF, was in determining employers' awareness of the NMW. Since the NHF publishes material designed to improve employers' understanding of the NMW, as well as responding to members' queries, it was to be expected that NHF members' awareness would be higher.

There was no strong evidence of a correlation of correct answers between those salon owners who are members of the National Hairdressers' Federation compared to those who are not. Of the 45 salon owners participating in the Hairdressing International Journal postal survey, the split was roughly even, with 27 NHF members and 22 non-members. Amongst the NHF members, just over half (12) correctly recorded the correct minimum wage at the time of the survey of £5.05 and ten knew the correct development rate. Among non-NHF members, 64 per cent knew the correct figure for the main rate and 41 per cent the correct development rate. Results are given in tables 3.11 to 3.13.

Table 3.11: Minimum Wage Awareness – NHF Members/Non-members

	Aware	Unaware	Total
Members	27	0	27
Non-members	21	1	22
Total	48	1	49

Table 3.12: Awareness of Adult Rate – NHF Members/Non-members

	Correct	Incorrect	Total
Members	13	14	27
Non-members	14	8	22
Total	27	22	49

Table 3.13: Awareness of Development Rate – NHF Members/Non-members

	Correct	Incorrect	Total
Members	10	17	27
Non members	9	13	22
Total	19	30	49

Table 3.14: Awareness of Age Band for Adult Rate – NHF Members/Non-members

	Aware	Unaware	Total
Members	16	11	27
Non-members	8	14	22
Total	24	25	49

Table 3.15: Aware of Age Band for Development Rate – NHF Members/Non-members

	Aware	Unaware	Total
Members	11	16	27
Non-members	9	13	22
Total	20	29	49

Awareness among Different Groups of Workers

The number of workers responding to the postal survey was small in relation to the number of owners and managers. Only five trainees responded. These numbers do not promote confidence in the results, even though they

may reflect reluctance on the part of these groups to answer a detailed set of questions on the NMW.

However the results show, as might be expected, low levels of understanding among workers in general compared to owners and managers, and especially low levels of awareness among trainees. Results are given in tables 3.15 to 3.19.

Table 3.16: Minimum Wage Awareness– Trainees/Other Employees

	Aware	Unaware	Total
Trainee	2	3	5
Other	14	3	17
Total	16	6	22

Table 3.17: Awareness of Adult Rate – Trainees/other employees

	Correct	Incorrect	Total
Trainee	0	5	5
Other	3	14	17
Total	3	19	22

Table 3.18: Awareness of Development Rate – Trainees/other employees

	Correct	Incorrect	Total
Trainee	0	5	5
Other	3	14	17
Total	3	19	22

Table 3.19: Awareness of Age Band for Adult Rate – Trainees/other employees

	Aware	Unaware	Total
Trainee	0	5	5
Other	3	14	17
Total	3	19	22

Table 3.20: Awareness of Age Band for Development Rate – Trainees/other employees

	Aware	Unaware	Total
Trainee	0	5	5
Other	5	12	17
Total	5	17	22

Overall Conclusion

The postal survey clearly attracted respondents who were relatively confident of their understanding of NMW issues from readers of a journal with a history of covering these matters. The results were therefore likely to show relatively

strong awareness. Owners and managers responding had been fairly well covered by the DTI campaign. This was particularly so in comparison with respondents to the telephone survey, which is likely to be more representative of the hairdressing sector. A small proportion had actually made changes as a result of the DTI guidance. They had also made relatively good use of the NMW Helpline. Nevertheless, awareness was patchy. Only a small majority knew the correct main adult rate, while awareness of the other rates and their application was considerably lower. Mistakes were generally under- rather than over-estimates of the correct rates. Membership of the NHF appeared to make little difference to levels of awareness.

Only a small number of employees and trainees responded. Their awareness was lower than that of owners and managers, and that of trainees was especially weak, but they had not made use of the NMW Helpline.

2) Yellow Pages Telephone Survey

The difficulty experienced in obtaining responses that were representative of the wider hairdressing population led us to launch a survey of salon managers and owners. The main aim was to estimate levels of awareness among those responsible for salons across the UK, but in particular this part of our research was designed to discover whether regional variations were apparent.

This section of the chapter is structured in the following way. First, we describe the sample and the interview process. The rest of the section is concerned with responses to questions about the NMW and how it operates, and where respondents obtained information about the minimum wage.

The Sample and the Interview Process

The sample was structured by region, in order to obtain ten responses from each of the ten regions, providing one hundred responses in total.

The sample was drawn from Yellow Pages on-line, which produced 100 hairdressers selected at random in each region, i.e. one thousand potential respondents. There was therefore no control over the size of the business or whether it was independent or part of a wider chain. The sample was in effect randomised by the Yellow Pages listings themselves, which is listed in alphabetical order. The first 20 salons from each region were telephoned in order of listing. In England and Wales, non-respondents were called in the morning and called again in the afternoon and vice-versa over a period of seven days. After running through the sample twice, more salons were called once until there were 10 valid responses in each region. Thus, the sample size is the same in each region although the general population size in each region may be different. The responses have not been weighted to reflect the different populations of salons in different parts of the country.

The sample included five salons that said that they had been involved in a claim by a worker for the NMW.

Using this method we were still only able to obtain 100 responses from 23,000 establishments. The representativeness of the sample, in terms of the population of establishments, may be estimated by comparison with the number of establishments recorded in the Standard Industrial Classification. This shows that the sample is most representative of the North East region (ten out of 1,000 salons contacted) and least representative of London and the South East (ten out of 6,400 salons contacted).

The interviews were conducted during August 2006, and responses were recorded on an Excel spreadsheet. The interviewer operated according to an interview schedule. The initial question asked for a conversation with the manager. The manager is invariably a senior stylist, and they are often with clients. This led to a low response rate, and required multiple calls and/or arranged return calls to conduct the interview. Monday was found to be a very poor day for responses as stylists work on Saturday and tend to have Monday off. August is also a difficult month as not only are staff on holiday, but customers want hairstyling before they go on holiday, and when they return they frequently require a repeat session due to exposure to sun and sea. Salons are therefore very busy in this month.

Overview of Responses

An initial group of questions sought to set the context for responses. This group of questions was concerned with the business, ownership, the nature of the services provided, number of staff employed and/or working in the salon (including self-employed 'chair renters'), and whether they were members of the National Hairdressers' Federation.

The Business

Our initial question sought to determine the respondent's position in the business. Fifty-four were owners (twelve of whom were male). Forty-six of them identified themselves as managers, some of whom were part-owners or partners in the business or were franchise holders. Twenty of those who responded were managers of salons that were part of a larger chain. The remaining eighty were individual salons, but it should be noted that in some cases independent owners owned a number of salons, usually based in a particular region.

The services provided in salons were in about a quarter of cases more than simply hairdressing. Twelve also provided beauty services, another twelve offered beauty and nail services, and there were two salons that identified wigs and hair extensions as their main business.

The total number of those in paid employment in the eighty 'single' salons was 494, giving an average number employed in each salon of six workers. Some 91 per cent of salons employed ten people or fewer, and 60 per cent of the employees were employed in salons employing less than ten people. Respondents answering on behalf of chains or multiple salons were asked to

estimate an average number for that particular branch, since the number employed could vary according to the volume of business.

In most (77 of the 100 salons surveyed) there were no self-employed 'chair renters' and all those working in the salon were employed by the business and paid fixed wages. In the remaining 23 salons a more complex picture emerged, with some employing hairdressers but letting space to self-employed manicurists and beauticians. Others employed stylists and trainees but had senior stylists who were self-employed and who worked in several different salons. There were also reports of salons having occasional and temporary 'visiting' and 'guest' stylists who were self-employed in addition to the resident hairdressers who were employees.

Around half of those in our sample were members of the National Hairdressers' Federation (55 per cent of owners and 47 per cent of managers).

The complexity of ownership in the industry may be illustrated by some examples from our sample:

Respondent U explained that she was a partner (co-owner) with two other people and only three worked in the business. They were self-employed for Tax and NI purposes and shared the profits. Although in favour of NMW in principle they would never employ trainees or assistants and didn't feel the need to know much about it.

Respondent E is the salon owner in that he owns the premises. He and four partners work there, but they are all self-employed for tax and NI purposes, splitting the costs of the business but retaining their own profits.

Respondent Z is a manager for a chain. The number of stylists in the salon differs from day to day. Senior stylists are self-employed so there is no straightforward answer to the simple questions about how many work there and how many are self-employed.

Respondent J is a self-employed owner. Two beauticians rent part of the salon and are self-employed.

Respondent R is manager of a large salon with particularly complex working arrangements. They have guest and visiting stylists and a mix of part- and full-time staff. All of the permanent full-time staff is employees. Some of the guests, visitors and other temps may be self-employed. The owner works as a self-employed stylist and employs the manager to run the commercial side of the business.

The DTI Campaign

Three questions were asked about the DTI/HMRC campaign. One asked whether they had seen the lime green booklet entitled 'The National Minimum Wage and the Hairdressing Sector' (the interviewer had both DTI booklets to hand and described their appearance and content). Some 28 per cent of respondents thought that they had seen it. A second question asked about changes made as a result. One person said that they had made a change to the salon's practice as a result of reading the employers' booklet. The third question asked whether the respondent had ever telephoned the National Minimum Wage Helpline for help. Twenty-six respondents had used the Helpline. Seven of those who had used the Helpline had also seen the booklet.

Understanding of Minimum Wage Age Bands and Amounts

Our third set of questions was designed to test understandings of the National Minimum Wage and its operation. In view of the importance of trainees in the industry, we asked questions about the rates in relation to age bands.

Eleven respondents said that they could not offer a response to any of the questions. Of these, two were managers in salon chains, the remainder being owners or partners in single salons. The managers claimed to be directed in all staffing matters by their head office, and the owners all relied on the advice of their accountants on the wage rates to be applied

Eight respondents correctly identified all of the wage and age bands, accurately stating the wage appropriate to each age band. Of these eight, six were managers and two were owners. One of the managers managed a salon in a chain and one owner owned two salons. The remainder either owned or managed a single salon.

Sixteen respondents, all owners or partners, correctly identified the wage rates, but failed to identify the age bands correctly.

Forty-nine respondents, thirty of them owners, correctly identified the age bands, but could not specify all of the corresponding wage rates. All 49, however, produced answers that were a plausible 'near miss'. The most frequent (25) response was to give rounded figures of £5, £4 and £3.

The single most common misconception, suggested by 19 respondents overall, was that the adult rate applied from 21.

Further questions asked whether the NMW had to be paid to people over 65 or to citizens of non-EU states; seven respondents thought it did not have to be paid to over-65s, but the remaining respondents all thought it had to be paid in such cases. Seven respondents also thought the NMW did not have

to be paid to citizens of non-EU states, but again all the other respondents thought that it did.

The majority of respondents therefore did not have a detailed understanding, and many of them considered it irrelevant. An example is respondent R, who is a senior stylist in a large single salon with about 12 full-time equivalent seniors who are all self-employed. The other workers are juniors and trainees who are employed by the owner/manager (who works part-time). Respondent R expressed the view that once a stylist or colourist was fully trained they would only be concerned about the NMW if they were 'worse than useless' or if they were employing trainees.

The exceptions here are those with a detailed understanding. Respondent C owns the premises and holds a franchise on the name and brand. She knew all of the correct rates and age bands and said that she felt that she had to know as a foreigner coming to start a business abroad. She is Australian, had managed salons in England and had moved to Belfast to take advantage of a business start up programme there.

In general, precise understandings of the admittedly detailed issue of which rates applied to different groups of workers are therefore quite unusual. About half of our respondents had approximate understandings that could potentially lead to minor errors in payments. There is a common misconception that the adult rate applies from the age of 21. A small group was also unclear on age and nationality-related issues.

Sources of Minimum Wage Information

Two questions were asked about governmental and other sources of information. The first asked whether respondents received enough information and help from the government, while the other asked how they had obtained information about the NMW.

In response to the first question, 22 respondents felt they needed more information, but 78 felt that they had access to sufficient information.

Generally speaking, most respondents said that they had used a wide range of sources of information about the NMW. The overwhelming source of information on the NMW (74 respondents), however, was a solicitor or accountant, with 74 giving accountants [the numbers don't look right - if 74 respondents overall, and 74 referring to accountants, who referred to solicitors?] as their only or prime source of advice. The second most significant source of help and advice was the NMW Helpline (26 cases) and HMRC itself (18 cases). In addition, eight mentioned the DTI website and four referred to Acas.

Other sources of information were also varied, but far less important. Three respondents mentioned relatives or friends, while one mentioned another employer. Eleven mentioned the media, including TV, radio and newspapers, but no respondent gave this as their sole source. No respondent mentioned

either the NHF or professional publications as their main or as an important source of information. When they were mentioned, it was very much as an afterthought.

Brief accounts of what some representative respondents said to us are now given to demonstrate how respondents related to issues of information.

Respondent A felt that, as an individual salon manager, she did not have access to adequate information on the NMW and had to rely on second-hand information passed on from others. In her particular circumstances this was satisfactory, as she trusted the owner and they paid rates above the NMW, participated in Investors in People and worked with college training programmes. She wanted one day to set up on her own, but would not feel confident about the information and assistance available to her.

Respondent H could not answer some questions and said that he relied on his accountant to keep him informed of responsibilities and that we would have to ask them what they thought of the information and help. He added that he paid well above the NMW even to his trainees as he ran a high-class quality salon, and was only interested in employing promising trainees and quality staff. He commented 'I don't pay peanuts and I don't employ monkeys'.

Respondent G has two salons and employs five stylists in each. She relies on the accountant for advice on employment matters and admits to only a general knowledge (she thought that there was one adult rate and one school leaver rate) as she only takes on experienced and qualified stylists and is not involved in training young people.

Respondent J is a partner in the business and relies on the advice of an accountant. Three partners jointly own the salon but are self-employed stylists. There are two trainees who are employed by the business.

Respondent E says that he does not need to know the NMW rates as he has to pay above them to get anyone worthwhile. He commented that, 'If I could find people to work for the NMW I might as well pay them a pound because they would be absolutely useless'.

Respondent L commented that she used to listen to training providers but had been misled twice by their advice on payments to trainees and had therefore sought independent advice from the Citizens Advice Bureau. Her only interest in the NMW was in relation to trainees because, as soon as they qualified, she had to pay much more if she wanted to keep them.

Respondent Q consults his family only for information about the NMW, because his brother has another hairdressing business and the company accountant is his cousin. He uses a Sage small business package that calculates wages based on date of birth, although only his trainee is paid the NMW.

Respondent D is a part-owner and manager. The stylists working in his salon are employees, while two beauticians are self-employed. The respondent relies wholly on the advice of an accountant who is a family member and owns a share in the property.

In several cases, it also appeared that, in many cases, owners and managers were not pro-active in informing themselves about the NMW but waited for accountants to alert them to issues.

Overall, several conclusions may be drawn. First, most respondents felt that they had sufficient information, despite their lack of detailed understanding. Second, the principal sources of information for three-quarters of respondents were accountants and solicitors. Third, the principal areas of difficulty in relation to their own understanding are rates other than the main adult rate. There is also considerable uncertainty about many aspects of the NMW and a mistrust of much 'hearsay' information, which may partly or even largely explain the reliance on accountants. In general, the evidence points to a reliance, and possibly an over-reliance, on accountants.

Personal Views on the Minimum Wage

We also asked a question relating to respondents' views of the NMW and whether they were in favour of it. Ninety-one of the respondents said that they were in favour of it. This response may well be, however, a reflection of a social desirability effect in that, confronted by an interviewer, people may well have felt that a negative response to the question was socially undesirable. We provide one case to illustrate our point, using the respondent's own words.

Respondent K is 67 and now concentrates on hairdressing, leaving his wife and son to attend to the business. He claims to understand the principles of the NMW although he doesn't know the current rates, and has 'been taken to a tribunal by an employee'. Although in favour of the NMW he can't think how he could run the business without paying considerably more to attract and retain quality staff. The tribunal case arose, according to his account, because a worker with paper qualifications had insufficient experience to do the job to an adequate standard so he had attempted to extend their time on the training rate.

Managers in chains felt that they had little choice but to pay the NMW. As one respondent (A) commented, the rates of pay are fixed by head office and therefore the NMW has to be observed. They were professionals offering a professional service and had to 'do things by the book'.

Nine per cent of respondents said that they were not in favour of the NMW. Thus, it appears clear that opposition to the NMW is a relatively minor phenomenon. It may therefore be relevant to report on the nature of such opposition. There were several types of opposition, reflected in the responses illustrated below:

Respondent P is not in favour of the NMW in principle. 'Pay people what they are worth. A NMW at such low levels simply makes poor people worse off as employers use it to keep down wage levels'.

Respondent S is owner manager and part-time stylist. Would like to be in favour of NMW but has been the victim of attempts by competitors to put him out of business by offering hairdressing that cost less than the wages of the staff doing it. As a small trader he could only compete by reducing costs and reducing staff as he could not reduce the hourly rate.

Respondent AB owns the premises. He and his two stylists are all self-employed. He is not in favour the NMW as in his view the trainees and juniors do not earn it and are a drain on the business and if adults are worth employing employers will have to pay them much more than NMW.

Respondent L is not in favour of NMW or of trainee grades. 'These people are students and ought to be on proper student grants. Unqualified hairdressers contribute nothing to the business and are more of a liability than an asset'.

These cases illustrate several points with regard to the origins of opposition. One source of opposition is that the NMW allegedly depresses wages. A second refers to other employers who allegedly undercut compliant employers, removing a 'level playing field'. A third refers to indeterminate norms of what 'people are worth'. A fourth source of opposition, related to the third, is the feeling that trainees are receiving a lot more than wages from their employers but that currently they are less an asset than a liability. The last source of opposition is a concern, in view of the importance of trainees in the industry.

Overall Conclusion

Results from the random phone survey suggest that the level of knowledge of the minimum wage is considerably lower amongst salon owners and managers than suggested by the Hairdressers' Journal International postal survey. While most respondents were aware that the NMW existed, only eight per cent participating in the telephone survey were fully conversant with the minimum wage compared with 21 per cent (ten out of 49 respondents) of managers/owners who were postal respondents. It seems likely that the telephone survey is more representative of the hairdressing population as a whole than the self-selected sample involved in the postal survey.

A central purpose of the telephone survey was to determine whether there were regional variations in perceptions. On the basis of our limited evidence, there were no significant variations in the nature of responses between regions in any area covered by our survey. *Prima facie*, this tends to suggest that region is not a key determinant of NMW understanding among salon owners and managers. A much larger survey would be required to determine regional variations since, while these no doubt exist, the variation is probably relatively small.

There were three main reasons why managers and owners often did not feel that they had to attend to issues of the NMW and its application. The first was that they belonged to a chain with an HR department which set wage rates. The second was that they delegated the matter to accountants. The third was that labour market pressure meant that they had, in any case, to pay above the NMW to adults. In addition, many had decided not to take on trainees any more but to only employ fully qualified and experienced staff. These factors may underpin the view of three-quarters of respondents that they already had sufficient information.

The information that they did have was in most cases inaccurate, although usually not greatly so. The main source of difficulty was rates other than the main adult rate. Just over one quarter of our respondents claimed to have seen the DTI booklet, and a broadly similar proportion had used the NMW Helpline.

3) NHF Survey

Because of the poor response to the Reed HIJ survey we also decided to survey the NHF membership. We are very grateful to the NHF for allowing us to survey its members. The expectation was that awareness would be higher among NHF members because they receive regular information about the minimum wage.

There were 84 respondents to the questionnaire, all of whom were owners in some form, i.e. sole owner, co-owner or partner. Unfortunately there was no location question in this survey so we cannot break it down by region as we were able to do with our telephone survey. The level of knowledge appears to be higher than either of the other surveys we conducted, with 59 (70 per cent) knowing the correct adult rate of £5.35 per hour, 32 (38 per cent) knowing the development rate of £4.45 per hour, and 44 (52 per cent) knowing the correct 16/17 rate of £3.30 per hour. There were also a further six (7 per cent) who gave the previous rates of £5.05, £4.25 and £3.00, and as this took place just after the rate rise there is perhaps an issue concerning the speed at which the new information is assimilated. Overall 32 out of the 84 (38 per cent) gave the correct answers for all three of the NMW rates. Of these twenty two (26 per cent) also knew the correct ages to which each rate applied, so around a quarter of the respondents can be said to be fully conversant with the important aspects of the minimum wage.

There was also evidence of greater knowledge of the available sources of information. Twenty-three of the respondents had made use of the NMW Helpline and 31 said they had seen the DTI booklet. Of these 31, twelve said that they had made changes as a result of reading the booklet.

Table 3.20: Awareness of Adult Rate

Response	Number	Percentage
Too High	1	1%
£5.35	59	70%
£5.05	6	7%
Too Low	10	12%
Don't Know	8	10%
Total	84	100%

Table 3.21: Awareness of Development Rate

Response	Number	Percentage
Too High	6	7%
£4.45	32	38%
£4.25	3	4%
Too Low	24	28%
Don't Know	19	23%
Total	84	100%

Table 3.22: Awareness of 16-17 Rate

Response	Number	Percentage
Too High	10	12%
£3.30	44	52%
£3.00	6	7%
Too Low	0	0%
Don't Know	24	29%
Total	84	100%

Table 3.23: Awareness of Age for Adult Rate

Response	Number	Percentage
Too Old	0	0%
22	54	64%
Too Young	23	28%
Don't Know	7	8%
Total	84	100%

Table 3.24: Awareness of Age for Development Rate

Response	Number	Percentage
Too Old	8	10%
18	41	49%
Too Young	24	28%
Don't Know	11	13%
Total	84	100%

CHAPTER 4. FOCUS GROUP FINDINGS

As discussed in Chapter 2, both time and money limited our research methods. While our postal survey via the HIJ produced responses from employers and managers, it yielded particularly limited responses from workers, either stylists or trainees. This is not surprising as such workers are unlikely to respond to postal questionnaires and there is no easily available database of hairdressing employees as such. The main source is the database of trainees held by the Learning and Skills Council. A larger scale survey, using market research techniques of the type used for other DTI research on awareness of employment rights, was ruled out by both time and cost constraints. We therefore decided from the beginning of the project that we would need to interview employees face-to-face if we were to get any reasonable sample of worker views.

The main method for accessing hairdressing employees is through their training organisations. We therefore arranged to conduct focus groups with trainees in a number of training organisations, both public and private. In the end we were able to conduct focus groups/interviews in five organisations.

We were fortunate in being able to utilise University of Greenwich college links – the university has launched a foundation degree in salon management in conjunction with L’Oreal and Toni and Guy - to arrange interviews at three further education colleges and two private sector academies. These were:

- College A in East London
- College B in Kent
- College C in South East London
- Private Academy 1 in South East London
- Private Academy 2 in West London

We are very grateful to these training providers, and especially their directors of training, for allowing us access to their trainees. We would also like to thank all the trainees who took part.

The numbers of trainees involved at each organisation varied. In one case we could only access two groups of two trainees whereas elsewhere we were able to access more substantial numbers. At two organisations we were also able to speak to junior stylists undergoing further training above NVQ level 2.

A schedule of questions was drawn up to reflect those used in our surveys but with additional questions about trainees’ perceptions of the industry, as well as their awareness of the NMW. Given that the focus groups had to be fitted in around trainees’ training, the number of questions was necessarily limited.

Most of our focus group members were day-release students undertaking NVQ2 or 3 but we did have access to some full-time college trainees and

some non-trainees (i.e. junior stylists undertaking special training in particular hair products). The age of the focus group members varied from 16 to 35, but most of our interviewees were aged in the 17-19 range.

Table 4.1 Focus Groups Conducted

Training organisation	Number of focus groups/interviews	Age and Gender mix
College A. East London	Two groups – each of two trainees	20-32 (3 female, 1 male)
College B. Kent	One group – eight trainees	17-22 (6 female, 2 male)
College C. SE London	Two groups – one of seven and one of five trainees (all level 3)	18 - 35 (all female)
Private Academy 1 SE London	One group of eight trainees	All 17 (all female)
Private Academy 2 West London	Two groups – one of seven trainees and one of five stylists on a hair products course.	16 – 22 (3 male and 9 female)

Awareness of Minimum Wage Rates

The groups were asked if they were aware that there was a minimum wage. Most trainees claimed to be aware of its existence but a significant minority did not. Of those who were aware, awareness had come through various means although many could not remember when or how they became aware. Methods of awareness included being told by salon owners; via family and friends; through working in other sectors; through an earlier school or college experience; and through the newspapers and TV when the rate was increased. Some received their information from the NHF journal. None of the trainees had been informed about their rights to the minimum wage through their current college or academy. Their salon managers had informed a couple about the minimum wage but some had been informed that the minimum wage did not apply to those under age 22. Some trainees reported widespread use of ‘cash in hand’ arrangements for some salon staff and other informal arrangements.

Awareness of actual minimum wage age requirements and rates was not good, however. Many trainees believed the adult minimum wage started at 18 or at age 21 and awareness of the three separate minimum wage rates was rare. None of the trainees taking part in the research identified the correct age of 22 for the adult rate. Few knew the correct rate for their age. In terms of the adult rate, some thought it was around £5 per hour but others suggested higher (up to £6.50) or lower rates (down to £4.50). One suggested that eligibility was related to National Insurance contributions. Some trainees understood that the rate increased as you got older but few understood the development rate or 16/17 year old rate. A number were concerned that they

might not be getting the correct amount – although in fact most were on trainee contracts and were not eligible for the NMW.

We also asked trainees about whether they thought the minimum wage was a good thing for a) employers and b) workers. An interesting view expressed by several was that it was good for employers because they did not have to negotiate pay any more – they just needed to follow the minimum rate. Similarly, the converse view was that the minimum wage was a bad thing for workers because employers could get away with paying just the minimum wage and claiming that was all they needed to pay.

DTI Leaflet

A copy of the DTI leaflet was shown to the trainees in each case. Few of our focus group members claimed to have seen the DTI leaflet. Almost none remembered receiving a copy of the leaflet at their home address. At Private Academy 2 one trainee did remember that he had 'got it in the post at home'. It is of note that another trainee from the same salon could not remember receiving a copy but had seen the other trainee's copy. One trainee remembered receiving a letter but not the leaflet. At College C, it was reported that the salon owner had shown two trainees the leaflet in order to rebut a complaint about the low level of pay at the salon but they had not received their own copies.

Trainees were then shown the leaflet and asked for their opinion of it. Most thought the colour yellow striking but the rest of the cover design was seen as 'boring' and 'like a Government publication'. One suggested it looked like a bill or warranty! In terms of the inside contents of the leaflet, most thought that it read reasonably clearly but that the absence of lively design was a 'turn-off'. There was a suggestion that the leaflet should be much more visual with 'pictures of money' on the front and something to show it was about hairdressing. One trainee commented that 'hairdressing people are not really academic so they are unlikely to read something unless it looks visually attractive'. There was also a need for visual illustration inside the leaflet. One trainee suggested that the title should be 'Are you getting paid enough?' or some such title.

Sources of Information

Trainees were asked where they would go for information about the minimum wage (or indeed other employment rights) if they had a problem at work. Many suggested their manager in the first place (and some suggested the salon head office). Other suggestions include Citizens Advice Bureaux; Law Centres; Connexions; Job Centres; and the NHF. Only two trainees correctly identified the HMRC as the main source of help for the minimum wage and few had heard of Acas. One suggested she would 'ask my mum'. A few suggested that they would use the internet to seek advice.

Trainees also made suggestions for how information about the minimum wage could be disseminated to workers. A suggestion from two of the groups

was that salons should have to display a poster showing the current minimum wage rates – ‘like health and safety and employers’ indemnity insurance’. There was also a suggestion that all colleges and training academies should include information about the NMW in their training and have to display the current rates. One trainee suggested that all workers should be given information when the NMW rates change through their monthly pay advice notice. One trainee said that ‘the Government needs to inform workers as well as employers’. Other suggestions were adverts and articles in hairdressing magazines; TV adverts before primetime programmes and cinema adverts. One trainee suggested that some of the TV ‘soaps’ should incorporate material about the minimum wage into their scripts (in the way that farming advice is included in the Archers)! It was generally felt that leaflets were not the best way to communicate with hairdressing workers. However, some interviewees mentioned that the NHF was a good source of information.

Apprenticeship Contracts

One issue that became clear from our focus groups is that there is widespread ignorance among trainees about their status under apprenticeship contracts and many seemed unclear even if they had such a training contract. There were some reports of trainees having to work long hours without lunch breaks and being asked to undertake unpaid overtime. While some saw this as a necessary price for learning the trade, others felt they needed more information about their rights at work, especially regarding working time. It was also reported by some of the college teaching staffs that some trainees were asked to do tasks that were not strictly part of their trainee contracts. One trainee commented that being a trainee meant that you were really a ‘low paid cleaner’.

Conclusion

Clearly our sample of hairdressing trainees was very limited but, even so, it was perhaps surprising how few registered seeing the DTI leaflet. There was also a substantial minority among our trainees who did not know the minimum wage existed. It was also clear that awareness of the detail of the minimum wage was vague and often incorrect. On the other hand, many trainees did not express great interest in the subject. Many saw their apprenticeships as a route into the industry and praised the job satisfaction that the industry offered. Few had chosen hairdressing as a career on the basis of earnings potential. It may of course be the case that trainees had received the leaflet but failed to register its arrival. We have already made the point earlier that the evaluation was conducted almost a year after the campaign began. The design of the leaflet may also have had something to do with this absence of recognition.

Because awareness of the DTI leaflet was so low, we had some problems in getting views on its content. Where we asked groups to look at copies they offered the view that the leaflet did not attract interest. Given the highly visual nature of the industry and the high quality advertising for hair products etc that

trainees see on a regular basis, it is perhaps unfortunate that more thought was not given to the design of the leaflet.

Awareness of sources of information about the minimum wage (and other employment rights) was generally poor, although the CABx seemed relatively well-known. It was perhaps surprising how many trainees saw their employer and the salon as the main source of information about their employment rights.

The trainees made some enterprising suggestions for methods by which the minimum wage could be given more publicity, including the necessity for salons to display information in the workplace. The suggestion that colleges and training academies should have to display this information was also interesting. Several of the colleges visited said that they would consider adding information about the minimum wage into their training programmes but that they needed to be careful not to alienate one of their main stakeholders – the salon owners. In general, it appears that the trainees would welcome more information about their employment rights via their training provider.

There appears to be widespread misunderstanding about the status of apprentices under the minimum wage. A substantial number of our trainees appeared unclear whether they had such contracts or not.

CHAPTER 5. CONCLUSIONS

In this chapter we summarise the findings from our research and draw conclusions. We begin by considering the HMRC's own evaluation of the campaign to date.

HMRC Annual NMW Report

According to the most recent HMRC Annual NMW report (2006), the result of the campaign was that both the DTI and the NMW Helpline received hundreds of calls from hairdressing employees.

Under this approach HMRC planned to generate at least 500 hairdressing cases during the first year of the campaign, compared with around 200 in previous years. Since the pilot commenced in summer 2005, 629 minimum wage cases have been registered, 368 selected as part of the project and the remaining 261 generated from complaints. To date 504 cases have been closed with arrears of pay of almost £380,000 identified, on behalf of 491 workers.

Information supplied by the HMRC indicates that NMW complaints in the hairdressing industry were down slightly over the 12 months April to December 2006, compared to previous years.

Table 5.1 NMW Complaints Received by HMRC

Period	Complaints
01/04/06 - 22/12/06	100 (7% of all complaints received)
01/04/05 - 22/12/05	182 (11% of all complaints received) - 240 for the whole year
01/04/04 - 22/12/04	127 (9% of all complaints) – 196 for whole year
01/04/03 - 22/12/03	130 (9% of all complaints) – 173 for whole year

Awareness of the National Minimum Wage

The HJI magazine survey, whose respondents were mainly owners and managers, showed that awareness was patchy. Only a small majority knew the correct main adult rate, while awareness of other rates and their application was considerably lower. Mistakes were generally under-, rather than over-estimates of the correct rates.

The telephone survey revealed a picture that was consistent with the HJI magazine survey. Eleven respondents said that they could not offer a response to any of the questions. Eight respondents correctly identified all of the wage and age bands, accurately stating the wage appropriate to each age band. Of these eight, six were managers and two were owners. Sixteen respondents, all owners or partners, correctly identified the wage rates, but failed to identify the age bands correctly. Forty-nine respondents, thirty of

them owners, correctly identified the age bands, but could not specify all of the corresponding wage rates. All 49, however, produced answers that were a plausible 'near miss'. The most frequent (25) response was to give rounded figures of £5, £4 and £3. The single most common misconception, suggested by 19 respondents overall was that the adult rate applied from 21. Further questions asked whether the NMW had to be paid to people over 65 or to citizens of non-EU states; seven respondents thought it did not have to be paid to over-65s, but the remaining respondents all thought it had to be paid in such cases. Seven respondents also thought the NMW did not have to be paid to citizens of non-EU states.

The NHF survey, like the HJI one, was a self-selecting sample. However, it showed rather higher rates of awareness of the NMW compared to the telephone survey. Overall 10 out of the 45 (22%) gave the correct answers for all three of the NMW rates. Of these eight (18%) also knew the correct ages to which each rate applied, so around a fifth of the respondents can be said to be fully conversant with the important aspects of the minimum wage. There was also evidence of greater knowledge of the available sources of information. This may be *prima facie* evidence that NHF members are more aware than others are, but the difference is not great and the evidence is inconclusive since the HJI survey showed that NHF members had no more awareness than others did.

The focus groups held with trainees showed that awareness of actual minimum wage age requirements and rates was low. Many trainees believed the adult minimum wage started at 18 or at age 21 and awareness of the three separate minimum wage rates was rare. None of the trainees taking part in the research identified the correct age of 22 for the adult rate. Few knew the correct rate for their age. In terms of the adult rate, some thought it was around £5 per hour but others suggested higher (up to £6.50) or lower rates (down to £4.50).

Overall, levels of awareness of the NMW and its operation were low, though they were higher among owners and managers than among trainees.

Awareness of DTI/HMRC Campaign

Our telephone survey showed around a quarter of respondents claimed to have seen at least one of the DTI booklets. The results from the HJI survey were slightly more positive in relation to the DTI/HMRC campaign than the telephone survey. The disparity between the results may be accounted for by two factors. First, the postal survey was able to show a picture of the DTI booklets, aiding recognition. Second, the postal survey sample is self-selecting and therefore almost certainly biased in favour of those who felt relatively confident about answering the questions.

There was also some evidence that the campaign had led to an increase in use of the HMRC Helpline, with 16 of the 71 respondents having called it. This level of use was broadly similar to the telephone survey and this gives some confidence in the results. Unfortunately, calling the Helpline did not appear to

add greatly to the callers' level of knowledge of the minimum wage. This suggests that the Helpline helps resolve specific inquiries (which is its intention) rather than acting as a means of disseminating knowledge about the NMW more generally.

The NHF survey showed evidence of greater knowledge of the available sources of information. Eight of the respondents had made use of the NMW Helpline and 14 said they had seen the DTI booklet. Of these 14, six said that they had made changes as a result of reading the booklet.

The more qualitative evidence gathered through the focus groups was also interesting. Among the trainees seen during the focus groups, very few remembered seeing the DTI letter and booklet. When shown a copy, the reaction was that it would not have attracted their attention because its design meant that its message was not clearly focused on either money or hairdressing. It appears that campaign literature needs to be much more thoughtfully designed to appeal to low-paid workers.

It is interesting to note that our research found rather lower levels of awareness than earlier surveys (e.g. Casebourne et al 2006). This fact might partly be explained by the fact that hairdressing businesses tend to be very small and managers do not have access to personnel management advice. It is also the case that earlier research has tended not to distinguish between low-paid and higher-paid workers within the economy in terms of their awareness of employment rights. Our research concentrated on one low-paid sector and we did not interview any workers outside the hairdressing sector for a comparative picture.

Of course, raising awareness of where to find accurate information about the NMW is probably the most important aspect of any campaign to raise awareness. Few employers or workers will carry round in their heads a detailed knowledge of the NMW rates and age boundaries but they should know where to go to find them if required. Overall, there seems little doubt that the DTI/HMRC campaign had a positive effect in this respect, but this effect was limited.

Suggestions for Improved Awareness

In speaking to our focus group trainees, some suggestions were made as to how the level of awareness about the minimum wage could be raised. One suggestion was that all workplaces should have to display a poster showing the current minimum wage rates and their age qualifications. Another location for such advertising could be training establishments. The trainers spoken to at the various training establishments also agreed that they could probably do more to tell trainees about their rights to the minimum wage. Given the level of education and literacy among trainees, it was also suggested by some trainees that more visual methods of communication might be used – such as TV and cinema advertising.

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APPENDICES

Appendix 1

Forename Surname

Address 1

Address 2

Address 3

Address 4

Postcode

November 2005

Department of Trade and Industry

V 3911
1 Victoria Street
London
SW1H 0ET

Tel + 44 (0)20 7215 6231

Fax + 44 (0)20 7215 2826

Enquiries + 44 (0)20 7215 5000

Minicom + 44 (0)20 7215 6740

www.dti.gov.uk

Mike.O'Donnell@dti.gsi.gov.uk

Dear Forename

Are you being paid less than the minimum wage?

The Government is concerned that some young workers and trainees in the hairdressing industry are being paid less than the minimum wage. We are writing to you because we want you to know what your rights are and what to do if your pay is less than the legal limits. Very shortly the Government will be checking that employers are obeying the law and encouraging workers to come forward if they are being underpaid.

How do you know if you are being paid too little? Who qualifies for the minimum wage? Broadly speaking anyone who is an apprentice and is aged 16 to 18 are exempt from the minimum wage, and older apprentices are exempt in their first year. But employers will need to demonstrate that their workers are genuine apprentices (such as those undertaking NVQs). Even if you are not covered by the minimum wage, you will qualify for the minimum training allowance of £80/week – see the attached pamphlet for details.

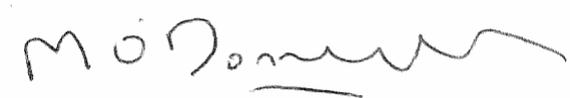
If your employer claims you are an apprentice, and don't qualify for the

minimum wage, they must have proof of a formal apprenticeship arrangement. For everyone else the minimum wage rates are:

16-17	£3.00/hour
18-21yrs	£4.25/hr
22+ yrs	£5.05/hr (£4.25 if in first 6 months of training with a new employer)

We want all employees to receive what they are entitled to. This is why we are writing to all apprentices in the hairdressing sector enclosing a copy of a short guide relating to the minimum wage. Please read the guidance. If you have any questions you may wish to contact the people listed at the end of the guide, and if you wish to complain about underpayment, you can call the minimum wage helpline on 0845 6000 678. Calls will be treated in confidence.

Yours faithfully

A handwritten signature in black ink, appearing to read 'M O'Donnell', with a horizontal line underneath the name.

Mike O'Donnell
Senior Policy Adviser, National Minimum Wage

Appendix 2

Hairdressing Journal International Survey Questionnaire

Appendix 3

Yellow Pages Telephone Survey Questionnaire

NATIONAL MINIMUM WAGE AWARENESS SURVEY

Hello, my name is and I am calling from Middlesex University Business School.

If receptionist answers, ask if the owner or manager is available.

When owner or manager answers:

My name is ... and I am calling from Middlesex University Business School in London. I am calling you on behalf of the Department for Trade and Industry who are conducting research on employers' awareness and views on the National Minimum Wage. The Department of Trade and Industry has been running a special campaign to raise awareness of the national minimum wage among both employers and workers in the hairdressing sector and are keen to know whether this is working. We are involved in evaluating the success of this campaign. I wonder if you could spare me five minutes to answer some questions? There are 22 questions in total and almost all require just a simple yes or no. (If they say they are too busy (many will be working on a client), ask for a convenient time to call back).

If yes, Many thanks

At the start of the interview

The survey is completely confidential and none of your replies will be attributed to you personally in any report. The questions are designed to find out the level of awareness of the minimum wage among hairdressing employers – it does not matter if you get the answers right or wrong - and there will be no follow-up from the DTI as a result of this interview.

First I need some information about yourself. *(Need to keep a note of gender of respondent)*

1) Are you the owner of this salon or a manager? Yes /No

- 2) Is this a single salon or part of a chain of salons? Single/Chain
- 3) Do you provide hairdressing, beauty treatments or both?
H/B/Both
- 4) How many staff do you employ in your salon(s)?
- 5) Are any of these chair renters (i.e. self-employed)?
- 6) Are you a member of the National Hairdressers Federation?
Y/N
- 7) How have you learned about the minimum wage? I am going to list some possible sources of information. Please can you say yes or no to each.
- from friends or relatives Y/N
 - from TV or radio. Y/N
 - from Newspapers Y/N
 - from a Hairdressing Journal Y/N
 - from the National Hairdressers' Federation Y/N
 - from a training provider Y/N
 - from other employers Y/N
 - from your solicitor or accountant Y/N
 - from the National Minimum Wage Helpline Y/N
 - from the Inland Revenue and Customs Y/N
- 8) Have you seen a lime green A5 booklet entitled 'The National Minimum Wage and the hairdressing sector' sent last year from the Department of Trade and Industry? Y/N/Can't remember (may need reminding that all salons have been sent one). If no/can't remember go to question 10.
- 9) If yes, did you make any changes as a result of reading the Department of Trade and Industry booklet? Y/N
- 10) Can you tell me what you think is the current hourly rate of the minimum wage for adult workers? (Correct answer is £5.05 per hour)
- 11) From what age do you think the adult minimum wage rate applies? I will give you some options. Please can you say which one you think applies.

a) 18 b)19 c)20 d)21 e) 22 f)23

12) Do you think there is a lower hourly minimum wage rate for younger people? Y/N If no, go to Question

13) If yes. Can you tell me what age you think the development rate for young people applies from?

a) 16 b) 17 c) 18 d)

14) Can you tell me what is the current hourly minimum wage development rate for young people? (Correct answer is £4.25 per hour)

15) Do you think that 16 and 17 year olds are covered by the National Minimum Wage? Y/N. If no, go to Question 15.

16) If yes, what is the current hourly rate for 16/17 year-olds? (Correct answer is £3.00 per hour).

17) Do you think that you have to pay the minimum wage to people aged over 65? Y/N

18) Do you think you have to pay the minimum wage to non-EU citizens? Y/N

19) Have you ever telephoned the National Minimum Wage Helpline for advice? Y/N

20) Are you personally in favour of a National Minimum Wage? Yes/No/Uncertain/Don't know.

21) Have you or your salon ever been involved in a claim by an employee for the national minimum wage? Y/N

22) Do you think you get enough information and help from the Government concerning your responsibilities concerning the National Minimum Wage? Y/N

That is the end of the interview. Many thanks for your time. You have been very helpful. If you have any further thoughts or wish to contact me, I am available on the following telephone number... My name is

Appendix 4

NHF Survey Questionnaire

NATIONAL MINIMUM WAGE AWARENESS SURVEY

The survey is completely confidential and none of your replies will be attributed to you personally in any report. The questions are designed to find out the level of awareness of the minimum wage in the hairdressing sector – it does not matter if you get the answers right or wrong - and there will be no follow-up from the DTI as a result of any replies to this survey.

First we need some information about you and the business.

1	Are you the sole owner of the salon?	
2	If not, would you tell us are you a partner, co owner, franchise holder or manager?	
	If you are not an owner or manager can you tell us what position you have?	
3	Is this a single salon or part of a chain of salons?	
4	Do you just provide hairdressing?	
5	If you provide other services such as manicure or beauty treatments could you tell us what they are?	
6	How many staff work in the salon?	

How have you learned about the minimum wage? The list below covers some sources of information and advice. Could you please mark those that you think are important to you.

7i	friends or relatives	Yes	No
7ii	TV or radio. Y/N	Yes	No
7iii	Newspapers	Yes	No
7iv	a Hairdressing Journal	Yes	No
7v	The National Hairdressers' Federation	Yes	No
7vi	a training provider	Yes	No
7vii	other employers	Yes	No
7viii	your solicitor or accountant	Yes	No
7ix	The National Minimum Wage Helpline	Yes	No

7x	The Inland Revenue and Customs	Yes	No
7xi	Your head office	Yes	No
7xii	The DTI website	Yes	No
7xiii	Another other important source		

Help from The DTI

8	Have you seen a lime green A5 booklet entitled 'The National Minimum Wage and the hairdressing sector' sent last year from the Department of Trade and Industry?	Yes	No
9	If so, did you make any changes as a result of reading the Department of Trade and Industry booklet?	Yes	No
10	Have you ever telephoned the National Minimum Wage Helpline for advice?	Yes	No

The operation of the National Minimum Wage

11	What is the current hourly rate of the minimum wage for adult workers?	£	
12	From what age does the adult minimum wage rate applies?		
13	Do you think there is a lower hourly minimum wage rate for younger people?	Yes	No
14	If yes, what age you think the development rate for young people applies from?		
15	What is the current hourly minimum wage development rate for young people?	£	
16	Do you think that 16 and 17 year olds are covered by the National Minimum Wage?	Yes	No
17	If yes, what is the current hourly rate for 16/17 year-olds?	£	
18	Would the removal of the 26 age cap on apprentices help your business?	Yes	No
19	Would an exemption from the national Minimum Wage for the whole period of accredited training help with recruitment and training?	Yes	No

20	Do you think that you have to pay the minimum wage to people aged over 65?	Yes	No
21	Do you think you have to pay the minimum wage to non-EU citizens?	Yes	No
22	Are you personally in favour of a National Minimum Wage?	Yes	No
23	Have you or your salon ever been involved in a claim by an employee for the national minimum wage?	Yes	No
24	Do you think you get enough information and help from the Government on your rights and responsibilities concerning the National Minimum Wage?	Yes	No