



SEAFISH

SEAFISH ECONOMIC ANALYSIS
UK Seafood Processing Sector Labour -
Quarterly Update 1 (January – March 2018)





UK Seafood Processing Sector – Quarterly Update 1 (January – March 2018)

May 2018

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Seafish Report No.: SR726
ISBN No.: 978-1-911073-32-1
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Executive Summary

- In April 2018, Seafish collected data on the ease of recruitment in the UK seafood processing sector during the first quarter of 2018 (January to March) as part of a 2-year series of quarterly surveys.
- Almost a quarter of seafood processors in the sample said that they had found it easier to fill vacancies in the first quarter of 2018 compared to the final quarter of 2017.
- Fewer processors identified a shortage of suitable candidates for roles in the seafood processing sector as a key factor affecting recruitment in the first quarter of 2018 than in the final quarter of 2017.
- The key factor affecting the ease of recruitment in the first quarter of 2018 was reduced need for staff due to planned decreases in production following the busy festive period.
- There was a lower proportion of negative responses regarding the willingness of EU workers to work in the UK in the first quarter of 2018 compared to the final quarter of 2017.
- The main barrier to recruiting British staff in the seafood processing industry remains the negative perception of the industry held by potential candidates.
- A third of the processing sites in the sample cited the low availability of local workers as a barrier to recruiting UK staff in the first quarter of 2018.
- The most commonly reported method used for direct recruitment of permanent, temporary and seasonal staff in the seafood processing sector was via word of mouth through existing employees.
- Two thirds of processors in the sample said that they would increase their efforts to recruit locally if they were unable to hire enough staff using their current recruitment techniques.
- Processors were least confident about their ability to recruit enough high-skilled staff.
- Processors were confident about their ability to meet their planned production levels in the second quarter of 2018.

1. Introduction and background

Research by Seafish has shown that the seafood processing sector is heavily reliant on workers from other EEA countries. There have been reports from the sector that the labour pool is contracting with some processors reporting a shortage of locally available workers at current wage rates. It is important for policy makers and industry to have accurate information about recruitment and staff retention in the seafood processing sector. This report presents the findings of the second quarterly survey of ease of recruitment in the seafood processing sector carried out by Seafish as part of a UK-wide project funded by Defra.

At project design meetings held by Seafish in October 2017 seafood processors recognised that recruitment and retention of workers, for seasonal, temporary and permanent roles, was becoming a concern for some businesses and that more information on recruitment in the sector was needed to inform future policy decisions.

It was agreed that Seafish would carry out a series of quarterly surveys to collect quantitative and qualitative evidence from processors on ease of recruitment, confidence in recruiting and retaining enough staff, and adaptations businesses would make if they could not recruit enough workers. Key research questions this study aimed to address were:

- *How has the changing labour market affected recruitment and retention of staff?*
- *What are the main barriers to recruiting British staff in the sea food processing sector?*
- *How do companies plan to adapt if they are unable to recruit and retain a sufficient workforce?*
- *What investments in automation could processors make if they can't get enough workers and how would investment impact the number of staff businesses need to employ?*

The first quarterly survey (2017 Q4) was carried out alongside the Seafish annual survey of workforce composition in the seafood processing sector in December 2017. The first quarterly survey covered the period of October to December 2017 and collected data from 64 individual processing sites operated by 55 processing companies. According to the 2016 Seafish processing sector census the processing sites which submitted data for the first quarterly survey accounted for 9,398 FTE jobs in 2016 (52% of the total number of FTE jobs in the sector in 2016).

Findings of the first quarterly survey are published in the Seafish Economic Analysis report “*UK seafood processing sector labour 2018*” available on the Seafish website. The next quarterly survey will be carried out in June 2018 and the next annual survey of workforce composition will be carried out in November 2018.

2. Methods

The second quarterly survey (2018 Q1) was carried out in April 2018 and asked about processors' experience of recruitment in the preceding quarter (January to March 2018). The survey also asked processors about their expectations for recruitment and staff retention for the following quarter (April to June 2018). Processors received questionnaires by email and were invited to complete the survey electronically (see Appendix 1). Some companies were contacted and interviewed by phone to ensure a good level of coverage.

Seafish collected data from 47 individual processing sites operated by 38 processing companies in the second quarterly survey on recruitment and retention of staff. According to the 2016 Seafish processing sector census (the most recent available complete population data) the processing sites which submitted data for this quarterly survey accounted for 10,077 FTEs in 2016 (56% of the total number of FTE jobs in the sector in 2016). The second quarterly survey collected data from fewer,

but on average larger, processing sites than the first quarterly survey. Whilst the number of sites covered is lower than the first quarterly survey, the coverage in terms of FTE jobs was 4% higher in the second quarterly survey.

3. Ease of recruitment in the seafood processing sector

Almost a quarter of seafood processors in the survey reported that they had found it easier to fill vacancies in the first quarter of 2018 than in the last quarter of 2017. Processors were asked if they had found it easier, harder, or experienced no difference, in filling vacancies in this quarter compared to the previous quarter. In the first quarterly survey (October to December 2017) no respondents said that they had found it easier to fill vacancies, however, 24% of respondents in the second quarterly survey said that recruitment had been easier whilst 49% reported no difference, see Figure 1.

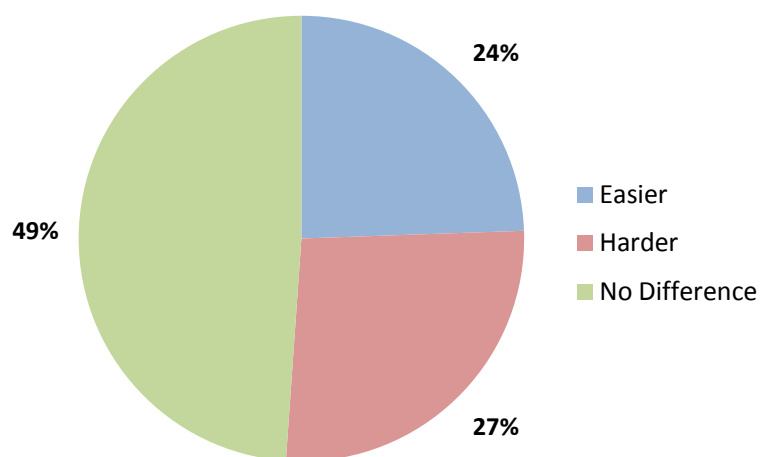


Figure 1: Proportion of processing sites in the sample reporting that recruitment in the first quarter of 2018 (January to March 2018) was easier, harder, or no different from the previous quarter (based on responses from 45 processing sites). Source: Seafish.

The key factor affecting the ease of recruitment in the first quarter of 2018 was reduced need for staff due to planned decreases in production following the busy festive period, see Figure 2. Processors were asked what factors, positive or negative, affected ease of recruitment in the previous quarter; several respondents said that they had reduced production in this quarter and so did not require as many staff. This response had not been recorded in the first quarterly survey.

Several processors described the period of January to March as the “low season” following the festive period and said that they had reduced production accordingly. Due to this planned reduction they required fewer staff in the first quarter of 2018. Two large processors commented that although they had found recruitment easier during this low season they would have to recruit more staff in the summer as production increased and so anticipated that recruitment would become more difficult as competition for workers between processing sites increased.

Processors were more positive about the ease of recruitment in the first quarter of 2018 than the fourth quarter of 2017. Only 22% of respondents in the second quarterly survey reported that the shortage of suitable candidates was a key factor affecting recruitment in the first quarter of 2018, down from 41% of respondents in the fourth quarter of 2017. The proportion of processors who said they had no problems hiring increased from 11% in the first quarterly survey to 16% of respondents in the second quarterly survey.

There was a lower proportion of negative responses regarding the willingness of EU workers to work in the UK in the first quarter of 2018 compared to the fourth quarter of 2017. The proportion of processors who said that EU workers are less willing to come to the UK to work decreased from 22% in the fourth quarter of 2017 to 7% in the first quarter of 2018. The proportion of processors who said that EU workers are increasingly leaving the UK decreased from 6% to 4%.

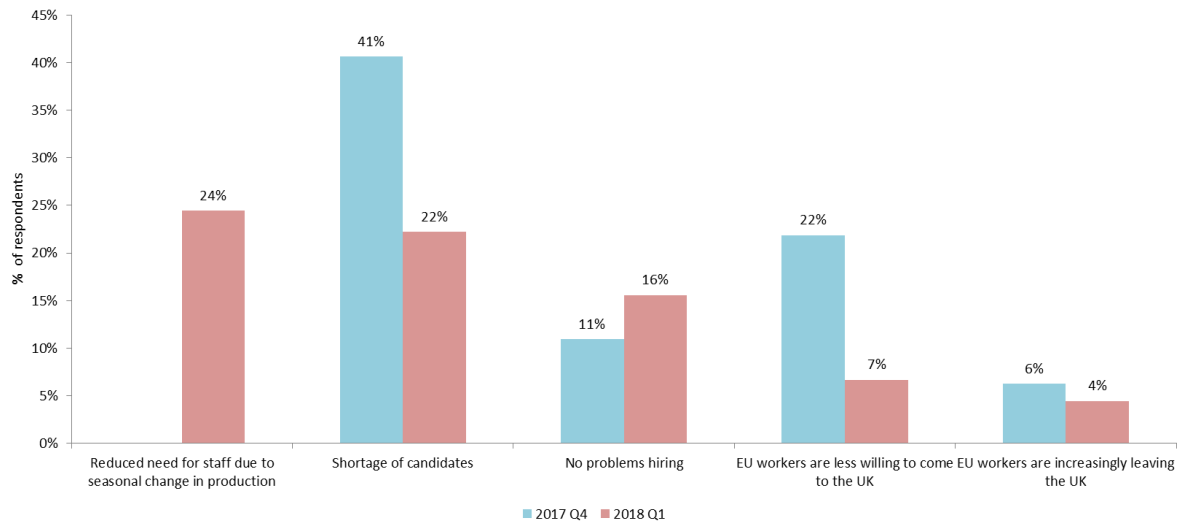


Figure 2: Barriers to recruitment in the seafood processing sector in the first quarter of 2018 compared to the fourth quarter of 2017. Respondents could comment on all factors, positive or negative, that applied to their company. Source: Seafish.

4. Recruitment methods in the seafood processing sector

The most commonly reported method used for direct recruitment of permanent, temporary and seasonal staff in the seafood processing sector was via word of mouth through existing employees. Online advertising was the second most common response with the website *Indeed* being the most mentioned platform. Other sites mentioned included *Gumtree* and *Total Jobs*. Other popular methods of recruitment are shown in Figure 3.

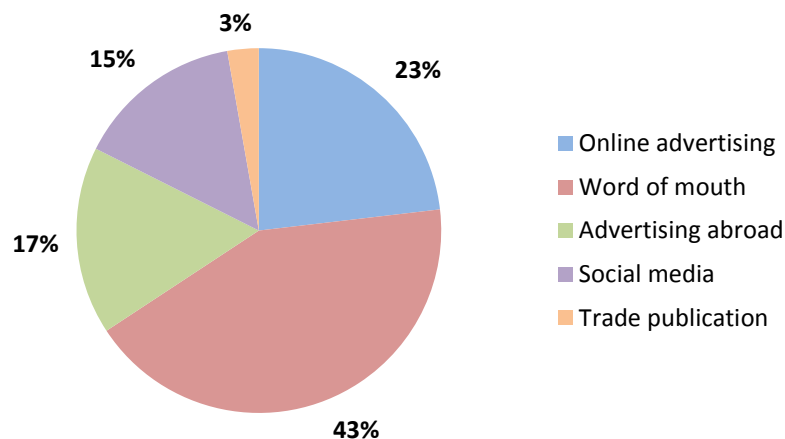


Figure 3: Reported methods of directly recruiting permanent, temporary or seasonal workers in the seafood processing sector in the first quarter of 2018 (January to March). Based on responses from 45 seafood processing sites. Source: Seafish

Social media was identified as a recruitment method in 15% of responses with *Facebook*, *Twitter* and *LinkedIn* being the social media websites mentioned most often by processors. A small number of seafood processors reported other recruitment methods such as advertising in local newspapers or using posters on local public noticeboards.

The most commonly reported method used for indirectly recruiting permanent, temporary and seasonal staff in the processing sector was recruitment through an employment agency (85%). Only 9% of respondents (8 processing sites) reported that they used job centre referrals as an indirect method of recruiting permanent, temporary or seasonal workers in the first quarter of 2018.

5. Barriers to recruiting UK staff

When asked about the main barriers to recruiting British staff in the seafood processing sector, 62% of respondents stated that most British candidates do not want to work in a seafood processing factory. This represents a slight increase from the previous quarterly survey. Processors said that fish processing is a physically demanding job in a cold and wet working environment and some processors suggested that this led to difficulties in recruiting and retaining British staff. One seafood processor stated that working in a factory was not considered a “glamorous” job by potential candidates, and that this negative perception made it difficult to recruit British people. The most common responses to this question are summarised in Figure 4.

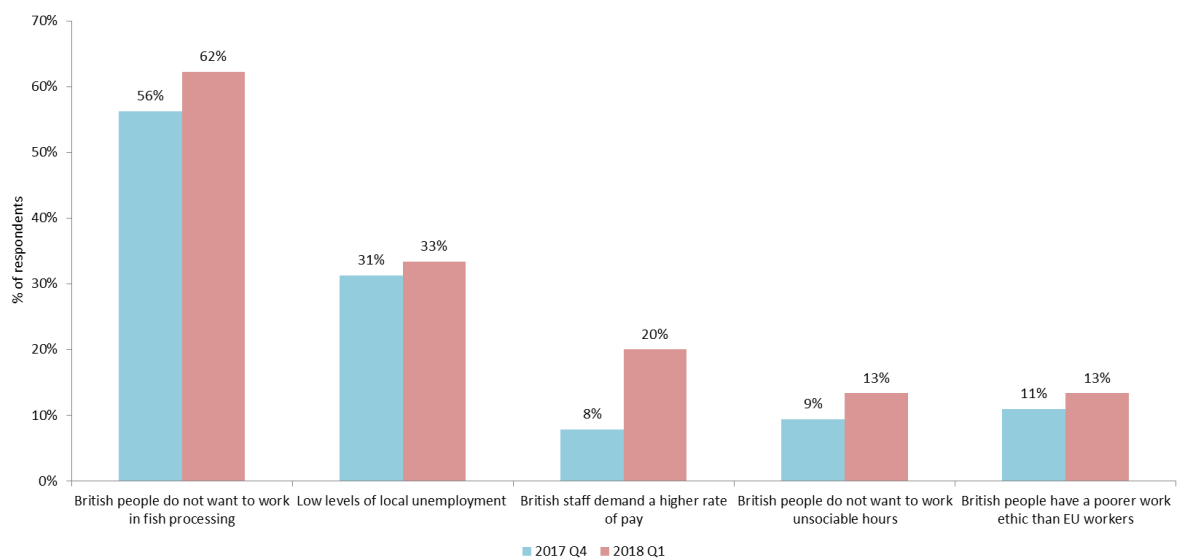


Figure 4: Barriers to recruiting British staff in the seafood processing sector. Based on 84 responses from 45 individual processing sites. Respondents were able to comment on all factors that applied to their site. Source: Seafish.

Several processors went further saying that they had often recruited British staff only for them to leave shortly after (ranging from one day to a week) as they were not able to deal with the physicality of the job. In total 9% of respondents said that they had a higher rate of turnover for British staff as a result of staff leaving or through dismissals due to unexplained absences.

The low availability of local workers was cited as a barrier to recruiting UK staff by 33% of respondents in the first quarter of 2018. Some factories are located in remote areas, meaning the locally available labour pool is relatively small. One processor based on an island off the west coast of Scotland commented that “not enough people live on the island to fill all the different jobs available”.

Compared to the previous survey, a higher proportion of processors in the current survey said that British workers demand a higher rate of pay than EU workers. Only 8% of respondents to the first survey (October to December 2017) said that British staff demanding higher wages was a barrier to recruitment of British people at their site; this was the third most common response in the second quarterly survey at 20% of respondents.

Other common responses included differences in the work ethic of British and non-British workers, and the reluctance of some British staff to work early mornings, late nights, or weekends.

Several processors commented that difficulties in recruiting British staff to lower skilled roles meant that there are now fewer British staff being promoted to higher skilled and management roles in their companies and that recent promotions had gone to citizens of other EEA countries who had started at entry level in the company. One processor based in the north east of Scotland commented that a large proportion of their management team is now EU nationals who have worked their way up from lower skilled jobs.

6. Company adaptations in response to recruitment issues

Processors were asked what adaptations their company would make if they were unable to recruit enough workers using their existing recruitment methods. Two thirds of respondents said they would increase their efforts to recruit locally, see Figure 5.

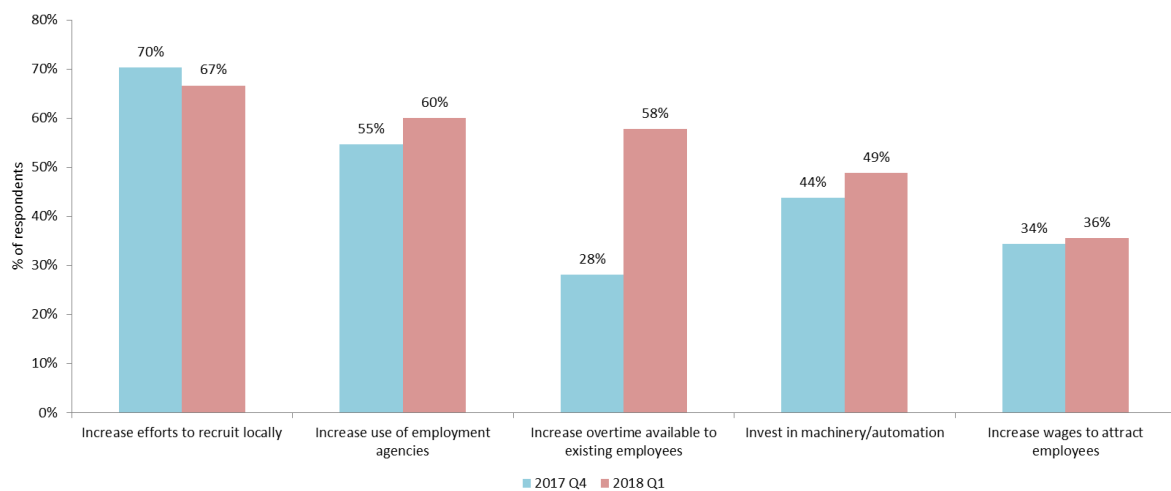


Figure 5: Adaptations seafood processing sites would aim to make if they were not able to recruit enough staff. Based on 152 answers given by 45 individual processing sites. Respondents were able to comment on all adaptations that applied to their processing site. Source: Seafish.

In the second quarterly survey, 60% of respondents said they would increase their use of employment agencies to supply workers. In October 2017 Seafish carried out an informal survey of six major employment agencies which supply workers to the seafood processing sector. Researchers asked about changes in availability of candidates and demand for workers from the processing sector (unpublished). All employment agencies surveyed said they were finding it more difficult to attract enough suitably skilled candidates to meet the demand for labour from the seafood processing industry.

In the second quarterly survey, almost 60% of processors said they would increase wages overtime available to current employees in response to difficulties in recruiting new staff compared to only 28% of respondents (18 processing sites) in the first quarterly survey (2017 Q4).

Nearly half (49%) of respondents to the second quarterly survey said they would invest in machinery or automation in response to difficulties in recruiting sufficient numbers of staff. For some sectors or specific jobs the shift to automation may be prohibitively expensive or not possible given the variable nature of the work.

Processors were divided on how investment in machinery would impact their overall staff numbers. Processors were asked what investments in automation they might make and how this would affect

their overall numbers of employees. Four processors said that investment in machinery would not reduce the number of people they employed; instead the workers whose tasks had been replaced by machinery would be moved to other roles on the site, even if this meant they required re-training, because the processors did not want to lose reliable staff. Another processor commented that whilst investment in a packing machine could lead to a reduction of 6-10 staff members, there would be an addition of some skilled labour to operate and maintain the machinery.

7. Confidence in recruiting and retaining staff

Processors were asked about their confidence in their company’s ability to recruit and retain enough high-skilled, low-skilled and seasonal staff in the next quarter and to meet their planned levels of production in the next quarter (April to June 2018). Processors were able to select “N/A” if a question was not applicable to them; “N/A” responses are not shown in Figure 6.

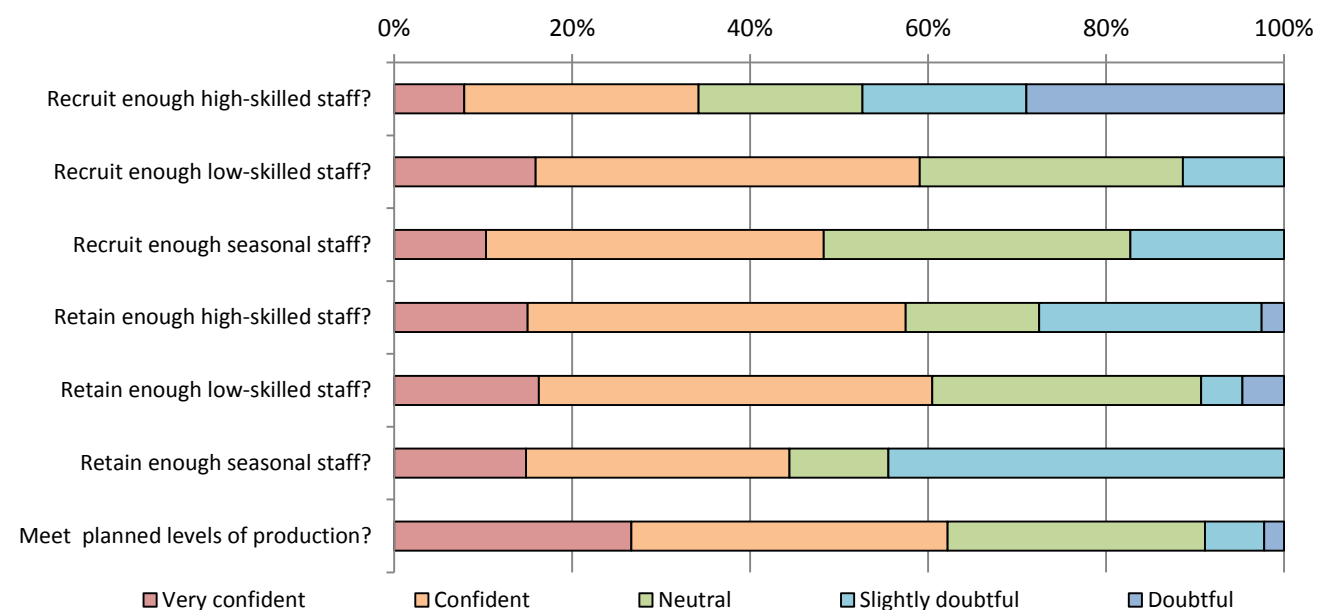


Figure 6: Seafood processors’ confidence in their ability to recruit and retain sufficient numbers of high-skilled, low-skilled, and seasonal staff, and in their ability to meet their planned production levels in the second quarter of 2018 (April to June). Respondents could select “N/A” if the field did not apply to their site and these responses were removed from the final analysis. Source: Seafish.

Processors’ confidence in their ability to recruit enough staff across all skill levels was higher in the first quarter of 2018 than the fourth quarter of 2017. In the fourth quarter of 2017, 39% of processors in the sample were confident or very confident in their ability to recruit enough low skilled staff and 31% were confident or very confident in their ability to recruit enough seasonal staff. In the first quarter of 2018 these figures had increased to 59% and 48% respectively.

Overall, processors were confident about their ability to retain sufficient numbers of high- and low-skilled staff. Over half (58%) of respondents said they were confident or very confident about retaining their high-skilled staff, which represented a drop from the figure of 76% in the fourth quarter of 2017.

Confidence in retaining enough low skilled staff increased slightly from 53% in the fourth quarter of 2017 to 60% in the first quarter of 2018. However, 44% of respondents said they were slightly doubtful about retaining sufficient numbers of seasonal staff in April to June 2018.

Processors were generally confident about their levels of production in the second quarter of 2018 (April to June). Whilst 29% of respondents were “neutral” on meeting their planned production levels, only 7% of respondents were slightly doubtful and 2% were very doubtful about meeting their planned levels of production in the next three months.

Case Study: NE Scotland Fish Processor

As part of this project additional data was collected from a seafood processor based in the north-east of Scotland. The following case study was compiled following discussions with the processing site Human Resources Manager.

Data was extracted for the nationality of applicants to the site over the past few years which shows how the proportion of British and non-British candidates for vacancies has changed over time. In 2012 British candidates represented 44% of the processing sites applicants; by 2017 this had dropped to 19% of applicants. The most significant increases in applications were observed in the proportion of candidates from Poland which increased from 24% in 2012 to 34% in 2017 and Lithuania which increased from 18% in 2012 to 32% in 2017.

Between 2012 and 2017 the number of applications the processing site received each year more than doubled. However the number of applications from British candidates has decreased by 12%.

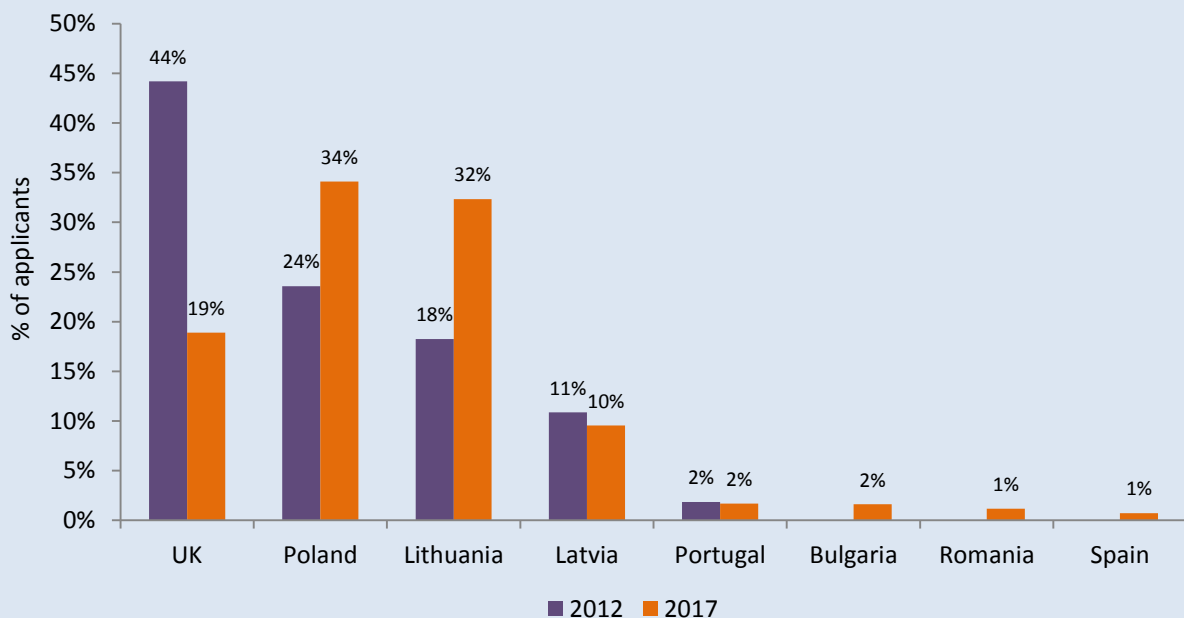


Figure 7: Nationality of applicants at a seafood processing site in NE Scotland in 2012 and 2017.

Some possible explanations for difficulties in recruiting British workers are covered in section 5 of this report. The HR Manager at this processing site said *“For some British people it is easier to stay on benefits than to do a physically demanding job. A lot of people don’t see the bigger picture and the opportunities for promotion within the organisation that can come with experience.”*

Figure 8 shows the number of years of service of employees at this processing site in 2017. The average length of service of employees (both British and non-British) at the site is high however recent expansion of production means the site has seen an increase in the number of workers with less than one year of service, the majority of which are not British.

Many processors are now investing more resources in retaining the workers they already have: *“It is difficult to find good workers so we are working hard to retain the staff we already have. We are working closely with existing staff to try and make things easier for them during this time of*

uncertainty (regarding Brexit). We are offering to help with residency application forms and can provide references for staff that require them.”

“Over the last year we have set up a workers council whereby staff on the factory floor can talk to a staff representative about any concerns they may have. We meet regularly to discuss any issues and to decide how we can improve working conditions on the site. I definitely think this has improved morale in the factory.”

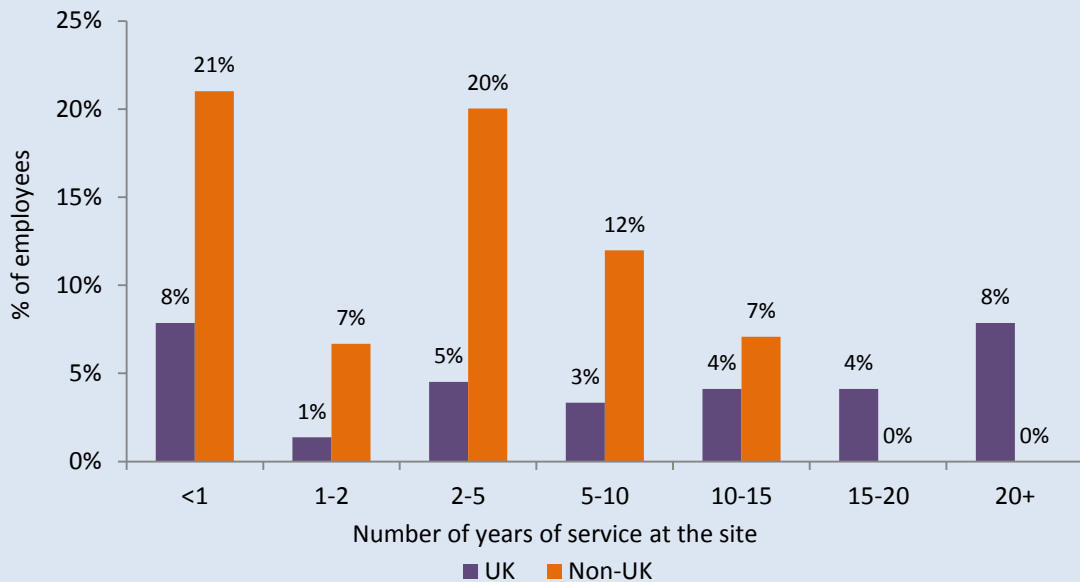


Figure 8: Number of years’ service of British and non-British employees at a processing site in NE Scotland in 2017.

Processors were asked what adaptations they would make to their business if they were unable to recruit enough staff; the findings of this part of the survey are presented in section 6. In the second quarterly survey 49% of respondents said they would increase investment in automation. When asked about the potential for automation in the seafood processing sector the HR Manager at this processing site said: “There are opportunities for automation however the upfront cost for bespoke machinery is very high. Where we have invested in machinery we have retained the staff whose role has been automated and train them to work in other areas of the site so the net change in overall staff numbers is zero.”

Interestingly four other processors said that investment in machinery would not reduce the number of people they employed; instead the workers who had been replaced by machinery would be moved to other roles on the site.

The HR manager at this site said: “For some tasks automation simply isn’t possible due to the nature of the raw material. For roles such as filleting using machinery reduced the yield when compared to filleting by hand. In the past we’ve never had to think about machinery as we’ve always had access to enough staff.”

Most respondents to the survey who supplied details on the possibilities of automation in their factories discussed automation of tasks such as packing or moving raw materials, rather than tasks like filleting. The high upfront capital cost of machinery was mentioned as a significant barrier to automation in the seafood processing sector.

8. Conclusions

Almost a quarter of seafood processors in the sample said that they had found it easier to fill vacancies in the first quarter of 2018 compared to the final quarter of 2017. In the first quarterly survey (October to December 2017) no respondents said that they had found it easier to fill vacancies when compared to the previous quarter, however in the second quarterly survey 24% of respondents said that recruitment had been easier whilst 49% reported no difference.

The key factor affecting the ease of recruitment in the first quarter of 2018 was reduced need for staff due to planned decreases in production following the busy festive period. In total, 24% of respondents said that recruitment had been easier in the first quarter of 2018 compared to the previous quarter (October to December 2017). The most common explanation of this was that higher demand for seafood during the festive period led to increased recruitment and competition for workers between processing sites. The decrease in demand for seafood after the festive period led to reduced production at some sites and reduced need to recruit.

Fewer processors identified a shortage of suitable candidates for roles in the seafood processing sector as a key factor affecting recruitment in the first quarter of 2018 than in the final quarter of 2017. In the first quarterly survey (October to December 2017) 41% of respondents said that a shortage of suitable candidates was a major factor affecting recruitment in the sector, in the second quarterly survey (January to March 2018) only 22% of processing sites in the sample gave this response.

The main barrier to recruiting British staff in the seafood processing industry remains the negative perception of the industry held by potential candidates. In total, 62% of processors in the sample said that the main barrier to recruiting British staff is that British workers do not want to work in seafood processing factories. Reasons for this included the physicality of the job, the cold and wet working environment and unsociable working hours. A third of respondents said that low levels of local unemployment meant there was a lack of British candidates for vacancies.

Two thirds of processors in the sample said that they would increase their efforts to recruit locally if they were unable to hire enough staff using their current recruitment techniques. Increasing efforts to recruit locally remained the most common response to questions about adaptations processors would make if they could not recruit enough workers. This was followed by increased use of employment agencies (60% of respondents) and increasing overtime available to existing workers (58% of respondents).

Processors were least confident about recruiting enough high-skilled staff. In total, 29% of respondents said they were doubtful about recruiting enough high-skilled staff and 18% were slightly doubtful. This represents a decrease in confidence from the first quarterly survey carried out at the end of 2017; in the first survey only 12% of respondents were doubtful and 3% were slightly doubtful about their ability to recruit enough high-skilled staff.

Processors were confident about their ability to meet their planned production levels in the second quarter of 2018. Despite some processors expressing concerns about their ability to recruit or retain sufficient numbers of staff, only 9% of respondents were slightly or very doubtful about their ability to meet planned production levels in April to June 2018. This may suggest that whilst processors believe the labour pool is contracting, the lower availability of labour has not yet had a noticeable impact on production.

Seafish will continue to collect and publish robust and reliable information on the seafood processing sector workforce. The next Seafish quarterly survey is due at the end of June 2018 and the next annual survey of workforce composition will be carried out in November 2018.

Appendix 1 – Quarterly Survey Questionnaire

Seafood Processing Sector - Labour Availability Evidence Gathering (Quarterly)

1. General information

a. Company name:	
b. Site/facility/unit name	
c. Site postcode	
d. Company contact name:	
e. Contact email:	

2. Current vacancies

a. How many vacancies do you have open on the day of completing this survey?	
b. On average, how many days are vacancies open for?	
c. Has the time it takes to fill a vacancy changed in the past quarter?	(Y/N)
d. If yes, what changes have your company experienced?	
<i>Enter text here, e.g. vacancies open for longer, change in the number of applicants, candidates with different skill-sets</i>	

3.a. Are you finding it easier, harder, or no difference to fill vacancies this quarter compared to the previous quarter?

Easier	Harder	No difference
<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

3.b. Why do you think this is? Please tell us all the reasons affecting ease of recruitment:

Enter text here

4.a. How many seasonal staff did you aim to recruit in the past quarter?

4.b. How many seasonal staff actually recruit in the past quarter?

5. How did you recruit permanent, temporary and seasonal staff in the past quarter? (please select all that apply)

Direct recruiting	Permanent	Temporary	Seasonal	Details (which sites/publications/countries if applicable)
Online advertising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Word of mouth	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advertising abroad	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social media	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Trade publication	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Indirect recruiting	Permanent	Temporary	Seasonal	Details (which agencies if applicable)
Employment agency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Job Centre referral	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other (please specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<i>Enter text here</i>				

6. In the next three months, how confident are you in your company's ability to:

	Very confident	Confident	Neutral	Slightly doubtful	Very doubtful	Don't know	Not applicable
a. Recruit enough high-skilled staff?							
b. Recruit enough low-skilled staff?							
c. Recruit enough seasonal staff?							
d. Retain enough high-skilled staff?							
e. Retain enough low-skilled staff?							
e. Retain enough seasonal staff?							
f. Meet your planned levels of production?							

7. In your opinion, what are the main barriers to recruiting British staff in your company

Enter text here

8.a. How would your company adapt if you can't get enough workers? (tick all that apply)

a. Increase efforts to recruit locally	<input type="checkbox"/>
b. Increase use of employment agencies to provide labour	<input type="checkbox"/>
c. Increase wages to attract employees	<input type="checkbox"/>
d. Increase overtime available to existing employees	<input type="checkbox"/>
e. Reduce production	<input type="checkbox"/>
f. Reduce purchasing of raw materials	<input type="checkbox"/>
g. Relocate inside the UK	<input type="checkbox"/>
h. Relocate outside of the UK	<input type="checkbox"/>
i. Increase investment in machinery (if applicable see Q8.b. and 8.c.)	<input type="checkbox"/>
j. Diversify business to suit available labour	<input type="checkbox"/>
k. Company would not be affected	<input type="checkbox"/>
l. No adaptation necessary	<input type="checkbox"/>
m. Company would become unviable (no adaptation possible)	<input type="checkbox"/>
n. Other (please specify)	<input type="checkbox"/>

Enter text here

8.b. Please describe the investment in machinery that your business would make if you can't recruit enough workers (if applicable)

#

8.c. What is the expected impact this investment would have on the number of staff your business needs to employ? (if applicable)

Enter text here

9. Is there any further information you would like to share about the business impacts of the EU-exit on your company with regard to labour availability?

Enter text here

*****END OF THE QUARTERLY SURVEY*****