

seafish

SEAFISH ECONOMIC ANALYSIS

**UK Seafood Processing Sector Labour
Quarterly Report 7 (April - June 2019)**



UK Seafood Processing Sector Quarterly Report 7 (April - June 2019)

October 2019

AUTHORS:

Rannvá Danielsen
Ana Witteveen
Arina Motova

Seafish Report No.: SR746
ISBN No.: 978-1-911073-52-9
© Copyright Seafish 2019

Seafish Economics
Seafish Industry Authority
18 Logie Mill
Logie Green Road
Edinburgh
EH7 4HS

Executive Summary

- In July-August 2019, Seafish collected data on the ease of recruitment and retention of staff in the UK seafood processing sector during the second quarter of 2019 (April – June) as part of a two-year series of quarterly surveys. The sample of processors responding represents 36% of total FTE jobs in the sector and 15% of all majority seafood processing companies in the UK.
- One third of seafood processors in the sample said that they had found it harder to fill vacancies in the second quarter of 2019 (April-June) than in the first quarter of 2019 (January – March). Nearly two thirds found no difference. Weighting responses by respondents' number of full-time equivalent (FTE) staff reveals that almost half found recruitment had become harder (46%) and 40% found no difference.
- A third of respondents said the time to fill vacancies had increased in the second quarter of 2019 compared to the first quarter of the year. Nearly two thirds found it had stayed the same. When weighted by FTE, half said it had increased.
- Just over half of respondents said there had been no difference in recruitment in April-June 2019 compared with the same period in 2018. Nearly 40% found it had become harder. When weighted by FTE, 57% said harder.
- Processors in the 250+ and 11-49 FTE bands found it most difficult to recruit, with 40% and 38% of respondents in each respective band reporting that recruitment was harder than in the preceding quarter. Most processors across all size bands found no difference (60-75%).
- Four respondents in Grampian and six respondents in other Scotland said recruitment was harder than in the preceding quarter. Most respondents across all regions found there was no difference. When weighting by respondents' FTE per region, 86% in Humberside said harder, and more than half in Grampian said easier.
- The average time to fill vacancies in the period was 15.6 days. The average in the preceding quarter was 14.5.
- Processors aimed to recruit on average six members of staff in the period and the average number of recruited staff was 4.9. This indicates processors were not able to meet their staff needs.
- The key factors affecting recruitment in the second quarter of 2019 was a shortage of suitably skilled candidates and uncertainty surrounding Brexit.
- The most common method of direct recruitment among respondents was word of mouth, and for indirect recruitment, the most common method was the use of employment agencies.
- Almost half of respondents said the main barrier to recruiting British staff is that British people do not want to work in fish processing.
- Nearly 60% of processors in the sample said they would increase efforts to recruit locally if they were unable to hire enough staff using their current recruitment techniques. Nearly half would increase the use of employment agencies.

- Processors were less confident in their ability to recruit high-skilled staff than low-skilled staff in the period July-September 2019. A quarter of respondents were either very confident or confident in their ability to recruit high-skilled staff, while 39% were either very confident or confident they would recruit enough low-skilled staff.
- Processors were most confident about meeting planned levels of production in quarter three of 2019. Only 14% were slightly doubtful or doubtful, while 60% said they were either confident or very confident in their ability to meet planned levels of production in the upcoming quarter.
- Processors were asked what impact they believed an EU exit would have on their business. Responses were very varied. Many respondents believed it would have an impact on labour availability if they no longer can employ EU workers. One processor said: “We are cautious/fearful for the future. [We think] it will have a huge impact – but until it happens we’re not sure.”
- Processors were asked how difficult it is to fill different skills and roles. Just over half of respondents said that semi-skilled roles such as filleting, shucking, and picking were hard to fill. Food preparation as a skilled trade was also deemed a hard role to fill by one third of respondents.
- Nearly 75% of respondents said they did not invest in apprenticeships. When weighted by FTE, 70% said they invested in apprenticeships. Comments revealed that those who do invest in apprenticeships often have engineering apprentices.
- Respondents were asked if Seafish should continue collecting data on labour and recruitment in the processing sector. More than 80% said yes. When weighted by FTE, 92% said yes. All respondents who said yes also said they would contribute data.
- Just over half of respondents said Seafish should collect labour and recruitment data once a year. Just over 20% said every six months.

Contents

| | |
|---|----|
| Executive Summary..... | 3 |
| Contents..... | 5 |
| 1. Introduction and background | 6 |
| 2. Methods..... | 7 |
| 3. Ease of recruitment in the seafood processing sector | 9 |
| 4. Factors affecting recruitment in the seafood processing sector | 13 |
| 5. Recruitment methods in the seafood processing sector | 14 |
| 6. Barriers to recruiting UK staff | 16 |
| 7. Company adaptations in response to recruitment issues | 17 |
| 8. Confidence in recruiting and retaining staff | 18 |
| 9. Impacts of an EU exit | 19 |
| 10. Skills and recruitment | 20 |
| 11. Data collection continuation..... | 23 |
| 12. Conclusions | 25 |
| Appendix 1: Q7 survey questionnaire..... | 25 |

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 seventh and final quarterly survey on 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 was becoming a concern for some businesses. At the meeting it was agreed 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 seafood 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 cannot get enough workers and how would investment impact the number of staff businesses need to employ?

The first quarterly survey was carried out in December 2017 alongside the first Seafish annual survey of workforce composition in the seafood processing sector. In total, seven quarterly surveys and two annual surveys have been carried out.

Findings of all quarterly and annual surveys are available on the Seafish website¹.

¹ Available here: <https://www.seafish.org/article/processing-labour-and-recruitment>

2. Methods

The seventh quarterly survey was carried out in July – August 2019 and asked about processors' experience of recruitment in the preceding quarter (April – June 2019) and other questions relating to recruitment and retention of staff (see Appendix 1).

All UK seafood processors received questionnaires by email and were invited to complete the survey electronically. Some companies were contacted and interviewed by phone to ensure a good level of geographical coverage.

Seafish collected data from 51 processing companies in the seventh quarterly survey on recruitment and retention of staff. Table 1 shows the breakdown of sampled processors by size band, i.e. number of Full-Time Equivalent (FTE) jobs within each size band sampled in the survey, and the survey coverage in regards to total number of processing sites.

The sample for quarter seven includes 20 responses from processors in England, 27 from Scotland, and 4 from Northern Ireland. There were no responses from processors in Wales.

Table 1. Number of survey responses by processor size (FTE band), total number of processors surveyed, and coverage as a percentage of total number of processing companies.² Source: Seafish.

| | Q1 Oct-Dec 2017 | Q2 Jan-Mar 2018 | Q3 Apr-Jun 2018 | Q4 Jul-Sep 2018 | Q5 Oct-Dec 2018 | Q6 Jan-Mar 2019 | Q7 Apr-Jun 2019 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 1-10 FTEs | 9 | 2 | 7 | 6 | 12 | 9 | 9 |
| 11-49 FTEs | 26 | 14 | 26 | 22 | 20 | 24 | 22 |
| 50-249 FTEs | 15 | 15 | 24 | 16 | 28 | 23 | 15 |
| 250+ FTEs | 15 | 19 | 16 | 15 | 3 | 4 | 5 |
| Total no. of processors sampled | 65 | 50 | 73 | 59 | 63 | 60 | 51 |
| Perc. of processors sampled | 19% | 14% | 21% | 17% | 18% | 17% | 15% |

According to the 2018 Seafish processing sector census, there are 19,191 FTE jobs in the UK seafood processing industry.³ The processors that submitted data for this quarterly survey covered more than 6,800 FTE jobs and accounted for 36% of the total FTEs as per the 2018 census (see Table 2).

Table 2. Survey coverage by FTEs. FTEs and FTE coverage is determined according to the 2018 Seafish processing sector census.⁴ Source: Seafish.

| | Q1 Oct-Dec 2017 | Q2 Jan-Mar 2018 | Q3 Apr-Jun 2018 | Q4 Jul-Sep 2018 | Q5 Oct-Dec 2018 | Q6 Jan-Mar 2019 | Q7 Apr-Jun 2019 |
|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| FTEs in samples | 9,933 | 10,249 | 10,437 | 10,673 | 6,834 | 5,676 | 6,828 |
| FTE coverage | 52% | 53% | 54% | 56% | 36% | 30% | 36% |

² Seafish has about 349 seafood processing sites in their database.

³ The survey was sent to majority processors, which Seafish defines as deriving 50% or more of their turnover from fish processing activities.

⁴ FTE coverage (%) for all quarters has been updated to reflect FTE population data from the 2018 census. The number of FTEs increased between the 2016 and 2018 censuses, resulting in lower percentage coverage numbers in this report compared to previous reports.

The number of responses has ranged from 50 to 73 since the first quarterly survey but the FTE coverage declined in the fifth, sixth and seventh quarterly surveys due to reduced participation from larger processors (see Table 1 and Table 2).

Processors have commented that they are asked to complete many surveys, so part of the explanation is most likely survey fatigue. Another factor could be that processors have been preparing for the prospect of a hard EU-exit.

3. Ease of recruitment in the seafood processing sector

Processors were asked if they had found it easier, harder or experienced no difference in ease of recruitment in the second quarter of 2019 (April-June) compared with the first quarter of 2019 (January-March).

One third of respondents found it harder to fill vacancies in the second quarter of 2019 compared with the first quarter of 2019. Just under two thirds of survey respondents reported no difference in ease of recruitment (see Figure 1, left). Weighting responses by FTE employees of the respondents changes the picture slightly. Here nearly half found it more difficult (Figure 1, right).

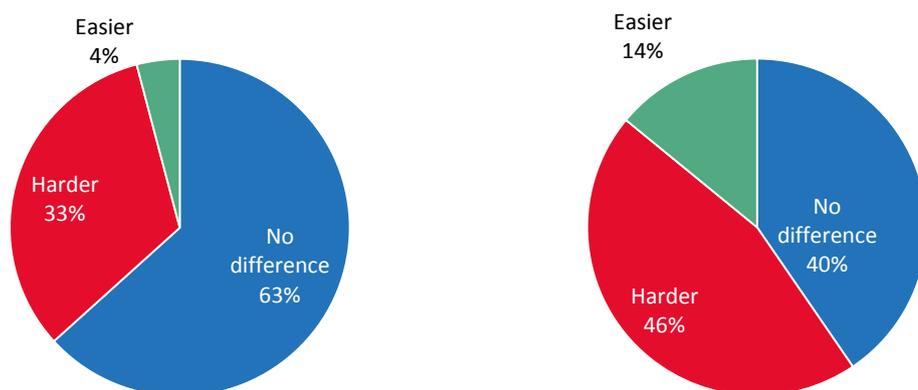


Figure 1. Left: Proportion of processors in the sample reporting that recruitment in the second quarter of 2019 (April – June) was easier, harder, or no different than in the first quarter of 2019 (January – March). Right: Responses are weighted by total number of FTE in sample. Based on responses from 51 processors. Source: Seafish.

Most processors across all sizes found there was no difference in ease of recruitment in the second quarter of 2019 compared with the first quarter of 2019. The proportion of processors who found it had become harder ranged from 25% to 40% (Figure 2).

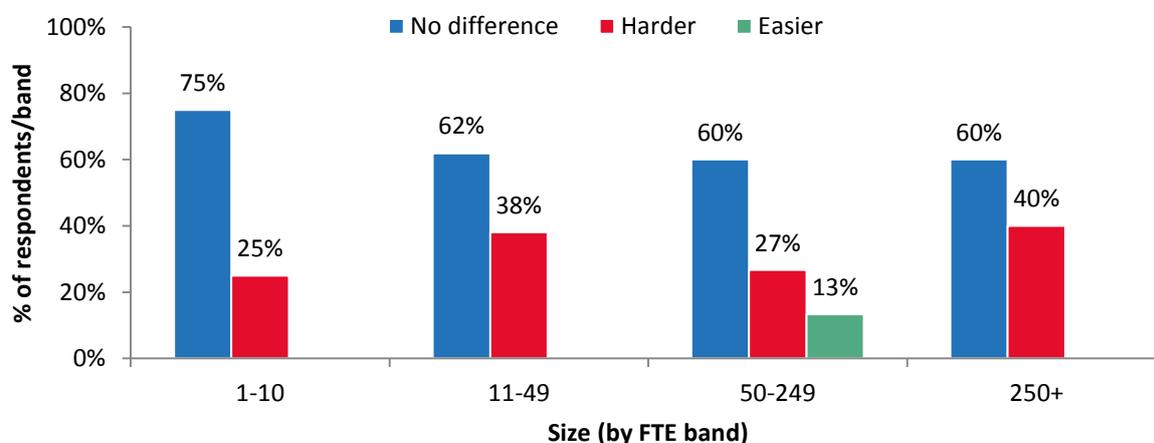


Figure 2. Ease of recruitment by size (FTE band) in the second quarter of 2019 compared with the first quarter of 2019. Source: Seafish.

Figure 3 shows ease of recruitment by region. Humberside and Grampian are shown separately. These regions are the UK's key processing hubs, accounting for 30% and 23% of FTEs in the sector respectively. Seafood processors in the Grampian region on average employ the largest proportion of non-British staff in the UK⁵, and are therefore more likely to be affected by changes in the availability of European workers.

Processors in Scotland outside the Grampian region reported the highest difficulty in recruitment with 6 respondents in the region saying recruitment was harder in quarter two of 2019 than in quarter one. A large share of processors in Grampian reported the same thing.

The majority of processors across all regions reported that there was no difference in recruitment.

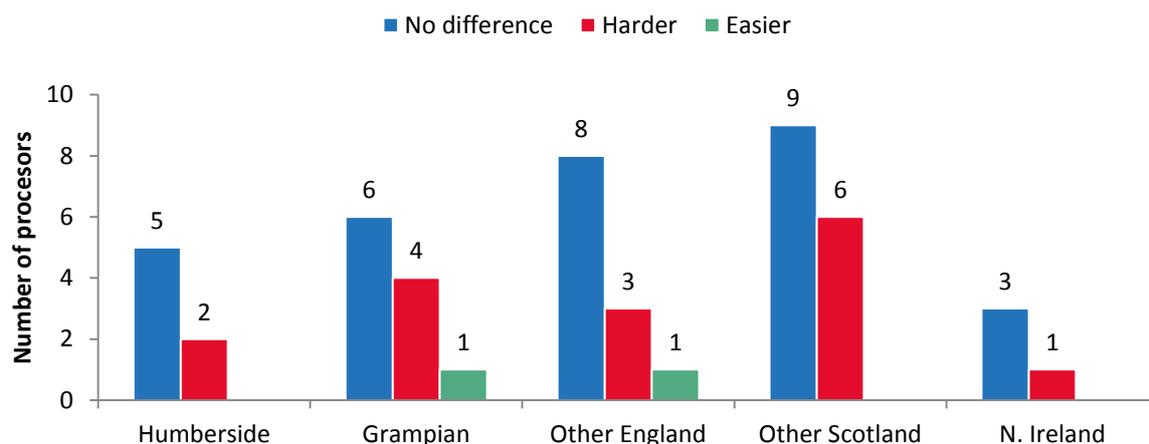


Figure 3. Number of processors in the sample reporting that recruitment in the second quarter of 2019 was easier, harder, or no different from the previous quarter by region. Data from the rest of England and Scotland (excluding Humberside and Grampian respectively) are aggregated. There were no respondents from Wales. Source: Seafish.

Figure 4 also illustrates responses to the question if recruitment became harder, easier or there was no difference in the second quarter of 2019 compared to the first quarter of 2019 but here responses are weighted based on proportion of FTE employees of the respondents in each region.

This shows that 85% of respondents in Humberside - with 30% of total FTEs in the sample - found that recruitment had become harder. More than half of respondents in Grampian found it easier.

Note that the results in Figure 4 may make it appear as if there is an equal number of respondents in each region when in fact this is not the case, e.g. Northern Ireland comprises only three respondents while Grampian consists of 11 responses. Therefore caution is needed in interpreting these results.

⁵ Seafish Economic Analysis: UK seafood processing sector labour report 2018. Available here: <https://www.seafish.org/article/processing-labour-and-recruitment>

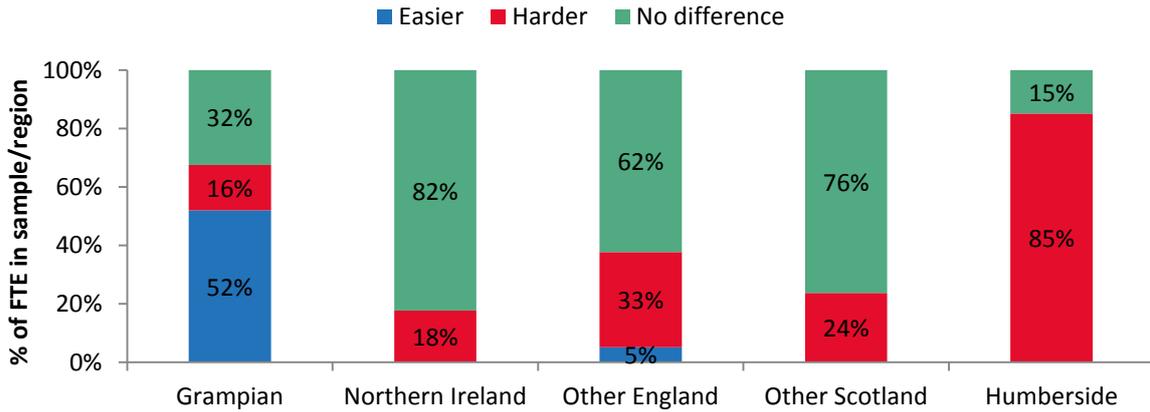


Figure 4. Ease of recruitment across regions in the second quarter of 2019 (April – June) compared to the first quarter of 2019. Responses were weighted by proportion of total FTE in the sample. Note that the response rate across regions appears equal in this graph when in fact they were not, see section 2 of this report. Source: Seafish.

Figure 5 illustrates processors’ responses to the question of ease of recruitment in the second quarter of 2019 compared to the second quarter of 2018 (left), and responses weighted by FTE (right). More than one third of respondents said that recruitment had become more difficult in the last year, and just over half said they had experienced no difference.

Weighted by FTE, nearly 60% said that recruitment had become more difficult, while less than 30% found it had become easier.

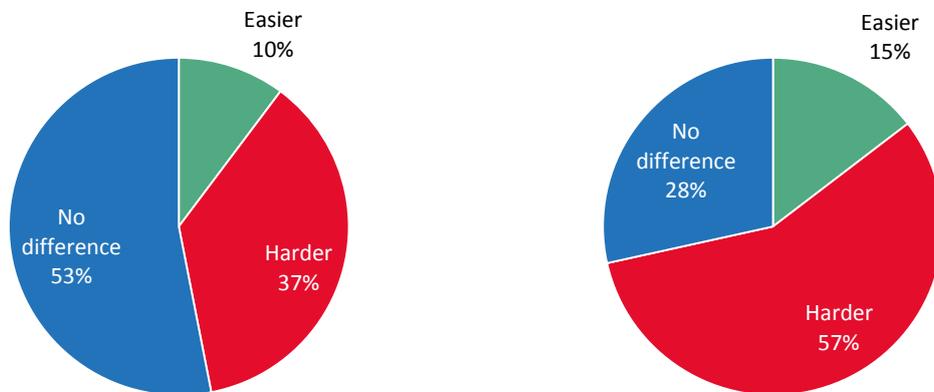


Figure 5. Left: Proportion of processors in the sample reporting that recruitment in the second quarter of 2019 (April – June) was easier, harder, or no different from the same period in 2018. Right: Responses weighted by total FTE in sample. Source: Seafish.

Just under two thirds of respondents reported no difference in the time to fill vacancies in the second quarter of 2019 compared with the first quarter of 2019, while a third reported an increase in the time to fill vacancies (see Figure 6, left). When responses are weighted by FTE, half reported an increase in the last year.

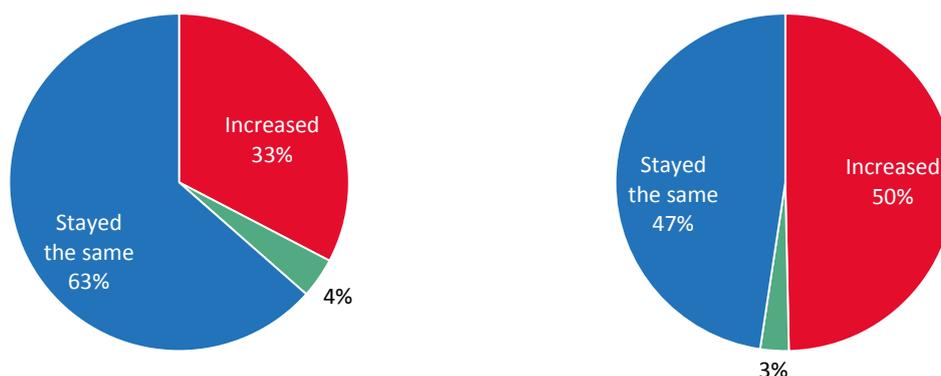


Figure 6. Left: Proportion of processors in the sample reporting that the time to fill vacancies increased, decreased or was no different in the second quarter of 2019 (April – June) compared to the previous quarter. Right: Responses weighted by total FTE in sample. Source: Seafish.

The average time it took processors to fill vacancies since the surveys began are listed in Table 3. In four of the periods, the average time was around 14-15 days. The peak was in the period July-September 2018, when processors reported it took them on average of 27.7 days to fill vacancies.

Respondents were also asked how many staff they aimed to recruit in the period April – June 2019 and how many they managed to recruit (Table 3). The average aim was 6 members of staff and the average number of staff recruited was 4.9. The average number of staff recruited was below the average aim in every quarterly survey (Table 3). This indicates that processors are consistently unable to meet their staff needs.

The need for staff peaked in July-Sep 2018, at the same time when recruitment took longest. This may be due to a production peak over the summer period.

Table 3. The average time it has taken processors to fill vacancies in each period since the first survey in 2017. This question was not included in the survey covering the last quarter of 2018. Source: Seafish.

| Period | Oct-Dec 2017 | Jan-Mar 2018 | Apr-Jun 2018 | Jul-Sep 2018 | Oct-Dec 2018 | Jan-Mar 2019 | Apr-Jun 2019 |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Average no. of days to fill vacancies | 14.5 | 14.2 | 20.9 | 27.7 | N/A | 14.5 | 15.6 |
| Average recruitment aim | 10.1 | 11.1 | 3.8 | 15.5 | 6.0 | 3.6 | 6.0 |
| Average recruitment achieved | 9.2 | 10.4 | 3.4 | 13.9 | 3.0 | 2.6 | 4.9 |

4. Factors affecting recruitment in the seafood processing sector

Processors were asked which factors they believe affect recruitment in the processing sector. The question was multiple choice (options based on previous open-ended questions) and respondents could choose all that apply (see Figure 7).

Nearly 40% of respondents said that local people do not want to work in fish processing. A third of processors said that a shortage of suitably skilled candidates negatively affected recruitment.

Other responses were uncertainty surrounding Brexit (27% of respondents), EU workers are increasingly leaving the UK (25%), lower skill levels of candidates (22%), and the UK has become a less desirable place to work for EU nationals (20%).

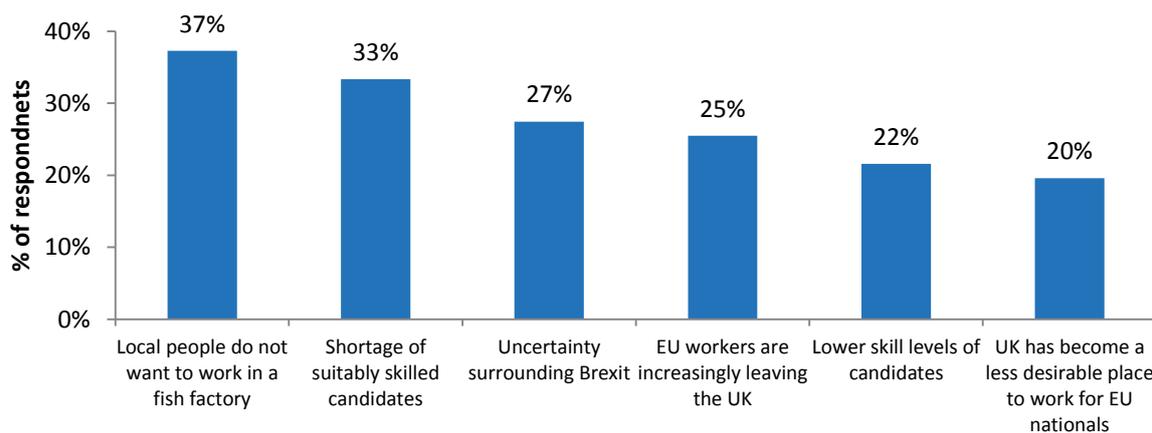


Figure 7. Barriers to recruitment in the seafood processing sector in April – June 2019. Respondents could comment on all factors, positive or negative, that applied to their company. Source: Seafish.

Just under one fifth of respondents said they had no problems hiring in the last quarter (not illustrated).

Just over one in ten respondents ticked the option “Other” and had the option to specify what they meant by that. The comments were diverse:

“[There is] a lack of accommodation locally for staff to live.” – Processor

“Young people are less inclined to go into this industry.” – Processor

One said they are not looking for staff, as “business is very quiet”, and another yet that they were on a hiring hold due to a change of management and the business was in a transitional period.

5. Recruitment methods in the seafood processing sector

The most commonly reported methods used for direct recruitment of permanent, temporary and seasonal staff in the seafood processing sector in the period April-June 2019 are illustrated in Figure 8.

Word of mouth was the most common method of direct recruitment for all types of staff, and most so for temporary staff – 53% of respondents who recruit temporary staff said they used this method of recruitment. Respondents said when they use word of mouth to recruit, they go to family members, friends, speak to the local community, and some specify that word of mouth is the best way to recruit in a small community. Respondents also said they have foreign staff refer friends, and Poland, Bulgaria, and Romania were mentioned in the context of recruitment using word of mouth.

Other common methods of recruitment were online advertising and social media. For online advertising, websites mentioned were Gumtree, Indeed, Reed and Total jobs. Social media websites mentioned were Facebook and LinkedIn.

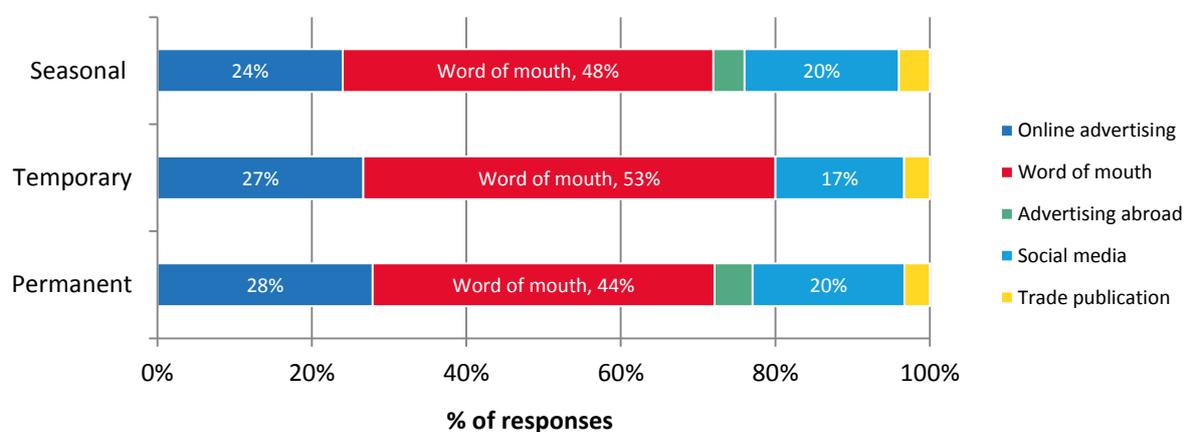


Figure 8. Methods reported for direct recruitment of permanent, temporary and seasonal workers in the seafood processing sector in April – June 2019. The graph illustrates proportion of responses for seasonal, temporary and permanent roles. Respondents were able to comment on multiple factors that applied to them. Source: Seafish.

The most commonly reported methods used for indirect recruitment are illustrated in Figure 9.

The most common method for indirect recruitment was use of an Employment agency. All respondents used this method of recruitment for seasonal staff, and 71% used this method for temporary staff. It was least common for permanent staff but more than half still reported using this method for permanent staff.

Another common method was the use of Job centre referral, used by 33% of respondents to recruit permanent staff.

Respondents were also able to select “Other” and specify what they meant in comments. Only three respondents selected this option. These responses mentioned specific agencies or websites, radio adverts, posting banners outside the factory and in the local area, and one mentioned that they prefer to post jobs internally first to encourage internal progression and training.

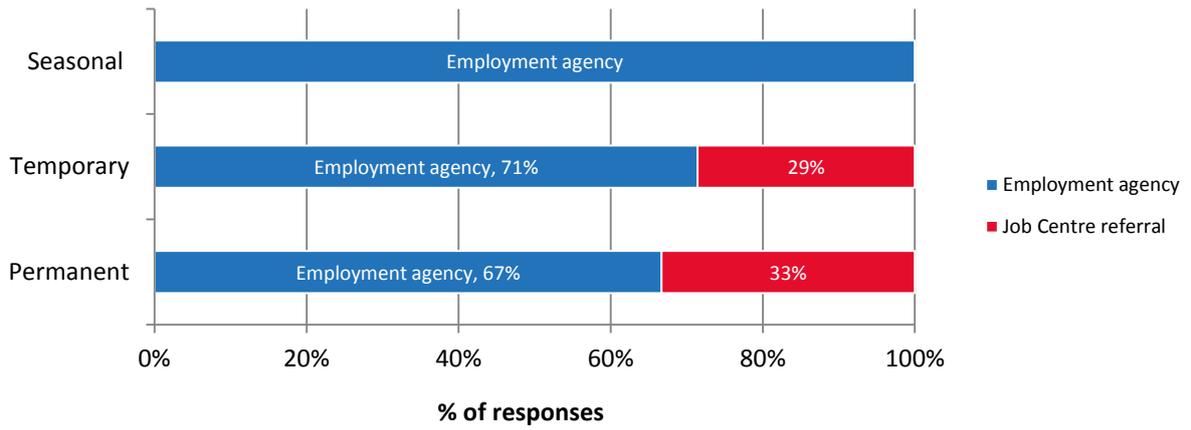


Figure 9. Methods reported for indirect recruitment of permanent, temporary and seasonal workers in the seafood processing sector in April – June 2019. The graph illustrates proportion of responses for seasonal, temporary and permanent roles. Respondents were able to comment on multiple factors that applied to their site. Source: Seafish.

6. Barriers to recruiting UK staff

Survey responses indicate that negative perceptions of the seafood processing industry remains the biggest barrier to recruiting British staff in the sector (see Figure 10).

More than half of respondents stated that most British job seekers do not want to work in a fish processing factory. Just under 30% of respondents said that British staff demand a higher pay and that competition from other similar companies or industries is a barrier.

Another barrier reported was low levels of local unemployment (mentioned by 16% of respondents).

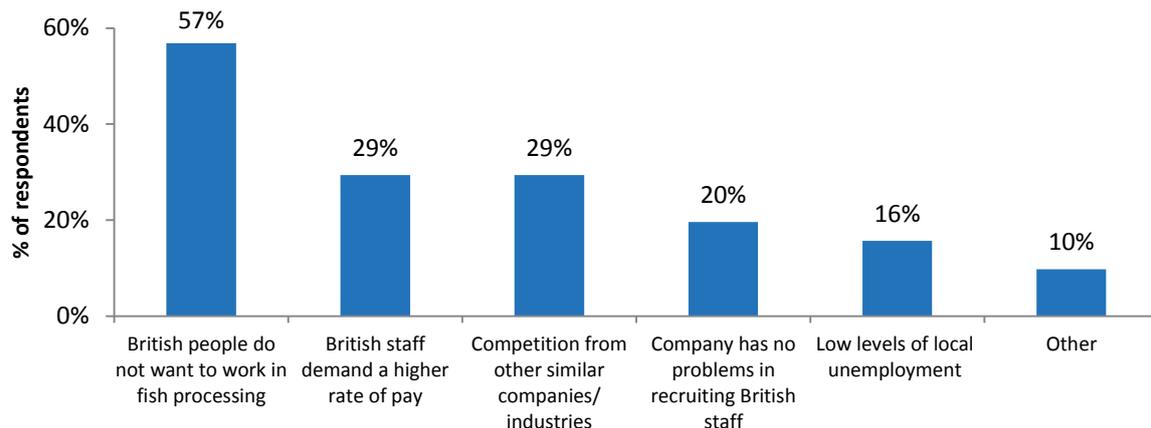


Figure 10. Barriers to recruiting British staff in the seafood processing sector in April – June 2019. This question was multiple choice based on responses from previous open-ended questions and survey respondents were able to select multiple answers. Source: Seafish.

One in ten respondents said there were “Other” barriers and were able to elaborate. These comments were quite diverse but some mention location:

“Location - not in a big town/city therefore not quite as desirable for British people to move to.” – Seafood processor

“Remote location- 25 minute drive from the nearest town. Not for everyone.” – Seafood processor

The working environment and unsocial hours were also mentioned:

“Environment and long hours seem to be an issue for British workers in the low-level jobs.” – Seafood processor

Some respondents simply expressed concern:

“All our local workers are very close to retirement age. [We have] fears for the future of this industry.” – Seafood processor

Other respondents reiterated the competition they feel from other industries:

“The oil industry attracts lots of potential employees. Better pay and working conditions in oil so people choose that industry.”

7. Company adaptations in response to recruitment issues

Processors were asked which adaptations their company would make if they were unable to recruit enough workers using their existing recruitment methods (see Figure 11).

Nearly 60% of respondents said they would increase their efforts to recruit locally. The second most common response was to increase the use of employment agencies (45% of respondents), followed by increasing overtime available to existing employees (33%).

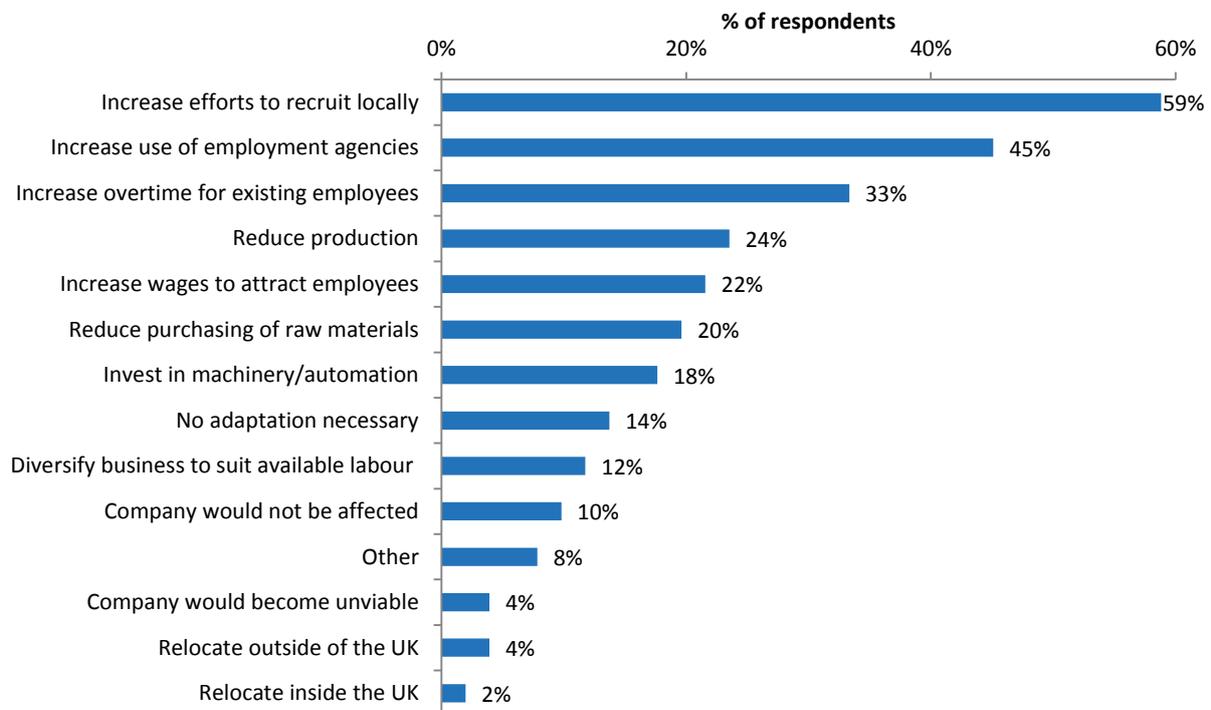


Figure 11. Adaptations seafood processors would aim to make if they were not able to recruit enough staff. This question was multiple choice and options were based in previous responses to the same open-ended question. Source: Seafish.

Other possible adaptations include reducing production (24%), increasing wages to attract employees (22%), and reduce purchasing of raw materials (20%).

Only 18% said investing in machinery or automation was a possible adaptation for them.

Less than 5% said the company would become unviable or that relocating inside or outside the UK was an option.

Just under one in ten said they would make other adaptations. Comments to this suggested a range of adaptations:

"[We are] considering offering room and board to someone not from the area". – Processor

"We would go to an agency probably to recruit." – Processor

8. 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 in their confidence to meet their planned levels of production in the next quarter (July – September 2019).

Processors were less confident in their ability to *recruit* high-skilled staff than low-skilled staff but more confident in their ability to *retain* high-skilled staff than low-skilled staff (see Figure 12).

In regards to *recruiting enough high-skilled staff*, 24% of respondents were very confident or confident, 22% were neutral, while 36% were either slightly doubtful or doubtful. In regards to *recruiting enough low-skilled staff*, 39% were either very confident or confident, 21% were neutral, and 32% were either slightly doubtful or doubtful.

In regards to *recruiting enough seasonal staff*, 32% were either very confident or confident, only 15% were neutral, and 17% were either slightly doubtful or doubtful.

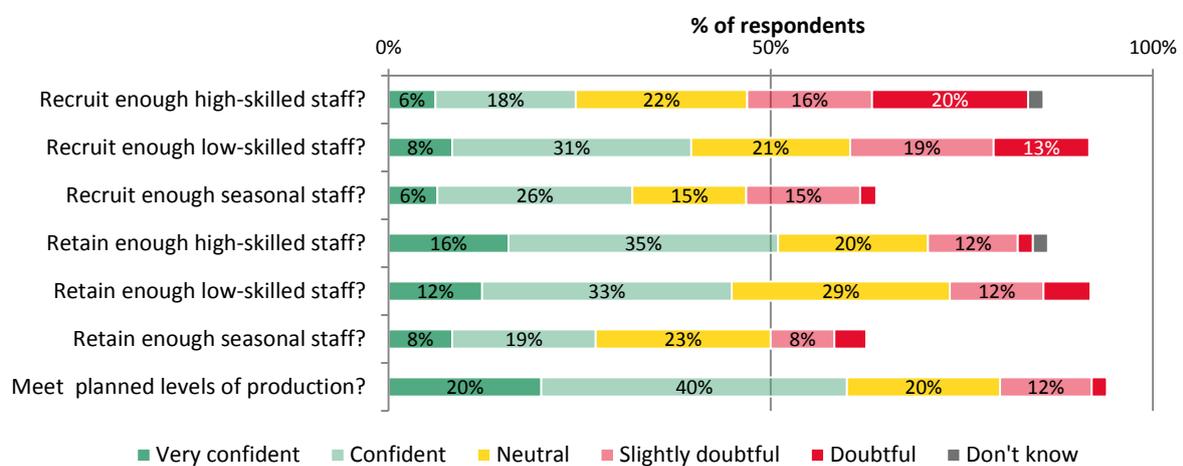


Figure 12. Seafood processors' confidence in their ability to recruit and retain sufficient numbers of high-skilled, low-skilled, and seasonal staff and in their ability to meet planned production levels in the next quarter (April - June 2019). Respondents could select "N/A" if the field did not apply to their site and these responses were removed from the final analysis. Source: Seafish.

In regards to *retaining enough high-skilled staff*, 51% of respondents were very confident or confident, 20% were neutral, while only 14% were either slightly doubtful or doubtful. In regards to *retaining enough low-skilled staff*, 45% were either very confident or confident, 29% were neutral, and only 18% were either slightly doubtful or doubtful.

In regards to *retaining enough seasonal staff*, 27% were either very confident or confident, only 23% were doubtful, and 12% were either slightly doubtful or doubtful.

Processors were most confident about meeting planned levels of production. Only 14% were slightly doubtful or doubtful, 20% were neutral, and 60% were either very confident or confident.

The large proportion of respondents who said the recruitment and retention of seasonal staff was not applicable to them (more than 30% in both cases) indicates that many of them do not make use of seasonal staff at all. More than 60% of respondents who selected this answer were in the 11-49 FTE band (in both cases). Around 30% were in the 50-249 FTE band.

9. Impacts of an EU exit

Processors were asked an open ended question on what impacts they believed an EU exit would have on their company in regards to labour availability. Below are some of the responses by region:

England, excluding Humberside

"It is difficult to tell what effects Brexit will have on our workforce. Currently about 25% are from Eastern Europe, some have gone back home recently and others may follow."

- Processor in England, excluding Humberside

"Positives and negatives. Lots at play. Brexit will help the industry in the long-term. There are going to be bumps but it will be beneficial." - Processor in England, excluding Humberside

"It's quite daunting- it's a challenge. It's not the most desirable of jobs for locals and we are losing our main outlet to recruitment." – Processor in England, excluding Humberside

Humberside

"We rely heavily on Eastern European workers for our afternoon and night shifts. If the labour pool becomes any tighter due to the EU-exit, we will struggle to keep up with our production requirements." – Processor in Humberside

"We do not know the impact as we do not know with any certainty what the EU-exit means for our existing EU and EEA employees." – Processor in Humberside

Northern Ireland

"Brexit will make it very difficult for this business. [We] will scale back production and won't be able to expand or meet demands. This is mainly due to being unable to employ EU nationals." - Processor in Northern Ireland

"We could lose a number of experienced staff if there is no agreement on the movement of people." – Processor in Northern Ireland

Scotland, excluding Grampian

"We are cautious/fearful for the future. [We think] it will have a huge impact - but until it happens we're not sure." - Processor in Scotland, excluding Grampian

"Keep EU route open. Keep free movement."- Processor in Scotland, excluding Grampian

Grampian

"It would depend on the agreement of a deal or no-deal EU-exit." – Processor in Grampian

"The business would incur serious problems if the EU-exit had a negative impact on labour availability as the business is hugely reliant on foreign workers." – Processor in Grampian

10. Skills and recruitment

Processors were asked how “Hard” or “Easy” a range of specific skills and positions would be to fill. They also had the option to say “No need” or “Don’t know” (Figure 13). This question is based on a questionnaire developed by the Food and Drink Sector Council and conducted by the Food and Drink Federation⁶ for the whole food and drink sector.

The skill that most processors found hard to fill is Semi-skilled/requires training, which was reported by 51% of respondents. This skill was explicitly defined as including filleting, shuckers, and pickers. One fifth of respondents found this an easy skill to fill and 12% said they had no need for this skill.

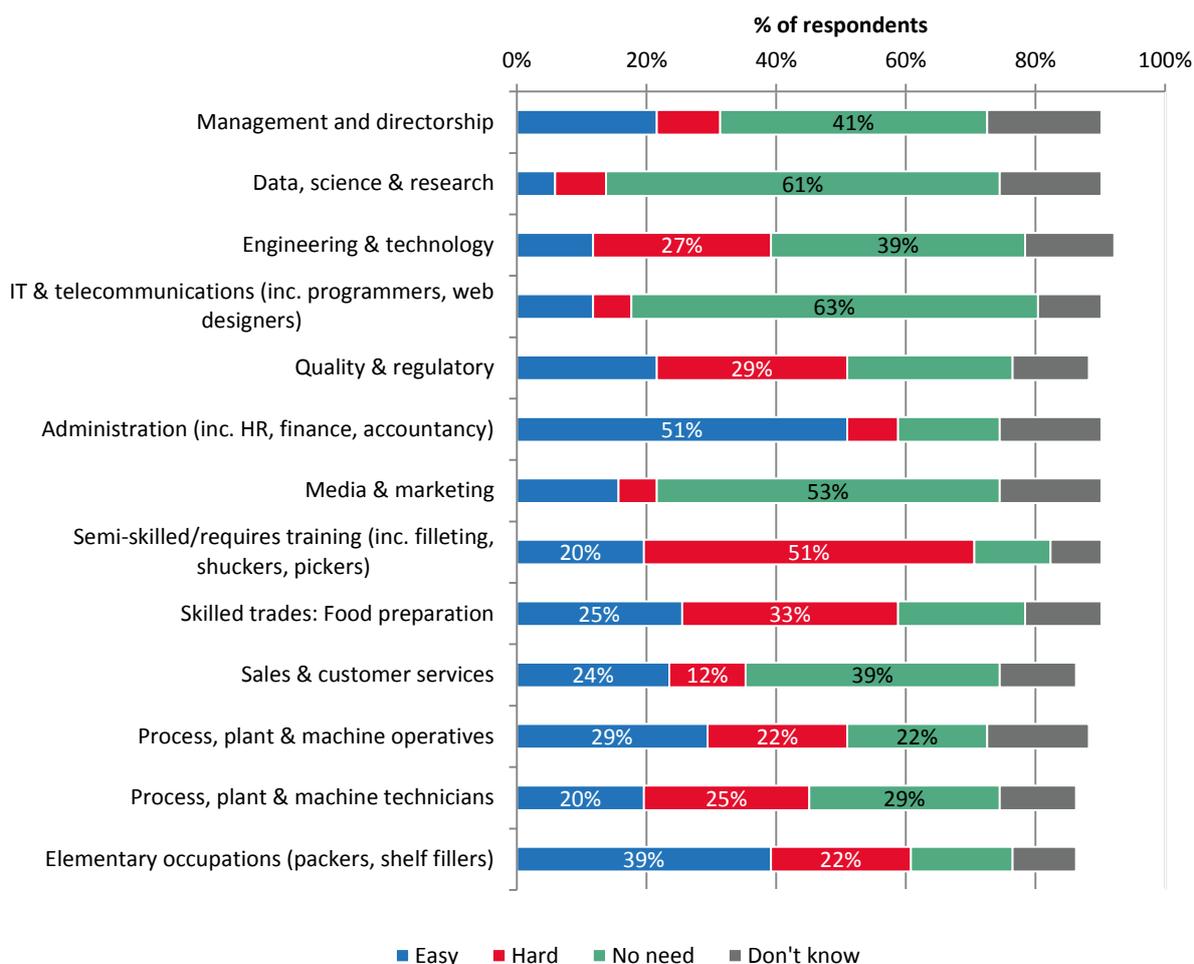


Figure 13. Processors were asked which skills were “Hard” and “Easy” to fill or “No need”. They also had the option of answering “Don’t know”. No respondents answered all questions. Therefore the numbers do not add to 100%. Source: Seafish.

Other skills that many said were hard to fill include Skilled trades: Food preparation (33% of respondents), Quality and regulatory positions (29% of respondents), Engineering and technology (27%), and Process, plant and machine technicians (25%) and operators (22%).

⁶ Workforce and Skills Evidence Survey

The skill that most processors found easy to fill was Administration, including HR, finance and accountancy, which half of respondents said was easy to fill. Elementary occupations, such as packers and shelf fillers, were deemed easy to fill by 39% of respondents.

Many occupations were not needed by a large proportion of respondents. IT and telecommunications was not needed by 63% of respondents. Data, science and research were not needed by 61% of respondents. Media and marketing was not needed by half of respondents. Other skills not needed by many include Sales and customer service, Management and directorship, and Engineering and technology.

Processors were also asked if they invest in apprenticeships (Figure 14). This question was also based on the survey conducted by the Food and Drink Federation⁷. Almost three quarters of respondents said no, they did not invest in apprenticeships, and just over one quarter said yes. When weighted by number of FTEs of respondents, nearly 70% said yes. Large processors therefore make more use of apprenticeships to meet staff demands.



Figure 14. Processors were asked if they invested in apprenticeships. Left: Proportion of respondents. Right: Responses weighted by total FTE in sample. Source: Seafish.

Respondents were also asked why they did or did not invest in apprenticeships. The respondents who said they invest in apprenticeships did so for a number of reasons. One said they did it to grow talent internally and give their employees opportunities to develop. Another said they wanted to bring fresh thinking into the company and enable the next generation to take over, and one said they wanted to encourage future employees. Several specifically mentioned engineering apprenticeships:

“[We invest in apprenticeships] because we believe it is important to grow and develop our own talent, especially for skilled trades. We currently have six engineering apprentices who we hope will stay with us for the duration.” – Processor

“We have an apprentice in our engineering department. We hope the training and onsite experience will lead to a good future employee.” - Processor

⁷ Workforce and Skills Evidence Survey. See more here: <https://www.fdf.org.uk/FDSC-workforce-and-skills-core-group.aspx>

Those who said they did not invest in apprenticeships also gave a number of reasons. The two most common responses were that the company was too small and that work was not skilled enough for apprenticeships. Some said they might look into it in the future, depending on the political situation:

“It would be something [to] look into in the future if all goes well with Brexit.” – Processor

“[We] do want to invest in apprenticeships but are waiting until the EU-exit becomes more clear and [we] know what will be happening.” – Processor

11. Data collection continuation

Processors were asked if they thought Seafish should continue to collect data on recruitment in the seafood processing sector (Figure 15). Most processors said yes, Seafish should continue collecting data (84% of respondents). Only 16% of respondents said no. When weighted by FTE, 92% said yes.



Figure 15. Processors were asked if they thought Seafish should continue collecting data on recruitment in the sector. Left: Proportion of respondents. Right: Responses are weighted by total FTE in sample. Source: Seafish.

Processors were then asked how often Seafish should collect data (Figure 16). More than half of respondents who said Seafish should continue collecting data thought that data collection should occur once a year (53% of respondents). The second most common response was every six months (21% of respondents).

When responses to this question were weighted by FTE, 57% said data collection should occur once a year, 17% said every three months, and only 2% said every two years. This indicates that larger processors are more interested in more frequent data collection than small processors.

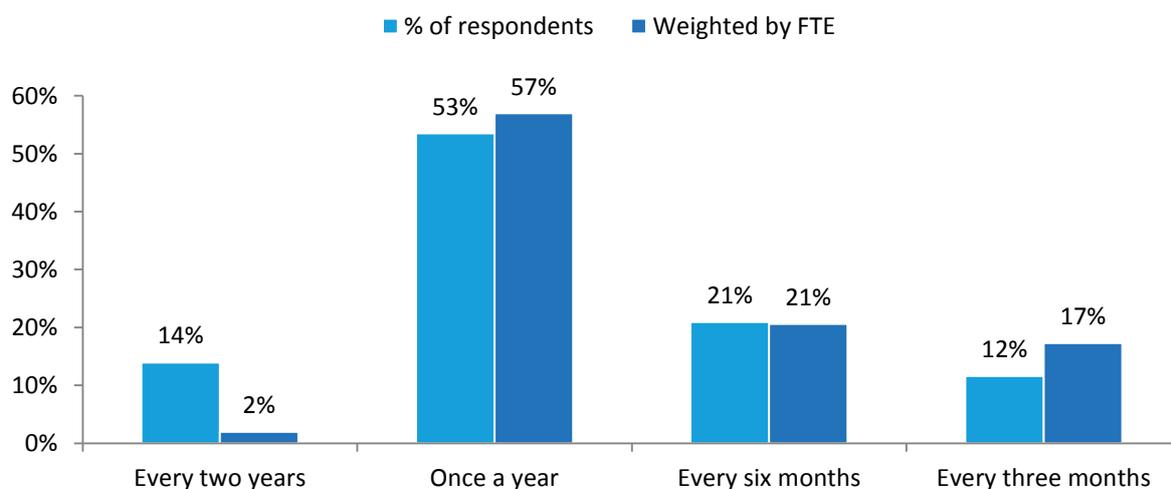


Figure 16. Processors were asked how often Seafish should collect data. Only respondents who said yes to continued data collection are included in the analysis. Weighted responses were weighted by total FTE in sample. Source: Seafish.

Finally, processors were asked if they would contribute data to future analyses on recruitment in the processing sector.

All respondents who said that Seafish should continue collecting data also said they would contribute data. Only 7% of respondents said no, all whom had also said no to continued data collection.

12. Conclusions

One third of seafood processors in the sample said that they had found it harder to fill vacancies in the second quarter of 2019 (April-June) than in the first quarter of 2019 (January – March). Nearly two thirds found no difference. When weighted by FTE, 46% found it harder.

Most processors across all size bands found no difference in ease of recruitment, ranging 60-75%. Processors in the 250+ and 11-49 FTE bands found it most difficult to recruit, with 40% and 38% of respondents in each respective band reporting that recruitment had become harder.

Respondents in Scotland, excluding Grampian, found it most difficult to recruit (6 respondents said recruitment was harder than in the preceding quarter), followed by Grampian (4 respondents). When weighting by respondents' FTE per region, 86% of respondents in Grampian found it hard.

Just over half of respondents said there had been no difference in recruitment in April-June 2019 compared with April-June 2018. Nearly 40% found it had become harder. When weighting by FTE, 57% found it had become harder.

The key factor affecting the ease of recruitment was a shortage of suitably skilled candidates. Another commonly reported factor was uncertainty surrounding Brexit.

The main barrier to recruiting British staff in the seafood processing industry remains the negative perception of the industry held by potential candidates.

Nearly 60% of respondents said that they would increase efforts to recruit locally if they were unable to hire enough staff using their current recruitment techniques.

A quarter of respondents were either very confident or confident in their ability to recruit high-skilled staff in the upcoming quarter, while 39% were either very confident or confident they could recruit enough low-skilled staff.

Processors were most confident about meeting planned levels of production in the next quarter. Only 14% were slightly doubtful or doubtful, while 60% said they were either confident or very confident in their ability to meet planned levels of production in the upcoming quarter.

Processors were asked which skills and roles are “Hard” or “Easy” to fill. Just over half of respondents said that semi-skilled roles such as filleting, shucking, picking were hard to fill. Food preparation as a skilled trade was deemed a hard role to fill by one third of respondents.

Nearly three quarters of respondents said they did not invest in apprenticeships. When weighted by FTE, 70% said they invested in apprenticeships. Comments revealed that those who do invest in apprenticeships often have engineering apprentices.

More than 80% of respondents said Seafish should continue collecting data on labour and recruitment in the processing sector. When weighted by FTE, more than 90% said data collection should continue. All respondents who said yes also said they would contribute data.

Just over half of respondents said Seafish should continue collecting data once a year (53% of respondents). Just over 20% said every six months.

Appendix 1: Q7 survey questionnaire

Seafood Processing Sector - Labour Availability Evidence Gathering (Quarterly)
For the period: **April - June 2019**

1. General information

| | |
|-----------------------|--|
| Company name: | |
| Company location: | |
| Company postcode: | |
| Company contact name: | |
| Contact email: | |

2. Current vacancies

| | | |
|--|--------------------------|--------------------------|
| How many vacancies do you have open on the day of completing this survey? | 0 | |
| On average, how many days were vacancies open in the previous quarter (April-June 2019)? | 0 | |
| Compared to the first quarter of 2019 (January-March), the time to fill vacancies in the previous quarter has... : | | |
| Increased | Decreased | Stayed the same |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

3.a. Did you find it easier, harder, or no different to fill vacancies in April-June compared to January-March 2019?

| | | |
|--------------------------|--------------------------|--------------------------|
| Easier | Harder | No difference |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

3.b. Why do you think this is? Please tick all that affected ease of recruitment in April-June.

| | |
|---|--------------------------|
| Shortage of suitably skilled candidates | <input type="checkbox"/> |
| No problems hiring | <input type="checkbox"/> |
| Local people do not want to work in a fish factory | <input type="checkbox"/> |
| Uncertainty surrounding Brexit | <input type="checkbox"/> |
| EU workers are leaving the UK | <input type="checkbox"/> |
| UK has become a less desirable place to work for EU nationals | <input type="checkbox"/> |
| Low skill level of candidates | <input type="checkbox"/> |
| Reduced need for staff | <input type="checkbox"/> |
| Other (please specify) | <input type="checkbox"/> |
| Enter text here | |

3.c. Did you find it easier, harder, or no different to fill vacancies this previous quarter compared to the same period last year (April - June 2018)?

| | | |
|--------------------------|--------------------------|--------------------------|
| Easier | Harder | No difference |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

3.d. Why do you think this is? Please tick all that have affected ease of recruitment since the April-June period last year.

| | |
|---|--------------------------|
| Shortage of suitably skilled candidates | <input type="checkbox"/> |
| No problems hiring | <input type="checkbox"/> |
| Local people do not want to work in a fish factory | <input type="checkbox"/> |
| Uncertainty surrounding Brexit | <input type="checkbox"/> |
| EU workers are leaving the UK | <input type="checkbox"/> |
| UK has become a less desirable place to work for EU nationals | <input type="checkbox"/> |
| Low skill level of candidates | <input type="checkbox"/> |
| Reduced need for staff | <input type="checkbox"/> |
| Other (please specify) | <input type="checkbox"/> |
| Enter text here | |

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

4.b. How many seasonal staff did you actually recruit in the previous quarter?

5. How did you recruit permanent, temporary and seasonal staff in the previous quarter? Tick all that apply

| Direct recruiting | Permanent | Temporary | Seasonal | Details (which sites/publications/countries) |
|------------------------|--------------------------|--------------------------|--------------------------|--|
| 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"/> | |
| Enter text here | | | | |

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 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Recruit enough high-skilled staff? | <input type="checkbox"/> |
| Recruit enough low-skilled staff? | <input type="checkbox"/> |
| Recruit enough seasonal staff? | <input type="checkbox"/> |
| Retain enough high-skilled staff? | <input type="checkbox"/> |
| Retain enough low-skilled staff? | <input type="checkbox"/> |
| Retain enough seasonal staff? | <input type="checkbox"/> |
| Meet your planned levels of production? | <input type="checkbox"/> |

7. In your opinion, what are the main barriers to recruiting British staff in your company? Tick all that apply

| | | |
|--|--------------------------|--------------------------|
| British people do not want to in fish processing | <input type="checkbox"/> | <input type="checkbox"/> |
| British people demand a higher rate of pay | <input type="checkbox"/> | <input type="checkbox"/> |
| Low levels of local unemployment | <input type="checkbox"/> | <input type="checkbox"/> |
| Competition from other similar companies/industries | <input type="checkbox"/> | <input type="checkbox"/> |
| Demographics - population decline in age group required for available work | <input type="checkbox"/> | <input type="checkbox"/> |
| Company has no problems recruiting British staff | <input type="checkbox"/> | <input type="checkbox"/> |
| Other (please specify) | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>Enter text here</i> | | |

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

| | | |
|--|--------------------------|--------------------------|
| Increase efforts to recruit locally | <input type="checkbox"/> | <input type="checkbox"/> |
| Increase use of employment agencies to provide labour | <input type="checkbox"/> | <input type="checkbox"/> |
| Increase wages to attract employees | <input type="checkbox"/> | <input type="checkbox"/> |
| Increase overtime available to existing employees | <input type="checkbox"/> | <input type="checkbox"/> |
| Reduce production | <input type="checkbox"/> | <input type="checkbox"/> |
| Reduce purchasing of raw materials | <input type="checkbox"/> | <input type="checkbox"/> |
| Relocate inside the UK | <input type="checkbox"/> | <input type="checkbox"/> |
| Relocate outside of the UK | <input type="checkbox"/> | <input type="checkbox"/> |
| Increase investment in machinery (see Q8.b. and 8.c.) | <input type="checkbox"/> | <input type="checkbox"/> |
| Diversify business to suit available labour | <input type="checkbox"/> | <input type="checkbox"/> |
| Company would not be affected | <input type="checkbox"/> | <input type="checkbox"/> |
| No adaptation necessary | <input type="checkbox"/> | <input type="checkbox"/> |
| Company would become unviable (no adaptation possible) | <input type="checkbox"/> | <input type="checkbox"/> |
| Other (please specify) | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>Enter text here</i> | | |

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

Enter text here

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 an EU-exit would have on your company with regard to labour availability?

Enter text here

10. Which types of vacancies are generally difficult to fill? Tick all that apply

| | Easy to fill | Hard to fill | Not needed | Don't know |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Management and directorship | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Data, science & research | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Engineering & technology | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| IT & telecommunications (incl. programmers, web designers) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Quality & regulatory | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Administration (incl. finance, HR, accountancy) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Media & marketing | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Semi-skilled/requires training (inc. filleting, shuckers, pickers) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Skilled trades: Food preparation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sales & customer services | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Process, plant & machine operatives | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Process, plant & machine technicians | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Elementary occupations (e.g. packers, shelf fillers) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Other (please specify) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>Enter text here</i> | | | | |

11a. Do you invest in apprenticeships?

| | |
|--------------------------|--------------------------|
| Yes | No |
| <input type="checkbox"/> | <input type="checkbox"/> |

11b. Why do/don't you invest in apprenticeships?

Enter text here

12a. Do you think Seafish should continue to collect data on recruitment in the seafood processing sector?

| | |
|--------------------------|--------------------------|
| Yes | No |
| <input type="checkbox"/> | <input type="checkbox"/> |

12b. If yes to 12a, how often do you think Seafish should collect data?

Tick the option that best applies

| | |
|--------------------|--------------------------|
| Every two years | <input type="checkbox"/> |
| Once a year | <input type="checkbox"/> |
| Every six months | <input type="checkbox"/> |
| Every three months | <input type="checkbox"/> |

12c. If yes to 12a, will you contribute data to future Seafish analyses on recruitment in the processing sector?

| | |
|--------------------------|--------------------------|
| Yes | No |
| <input type="checkbox"/> | <input type="checkbox"/> |

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