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# Ready, willing and able?

Can the UK labour force meet demand after Brexit?





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# FOREWORD

The UK jobs market is performing incredibly strongly, with the highest employment rate on record and demand for staff continuing to increase as employers create more jobs. In the sectors most reliant on EU workers, recruiting to meet this demand is a huge challenge. The number of EU nationals applying for roles in the UK is falling substantially as fewer decide to make the move here and many decide to leave. The government approach to immigration is set to change as part of Brexit negotiations and their attempt to lower net annual migration to the tens of thousands. There is real uncertainty amongst employers about who will perform the roles that are currently filled by EU citizens.

This report asks the vital question of how we will fill job vacancies in sectors such as warehousing, hospitality, and food manufacturing as the number of EU workers starts to fall. What draws EU workers to these roles in the UK? What makes them want to leave? What do they contribute to the UK economy? And what would be the impact of these vacancies going unfilled?

As part of this research, we talked to employers, recruiters, and workers from both the EU and the UK about the effect the Brexit vote is already having on immigration. There is anxiety from all sides as employers consider scaling down or moving work overseas and workers feel unable to plan their future here. It's also interesting to note that British workers recognise that their workplaces would struggle without their EU colleagues.

Based on these insights and building on the recommendations from the REC's recent report, *Building the Post-Brexit Immigration System*, we provide recommendations to government about how to ensure employers can fill the jobs they have available. This includes minimising uncertainty for EU nationals so that they aren't deterred from remaining and working in the UK. We also look at the technicalities and how any new system must ensure employers can access people that wouldn't qualify for a visa under the current system for non-EU migrants.

This report also suggests actions for recruiters and employers to ensure they can continue to attract and retain candidates, such as emphasising progression routes in job adverts, offering a range of working patterns, and ensuring good working relations between workers of different nationalities. The REC will continue to work to ensure the voice of recruitment is heard

by government. We will speak on behalf of sectors reliant on EU workers during the Brexit negotiations and will continue to keep our members informed about the upcoming changes.

Recruiters should know that their job will become even more challenging – but they will also become more essential as businesses struggle to find the people they need.

**Kevin Green, Chief Executive, REC**

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# EXECUTIVE SUMMARY

## 1. Introduction

- This report explores the roles that EU workers in low-skill roles play in the UK and the potential impact in the years immediately following Brexit if there is a shortage of low-skill labour in the UK.
- Its main focus is on three sectors of the economy that employ a high proportion of EU workers in low-skill roles: warehousing, agriculture/horticulture and food production, and hospitality.
- The report looks at the experiences of EU workers working in low-skill roles in the UK, recruiters' and employers' concerns, and the experience of British workers in low-skill roles in industries with a high proportion of EU workers.
- The report sets out recommendations for government to ensure employers are still able to access low-skill labour once the UK leaves the EU, and to prevent damaging businesses and sectors that rely on EU workers in low-skill roles, as well as the wider economy.
- It also sets out recommendations for recruiters and employers on how to attract and retain workers for low-skill roles in an increasingly tight section of the labour market.

## 2. EU workers in low-skill roles in the UK

- EU workers currently make up 7 per cent of the UK workforce.
- EU workers are particularly overrepresented in low-skilled roles, where they occupy 15 per cent of these roles in the UK.
- Official statistics show that net migration of EU nationals to the UK is falling, particularly from EU8 countries.
- These official statistics are likely to underestimate the role EU workers play in the UK economy as they do not accurately capture EU seasonal workers in the UK.

- The reasons EU workers in low-skilled roles give for wanting to work in the UK or not can be categorised into six broad categories:
  - recommendations and connections through friends and family
  - pay compared with EU countries
  - job opportunities
  - workplace culture and conditions
  - British culture more widely
  - family ties.
- When considering these six categories, the UK is becoming a less attractive place for EU nationals to work in low-skilled roles; some of these changes began prior to the vote to leave the EU (for example improving economic and social conditions in EU8 and EU2 countries) and some of them are subsequent to it (for example some EU workers feeling unwelcome at work and in the country more widely and the falling value of the pound).
- There are signs these changes are making it more difficult for recruiters and employers to recruit EU workers into low-skilled roles in the UK.

### 3. Recruiters' and employers' concerns

- Recruiters and employers that recruit for low-skilled roles were already facing difficulties getting sufficient workers of any nationality before the EU referendum.
- A post-Brexit labour shortage and increased labour costs would lead to companies reducing output, closing, or moving production overseas, damaging the UK economy.
- Recruiters and employers have had significant difficulty in recruiting UK workers into low-skill roles in certain sectors because of low pay rates, certain sectors being viewed as undesirable places to work, and very low unemployment rates.
- Post-Brexit labour shortages would affect the prices consumers pay for services and goods produced by sectors that employ high numbers of low-skilled workers; there would also be a likely knock-on effect of levels of service offered by these sectors.
- A post-Brexit labour shortage would increase the likelihood of illegal working and exploitation.
- Automation will only be a practical and economically viable replacement for some of the labour currently performed by low-skilled workers, especially for the foreseeable future.

## 4. British workers in low-skill roles in industries with a high proportion of EU workers

### Experience of British workers currently working in low-skill roles in industries with a high proportion of EU workers

- British workers who take on low-skill roles do so for a range of reasons, such as convenience of location, flexible hours, or simply a way to pay the bills.
- Workplace culture plays an important role in making these jobs enjoyable when the roles themselves are rarely considered a career or vocation by those doing them.
- British workers in low-skill roles have a lot of respect for their EU colleagues and recognise that they are for the most part hard-working and diligent.
- Language barriers are the main impediment to good working relations between UK and EU colleagues in low-skill roles.
- British workers currently in low-skill roles in industries with a high number of EU workers believe many UK jobseekers do not want these roles and that their workplaces would suffer significantly if EU labour was no longer available.

### British jobseekers' perspective on job-seeking and low-skill roles

- British jobseekers were sometimes deterred by the low pay rates (that is, often National Living Wage) that typically come with low-skill roles.
- A lack of progression (or advertised progression) deterred more ambitious jobseekers from taking a low-skill, low-paid job and attempting to work their way up.
- British jobseekers saw many of the roles that are currently done in high proportions by EU workers as either unsuitable for them because of health reasons, below their skill or qualification level, or simply boring and difficult.
- Candidate experience had a significant impact on jobseekers' morale, particularly for those with anxiety issues; a lack of acknowledgement or feedback and the inability to speak to someone on the phone about a job advert were particular gripes.
- Jobseekers were also frustrated by experience requirements being placed on job adverts, especially for low-skill roles; this often deterred candidates from applying in the first place.
- For some jobseekers, transport was a significant issue in being able to access jobs that weren't served well by current public transport routes.



## Quantitative overview of current UK labour market

- The UK is currently experiencing historic highs in the employment rate and historic lows in unemployment and economic inactivity.
- These labour market trends suggest it will continue to be difficult to source candidates for vacancies even if there isn't a sizeable reduction in the number of EU workers available.

## 5. Research summary and recommendations

### Research summary

- Both official statistics and our research with EU workers in low-skill roles in the UK suggest that fewer EU workers will choose to fill these roles in the future.
- Recruiters and employers are concerned that they will be unable to fill these roles with UK candidates and have had little success recruiting UK workers into low-skill vacancies.
- Some UK nationals will be overqualified to perform low-skill roles, while others will be unable to do physically demanding roles because of pre-existing health conditions.
- With the labour market currently experiencing historic lows in unemployment and economic inactivity, there is not the volume of UK nationals willing and able to fill low-skill roles.
- Recruiters and employers were keen to stress that there are sector-specific challenges to further automation, especially in the short term and for SMEs.
- An overly restrictive immigration system risks labour shortages in industries that currently rely heavily on EU workers in low-skill roles.
- Recruiters and employers in these sectors discussed scaling down, relocating overseas, or closing altogether if they are unable to access EU labour in sufficient numbers.

### Recommendations for government

1. The government should minimise the uncertainty that is already negatively impacting the jobs market. This uncertainty is deterring EU nationals from working in the UK and making EU workers feel unwelcome.

The government should:

- a. ensure the right to remain to all EU citizens in work with a National Insurance number;
- b. give clarity to EU workers on any processes or procedures they need to follow to ensure their right to remain;
- c. continue to condemn instances of xenophobia against EU nationals.

2. Local government should engage with local employers to ensure changes to transport infrastructure do not reduce access to jobs.
3. The use of apprenticeship levy funds should be widened to provide progression routes for workers in low-skill roles.
4. Post-Brexit, the government must not overestimate the potential for automation or UK nationals to fill a labour gap caused by any reduction in net immigration. When worker shortages arise, the immigration system should have mechanisms in place which allow employers to recruit from the EU for roles that cannot be filled domestically.
5. There should be no blanket salary threshold for EU migrants wishing to work in the UK after the UK leaves the EU.
6. Provisions for temporary workers and seasonal workers must be included in any new immigration system to ensure temporary and seasonal labour is still available to the UK businesses that rely on it.

The government should:

- a. Introduce a seasonal workers scheme.
- b. Ensure a future immigration system is not built on the assumption of EU workers taking full-time, permanent roles in the UK.

## **Recommendations for recruiters and employers**

1. Focus on the candidate experience for applicants who are less confident in applying for roles.
2. Re-assess what level of prior experience is essential or desirable for a given role.
3. Consider whether different working patterns are suitable for the roles being advertised.
4. Make clear in job adverts any realistic routes for progression within roles.
5. Work as an individual company, in collaboration with other companies, and through trade associations and industry organisations to myth-bust about your industry.
6. Allow those who have re-entered the labour market after a lengthy period of unemployment or economic inactivity more time to bed in and adapt to the demands of their role.
7. Take guidance from recruiters and not-for-profit organisations on realistic expectations and suitable roles for new employees from excluded groups.
8. Take measures to better improve workplace culture and working relations between UK, EU, and non-EU workers in mixed workplaces.

## 01

## INTRODUCTION

Immigration touches every corner of the British economy, and migrant workers provide a valuable contribution across the country. However, with the UK set to leave the European Union in less than two years' time, there is the potential for significant change in who the United Kingdom allows into the country to work and how long they are permitted to remain for.

## Previous REC immigration reports

In June 2017, the REC published two reports that also focused on the issue of immigration once the UK leaves the EU. While both are on a similar broad theme to this report, each has its own distinct area of focus, which is set out below:

### ***Managing Migration in a Way that Supports Labour Market Success and the false dichotomy of a 'hard' or 'soft' Brexit***

While there is much talk of either a 'hard' or 'soft' Brexit, this dichotomy greatly oversimplifies the different choices the UK faces in terms of how it organises its international trade policy, immigration policy, and domestic law once it leaves the EU. In terms of immigration, the 'hardest' option would be to apply the exact same restrictions to EU nationals as are applied to non-EEA nationals once the UK leaves the EU. By contrast, the 'softest' option would be to continue freedom of movement with countries that are in the single market.

Between these two poles are a wide range of different policy tools that the UK could adopt to control immigration from the EU. These include: shortage occupation lists of jobs that cannot be filled domestically, work permits or visas, salary thresholds, qualification thresholds, and a host of other possible measures.<sup>1</sup> In reality, most immigration systems use a mixture of a range of such tools. For instance, the UK's current immigration policy for non-EEA nationals combines elements of all the different policy tools listed above.

The REC's report *Managing Migration in a Way that Supports Labour Market Success: What can we learn from the experiences of recruiters and employers in Norway, Switzerland, Canada and Australia?* looks at the immigration systems that other

<sup>1</sup> See section 6 of the Migration Advisory Committee's *EEA Workers in the UK Labour Market: A briefing note to accompany the call for evidence for further details of possible methods for managing migration*.

countries have adopted. It sets out how other developed nations, in Europe and beyond, have gone about managing immigration into their countries and gives examples that the UK may be able to emulate to manage migration once the UK leaves the EU.

### ***Building the Post-Brexit Immigration System and quantitative measures of EU workers in the UK***

In partnership with the Migration Policy Institute and Fragomen LLP, the REC also released *Building the Post-Brexit Immigration System: An analysis of shortages, scenarios and choices*. This report sheds new insight on the number of EU and other migrant workers in the UK by sector, region, and skill level. The report dispels the myth that EU workers in the UK overwhelmingly work in low-skill roles that require no prior qualifications or training. For instance, equating those EU workers in the UK who wouldn't currently qualify for a Tier 2 visa as low-skilled workers leads to a substantial overestimate of the proportion of EU workers in low-skilled roles. Qualification for a Tier 2 visa is dependent upon meeting an annual salary threshold of £30,000, which excludes many EU workers who are not currently working in low-skill roles.

Instead of using visa eligibility rates to measure skill level, this report presents a new, detailed analysis of the Annual Population Survey and the Labour Force Survey to understand the roles non-British workers currently occupy in the UK. The report finds that while EU workers account for 15 per cent of low-skilled roles in the UK, they also account for 7 per cent of middle-skilled roles and 6 per cent of high-skilled roles.

As well as new data analysis, the report sets out 21 recommendations for government based on the data to ensure businesses are able to recruit and retain the staff they'll need to ensure Britain's post-Brexit economy is a successful one. These include agreeing a sensible settlement for those EU nationals already working in the UK; an immigration policy that supports low-, medium-, and high-skilled jobs; and an evidence-led immigration policy free from day-to-day political pressure.

## **The focus of this report**

This report builds upon the findings and recommendations of these previous two reports by exploring the experiences of recruiters, employers, UK workers, and EU workers in depth. In particular, it explores the current role that EU workers in low-skill roles play in the UK economy and sets out the best options for government in ensuring these roles are still performed once the UK leaves the EU. It also provides recommendations for recruiters and employers on how to attract and retain workers for low-skill roles in an increasingly tight sector of the labour market.

### **Skill level of focus**

The report focuses particular attention on workers in low-skilled roles. As our *Building the Post-Brexit Immigration System* report highlighted, EU and other migrants make a huge contribution across a wide range of sectors and

at all skill levels. The focus of this report by no means seeks to downplay the importance of skilled migrant workers to sectors such as healthcare, engineering, and financial services. However, as this report will demonstrate, the collective efforts of EU workers in low-skill roles are also hugely important to the economy and the country. Moreover, the UK's current immigration restrictions for non-EU nationals prioritise applicants with particular skills, qualifications, or earnings. If a similar system were applied to EU workers, far fewer EU workers would be available to perform low-skill roles in the UK.

As this previous report also highlighted, there are differences in how academics and government bodies use the term 'low-skill' in relation to the Standardised Occupation Classification (SOC) system used to classify jobs into different skill strata.<sup>2</sup> For instance, the Migration Advisory Committee (MAC) definition of low-skill goes beyond those occupations classified as 'elementary occupations' (the lowest skill level) and includes some roles that will require qualifications, extensive training, or in some instances licences, such as process, plant, or machine operatives. Following our previous report, the focus of the term 'low-skill' in this report will be on elementary occupations that require little training and no formal qualifications.

However, in the course of our research we also spoke to EU and UK workers who had begun in entry-level elementary roles but had progressed into supervisory or more technical positions. It should be noted that such individuals (who may still be classed as 'low-skill' occupations by the MAC) would now be difficult to replace like-for-like by recruiting for an elementary role because of their accumulated training or experience.<sup>3</sup>

## Sectors of focus

Within the UK economy, certain sectors employ a higher proportion of EU workers in low-skilled roles than others. Three areas that employ a particularly high proportion of EU nationals in low-skilled roles are: warehousing; agriculture/horticulture and food production; and hospitality. The majority of the participants in the primary research for this report are recruiters, employers, or workers in these sectors, though the report also includes contributions from people involved in other sectors.

## Timeframe

The manner in which the UK leaves the EU will affect the economy and international relations of both for many decades to come. While the wider long-term economic and geopolitical implications of Brexit are no doubt important, the timeframe of this report is on the impact changes to immigration policy could have on the UK labour market in the five years immediately following Brexit. Ensuring the UK economy continues to be successful in the immediate aftermath of our withdrawal from the EU will be a crucial first step in Britain charting a new course for itself in the world.

<sup>2</sup> For further information on SOC, see the ONS website section on Standard Occupational Classification (SOC): [www.ons.gov.uk/methodology/classificationsandstandards/standardoccupationalclassification/soc](http://www.ons.gov.uk/methodology/classificationsandstandards/standardoccupationalclassification/soc)

<sup>3</sup> For more detail on this issue, please see Appendix I of *Building the Post-Brexit Immigration System*.

## The structure of this report

The remainder of this report is structured in the following way:

### **2. EU workers in the UK (pages 13–30)**

This section of the report gives an overview of the ONS and REC data currently available for EU citizens living and working in the UK and the sectors in which low-skilled EU workers make up a disproportionately high percentage of the workforce. It then sets out in more detail the six key sets of factors that EU workers weigh up when deciding whether to come to the UK for work and whether to stay or not once they are here. It also includes insight from employers and recruiters on the recent changes in attitude they've noticed from EU workers currently working in the UK and the EU nationals they are trying to recruit to new roles.

### **3. Recruiters' and employers' concerns (pages 31–43)**

This section of the report highlights the concerns that recruiters and employers have about filling vacancies should the UK become a less attractive option for EU migrant workers (be that through migration policy restrictions or the wider range of reasons given by EU nationals set out in Section 2). It also explores the potential for British nationals or further automation to fill some roles currently filled by EU nationals if the latter left the UK in large numbers.

### **4. British workers in low-skilled roles in industries with a high proportion of EU workers (pages 44–58)**

This section of the report highlights the perspective of British workers currently working in low-skill roles in sectors with a high proportion of EU workers. It considers what attracted these workers to this work when many recruiters and employers report difficulties in attracting UK nationals to these roles. This section also considers the findings from an online forum of unemployed UK nationals to understand what might attract them more to the low-skilled roles that are currently disproportionately filled by EU nationals. It concludes with an overview of current key labour market statistics to highlight the current state of the UK recruitment market.

### **5. Research summary and recommendations (pages 59–64)**

This section recaps the report in total and sets out key recommendations for government policy and for recruiters and employers to continue to attract candidates to low-skilled roles.

## 02

## EU WORKERS IN LOW-SKILL ROLES IN THE UK

### Quantitative overview of EU nationals in the UK<sup>4</sup>

The REC's June 2017 report *Building the Post-Brexit Immigration System* gives an extensive quantitative overview of the number of EU and non-EU migrants working in different sectors and regions of the UK.

The report found that:

- At an overall level, the EU population represents close to 6 per cent of the UK population, but 7 per cent – or 2.2 million – of the labour force.
- Although there are EU workers in roles of all skill levels, the percentage of low-skill roles filled by EU nationals (15 per cent) is double the percentage of roles filled by EU nationals overall (7 per cent).
- EU nationals are disproportionately more likely to work in certain sectors than others, including:
  - 33 per cent of workers in manufacture of food products (116,400 out of 355,600)
  - 18 per cent of workers in warehousing and support activities for transport (64,900 out of 367,700)
  - 14 per cent of workers in accommodation and food services (234,800 out of 1,728,000).

However, while the report demonstrates the UK's current reliance on EU and non-EU migrant labour, net migration into the UK is already falling. The most recent figures for the year ending March 2017 show the lowest level of net migration into the UK for three years.

This drop in net migration is largely due to falling net migration amongst EU nationals. ONS figures for the year ending March 2017 show a statistically significant fall in net migration from the EU of 51,000 on the previous year, whereas there is no statistically significant difference for non-EU net migration. When looking at country groupings within the EU, this overall fall is largely due to a statistically significant fall in net migration from the EU8<sup>5</sup> countries of Eastern Europe.

<sup>4</sup> For in-depth, quantitative analysis of EU and rest of world migrants working in the UK, see *Building the Post-Brexit Immigration System: An analysis of shortages, scenarios and choices* (REC, June 2017).

<sup>5</sup> The EU8 countries are the countries of Eastern Europe that joined the EU in 2004 (that is, Estonia, Latvia, Lithuania, Poland, Czech Republic, Slovakia, Hungary, and Slovenia).

**TABLE 1: LATEST CHANGES IN NET MIGRATION, UK, BY CITIZENSHIP, YEAR ENDING MARCH 2016 AND YEAR ENDING MARCH 2017<sup>6</sup> (000s)**

	YE Mar 2016	YE Mar 2017	Difference
Total	+327	+246	-81*
British	-43	-60	-17
EU	+178	+127	-51*
(of which) EU15 <sup>7</sup>	+76	+74	-2
(of which) EU8	+39	+7	-32*
(of which) EU2 <sup>8</sup>	+61	+43	-18
Non-EU	+193	+179	-14
(of which) Asia	+120	+110	-10
(of which) Rest of world	+60	+57	-3

\* = significant difference

Moreover, these figures are a measure of long-term migration into the UK and therefore do not capture seasonal workers who come to work in the UK for short periods of time. While there is a lack of robust official statistics on short-term labour movements in and out of the UK, our feedback from recruiters and businesses that employ seasonal EU labour suggest the shortages are likely to be greater than official migration statistics suggest should excessive restrictions be placed on seasonal EU labour coming into the UK.

## Reasons EU workers decide to work in low-skill roles in the UK

To understand the individual reasons behind these overarching trends in net EU migration, we conducted focus groups with EU workers currently working in low-skill roles in the UK. While recent changes such as the vote to leave the EU and the diminished value of the pound were considerations, the individual reasons for wanting to stay or go were affected by a wider range of factors than just these two. We identified six key factors for EU workers in low-skill roles when deciding where to locate, which are identified in Figure 1 and explored in further detail below.

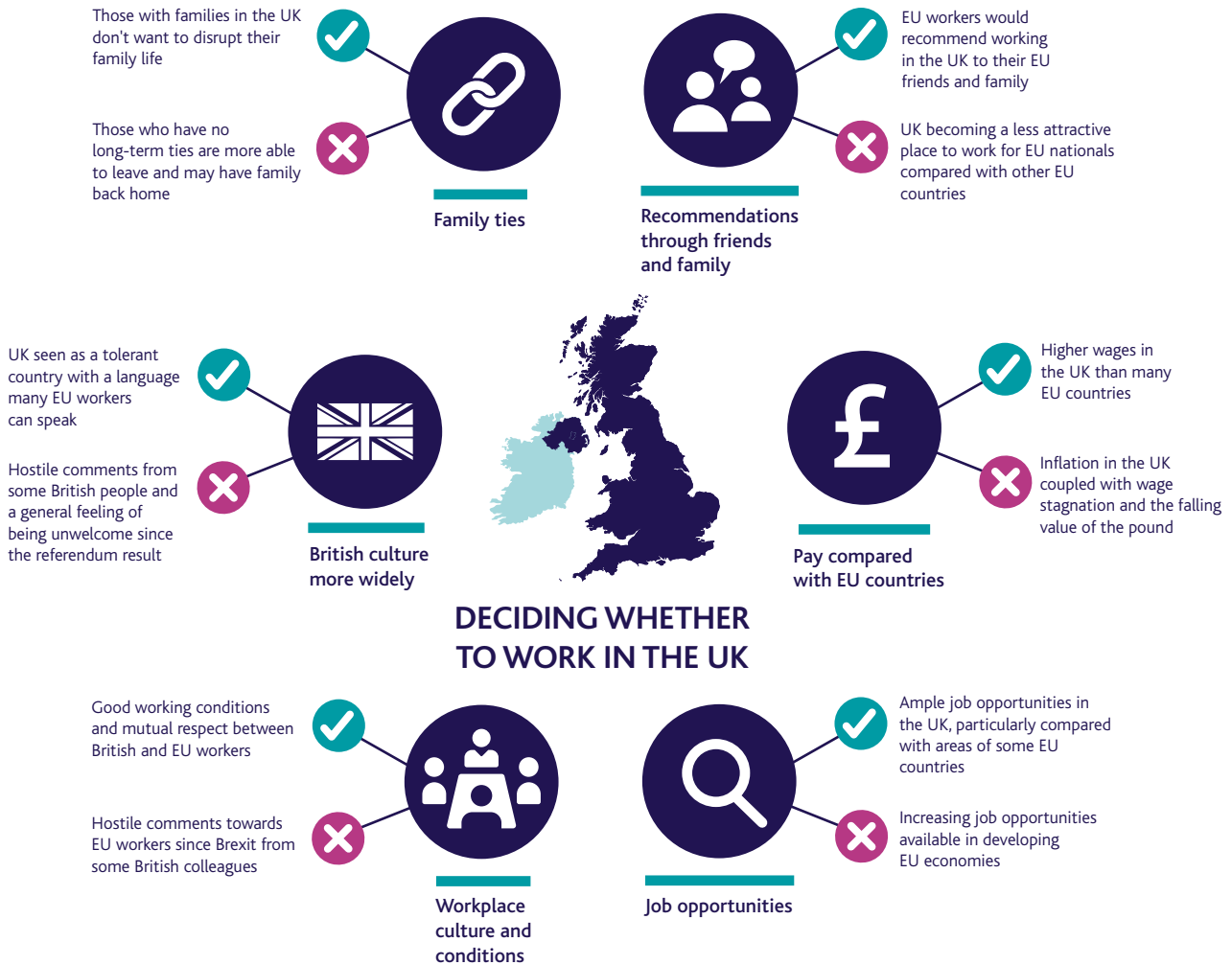
6 *Migration Statistics Quarterly Report: August 2017*, ONS. Available at: [www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/bulletins/migrationstatisticsquarterlyreport/august2017](http://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/bulletins/migrationstatisticsquarterlyreport/august2017)

7 The EU15 countries are the countries that were member states prior to 2004. While the EU15 currently includes the UK, British nationals are not included in the EU or EU15 figures in this table.

8 The EU2 countries are the countries that joined the EU in 2007 (that is, Romania and Bulgaria).



**FIGURE 1: SIX KEY FACTORS AFFECTING EU WORKERS' DECISIONS WHETHER TO WORK IN A LOW-SKILL ROLE IN THE UK OR NOT**



## Recommendations and connections through friends and family

### Reasons to come to or stay in the UK

Often the key factor triggering an EU national's decision to move to the UK for a low-skilled job was a recommendation from or connection to another friend living in the UK. This ranged from a general recommendation that the UK was a good place to work, to EU nationals currently working in the UK recommending a new EU migrant friend or relative to an employer as a good prospective worker:

**"I was lucky enough to have my best friend from my country working in the company just opposite and she recommended me and I just came and they were happy with my English so they took me on straight away."**

Dorata, food production worker, East of England, Polish

**"I came over here with my then husband because his family, his cousins, they were already working in England. One of them was working for the agency and we got the job with the agency. We worked for maybe two months with the agency and then got another job because some of my ex-husband's cousins worked there."**

Karolina, food production worker, East of England, Polish

Freedom of movement in the EU made trying out work in the UK seem like a low-risk option. If they did not like the UK they could return to their home country just as easily as they came to the UK. Some who had settled in the UK for years (and in some cases wished to stay permanently) had often started out with only a short-term stay in mind:

**"My friend who was working here just called me one day and said 'what do you think about coming to England and see how it is?' and I thought 'yeah, why not?' I wanted to change something with my life and I thought I'd come for two or three months and then go back but I've now been here three years."**

Leian, horticulture worker, East of England, Romanian

**"I came for a holiday. My mum was here. I was in Poland with my dad and my grandma. I stayed for a month, went back to grab my sister (because I was older, I came first to check everything was okay) ... came back again, and we stayed here. Here I've started my own family."**

Pavel, food production worker, East Midlands, Polish

### **Reasons to leave or not come to the UK**

However, where conditions in other EU countries are improving, some EU workers now have personal connections as a point of reference for the kind of life they could have back in their country of origin. In the same way that a personal connection played a triggering role in migrants moving to the UK, a friend or family member back home with an improving life can be a persuasive reason to return:

**"Some people from my family [in Poland], they have kids, they have houses, they have jobs, and they live probably better than me now. I haven't got money to go away for a holiday every year somewhere. They have and they are working in factories. It's nothing really posh like directors or managers. They are workers like we are in the factories ... So why not [go back]?"**

Norbert, food production worker, East of England, Polish



## Pay compared with EU countries

### Reasons to come to or stay in the UK

Unsurprisingly, higher rates of pay compared with many EU countries (particularly EU8 and EU2 countries) are a key factor that makes working in the UK appealing. While most EU migrants knew that pay would be higher in the UK, some were still surprised at how much higher pay was when compared with the country they had come from. EU workers commonly remarked that they could earn in a week in the UK what would be a monthly wage in their country of origin:

**“The same we get here in a week, we’d get there in a month. We get paid there once a month and it’s about the same.”**

Laura, horticulture worker, East of England, Latvian

**“We were very surprised when we’d been working three days and I had [what would be] half a month’s wages in my country.”**

Kristof, food production worker, East of England, Lithuanian

### Reasons to leave or not come to the UK

However, UK wages being higher than those in their country of origin doesn’t change the fact that EU workers living in the UK still need to pay for things at UK prices. EU citizens who had settled in the UK for a longer period were conscious that price inflation was outstripping their wages and this was another important factor in weighing up their decision to stay or go:

**“My weekly wages were roughly the same as they are now, but if you consider the prices in the shops, the prices on the petrol, they are sky high. And the houses – everything. I know for 100 per cent that my wages aren’t going to go ridiculously high in the next four to five years, but the prices are going to go. So, I think for myself and for my kids, let them finish school, go back to my country.”**

Norbert, food production worker, East of England, Polish

**“It’s quite difficult when you have to pay insurance for your car, road tax, and you have to pay the rent, you have to pay the bills, you have to top up your phone, you have to eat, you have to come into work.”**

Alina, warehouse worker, East of England, Romanian

For those who were sending money back to support family in their country of origin, the falling value of the pound had been noticed. Those who were intending to return to their home country after a short period of working for higher wages in the UK also commented that the lower pound was making the UK a less attractive option:

**"I remember before the Brexit [vote], £1 was €1.36 and after the Brexit [vote] it dropped really bad."**

Laura, horticulture worker, East of England, Latvian

**"I send money [back] every month for my family ... we must send more pounds to be in the same level because the money hasn't changed there."**

Daro, horticulture worker, East of England, Romanian

Given the falling value of the pound and the increased cost of living, there was some suggestion that other EU markets that operate in euros rather than pounds would become a more attractive prospect, particularly for those who had no long-term ties to the UK:

**"I think sometimes about going to Germany because I do speak the language there ... I rent a room in a shared house and I pay like £400 a month. It's a joke. People shouldn't have to live like this. Especially the UK is very bad in that aspect, even compared to other Western countries. Also, with the wages going down and the high rents and everything, at the end of the week you make no savings. You can't really progress in life. It's getting harder, a lot harder. I think maybe partially due to Brexit, prices in shops are up a lot on food and basic necessities ... If Brexit is a failure, I think even native Brits will move abroad. It's just basic human instinct you know, survival."**

Arturs, warehouse worker, South East, Latvian

**"I already talk with my husband and I say if it gets worse, in winter we'll move back to Italy. Definitely."**

Alina, warehouse worker, South East, Romanian

Available data also shows that wage rates for low-paid roles in EU8 and EU2 countries are rising at a faster rate than the National Living Wage in the UK. For every EU8 and EU2 country, the minimum wage rose in double figures in percentage terms between 1 January 2010 and 1 January 2017. By contrast, the National Living Wage rose by only 4.6 per cent for the same period in the UK.

**TABLE 2: PERCENTAGE CHANGE IN THE STATUTORY MINIMUM WAGE IN REAL TERMS BETWEEN 1 JANUARY 2010 AND 1 JANUARY 2017 FOR EU2, EU8, AND THE UK<sup>9</sup>**

Country grouping	Country	Change in statutory minimum wage between 1 January 2010 and 1 January 2017
EU2	Bulgaria	83.6%
	Romania	79.1%
EU8	Hungary	50.1%
	Estonia	42.9%
	Lithuania	39.0%
	Poland	38.3%
	Slovakia	29.3%
	Latvia	26.8%
	Czech Republic	24.6%
	Slovenia	23.5%
UK	United Kingdom	4.6%



## Job opportunities

### Reasons to come to or stay in the UK

The original decision to come to the UK was often as much due to the lack of availability of work in EU workers' countries of origin as it was the higher wage rate in the UK. Some suggested that outside the capital and major cities in their countries, there was little work available (at least at the time when they chose to move to the UK):

**"In Poland it would have been survival from month to month. So I chose to come to see if I could find my happiness here. If I couldn't I probably would have gone somewhere else but not back to Poland. That was my plan."**

Dorata, food production worker, East of England, Polish

**"In Latvia, all you can get jobs around is the capital city and we weren't from there. I'm from outside the capital."**

Laura, horticulture worker, East of England, Latvian

<sup>9</sup> *Statutory Minimum Wages in the EU 2017*, Eurofound. Available at: [www.eurofound.europa.eu/observatories/eurwork/articles/statutory-minimum-wages-in-the-eu-2017](http://www.eurofound.europa.eu/observatories/eurwork/articles/statutory-minimum-wages-in-the-eu-2017)

### **Reasons to leave or not come to the UK**

However, as economies in EU8 and EU2 countries grow and develop, EU workers in the UK are aware of the increasing number of opportunities available for them in these countries. Moreover, there will be fewer of the economic push factors that led citizens of EU8 and EU2 countries to want to work in the UK (or elsewhere abroad) in the first place:

**"I think the economy is changing in my country. That's the main thing. There are so many places, so many opportunities to work. The other thing is in here the value of the money is not the same when we came in the first place ... Some parts of our country, they are really poor. There are not many opportunities to work. So, I understand people who are staying here. But some people they have so much better opportunities to go back and work over there. Basically the quality of life improved."**

Norbert, food production worker, East of England, Polish

**"[The Polish economy] is definitely better than when we moved out."**

Lukas, labourer, East Midlands, Polish

Furthermore, some EU workers in low-skill roles suggested they had the ability to do higher-skilled jobs with the skills or qualifications that they had if the jobs were available in their country of origin at higher wage rates. As EU8 and EU2 economies continue to grow and develop, an increasing availability of higher-skilled roles at higher wage rates in these countries may mean that low-skilled but comparatively higher-paying jobs in the UK will become less attractive options:

**"Most of us in Poland have passed so many schools, they have learned to do different stuff. Not picking or grading or washing potatoes."**

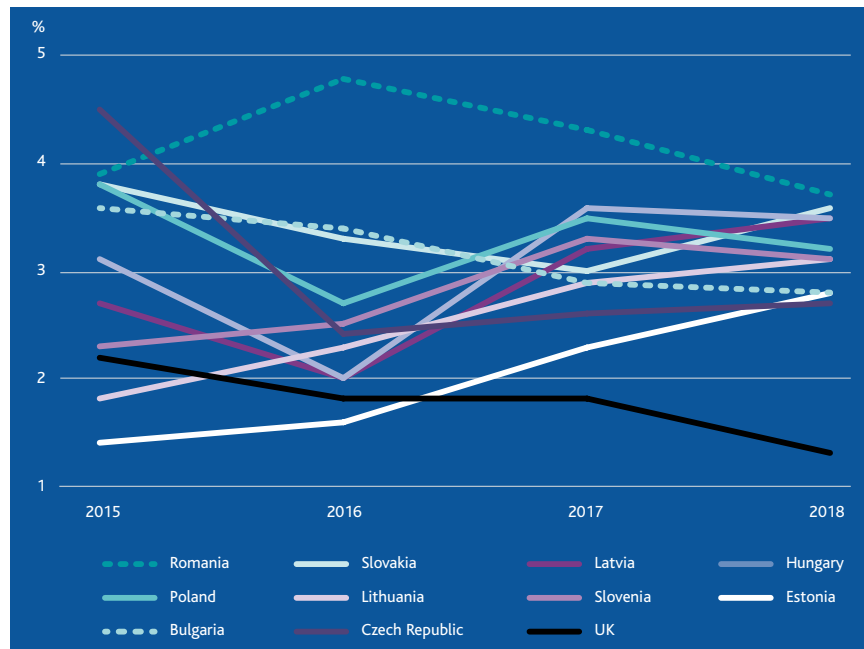
Norbert, food production worker, East of England, Polish

**"We know that we are capable of more than what we do because we do basic jobs and we are so much more capable."**

Dorota, food production worker, East of England, Polish

GDP forecasts for EU8 and EU2 countries also suggest the development of these economies is set to continue, providing more job opportunities for those who wish to return and more of an incentive to stay for those considering emigrating to the UK. All of these countries are forecast to outperform the UK's GDP growth in 2017 and to grow at least twice the rate of the UK economy in 2018.

**FIGURE 2: YEAR-ON-YEAR GDP GROWTH RATE (%) DATA AND FORECASTS FOR THE EU8, THE EU2, AND THE UK<sup>10</sup>**



## Workplace culture and conditions

### Reasons to come to or stay in the UK

There was a mixture of responses on the workplace culture that existed in the UK between workers. In some workplaces, there is a two-way mutual respect between UK and EU workers performing similar or the same role in a workplace.<sup>11</sup> Where this good-natured culture was present, EU workers often appreciate UK workers helping them with their English language or to better understand UK society and culture:

**“My job is better than I expected. I was thinking I was going to go into a food production factory, it’s going to be long hours and poor conditions. But actually it’s okay. The people are nice, there are English people and Polish people and they’re talking to each other, it’s a nice place.”**

Pavel, food production worker, East Midlands, Polish

As well as instances of good interactions between EU and UK workers in similar roles, EU workers had a broadly positive view of the management in the UK and the expectations that were made of them at work in comparison with similar roles in other countries. Particularly around Brexit, some highlighted the role of management in proactively trying to reassure their EU staff in both the immediate and ongoing aftermath of the vote to leave the EU:

<sup>10</sup> *Spring 2017 Economic Forecast, European Commission*. Available at: [https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/spring-2017-economic-forecast\\_en](https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/spring-2017-economic-forecast_en)

<sup>11</sup> See Section 4 for further research on this with UK workers.

**"It's more strict in Germany. I know how it is to work there and the workplace mentality is just too strict. You really have to pay all your attention to every single detail and you shouldn't have to work like that in my opinion. Sure if it's something important you should but some cultures are just too strict."**

Arturs, warehouse worker, South East, Latvian

**"They got solicitors in to explain what options we have got if we want to stay. They sent a few brief letters saying nothing will change for us and we're still welcome here."**

Dorata, food production worker, East of England, Polish

### **Reasons to leave or not come to the UK**

Some of the difficulties EU workers reported facing at work included problems that are common to both British and EU workers (for example repetitive work, agency and permanent staff being treated differently, and so on).

However, in some workplaces, EU workers faced hostility from British co-workers because of their nationality, with reports of an increase in negative comments from colleagues since the vote to leave the EU:

**"I felt personally hurt by maybe three British people that I thought were friends for many years ... I felt betrayed because I thought we were really good friends but you hear these things ... I think when Brexit happened, they think that it's okay now to say certain things that they didn't say before."**

Deborah, food production worker, East of England, Portuguese

**"The day after the referendum results were announced, some were expecting us to pack our bags and go ... There are people I do feel hate us for where we came from and not for who we are. I don't expect everybody to like me ... but if you don't like me, do it because of me, because of what I said, what I did, not because of where I came from."**

Karolina, food production worker, East of England, Polish



### **British culture more widely**

#### **Reasons to come to or stay in the UK**

As well as workplace culture impacting where EU citizens want to live, the culture of a country more generally has a bearing on where to locate to. A common theme amongst EU workers that had moved to the UK was that they appreciate many aspects of British culture. These range from broader notions of fairness (for example a perceived lack of racism and nepotism compared with other European countries) to more prosaic concerns such as being able to speak the language and being able to deal with bills and other personal concerns efficiently:



**“What I like here is, if you go to offices you don’t see white people here, black people there. Different colours, they are all mixed together. There are some jobs in Italy where you’ll never see a black man doing that job because they are racist. But here, everything is mixed. If you know how to do it, doesn’t matter your colour.”**

Paul, warehouse worker, East Midlands, Italian/Ghanaian

**“What I like the most here is how easy you can do your papers, how easily you can change your address and everything you can make it online or go to the post. In Italy or Romania, you have to spend so many hours or so many days to change the car documents, or your address, or your licence. Here it’s much easier. That’s a big plus.”**

Alina, warehouse worker, South East, Romanian

For EU workers who had come to the UK at a younger age and stayed for longer periods of time, they felt the UK is their home and that returning to their country of origin would be an alien experience for them. They had often not sought UK citizenship as they had seen no need as EU citizens, but some think of themselves much more a part of the culture and society of the UK than part of the country of their nationality. Some of these longer-term EU residents who see themselves as part of the UK were particularly upset by the vote to leave the EU and their subsequent treatment by some British people (even if it is less likely that they will be affected by formal changes to immigration law after the UK leaves the EU):

**“I love my country, I love going back, it’s always going to be my home but this kind of became my home as well.”**

Nicole, hospitality worker, London, Romanian

**“Within these 12 years I’ve grown to love England and, as I always say, even if I won the lottery tomorrow, hundred million pounds, I would still stay here ... This is my home. All my adult life I lived here and I’m not sure I would know how to live in Poland now.”**

Karolina, food production worker, East of England, Polish

### **Reasons to leave or not come to the UK**

However, perceptions of the UK as a welcoming country are not universal. Some EU citizens felt that they were treated differently because of their nationality and that British people and culture is unwelcoming of them:

**“I came from Italy. I spent almost five years in Italy. I worked there and I felt the difference since the first day I came [to the UK]. They’re looking differently at you ... It’s much easier [in Italy] – maybe even the culture, they’re warmer ... I have English neighbours, and they start asking me, ‘Are you working? Where are you working? How many hours? How many days?’**

**When did you come here?’ I was like, you’re not my mother to ask me so many questions – we don’t know each other. You don’t even ask me ‘Hello, how are you? What’s your name?’ A nice conversation.”**

Alina, warehouse worker, South East, Romanian

**“I feel at home here but I don’t always feel welcomed by everyone. But I would like to because it’s my home.”**

Deborah, food production worker, East of England, Portuguese

Some EU citizens had noticed an increase in hostility from some British people since the vote to leave the EU. As well as the practical uncertainties created by Brexit, for some a more general feeling of being unwelcome was another factor feeding into whether to remain in the UK or not:

**“If you’re speaking Polish, Lithuanian, all other people treat you nicely. They don’t have any problem. But the British put up a wall when they want to start knowing you and ask questions about your life. They all think that we came here to take their benefits, to take their jobs. But I don’t think it’s true that every one of us came here to take their jobs. It’s not like I’m going to his home and I will say to him, ‘Stay at home. Don’t go to [the warehouse I work in]. Stay at home.’ I don’t think it’s about that.”**

Alina, warehouse worker, South East, Romanian

**“For as long as I feel welcome here, I’ll probably stay. But when I don’t feel welcome any more there is nothing holding me back. It’s not always about money.”**

Dorata, food production worker, East of England, Polish

EU workers generally reported that they were surprised, upset, and uncertain of their future in the immediate aftermath of the vote to leave the EU. However, current views on Brexit that were offered during the research (which was conducted roughly a year after the vote) were more mixed. Some were still visibly angry and upset about the vote and how some British people had treated them in the aftermath. Other EU workers were more sympathetic to the reasons why Britain voted to leave the EU, but believed that they would be allowed to stay and EU immigration would continue as the UK was dependent upon EU labour and taxes:

**“I was terrified. I was thinking ‘oh my god, what are we going to do, are we all going to be deported, what’s going to happen?’ But, I’ve been here six years and I’m now hearing about ‘permanent residence’. And I also see now on Facebook Lithuanian groups and people chatting about – what are they called – ‘residence cards’.”**

Roberta, horticulture worker, East of England, Lithuanian

**"I think this Brexit, if it happens, it will really affect the country, because most of the foreigners do jobs that they don't like. Cleaning warehouses and stuff, you'll never see British people doing that stuff. Only foreigners do that. I think we need some respect and they need to let us stay and do our work to support."**

Nazir, warehouse worker, South East, Belgian

However, the main thing EU workers wanted is more information on what is going to happen so they can make more informed decisions. The lack of certainty had led to EU workers' colleagues and friends already leaving and is a contributing factor for those considering leaving:

**"I can see some Polish people already panicking, 'argh, what's going to happen' and then they leave. Some of them have left already."**

Pavel, food production worker, East Midlands, Polish

**"We would like to get some knowledge. What exactly is going to happen? Because as I said, it's just a bag of promises now and nothing else."**

Dziugas, warehouse worker, East Midlands, Lithuanian



## Family ties

### Reasons to come to or stay in the UK

Often the strongest reason given for wanting to remain in the UK is an unwillingness of EU workers to uproot their families when they are settled in the UK. Some had gone through the experience of being uprooted when they moved to the UK as children or teenagers with their families and want to avoid the same experience happening to their children:

**"Honestly, I'm not even trying to think about moving out of Britain. I've got three kids. The oldest is 7, they're in school, they have friends in the area. It would simply break up their life."**

Lukas, labourer, East Midlands, Polish

**"I have a mortgage and kids in school. Some things need to be covered by our jobs ... If I were single, not married, I would already be back in Poland or start looking for a new job ... that's the only thing keeping me working here. Nothing else ... I would like to go back to Poland and I will as soon as my kids finish school."**

Norbert, food production worker, East of England, Polish

As well as not wanting to disrupt their children's lives, many also want to remain in the UK so their children have the chance of a better life in the UK than they would in their country of origin. English schooling was identified as an important factor

by some, as well as the global opportunities that would be opened up to their children if they are able to speak English well:

**“We came here to work, to earn our living, to pay taxes, and we’re grateful to the opportunity to make better for us, for our families.”**

Karolina, food production worker, East of England, Polish

**“Because [of unemployment in Italy], I was thinking about the future of my kids. Because in Italy they speak only the Italian language. If you finish school in Italy, you will find it difficult to work in a foreign country because you don’t speak English. So I decided to bring my kids here to go to school here.”**

Paul, warehouse worker, East Midlands, Italian/Ghanaian

### **Reasons to leave or not come to the UK**

Those who had been in the UK for a shorter time and haven’t established family or other long-term ties to the UK see themselves as far more mobile and able to work in different countries across the EU with relative ease. Some took advantage of the different seasonal opportunities available in different EU countries at different times in order to move around. These EU workers were more likely to weigh up other options that involve leaving the UK, whereas for others, their family being settled in the UK is a ‘trump card’ in their desire to want to stay:

**“We don’t come just because ‘oh, we love England!’ No – we come here to work, to make our lives better, to save some money ... We are not scared. We can work anywhere. We can adapt ourselves.”**

Marian, hospitality worker, London, Romanian

**“I’m going back to Greece because my life is in Greece. I like here. I like the money. I like the people ... I want to come back [to the UK] in December maybe when the season finishes in Greece.”**

Leian, horticulture worker, East of England, Romanian

As well as some EU workers not having family or other long-term ties to the UK, other EU workers had family back in their country of origin who they miss. For these workers, family ties are a push factor in weighing up whether to leave the UK or not so they (and sometimes their children currently in the UK) could be closer to family back home:

**“I’m going to feel more happy to see my family every day. See my mum and my dad, you know? My kids growing with my family, not without them. That’s the main thing for me.”**

Norbert, food production worker, East of England, Polish

## Increased difficulty in recruiting and retaining EU staff

Although the UK still remains an attractive destination for EU workers, changes in recent years have made low-skilled roles a less attractive option in at least five of the key areas identified:

- **Recommendations and connections through family and friends**  
Personal recommendations play a significant role in EU workers' decisions to relocate. If fewer EU workers in the UK are recommending moving to the UK to their compatriots (because of the reasons listed below), fewer EU workers are likely to relocate to the UK. Furthermore, as quality of life improves in other EU countries, EU migrants are increasingly likely to have family and friends in other EU countries recommending relocating away from the UK.
- **Pay compared with EU countries**  
While pay rates in the UK still outstrip most other EU countries, the differential between UK wages and other EU wages is increasingly less than it was at the time of the EU 2004 expansion. In addition, the increased cost of living in the UK is affecting the quality of life of EU workers and the diminished value of the pound is decreasing the value of any wages sent home to support family in their country of origin.
- **Job opportunities**  
While the UK continues to have plentiful job opportunities due to a skill shortage and a low unemployment rate, growth and development of the economies of EU8 and EU2 countries mean more opportunities are available for work elsewhere. As these economies continue to grow, there may be opportunities for EU workers currently in low-skilled roles in the UK to move into higher-skilled roles in their country of origin without making as large a sacrifice in their wages.
- **Working culture and conditions**  
While EU workers are commonly happy with their working culture and conditions, some have faced hostility from British colleagues in the aftermath of the vote to leave the EU, which is making them less comfortable at work.
- **British culture more widely**  
EU workers have previously been attracted by the UK's culture of tolerance and fairness. However, this view has been partially undermined in some EU workers' minds by the vote to leave the European Union and the behaviour of a minority of British people since the referendum. Some are now being deterred from working or settling in the UK because of a perceived hostility to foreigners, coupled with the uncertainty created by the vote to leave the EU.

Recruiters and employers in sectors that rely on EU labour to fill low-skill roles have been aware of a shrinking pool of applicants from the EU, including for several years predating the vote to leave the EU. Their perception also reflects what EU workers have said about the referendum and aftermath only being one factor making the UK a less attractive destination, with other factors coming into play before the referendum was even announced.



### Recommendations and connections through family and friends

"Seasonal workers are more nervous of coming across now for shorter periods of time... If an EU worker had been here 4–6 months, they'd call a friend they knew or a family member and say 'the work here is good, there are opportunities here, come across'. We're seeing a lot less of that now."

**Andrew Herd, General Manager, JZ Flowers – Moulton (horticulture business)**

"We've heard comments from team members like 'Well, I don't really know what's going to happen and whether I'll be able to work here after Brexit, so I've decided it may be best to return home now as everything's so uncertain'... In hospitality, in particular, we have a very strong and hard-working Eastern European contingent, comprising a significant portion of our workforce across the country. Unsurprisingly, many came to work in the UK because they had friends working here already, so they've created very strong networks. Whilst we're doing everything in our power to reassure our team members, some Eastern European team members may decide to return home. It's also a concern that there may be a knock-on effect, with many experienced and talented hospitality workers who historically would have come to work in the UK deciding not to due to the lack of clarity from the government on future Right to Work rules."

**Abbie Pullman, Head of Talent Recruitment, Off to Work (Hospitality Recruitment Staffing) at time of interview (now freelance employee engagement consultant)**



### Pay compared with EU countries

"There's no point with inflation. At the moment the pound has dropped again so for EU workers they think now, 'well, UK still a good option or should we stay in Europe?'... At the moment I think [pay] is equal. It's not a big difference coming to the UK, because there are jobs in Germany, Holland, Austria as well – but where the clients have better packages. I look online and see what European agencies post and what the benefits of the jobs are. Some of the clients in Europe pay transport for the workers, they pay accommodation as well. Some of them even offer a meal a day – so people will go for that. It's just how you sell the job to them."

**Silviu Doltu, Labour Resource Specialist, Encore Personnel (multi-sector recruiter)**

"We've spoken recently to seven overseas recruiters and they're saying people are worried, they are concerned about coming to the UK. These overseas recruiters are saying to them, 'look it's not going to happen for another two years before the UK is out of the EU so don't worry about it currently', but because of that people are looking at going to places like Denmark, where the euro is stronger than the pound, so they're going to earn more money."

**Nikki Gallier, Company Training & Projects Manager, Encore Personnel (multi-sector recruiter)**



### Job opportunities

“Having worked with our friends from Eastern Europe for many years, there is a concern about what do they do? Do they go back now? So I think there needs to be some reassurance... There was always going to be a skills shortage in construction regardless of the referendum vote one way or another. There was a huge shortage before that... I think at the moment we’ve seen the Polish economy, the Bulgarian economy, are very buoyant in the sense that there is work in those countries.”

**Simon Noakes, Co-founder and Director, Bespoke Recruitment (Construction) Ltd (construction recruiter)**



### Working culture and conditions

“‘Too many foreigners!’ is a running comment [from some British workers in agricultural workplaces with EU workers].”

**Nikki Gallier, Company Training & Projects Manager, Encore Personnel (multi-sector recruiter)**

“When you place English workers into an environment where it is predominantly an Eastern European mix, you still occasionally get comments such as, ‘I don’t want to work in an environment where I’m in the minority’.”

**Wayne Hodgson, Managing Director, Red Eagle Recruitment Specialists (multi-sector recruiter)**



### British culture more widely

“We’ve already started to see people decide to return back to their home countries on the back of the Brexit result. They feel uncomfortable with the direction the country is moving towards, and I think the lack of any commitment and security from the government agreeing that they would be able to remain in the country has forced their hands a little bit to look at a move away.”

**Steve Linzner, Director, EL8 recruitment (hospitality recruiter)**

“Recruiting has become increasingly more challenging over the past three years with EU country economies improving at the same time as the pound losing ground against the euro more recently, making it a less attractive proposition for European workers seeking work in the UK. The effect of the referendum outcome has served to compound this further, not surprising – would they feel welcome?”

**Pete Taylor, Operations Director, Encore Personnel (multi-sector recruiter)**

“The Brexit vote last year sent shockwaves through our business. We had lots of people that were in tears because they thought they weren’t wanted anymore.”

**Head of Operations, food production business**

## Section summary

- EU workers currently make up 7 per cent of the UK workforce.
- EU workers are particularly overrepresented in low-skilled roles, where they occupy 15 per cent of these roles in the UK.
- Official statistics show that net migration of EU nationals to the UK is falling, particularly from EU8 countries.
- These official statistics are likely to underestimate the role EU workers play in the UK economy as they do not accurately capture EU seasonal workers in the UK.
- The reasons EU workers in low-skilled roles give for wanting to work in the UK or not can be categorised into six broad categories:
  - recommendations and connections through friends and family
  - pay compared with EU countries
  - job opportunities
  - workplace culture and conditions
  - British culture more widely
  - family ties.
- When considering these six categories, the UK is becoming a less attractive place for EU nationals to work in low-skilled roles; some of these changes began prior to the vote to leave the EU (for example improving economic and social conditions in EU8 and EU2 countries) and some of them are subsequent to it (for example some EU workers feeling unwelcome at work and in the country more widely and the falling value of the pound).
- There are signs these changes are making it more difficult for recruiters and employers to recruit EU workers into low-skilled roles in the UK.

The next section of this report explores in further detail recruiters' and employers' concerns about recruiting for low-skilled roles in the context of Brexit and a potential reduction in EU immigration, their wider concerns for the economy in this scenario, and what they want to see from the post-Brexit immigration system.



# 03

## RECRUITERS' AND EMPLOYERS' CONCERNS

The previous section demonstrated the falling number of EU migrants coming into the UK and highlighted factors EU workers consider when choosing whether to live and work in the UK. This section explores in more detail the concerns of recruiters and employers that currently recruit high numbers of EU migrants into low-skilled roles and the potential impact on their businesses and the wider economy if access to this pool of labour is excessively restricted after the UK leaves the EU. It also considers recruiters' and employers' current efforts to recruit British nationals to these roles, why this has been challenging, and whether more could be done to attract more UK workers to these roles.

### Recruiters' and employers' headline concerns

We interviewed recruiters and employers who recruit a high number of EU workers into low-skilled roles to understand the role EU workers currently play in their businesses, the potential impact on their business and the economy if access to EU workers is significantly reduced (for example if overall net migration is reduced to the tens of thousands), and how recruiters and employers might respond to a such a situation (for example by recruiting more British nationals or increasing automation). Six key themes emerged from these interviews:

## PRE-REFERENDUM RECRUITMENT CHALLENGES



There were already fewer EU workers coming to the UK before the vote to leave the EU and it was already a challenge to recruit the number of low-skilled workers necessary

## POTENTIAL IMPACT ON CONSUMERS



Reduced access to EU workers would be likely to lead to increased prices, lower levels of service, or both

## RISK OF REDUCED OUTPUT, CLOSURE, OR OVERSEAS RELOCATION



It would be difficult, if not impossible, to maintain current output in many of these businesses if access to EU labour was overly restricted

## RISK OF ILLEGAL WORKING AND EXPLOITATION



Concerns that an overly restrictive migration system could lead to an increase in illegal migration from the EU, which unscrupulous businesses desperate for affordable labour could exploit

## DIFFICULTY ATTRACTING UK WORKERS COMPARED WITH EU WORKERS



Up to now, it has been difficult to attract UK workers into many of the low-skilled roles they offer

## AUTOMATION IS NOT A PANACEA



Some businesses had already automated as far as current technology allowed and many businesses faced specific challenges which meant they would continue to need low-skilled labour for the foreseeable future



## Pre-referendum recruitment challenges

Recruiters and employers were clear that they are already facing challenges to recruit in their sectors, reflecting the overall trends in migration recorded at a national level. They are also very conscious of the factors that are leading to fewer EU migrants to move to the UK, which were identified in the previous section, particularly those factors related to improving EU economies. Some suggested Brexit is an exacerbating factor, but it had been getting harder to recruit EU workers before the referendum was even announced:

**“These past three years we’ve experienced increasing challenges in attracting and recruiting our workforces to meet the demands of our clients; this being well before the term Brexit existed. Huge investment in alternative methods of candidate attraction like Encore’s External Resourcing Division have been essential in order to deliver. The referendum outcome has provided us greater challenges to contend with; 2017 to date we have witnessed further year-on-year dwindling in the number of work seekers.”**

Pete Taylor, Operations Director, Encore Personnel (multi-sector recruiter)



## Risk of reduced output, closure, or moving production overseas

When asked about the potential impact of migration being reduced to the tens of thousands, recruiters and employers were pessimistic about the prospects for their businesses and the wider economy. Employers were especially concerned about their current EU staff being able to stay in the UK, regardless of how long they have been in the country. Those that employ seasonal labour were also very keen to ensure seasonal supply from the EU is not cut off after the UK leaves the EU:

**“We would be supplying a lot less. We would have to scale down for sure. Countrywide you would see more shortages of product available.”**

Andrew Herd, General Manager, JZ Flowers – Moulton (horticulture business)

**“I think you need to look at this on a sector-by-sector basis. Who is reliant on these roles? I think hospitality, agriculture, construction are heavily reliant on our friends from the EU. I think ultimately if there were the sort of caps they’re speculating about in construction, projects won’t get completed, houses won’t get built, it will be as blunt as that, because we are at full employment.”**

Simon Noakes, Co-founder and Director, Bespoke Recruitment (Construction) Ltd (construction recruiter)

As well as concerns about a reduction in available labour, some recruiters and employers were also concerned about the knock-on effect this would have on wages for the labour that does remain in the UK. However, rather than suggesting this would lead to higher wages across the board for low-skill workers, recruiters

and employers suggested that this would lead to fewer jobs available because of businesses being forced to take on fewer staff or close, damaging the economy and workers' prospects overall. Of those companies that employ a high proportion of EU workers, smaller companies were seen as particularly vulnerable to closure due to an inability to pay higher wages to attract staff in a tighter labour market. By contrast, those who operate multinational operations were already beginning to consider whether production would need to be shifted if they are unable to get the labour they need in the UK. Some were considering locations in mainland Europe such as Germany that are closer to their key recruitment markets in Eastern Europe:

**"If [net migration] is reduced to tens of thousands, those people that are here in the UK are going to be high in demand ... These big warehouses will pay 25p an hour more to attract candidates ... Companies will struggle to compete with one another in pay rates, which means that they'll have to increase their cost of production, which will make them less competitive in the overall economy. So you'll probably see a lot of smaller companies in particular having to close down, because they rely on these workers."**

Nikki Gallier, Company Training & Projects Manager, Encore Personnel (multi-sector recruiter)

**"I think if there's a reduction in EU migration, it would be very difficult for the industry to continue the way that it is. You would likely see a shrinkage of independent businesses and I think you would see the larger, corporate businesses having to change their attraction techniques to appeal to a different type of employee."**

Steve Linzner, Director, EL8 Recruitment (hospitality recruitment)

As well as concern for their own businesses, recruiters and employers were very concerned for the overall impact that a reduction in the availability of EU workers could have on the economy as a whole. Concerns include not just the impact on output of vacancies not being filled but also on the subsequent reduction in tax take that would result in these roles not being filled and employers not being able to maintain and grow their business:

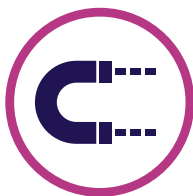
**"The largest contributors to tax in the UK's economy, operational within our sector specifically, will surely need to review and/or rationalise their investment or indeed consider their scope of supply depending upon the outcome of any potential changes to immigration rules. I'd suggest the impact and strain this could have on the UK's economy would be substantial."**

Pete Taylor, Operations Director, Encore Personnel (multi-sector recruiter)

There was also concern that low-skill roles are equated by some to unimportant roles, when in fact these roles play a vital, enabling role in the economy:

**“Entry-level workers form the backbone of the UK’s economy. Without them, we don’t have the labour resources to manufacture and distribute anything; most notably production and distribution of FMCGs we require for everyday living. Encore touch many sectors of industry within our scope of supply, numerous current and prospective clients indicate their fears of the unknown relating to the future flow of EU labour to the UK they’ve relied upon in order to function. Added to which, growing concern over the consequences in increased costs of production and distribution, should demand continue to outstrip supply at the increased rates we are witnessing.”**

Pete Taylor, Operations Director, Encore Personnel (multi-sector recruiter)



### **Difficulty attracting and retaining UK workers compared with EU workers**

Recruiters and employers spoke highly of the EU workers that they recruited to low-skill roles. While they recognised it is often exaggerated and stereotyped, they saw EU workers on the whole as reliable and conscientious workers who would willingly take additional overtime when it is on offer. Suggested reasons for this included: a heightened work ethic amongst EU workers; more experience or a better perception of certain low-skill sectors in EU countries than in the UK; and more practical concerns such as sending money back to their families in the EU while also supporting themselves in a country where they have less of a family and state safety net to support them:

**“If you’re a foreign worker coming to the UK, you’re probably coming here to raise your standard of living. They actually came here to work and they will do the jobs that British people look at as being unreasonable or consider underpaid.”**

Steve Linzner, Director, EL8 Recruitment (hospitality recruiter)

**“EU work seekers coming to work in the UK take considerable and life-changing risks by leaving everything behind in order to start afresh in a foreign country. Certainly on a percentage basis, EU citizens coming to the UK are here to work, earn a decent living in search of an improved quality of life, meanwhile contributing to both our economy and society.”**

Pete Taylor, Operations Director, Encore Personnel (multi-sector recruiter)

**"A kitchen porter – I have none from England. A housekeeper – I have none from England. I think those jobs are seen as the bottom of the industry. It's not going to be filled by the UK worker. I think they think they are better than that. Someone coming from Italy with no language skills who wants to learn will not expect anything else but to start there. I have now a qualified bartender who started two and a half years ago as a kitchen porter, then moved to a commis waiter, and now after qualifying with this course which I paid for, is a qualified bartender. They progressed because they wanted to ... I think that position of kitchen porter and housekeeping will actually be very, very difficult to fill."**

Erick Kervaon, General Manager, The Bingham Hotel (hospitality business) and Chairman of the Alliance of Independent Restaurants (hospitality association)

Recruiters and employers were keen to stress that many British workers in low-skilled roles are similarly hard-working and conscientious. However, overall they often have difficulty in attracting UK workers to low-skill roles in the sectors they operate in. Recruiters and employers recognised that low pay could be a barrier for UK nationals taking on low-skill roles, but also suggested that to focus only on pay is an oversimplification. Often just as important are the misconceptions people have of what it would be like to work in certain sectors or the different perceptions UK and EU nationals have of the status attached to working in a certain sector:

**"There is a perception that working in a factory is just dirty, horrible, nasty, Dickensian-type work. Obviously that couldn't be further from the truth in most cases. But they wouldn't think that about going to work in a coffee shop."**

Brian Stahelin, Founder and MD, Staffflex Ltd – Huddersfield, West Yorkshire (multi-sector recruiter)

**"When you look at agriculture and horticulture as an industry, when you advertise roles from production all the way through, you tend to find a lot more people from Eastern European countries apply for the roles than from the UK or even from outside of Europe. That is anything from a fork-lift driver to supervisors, even when it comes to office staff, you tend to find this industry attracts more people from outside the UK."**

Andrew Herd, General Manager, JZ Flowers – Moulton (horticulture business)

**"Over the years, we've tried to fill some of those positions that are heavily populated now with EU workers with UK workers and they'll say they'll try it and they don't stick it basically. And I don't think it's all about the rate; I think it's the type of work as well."**

Maddy O'Donnell, Area Manager, Birmingham & Telford Industrial, Encore Personnel (multi-sector recruiter)

When asked what more could be done to recruit more British nationals into these roles, recruiters emphasised that they are already trying to recruit as many people as they can regardless of background. All roles are advertised in English and a range of methods to attract more UK workers has already been tried as they are facing skill shortages and their businesses depend on recruiting people. Some have actively tried to work with Jobcentres and harder-to-reach groups to bring in more labour. These initiatives had mixed success and some recruiters and employers have been left frustrated when they invest time and energy into UK worker recruitment drives with little to show for it at the end.

**"It's a shame because I should think any business would welcome getting those people off unemployment and into work ... but it's what drives them to really want to get a job as an individual that's the issue. ... The bit that frustrates me from a business point of view is the amount of effort we put into it and the results can be quite low."**

Resource Planning & Training Manager (nationwide consumer goods store warehouse)

**"22 people we had booked in for interviews for one of our warehouse packing sites ... and one person turned up, and that was via the Jobcentre. Now that was £7.50 an hour and £8.50 on nights, loads of overtime."**

Nikki Gallier, Company Training & Projects Manager, Encore Personnel (multi-sector recruiter)

**"We also try to work with offenders. We do not discriminate on any grounds whatsoever. We have worked with the local hardened offenders unit to try and get hardened offenders into the workplace because we understand 75 per cent of offenders will reoffend if they don't get work."**

Brian Stahelin, Founder and MD, Stafflex Ltd – Huddersfield, West Yorkshire (multi-sector recruiter)

Recruiters and employers also recognised that current low levels of unemployment, both nationally and also often at a local level, reduce the available pool of labour even further. With fewer and fewer people looking for work, recruiters and employers were sceptical that there would be sufficient UK labour take-up of low-skill roles across the economy if EU migration is overly curtailed or if short-term EU workers in low-skilled roles are no longer allowed to remain. Recruiters and employers were also conscious of the fact that not all of those currently looking for work would be willing to take work in low-skilled roles:<sup>12</sup>

**"[This area] is a great place for warehouses to be set up but the problem is the unemployment rate is so low. It's about 1.2 per cent and it has been for a number of years, so there is, year on year, a difficulty in saying**

<sup>12</sup> See Section 4 for further insight on this.

**'are we going to find some permanent staff to recruit?' and then the temporary labour market as well."**

Resource Planning & Training Manager (nationwide consumer goods store warehouse)

**"Unemployment in the UK is at a low since 1975. That's not just percentage, that's numbers. So the people that are already here – there's not enough of them."**

Charlotte Harland, Labour Resource Specialist, Encore Personnel (multi-sector recruiter)

**"There is still that number of British people here within this area looking for work, they're just not looking for this type of work for whatever reason."**

Andrew Herd, General Manager, JZ Flowers – Moulton (horticulture business)

**"With UK unemployment at around 4.5 per cent there simply aren't the British workers to fill these increasing job vacancies that EU citizens are undertaking. We are continually committed to driving recruitment campaigns alongside the offering of further training and qualifications, including close working partnerships but to date have seen little return."**

Pete Taylor, Operations Director, Encore Personnel (multi-sector recruiter)

Recruiters and employers suggested that in some instances it is easier for UK workers to remain unemployed than EU workers as they are able to rely more on state support. However, there was also concern that this is a long-term issue and that any sudden, overly coercive steps taken to move these people into work would result in a dip in the quality of work and overall attitude to work:

**"We've got lots of people that we could struggle with and we could actually encourage them to go into the workforce but we would have to do an awful lot of work and so would the employer have to do an awful lot of work to get them 'employment ready' in terms of giving them basic skills, literacy, numeracy. It might be that those people can't do very complicated jobs for various reasons and we would have to consider a workforce from 16–70 ... Perfection doesn't exist and employers have to modify their expectations in terms of the skillset someone will walk through the door with on day one and be prepared to invest in support and training."**

Brian Stahelin, Founder and MD, Stafflex Ltd – Huddersfield, West Yorkshire (multi-sector recruiter)

**"In forcing British citizens into work they don't wish to carry out, I'd have grave concerns on many levels, not least, the presence and costs on industry due to non-committed and unproductive workers. Businesses don't want to invest in or develop individuals who do not want to be invested in. This has**



**become increasingly more apparent as unemployment levels have hit these record lows and availability has followed the same trajectory.”**

Pete Taylor, Operations Director, Encore Personnel (multi-sector recruiter)



## Potential impact on consumers

Recruiters and employers foresaw potential impacts on prices and levels of service if access to EU labour is overly restrictive. Prices were seen as likely to increase for a combination of reasons related to potential immigration changes (putting to one side issues around trade and currency exchange rates). Reasons for potential price rises include passing on to the consumer the cost of the increased wages needed to attract scarce labour and an increased demand for goods due to a reduction in UK output because of labour shortages and businesses closing down or reducing output:

**“You would see prices increase because you just wouldn’t be able to harvest what would be needed in the windows to get the product to stores. So therefore you’d see a massive price increase just due to what’s available. Growers would have to do less so costs would increase.”**

Andrew Herd, General Manager, JZ Flowers – Moulton (horticulture business)

**“I can’t imagine tomorrow that any retailer will put the price up on food ... because we’ve got a shortage of workers. The person that’s picking up the apple in a store does not see the link between the price of the apple and the availability of a worker to pick that apple.”**

Head of Operations (food production business)

In addition to potential increases in prices for UK consumers, some businesses suggested that they may have to offer consumers a lower level of service in the future to keep their businesses viable. Next-day delivery was suggested as one area of service that may be affected if the EU workforce reduces:

**“If we haven’t got enough people to do the job, how can we operate in a way that is not impacting on our customers too much? We know from an online point of view there are only so many units we can pick and pack in a day ... We’re very much as a business, ‘if you order something today, you’re going to get it tomorrow’. It doesn’t mean all our competitors work like that so it’s about whether the business would be happy to go ‘you’ve ordered it today, you’re going to get it in two days’ time’.”**

Resource Planning & Training Manager

(nationwide consumer goods store warehouse)



## Risk of illegal working and exploitation

Despite the recent events that have made the UK a less attractive option for EU workers in low-skill roles (discussed in Section 2 of this report), the UK remains an attractive option for many EU workers with ample job opportunities. Recruiters and employers expressed concern that low-skill EU workers would continue to come to or stay in the UK illegally after the UK leaves the EU. If access to EU low-skill workers is overly restrictive, there were concerns some unscrupulous businesses may resort to using undocumented workers to keep their businesses afloat, which could also lead to increases in exploitation and modern-day slavery:

**“The worst-case scenario is just putting a full stop on people unless they are skilled people – doctors, nurses and so on. Because you are going to drive up the cost of living, the cost of production. You’re going to open up the gates to exploitation because people will still come to the UK, like we see with the rest of the world, rather than people from the EU. They come to the UK on illegal documents and they’re exploited.”**

Nikki Gallier, Company Training & Projects Manager, Encore Personnel  
(multi-sector recruiter)

**“When the labour market becomes tight and Joe Bloggs farmer cuts a corner because he’s got £20,000 worth of crops to harvest or he’ll lose his farm. If he goes and cuts a corner and ends up employing illegal or exploited workers ... [it’s because] the alternative is not something that’s willing to be accepted ... Where there is an increased labour cost there’s an increased risk of exploitation because people will cut corners. When there is an increased demand for workers, there is an increase in people willing to cut corners to get those workers. And when there’s an increase in cost, that, ironically, means there’s an increase in profit for those that are willing to exploit. So all of them are intrinsically linked to what could happen.”**

Head of Operations (food production business)



## Automation is not a panacea

When asked about the potential for further automation to replace low-skilled workers, recruiters and employers did see some potential for this in the future. However, there was also general agreement that there are certain roles that would have to continue to be performed by low-skill workers for the foreseeable future and that it isn’t feasible to expect automation to replace labour without significant pre-planning and lead-in time:

**“Within agriculture it’d possibly work because when you harvest potatoes or carrots it is mechanised already and a lot of those are already packed in the field ... There are certain processes that you can automate and we**

**do. Different packhouses do have more automated things but it still is an industry that's highly people orientated."**

Andrew Herd, General Manager, JZ Flowers – Moulton (horticulture business)

**"I don't know what the life cycle would be from having an idea to actually producing, designing, building, installing, commissioning, and all the rest of it of machinery or robots ... But I can't imagine you could say we'll get rid of the labour today and replace it tomorrow with robots."**

Brian Stahelin, Founder and MD, Stafflex Ltd – Huddersfield, West Yorkshire (multi-sector recruiter)

Once considering the detail of their business or sector, recruiters and employers explained the specific issues that automation (or further automation) would pose. This included instances where the technology doesn't exist to perform the role as effectively or cost-effectively as a human and also instances where having a human interaction is integral to a customer's experience, such as in the hospitality or retail sector:

**"Hospitality is a service industry. People go back to places because of the service they receive, as much as, if not more than, the actual food on offer. You will always tip somebody if you've had good service, and that requires that personal touch. You will always need people to be your host ... Automation can't upsell either. Automation can't give you an opinion – it can only give you a fact. If you're sat there and you have a dietary requirement, automation may not allow that dietary requirement to be entered onto their system."**

Steve Linzner, Director, EL8 Recruitment (hospitality recruiter)

**"I think retail is a people business and the whole emphasis on retail theatre or showrooming and the whole experience of retail is actually what gets people to spend. That's just going to get bigger."**

Anna Jones, Founder, Intense Retail (retail recruiter and consultancy)

**"For flowers, they're all grown in a field and harvested at different times. Some seeds will develop quicker than others so there isn't a machine clever enough or fast enough at the moment to operate and harvest the crop to specification without ruining part of the crop ... For us it's a long way off because product changes too much and there are too many different variations of one product. It will take a very skilled system within a robot to pick what a person could pick within seconds."**

Andrew Herd, General Manager, JZ Flowers – Moulton (horticulture business)

If automation became essential for company survival because of reduced availability of labour, there was also a concern that the high start-up costs involved in automating or upgrading the technology of a business would drive smaller companies out of the marketplace:

**"That would be fine for your big players, but your small ones aren't going to be able to afford to do that. They're going to have to make a business decision – import produce or cut back on what they do."**

Maddy O'Donnell, Area Manager Birmingham & Telford Industrial, Encore Personnel (multi-sector recruiter)

## What recruiters and employers want from the post-Brexit migration system

While recruiters and employers respect the outcome of the referendum on EU membership, they also feel that freedom of movement has served their sectors well and enhanced the UK economy as a whole. At the very least, recruiters and employers want to see a preferential visa system put in place for EU workers to ensure both seasonal and more general demand for labour would continue to be met. There is also some support for a transition period after the UK leaves the EU to understand how the economy and labour movements would be affected before changing policy:

**"Our hope is that if the government does get really hell-bent on stopping the movement of workers, they'd do something like a visa system that makes it fair. That would still not prevent anybody coming to work in the UK."**

Andrew Herd, General Manager, JZ Flowers – Moulton (horticulture business)

**"I think the best case scenario we're likely to see is a visa system reintroduced. I think if you are coming to the UK, you're coming to the UK to work and you're coming here to add benefit to us and to increase our GDP growth. That approach should be maintained."**

Steve Linzner, Director, EL8 Recruitment (hospitality recruiter)

When it comes to their biggest fears for post-Brexit migration policy, recruiters' and employers' two main concerns are the supply of labour from the EU to low-skill roles being cut off entirely and not being able to retain the EU staff they currently employ (regardless of how long they have been in the UK):

**"If they restrict immigration to the tens of thousands, it will be catastrophic for the labour market. If someone had been working here for over two years and had to leave the country, the impact on them and their family would be huge, not to mention the impact on the industry. If there is going to be a huge drop of migrant workers due to restrictions being imposed, what are the government proposing to do to feed the labour requirement?"**

Wayne Hodgson, Managing Director, Red Eagle Recruitment Specialists (multi-sector recruiter)

## Section summary

- Recruiters and employers that recruit for low-skilled roles were already facing difficulties getting sufficient workers of any nationality before the EU referendum.
- A post-Brexit labour shortage and increased labour costs would lead to companies reducing output, closing, or moving production overseas, damaging the UK economy.
- Recruiters and employers have had significant difficulty in recruiting UK workers into low-skill roles in certain sectors because of low pay rates, certain sectors being viewed as undesirable places to work, and very low unemployment rates.
- Post-Brexit labour shortages would affect the prices consumers pay for services and goods produced by sectors that employ high numbers of low-skilled workers; there would also be a likely knock-on effect of levels of service offered by these sectors.
- A post-Brexit labour shortage would increase the likelihood of illegal working and exploitation.
- Automation will only be a practical and economically viable replacement for some of the labour currently performed by low-skilled workers, especially for the foreseeable future.

The next section of this report explores in further detail the experiences of UK nationals that work in low-skilled roles in sectors with a high number of EU workers. It also explores the perspective of currently unemployed British citizens on searching for employment and low-skilled jobs and considers whether more UK nationals could be encouraged into these roles, as well as the wider context of current labour market statistics.

# 04

## BRITISH WORKERS IN LOW-SKILL ROLES IN INDUSTRIES WITH A HIGH PROPORTION OF EU WORKERS

In the last section, we documented some of the difficulties that recruiters and employers have in recruiting British nationals to low-skill roles. To better understand why this is, this section looks at the experience of British workers who are currently working in low-skill roles in industries with a high proportion of EU workers. It also considers the perspective of unemployed British people on why they would or would not want to do low-skill jobs in three sectors that currently have a high proportion of EU migrant workers in low-skill roles. The section concludes by giving an overview of current official statistics for the UK labour market to get a better understanding of the availability of domestic labour.

### **Experience of British workers currently working in low-skill roles in industries with a high proportion of EU workers**

We spoke to British workers who are currently working in low-skill roles about what they like and dislike about their jobs, their experience of working alongside EU workers, and their thoughts on how potential immigration changes might affect their workplace. The following five themes came through prominently in the focus groups:



### Reasons for taking these roles often stem from convenience factors

For British workers in these roles, it wasn't often the role itself that drew them to take the job or to stay once they began working. For many it was the convenience of the location or the fact that they didn't have to take their work home with them in the evenings. Few had travelled far in order to take the jobs that they have:

**"I live down the road. I just wanted something no stress, no worry, it suits me down to the ground. ... They just said we'll find you something to do and the business has just grown and grown, so of course we've grown with it ... We want to come to work, do a hard day's work for a fair day's pay, enjoy what you're doing, and that's it."**

Nigel, horticulture worker, East of England, British

**"In all honesty, I didn't even apply for this job. I started with an agency and this was the first position they gave me. I live in Boston. This was my first proper job. I started off on the line for about a year and then they offered me a job in the print room."**

Shannon, horticulture worker, East of England, British

University students in these roles were grateful for the flexibility that they offer and the fact that they could easily take shifts when they are home for holidays or weekends. School-leavers and students in some of these roles reflected that more

people their age may be interested in the kind of work they are doing if they were aware of it, even if only as a temporary way to earn money alongside study:

**"I like the flexibility because when I'm back from uni I can work here, get some money to help me through ... I work during the term holidays and say I'm back on a weekend I can do the odd Saturday or Sunday and the pay is good for my age."**

Jamie, warehouse worker, South East, British

**"A lot of my friends at my [school-leaver] age are in factories. Not one them is out of work but a lot of them are in factories and the ones which are are very, very happy with their hours, their money, what they do ... The ones in factories say it's brilliant money, brilliant hours, brilliant people. Can't get enough of it and they're a similar age to me."**

Shannon, horticulture worker, East of England, British



## **Workplace culture is very important to job satisfaction in these roles**

Given that most low-skill roles have low rates of pay and are less frequently viewed by workers as a career or vocation, workplace culture is a very important factor for job satisfaction in these roles. Similarly to EU workers, UK workers in these roles spoke of the importance of getting on with their colleagues and being able to joke with them to break up the day when tasks become repetitive and tiring:

**"I wouldn't still be here if it weren't for the fact that everybody I work with I can honestly say I get on with like a house on fire. They're the one thing that keeps you going through the night, especially when you work nights and you're really tired and you don't get any sleep but you end up with a team of people that you actually care about and work with, that you just want to get the job done with."**

Daniel, warehouse worker, South East, British

**"One of the first things I found when I came here was how friendly everybody was, and that was from management right down to shop-floor level. Everyone seemed to make you feel welcome and wanted. I'm fortunate that I can mix with management and with the shop floor, because that's where I work. But, I'd say that everybody is approachable and we all seem to muck in together, you know, when backs are against the wall everybody's willing to help each other out."**

Sue, food production worker, East of England, British

In general, the UK workers we spoke to don't see working in mixed nationality groups as an impediment to getting along in their current places of work. Instances of colleagues not getting on were more often attributed to personality clashes



than culture clashes. However, some suggested they had worked in other locations where there had been tension between nationalities that had been detrimental to working culture:

**“It’s like in any other workplace – there’s always people that don’t like each other. But, I wouldn’t say that’s because of the nationalities. It’s not because they’re Romanian or they’re Lithuanian.”**

Nigel, horticulture worker, East of England, British

**“I went to [another workplace] and literally everybody there was foreign apart from management. Management were fine but all the line leaders and supervisors were foreign and to put me straight in there as English, the atmosphere was very different to here. Some of them were really nice, really welcoming. Others didn’t want to know you purely because you were English ... Here it’s just a lot friendlier. Here accepts people for who they are. It’s not where they’re from, it’s basically personality, your work, how you get on with your work ... It’s basically just groups of where you’re from over there but here it’s just anyone gets on with anybody.”**

Shannon, horticulture worker, East of England, British



## **EU workers do a good job and their workplaces would suffer without them**

As well as generally getting on with EU workers, British workers recognised the importance of EU workers to their business’s success. Some predicted their current places of work would have to close down if they are no longer able to rely on EU labour. While acknowledging the stereotype, British workers in these roles noted their EU colleagues to be diligent workers with a strong work ethic:

**“We had a lot of Eastern Europeans; most of them were Poles, Romanians, and Lithuanians. They’re hard workers and I can see why companies want them because they have a good work ethic ... They’re friendly, always approachable. I think it’s very bold what they do, coming to another country ... sometimes without knowing anyone. They just come here to work and send money off to their families. It’s a big decision to make to come here and do that.”**

Scott, food production worker, East Midlands, British

**“We’d just close down, wouldn’t we? Any factory would close down if [EU migrants] were no longer able to come here.”**

Shannon, horticulture worker, East of England, British



## Language barriers are the main impediment to better working relations

While acknowledging that most of their EU colleagues are friendly and hard-working, language barriers were cited as an occasional problem. In some instances, employers had put on voluntary English classes that EU workers looking to improve their skills could attend. This had been welcomed not only by EU workers but also by their British colleagues, who appreciated this practical step to improve their working relationships:

**“Here it’s an English language site, but people are always talking in their own language. So obviously the Romanians don’t know what the Lithuanians are saying, the Lithuanians don’t know what the Romanians are saying, some of them don’t know what we’re saying ... It’s not a big problem, it’s more when you’re busy and you’re stressed and you want to get on and they don’t understand.”**

Nigel, horticulture worker, East of England, British

**“I did health and safety here with some EU nationals. I know very well that a man on that course with me didn’t understand half of what was said. You know he didn’t ... If they don’t understand then they should be trained not necessarily at a different time but certainly in a different way.”**

Chris, food production worker, East of England, British

Although not viewed as a significant issue, British workers reported some instances of different EU nationalities tending to socialise and work together. Some British workers noted cultural differences between EU workers and themselves, but this didn’t typically stand in the way of good working relationships and, in some instances, friendships with EU workers. In some instances, British workers enjoyed learning about their EU colleagues’ experiences and culture and their differences enhanced their friendship:

**“I talk to everyone ... but they can sort of ‘culture up’. You get the Romanians in one patch and that.”**

Stacey, warehouse worker, South East, British

**“Whether you like it or you don’t, one group of people stay that side and one group stay this side. It’s like at the weekends, the foreigners probably wouldn’t go out with English people in a lot of instances ... Probably the next generation, these people’s kids who are going to school, they will blend in. But these people here don’t seem to blend in the same, same as if we went to Romania we wouldn’t blend in there. So it’s nothing against them, but as far as everyone says everyone is blending in, they’re not in my eyes.”**

Nigel, horticulture worker, East of England, British



## Other UK nationals do not want these jobs

The experience of UK nationals working in low-skill roles is that other UK nationals typically do not want to perform the roles they currently perform or work in the places they currently work. For some, there is a perception that British people see these roles as difficult or attach a stigma to working in low-skill roles in these sectors:

**“You’re taking away the [EU] people that are willing to do the job and a lot of English people aren’t willing to do the quote-unquote ‘rubbish’ jobs, the warehouse jobs and the cleaning jobs ... People have an ego in England. There’s a culture of laziness and egotistical people who seem to think because they’re English they’re entitled to something or they’re better than other people because they’re English.”**

Daniel, warehouse worker, South East, British

**“We’ve had some [British workers] come here and after three hours have said ‘this isn’t the work for me, I’m going home’.”**

Michelle, horticulture worker, East of England, British

However, other British workers see the roles they do as unsuitable for many British jobseekers. Some appreciate that low-skill roles may not be attractive to more qualified candidates, particularly amongst younger people who have received more education:

**“I think though that the youngsters are a lot better educated than we were. The school system is a lot better and more people go to university now. When I left school nobody went to university; I finished school on a Friday and the following Monday I started as a trainee coal miner.”**

Chris, warehouse worker, East Midlands, British

**“If you want a high-flying job, be realistic, you’re not going to come here ... But if it’s a job where you haven’t got one, it’s a fantastic job ... If you’re young and you’re doing all this education, would you want to come and stand on a line? Should I recommend it to you?”**

Nigel, horticulture worker, East of England, British

## British jobseekers' perspective on job-seeking and low-skill roles

To better understand the viewpoint of current jobseekers on these kinds of jobs, the REC ran an online forum in May 2017 to get the perspective of current British jobseekers looking for work. The forum gave British jobseekers the opportunity to feed back on anonymised job adverts for low-skill roles in sectors that currently employ a high proportion of EU workers – agriculture, warehousing, and hospitality.<sup>13</sup> Forum participants had all been claiming Jobseeker's Allowance for at least three months when recruited to take part in the forum. Seven key themes emerged from the research:



<sup>13</sup> The REC would like to thank one of its multi-sector members for allowing us to anonymise several of their job adverts that were online at the time for the purposes of this forum. For greater detail on how this online forum operated, see Appendix I and Appendix II.



### Low wages are a deterrent for some

All the jobs advertised on the online forum were advertised at £7.50 an hour. Although this is the National Living Wage rate and therefore the lowest that can be offered to those aged 25 or over, some commented that they would be happy with this wage for the work advertised. For others, the wage is simply too low for them to fulfil their commitments and cover their costs. One of the jobs advertised on the online forum was a night shift position, which some made a point of highlighting when stating that they thought the wage was not high enough for the role.

**“Due to a lack of housing in my local area I’ve had to rent privately. If I can’t earn a reasonable salary I can’t afford to take a job and zero-hour contracts could mean I become homeless. Many people have this problem.”**

Patrick, 45–54 years old, London

**“I’ve done this type of work before and I probably would do it again if I had to. If I couldn’t find work in the design industry. I would prefer daytime hours and the wage would have to be more than minimum wage. I don’t think my family could survive on minimum wage. It was hard enough when I was earning £9 an hour.”**

Anonymous, 25–34 years old, East of England



### A perceived lack of progression deters ambitious jobseekers

The jobseekers taking part in the online forum were far from uniform in both their experience and where they see themselves going in their future jobs. For more ambitious jobseekers, the perceived lack of progression in the jobs advertised deterred them from putting themselves forward. There is a perception that these types of jobs could turn into ‘dead-end’ jobs which they wouldn’t be able to build a career or increase their earnings from:

**“If it were to say various team leader/managerial roles on a sliding pay scale apply, I would think I will go in for that. However, being qualified to a higher level and just seeing basic jobs and wage available would put me off.”**

Jenna, 25–34 years old, West Midlands

**“It’s very important to me because then there’s always a goal to work towards; it keeps my motivation going. If I felt I couldn’t work my way up I would be very unhappy in the role.”**

Wendy, 18–24 years old, London



### The work involved is seen as unattractive

In some instances, the nature of the work itself is the main deterrent to applying for a role rather than the hours, pay, or progression. Some respondents saw the jobs advertised as likely to be physically demanding or simply tedious. Others had previous experience of these types of roles and had no desire to return to them:

**"I have done this type of work in the past and so would be capable. But I am bored of it, it's gruelling and wouldn't want a career track in catering so not for me this job."**

Anonymous, 25–34 years old, London

**"The warehouse operative and crop picker roles were probably jobs I would do. Not a desired position but I would do both of those types of work. The catering role has no interest to me. I can't think of a single thing about working in catering that I would enjoy. I know how hard it is and the little amount of money you earn. I know it's long, unsociable hours and they are often split shifts. Even though this wasn't stated on the advert, I know from experience that job roles change and expectations from management aren't always laid out when taking up new employment."**

Anonymous, 25–34 years old, East of England

In other instances, it wasn't simply that the physical side of these roles would be tiring, but it would actually aggravate pre-existing health issues. While these participants are still searching for work, the physical demands of some low-skill roles in sectors that currently have a high proportion of EU migrants are too much for them:

**"The crop picking wouldn't be any good for me as I'm already on pain killers for bad knees and back."**

Hazel, 45–54 years old, West Midlands

**"None of these positions would help me as they require a lot of standing and bending that would seriously aggravate my back condition."**

Anonymous, 55–64 years old, West Midlands

Our online forum included jobseekers with a wide range of educational backgrounds, including university graduates and jobseekers with years of experience in senior roles. For these jobseekers, these roles were seen as a backward step that they do not want to take when they could wait for something more suitable for them:

**"It's harder than I thought to find a suitable job. I'm sure if I lowered my expectations I may be writing something different here but at this time I feel I have to at least try to find a job I would want to keep. That being said, they are just so few and far between. If I am going to take**

**a job in a different sector, it would have to be for a good rate of pay. Anything less than £20,000 is just not worth it. It's impossible to survive with a family on less than that. I've tried."**

Anonymous, 25–34 years old, East of England

**"I have been made redundant recently and I am of senior management level. I have numerous calls daily about new jobs."**

Anonymous, 45–54 years old, West Midlands



### **A range of different working patterns are desired**

A wide range of working patterns were desired from jobseekers on the forum. A part-time, full-time, and night shift role were advertised on the forum; in each instance, the working pattern would be highlighted as a positive by some jobseekers and a negative by others. Flexible and part-time work is often an attraction for parents who need time to look after their children, with some specifically looking for term-time contracts so they could look after their children in the holidays:

**"[There's a] lack of term-time jobs available in my area. I am unable to do part-time work that is not term time as I have no support in the holidays."**

Anonymous, 25–34 years old, North East

**"Night jobs I can't do as I'm a single mum and I have to be choosy with shift work and weekend work as I have my son all the time ... Flexibility is a great thing in any work, especially if you have children."**

Hazel, 45–54 years old, West Midlands

By contrast, some jobseekers want a more regular working pattern or the increased earnings that come with a full-time position. Whereas a flexible or temporary role is perfect for some, others want to devote more of their time to work and find changing roles disconcerting:

**"I find temporary work very unsettling. You have to go through all the inductions, training, and presentations over and over again with each temporary job."**

Anonymous, 45–54 years old, North East

**"It's an awful lot of effort nowadays to even get an interview, apart from a job. Yes a temporary job is good as it then might open up the door to becoming permanent, but if it doesn't you're back where you were before trying to get interviews. I still apply for temporary jobs as well as permanent but would prefer to just get back into what would hopefully be a job for life."**

Glenn, 45–54 years old, East of England



## Candidate experience has a big impact

While candidate experience is important for any recruitment process, this is particularly so for those who have been unemployed for longer periods. Acknowledging applications and giving any feedback on unsuccessful applications is a very important factor for some as they currently don't know where they are going wrong. Some suggested their perception of a recruiter or employer might be enhanced if they acknowledged applications or provided feedback:

**"I'm just fed up of getting no response at all, not even to say I haven't been successful but thanks for trying. It would be nice to feel that someone cares enough to reply back once in a while."**

Hazel, 45–54 years old, West Midlands

**"If feedback was given you might be able to gauge exactly what employers are looking for. If you're only applying for certain types of jobs and you find that actually with the qualifications you have that employers aren't going to consider you, perhaps you might need to adjust exactly what career you have a chance of at least getting an interview to based on what you have to offer the employers."**

Glenn, 45–54 years old, East of England

There is also frustration with a tendency to rely on doing things online only. All of the jobs advertised on the online forum had a contact telephone number included and this widely was seen as a positive by participants, both young and old:

**"The online applications have proved to be very frustrating as many do not even bother to reply or give any feedback as to why unsuccessful ... The opportunity to speak to a real person [on the phone is] also very good as I feel that this greatly enhances your opportunity for an interview at least. Added to this, when you speak to a person you are able to clarify what the position involves and therefore it cuts down on wasted time for both the jobseeker and the employer."**

Anonymous, 55–64 years old, West Midlands

For those who had managed to get to interview, nervousness and pre-existing anxiety issues often made the experience a difficult one for them:

**"I suffer severely with anxiety problems and I find it very hard to approach employers in any way and when I do approach them a lot of the time it feels like they haven't got the time of day for someone who doesn't work and hasn't for a long time without knowing any reasoning as to why this is."**

Anonymous, 18–24 years old, North East

**"When it comes to job interviews I've had in the past, I've always felt very anxious and I'm sure it has been very evident to the interviewer that I am**



**lacking in confidence and is the reason I have never been successful in any interviews. I've been put on courses in the past by the Jobcentre but it hasn't improved my interview skills or gained me any more confidence."**

Anonymous, 25–34 years old, North East



### **Requiring prior experience is frustrating**

Requiring prior experience for roles was highlighted as a frustration for some jobseekers. Some jobseekers complained that they find themselves in a situation where they hold relevant qualifications for the roles they apply for but see the lack of experience as the main thing preventing them from getting these roles:

**"There's quite a few jobs that are advertised in my area that I am interested in but some need experienced people and it's not really fair on people who are willing to train and go on courses to get that experience. They're not given much of a chance if I'm honest ... Nobody walks out of school with experience but they're always willing to learn given the chance."**

Anonymous, 18–24 years old, North East

**"My main issue is experience. I have qualifications in computing, accounts, attended HR at college but no real experience. I have looked at volunteering in these areas and I can't seem to find any to fit my needs."**

Christopher, 35–44 years old, West Midlands

There was particular frustration when experience is preferred or required for low-skill roles that require no specific qualifications or prior training (such as those advertised on the forum). Participants felt that for roles like this, inexperienced applicants should be given a chance to learn on the job:

**"There should be no priority given, unless the role states MUST have experience. But even then people can be quick learners. So everyone should be given the opportunity."**

Anonymous, 25–34 years old, West Midlands



### **The low-skill roles desired are not always easily accessible**

For some jobseekers, their main impediment isn't finding jobs they would be happy to do if they got them, but finding jobs that are accessible. Not having a car was highlighted as a particular problem by some, with most jobs available in large towns or cities that are difficult to get to via public transport. In other instances, jobseekers were attracted to a job advertised on the online forum but hadn't seen any of this type of work in their local area:

**"I have had difficulty but not because there aren't any being advertised; the problem I've found is they are all in difficult to get to places where you need your own transport. I registered with [an agency] and they said I could start working straight away if I had my own transport."**

Glenn, 45–54 years old, East of England

**"Most jobs I apply for are in Newcastle, which is not ideal for me as I have to rely on public transport and most jobs would prefer people with driving licences who drive."**

Anonymous, 25–34 years old, North East

## Quantitative overview of current UK labour market

Alongside the challenges highlighted in this report of attracting and retaining UK nationals to certain low-skill roles, national trends also highlight the reducing availability of candidates in the domestic labour market. The current unemployment rate, employment rate, and economic inactivity rate all demonstrate historic figures which suggest limited further capacity for labour is available domestically.

### The unemployment rate, employment rate, and economic inactivity rate

The unemployment rate is not simply a measure of the proportion of the population who don't have a job. It measures the number of people who are unemployed (that is, without a job but who have been actively seeking work within the last four weeks and are available to start work within the next two weeks) as a proportion of the economically active population (that is, those who are in work or are seeking and available to work). The latest unemployment rate stands at 4.4 per cent, the lowest figure since Q2 1975.

The employment rate measures the proportion of the UK population between the ages of 16 and 64 who are in work. It is currently 75.1 per cent, a higher proportion of people of working age in work than there has been since comparable records began in 1971.

The economic inactivity rate measures the proportion of the UK population between the ages of 16 and 64 who are not in work and are not seeking or available for work. It is currently at a historic low of 21.3 per cent, the lowest proportion of 16–64-year-olds out of work since comparable records began in 1971.

**TABLE 3: KEY LABOUR MARKET MEASURES AFFECTING THE AVAILABILITY OF LABOUR IN THE UK<sup>14</sup>**

Labour market measure	Q2 2017 figure	Historic context
Unemployment rate	4.4%	Lowest since Q2 1975
Employment rate	75.1%	Highest since records began (1971)
Economic inactivity rate	21.3%	Lowest since records began (1971)

Considering these measures in combination highlights the tight labour market UK recruiters and employers currently find themselves operating in. Not only is the unemployment rate historically low, there is a lower proportion of the working-age population who are economically inactive and therefore a lower proportion who could theoretically be enticed back into economic activity. All of these measures being at historic levels suggests it will continue to be difficult to source candidates for vacancies, even if the UK does not undergo a sizeable reduction in the number of EU workers working in the UK.

## Section summary

### Experience of British workers currently working in low-skill roles in industries with a high proportion of EU workers

- British workers who take on low-skill roles do so for a range of reasons, such as convenience of location, flexible hours, or simply as a way to pay the bills.
- Workplace culture plays an important role in making these jobs enjoyable when the roles themselves are rarely considered a career or vocation by those doing them.
- British workers in low-skill roles have a lot of respect for their EU colleagues and recognise that they are for the most part hard-working and diligent.
- Language barriers are the main impediment to good working relations between UK and EU colleagues in low-skill roles.
- British workers currently in low-skill roles in industries with a high number of EU workers believe many UK jobseekers do not want these roles and that their workplaces would suffer significantly if EU labour is no longer available.

### British jobseekers' perspective on job-seeking and low-skill roles

- British jobseekers are sometimes deterred by the low pay rates (that is, often National Living Wage) that typically come with low-skill roles.
- A lack of progression (or advertised progression) deters more ambitious jobseekers from taking a low-skill, low-paid job and attempting to work their way up.

<sup>14</sup> UK labour market: August 2017, Office for National Statistics. Available at: [www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/august2017](http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/august2017)

- British jobseekers see many of the roles that are currently done in high proportions by EU workers as either unsuitable for them because of health reasons, below their skill or qualification level, or simply boring and difficult.
- Candidate experience has a significant impact on jobseekers' morale, particularly for those with anxiety issues; a lack of acknowledgement or feedback and the inability to speak to someone on the phone about a job advert are particular gripes.
- Jobseekers are also frustrated by experience requirements being placed on job adverts, especially for low-skill roles; this often deters candidates from applying in the first place.
- For some jobseekers, transport is a significant issue in being able to access jobs that aren't served well by current public transport routes.

### **Quantitative overview of current UK labour market**

- The UK is currently experiencing historic highs in the employment rate and historic lows in unemployment and economic inactivity.
- These labour market trends suggest it will continue to be difficult to source candidates for vacancies even if there isn't a sizeable reduction in the number of EU workers available.

The concluding section of this report recaps the findings outlined so far and draws the connections between them to better understand the potential implications that changes in UK immigration policy could have on the UK economy. It then sets out recommendations for government to ensure the UK still has access to the labour it needs for low-skill roles. It also sets out recommendations for recruiters and employers on how best to attract and retain labour to low-skill roles in an area of the labour market that is only likely to get tighter, regardless of additional restrictions in immigration policy.

# 05

## RESEARCH SUMMARY AND RECOMMENDATIONS

Having explored the issues in turn, this section seeks to outline the overall picture of EU workers in low-skill roles in the UK and how best to ensure the roles performed by them are not left vacant in the future. Drawing on our research with recruiters and employers, EU workers, UK workers, and UK jobseekers, it sets out our assessment of the situation as it stands, before outlining our recommendations for government and for recruiters and employers recruiting low-skill workers in sectors such as warehousing, agriculture/horticulture and food production, and hospitality.

### Research summary

Both official statistics and our research with EU workers in low-skill roles in the UK suggest that fewer EU workers will choose to fill these roles in the future. EU nationals weigh up a range of factors when deciding whether to work in the UK. The improving conditions in EU economies (particularly EU8 and EU2 economies), the falling value of the pound, and a perception of being unwelcome are already making the UK a comparatively less attractive option, particularly for those who do not have family ties or other long-term ties to the UK. Recruiters and employers in sectors that recruit large numbers of EU workers to low-skill roles were already having difficulty recruiting before the EU referendum, and this has been made more difficult since the vote to leave the EU. Some EU workers have already left the UK, fewer EU nationals are applying for new roles, and fewer are coming into these roles through recommendations from EU friends and family (previously a key source of candidates).

Recruiters and employers are concerned that they will be unable to fill these roles with UK candidates and have had little success recruiting UK workers into low-skill vacancies up to now. Furthermore, some EU workers who entered the UK labour market as elementary workers with little experience have now progressed to more technical or supervisory positions. Even if some of these more experienced workers would still be classified by the MAC as low-skilled, this experience or training would make such workers difficult to replace by recruiting for an elementary role.

While UK nationals do work in low-skill roles in these sectors, there is a recognition that these roles are not for everyone, even from those who work

in them. Some UK nationals will be overqualified while others will be unable to do physically demanding low-skill roles because of pre-existing health conditions. While changes in recruitment strategies and working practices may increase domestic applications for low-skill roles for some employers, these are very unlikely to substantially increase the number of UK nationals taking these types of roles across the country. Moreover, with the labour market currently experiencing historic lows in unemployment and economic inactivity, there is not the volume of UK nationals currently willing and able to fill low-skill roles if these are vacated by EU nationals.

Although some have suggested that automation will fill low-skill roles in the future, recruiters and employers were keen to stress that there are sector-specific challenges to further automation, especially in the short term and for SMEs who are less able to meet expensive upfront costs. While further automation may have the potential to reduce the labour requirement in future decades, it is by no means a panacea and recruiters and employers were keen to stress there are some jobs that will never be done as effectively as by a human, especially when these involve customer service.

If an overly restrictive immigration system further squeezes the supply of labour for low-skill roles, there is a genuine prospect of labour shortages in industries that currently rely heavily on EU workers in low-skill roles. The important role played by EU workers in low-skill roles in these sectors was recognised by their recruiters, employers, UK colleagues, and by EU workers themselves. Recruiters and employers in these sectors discussed scaling down, relocating overseas, or closing altogether if they are unable to access EU labour in sufficient numbers, all of which would damage the UK economy through knock-on effects on prices, services, and job losses for local economies and supply chains. While raising wages is seen as a theoretical way to increase the number of UK nationals taking low-skill roles, it is far from just the wage rate that deters UK workers from taking these roles. Many recruiters and employers in these sectors are already working to tight margins and saw any increase in wages significantly above the current rate as unsustainable for their businesses. Recruiters and employers in these sectors felt it would be small and medium-sized firms that would be hit the hardest if wages for low-skill roles have to be increased to find talent. While there may be individual winners in such a scenario, it was perceived to be likely overall to lead to increased prices for consumers, reduced output, and job losses.

## Recommendations

### Recommendations for government

The evidence outlined in this report lends further weight to many of the recommendations for government in the REC's June 2017 report *Building the Post-Brexit Immigration System*. These include:

- ensuring immigration policy is evidence-led and independent of political whim by establishing an independent body to manage migration policy;
- developing an immigration policy road map to the end of this parliament to reduce uncertainty for businesses and EU migrants;
- greater use of the Migration Advisory Committee to provide further evidence in advance of an independent body being established.<sup>15</sup>

As well as supporting these previous recommendations further, we make the following new recommendations on the basis of the findings of this report. Some of these recommendations can be implemented immediately, whereas others are considerations for future arrangements (including any transitional period that the government chooses to implement immediately after the UK leaves the EU).

### Immediate actions

**1. The government should minimise the uncertainty that is already negatively impacting the jobs market. This uncertainty is deterring EU nationals from working in the UK and making EU workers feel unwelcome.**

This report outlines the factors that drive EU workers' decisions about whether to work in the UK or not. Some of these are not within the government's control, such as the improving economies of Eastern Europe and EU workers' family connections. However, the government should reduce uncertainty for EU nationals and enhance the view of the UK as a tolerant, welcoming country to help prevent EU workers leaving the UK by:

- a. ensuring the right to remain to all EU citizens in work with a National Insurance number;**
- b. giving clarity to EU workers on any processes or procedures they need to follow to ensure their right to remain;**
- c. continuing to condemn instances of xenophobia against EU nationals that make the UK a less attractive place for EU workers.**

**2. Local government should engage with local employers to ensure changes to transport infrastructure do not reduce access to jobs.**

UK jobseekers reported an inability to access work from their location as an impediment to being able to take on advertised roles. Local government needs to take account of exacerbating this through the unintended consequences of transport infrastructure changes and should work with local employers to ensure local transport networks connect workers to jobs.

**3. The use of apprenticeship levy funds should be widened to provide progression routes for workers in low-skill roles.**

UK jobseekers reported a lack of progression as a disincentive to taking on low-skill roles. Widening the use of apprenticeship levy funds to allow workers to receive training alongside an elementary occupation would attract more UK workers to low-skill roles and provide progression routes within these sectors.

<sup>15</sup> The full list of recommendations from this previous report can be found on pages 2–3 of *Building the Post-Brexit Immigration System: An analysis of shortages, scenarios and choices*.

## Post-Brexit immigration system recommendations

- 4. Post-Brexit, the government must not overestimate the potential for automation or UK nationals to fill a labour gap caused by any reduction in net immigration. When worker shortages arise, the immigration system should have mechanisms in place that allow employers to recruit from the EU for roles that cannot be filled domestically.**

This report has outlined both the historically low levels of unemployment currently in the UK and the difficulties faced in recruiting and retaining UK nationals for low-skill roles. In addition, employers we spoke to currently operating in these sectors have automated a great deal already and have specific challenges to automating their business any further, especially in the short term. Therefore, whatever restrictions are placed on EU migration once the UK leaves the EU, exemptions need to be put in place for employers who have been unable to recruit domestically to recruit from the EU. Failing to include this contingency risks significant disruption to the businesses and sectors that heavily rely on EU labour and the UK economy as a whole.

- 5. There should be no blanket salary threshold for EU migrants wishing to work in the UK after the UK leaves the EU.**

This report has demonstrated the significant role that EU workers play in low-paying jobs in many businesses, sectors, and the UK economy as a whole. It has also highlighted the difficulties that would be faced in filling these roles with UK nationals or with automation if EU nationals earning below a salary threshold were barred in a post-Brexit immigration system. To ensure that businesses that rely on EU workers in low-skill, low-paying roles can continue to grow, EU workers should not be subject to a salary threshold that would exclude these workers (such as the £30,000 salary threshold that currently applies to Tier 2 visas for non-EEA migrants).

- 6. Provisions for temporary workers and seasonal workers must be included in any new immigration system to ensure temporary and seasonal labour is still available to the UK businesses that rely on it.**

Currently, migration statistics are focused on those migrating to the UK with a view to long-term residence. In our previous research we have shown that these statistics underestimate the role EU workers play in the UK labour force as they fail to consider EU workers in the temporary and seasonal labour force. This report indicates the heavy reliance certain businesses and sectors have on temporary and seasonal labour from the EU and the difficulty these businesses would face in either recruiting replacement domestic labour or automating. To combat labour shortages, these businesses would have to increase prices, increase wages, reduce output, relocate overseas, or shut down.



A future immigration system must recognise this reliance on temporary and flexible work in the UK. The government should therefore:

- a. Introduce a seasonal workers scheme. This would enable businesses to meet seasonal demands in agriculture and also in other businesses with seasonal peak periods (such as distribution warehouses and hospitality businesses). It would also allow the government to monitor immigration and have the necessary evidence to recognise the impact of seasonal workers in the UK economy.**
- b. Ensure a future immigration system is not built on the assumption of EU workers taking full-time, permanent roles in the UK. Many employers rely on and many EU workers benefit from the flexibility of temporary work that freedom of movement has previously allowed. Provisions must be made in any new system to accommodate non-permanent contracts.**

## Recommendations for recruiters and employers

We believe that the best course of action for government would be to follow the recommendations set out in this report and our previous report to ensure the supply of labour that employers need isn't significantly reduced without any obvious replacement. The current system allows EU workers to fill jobs that many UK nationals do not want, and there are increasingly few unemployed UK nationals available to fill these roles.

Based on current migration trends and the research in this report, the number of EU workers available to fill low-skill roles in the UK is likely to reduce in the coming years. Overly restrictive UK immigration policy could serve to exacerbate this even further. On this basis and taking into account the evidence from our online forum with UK jobseekers, here are our recommendations for attracting and retaining more workers in low-skill roles in what is likely to be an increasingly tight sector of the labour market.

### Attracting more jobseekers to low-skill roles

1. Focus on the candidate experience for applicants who are less confident in applying for roles – from simple steps such as providing a telephone number to allow prospective applicants to ask queries, to working with recruiters and not-for-profit groups that specialise in working with excluded groups and helping them into the labour market.
2. Reassess what level of prior experience is essential or desirable for a given role and avoid requesting prior experience for roles that can be picked up on the job and require no formal qualifications.

3. Consider whether different working patterns are suitable for the roles being advertised, including part-time hours, term-time working patterns aimed at parents, and holiday-time working patterns aimed at students (particularly where term times or holidays coincide with peaks in demand for a given business or sector).
4. Make clear in job adverts any realistic routes for progression within roles to attract jobseekers that are looking to build a career or increase their earning potential by starting off in a low-pay, low-skill role.
5. Work as an individual company, in collaboration with other companies and through trade associations and industry organisations, to myth-bust about your industry; work with local schools and colleges to highlight examples of low-skill workers who enjoy their roles and examples of progression that began in low-skill roles.

### **Retaining more recruits in low-skill roles**

6. Allow those who have re-entered the labour market after a lengthy period of unemployment or economic inactivity more time to bed in and adapt to the demands of their role.
7. Take guidance from recruiters and not-for-profit organisations on realistic expectations and suitable roles for new employees from excluded groups.
8. Take measures to better improve workplace culture and working relations between UK, EU, and non-EU workers in mixed workplaces, such as ensuring management takes a firm line on xenophobia and providing voluntary English classes for those who know English as a second language and want to improve their skills.

# APPENDIX I: ACKNOWLEDGEMENTS AND QUALITATIVE RESEARCH OVERVIEW

This research was conducted and authored by Mark Harrison, Senior Researcher at the REC, with research support and assistance provided by Layla Fazal, Communications and Research Officer at the REC.

We'd like to thank all of the EU workers, recruiters, employers, UK workers, and UK jobseekers who took part in this research and helped to make this report possible. We'd also like to thank everyone at the Department for Work and Pensions and at Jobcentre Plus who helped us to recruit jobseekers for our online forum.

Some quotes in this research have been anonymised at the request of research participants.

Here is an overview of the original qualitative research conducted to inform this report.

## Depth interviews

Thirteen semi-structured depth interviews were carried out with recruiters and employers who worked in the warehousing, hospitality, agriculture, horticulture, food production, and construction sectors.

## Focus groups

Three focus groups were held with recruiters in the warehousing, retail, and health and social care sector.

Four focus groups were held with UK workers in the warehousing, hospitality, food production, and horticulture sector – plus one mixed group of UK agency workers.

Four focus groups were held with EU workers in the warehousing, hospitality, food production, and horticulture sector – plus one mixed group of EU agency workers.

## Online forum

An online forum of one week was held with 30 British jobseekers from across England who had been in receipt of Jobseeker's Allowance for at least three months.

The online forum was a private, invitation-only website where current jobseekers were able to answer questions about their job search and highlight images of example job adverts to pinpoint what they liked and disliked about the kinds of roles on offer.

For more information on online forums, visit [www.recollective.com/](http://www.recollective.com/)

# APPENDIX II: ONLINE FORUM JOB ADVERT REVIEW OUTPUTS

Below are the example job adverts used to stimulate discussion in the online forum with UK jobseekers. They were selected to cover three different working patterns (full-time, part-time/temporary, and night shift) and three different industries that currently have a high proportion of EU workers (agriculture, warehousing, and hospitality).

These are anonymised versions of actual job adverts that were live in the spring of 2017 before the online forum was launched in May. We'd like to thank one of our members for giving permission to anonymise their adverts for the purposes of this forum.

## Job advert 1: Crop Pickers

### Crop Pickers

**Reference:** EXAMPLE/REF/123

**Hours:** Monday to Friday, 6am to 3pm

**Salary:** £7.50/hour

We are recruiting crop pickers for a local client.

Previous experience in Trimming/Deleafing is preferred, especially experience in picking, sorting, twisting and cutting vines.

If you have a keen eye for detail, are dexterous, and want to progress in a friendly environment then this may be the job for you.

Priority given to applicants who have previous experience working in a crop picking environment or similar.

A full Induction will be provided on your first day.

Your own transport is required due to times and location and occasional weekend work may be required.

#### How to apply

For further information on this vacancy please email [example@jobseeker.co.uk](mailto:example@jobseeker.co.uk). Quote the job reference and attach a recent CV if available.

Alternatively, please call 01234 567890

## Job advert 2: Event and Catering Staff

### Event and Catering Staff

**Reference:** EXAMPLE/REF/789

**Hours:** Flexible evenings and weekends (part-time/temporary)

**Salary:** £7.50/hour

We have exciting opportunities for confident and enthusiastic people to join our catering team for events and private companies in the local area.

This will mainly be evening and weekend work with some work at night.

If you are looking for part time work then we want to hear from you.

We are currently recruiting for Bar Staff, Kiosk Staff, and Waiting Staff.

#### How to apply

For further information on this vacancy please email [example@jobseeker.co.uk](mailto:example@jobseeker.co.uk). Quote the job reference and attach a recent CV if available.

Alternatively, please call 01234 567890.

## Job advert 3: Night Warehouse Operative

### Night Warehouse Operative

**Reference:** EXAMPLE/REF/456

**Hours:** Monday to Friday, 12am to 10am (night shift)

**Salary:** £7.50/hour

We have opportunities available now for reliable and hard working individuals in a distributions centre based in the local area.

Duties will involve working as part of a busy team sorting parcels into postal areas, helping with loading and a range of other duties.

The business is looking to take people on permanently, so only apply if you can commit fully.

This is a night shift position for Monday to Friday 12am – 10.00am.

Opportunities for overtime are available.

#### How to apply

For further information on this vacancy please email [example@jobseeker.co.uk](mailto:example@jobseeker.co.uk). Quote the job reference and attach a recent CV if available.

Alternatively, please call 01234 567890.



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