

The Role of Migrant Workers in the UK Dairy Sector

by Ci Research
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Background

Migrant workers play an important role within the Dairy sector, and wider Food and Drink Manufacturing industry. This research was conducted to provide reliable, up-to-date and detailed information on the employment of migrant workers in order to inform the industry and enable employers to maximise the opportunities this group of workers can continue to bring.

The current research refreshes Improve's 2005 project and further explores the impact of migrant workers on the UK Food and Drink Manufacturing industry.

Scope of the full report

- Establishes what attracts migrant workers to the industry;
- Identifies the current and likely future use of migrant workers in the industry;
- Assesses the impact of the use of migrant workers on the industry's employers;
- Explores the issues faced by businesses when employing migrant workers;
- Establishes the skills levels and needs of migrant workers in the industry;
- Ascertains what training migrants have received since arriving in the UK; and
- Provides case studies bringing to life how real food and drink organisations have effectively integrated migrant workers and moved them up the 'skills chain'.

Research highlights

There are numerous factors that affect an individual's decision to work in another country. These include the economic prospects (both at home and abroad), the opportunity associated with developing "life experiences" and the chance to enhance existing skill sets.

As economic conditions in the UK decline, the flow of migrants to the UK from these countries is anticipated to fall. It is a matter for debate as to whether some or all of the slack will be taken up by nationals from the A2 countries (Bulgaria and Romania) whose economies are not developing as quickly as those of countries such as Poland, Lithuania and the Slovak Republic¹.

Given the possibility of a decline in the availability of EU based migrant workers, the new points based system for non EU migrants may well start to affect the Dairy and Food and Drink Manufacturing industry. In particular, employers would need to ensure that the individuals that they wish to employ can be categorised under either tier 2 (skilled workers with a job offer to fill gaps in UK labour force), tier 3 (low skilled workers needed to fill temporary labour shortages) or tier 5 (people allowed into the UK for a limited time to

¹ It is worth noting that the UK Government has placed restrictions on the number of A2 nationals permitted to come to the UK. Specifically, they will only be able to work in the food processing and agricultural sectors (<http://www.taurillon.org/UK-restricts-workers-mobility-for-Bulgaria-and-Romania>).

satisfy primarily non-economic objectives, which could include working holidays by young people).

For example, a North West based Meat processing organisation lost Brazilian (Portuguese speaking) skilled meat boners earlier this year despite the company's protestations to the Immigration Department. The organisation was, at the time, pursuing the possibility of recruiting these types of skilled workers from the Ukraine under tier 2 of the new points based system.

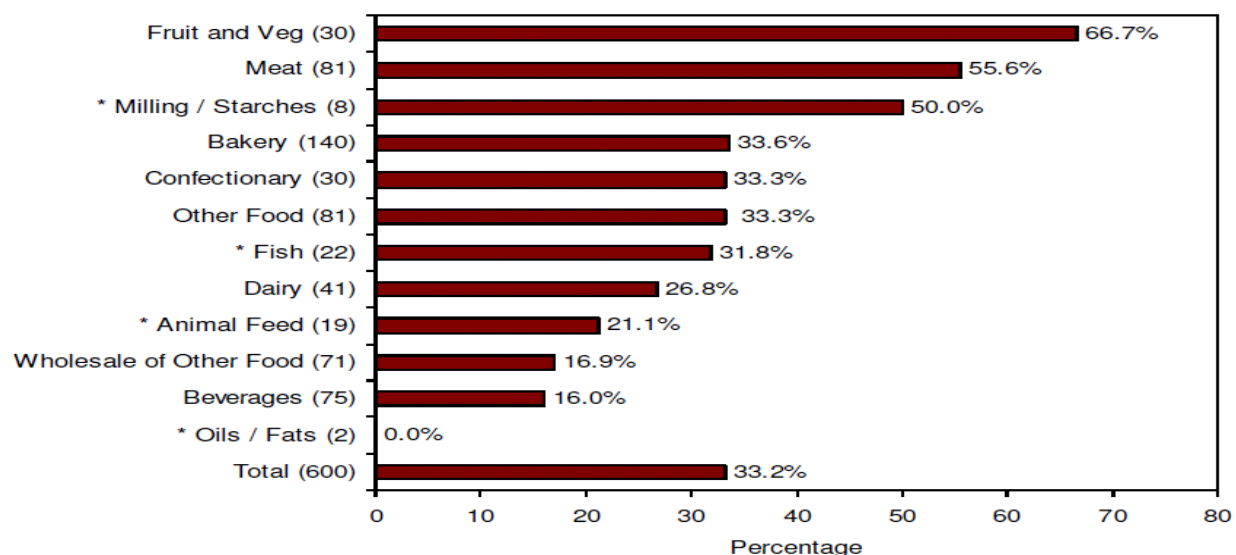
Labour Force Survey data

The most recent data available are from 2007 (Labour Force Survey²) which showed that there were 2,800 foreign nationals working in the Dairy sector, equivalent to 4% of the total number of migrants working in the UK Food and Drink Manufacturing industry (72,400 migrants). This is a decrease of 20% over the 2005 numbers recorded by this official government survey (3,500 workers). 61% of foreign nationals working in the Dairy sector are from Poland.

The 2008 Survey³

27% of Dairy sector employers surveyed currently employ migrants, a smaller proportion than the UK industry average of 33% and below other sectors including the Fruit and Vegetable processing sector (67%), Meat (56%) and Bakery (34%).

Organisations currently employing migrant labour at any site



On average, Dairy companies surveyed employed 11 migrant workers, in comparison to Fruit and Vegetable processing companies who employed 22, the Meat sector which employed 33 and the Bakery sector which employed 55 migrants. Only 16% of all UK Food and Drink Manufacturing companies surveyed employed more than 50 migrants. Those organisations most likely to employ migrant workers are the large organisations in both scope and number of employees.

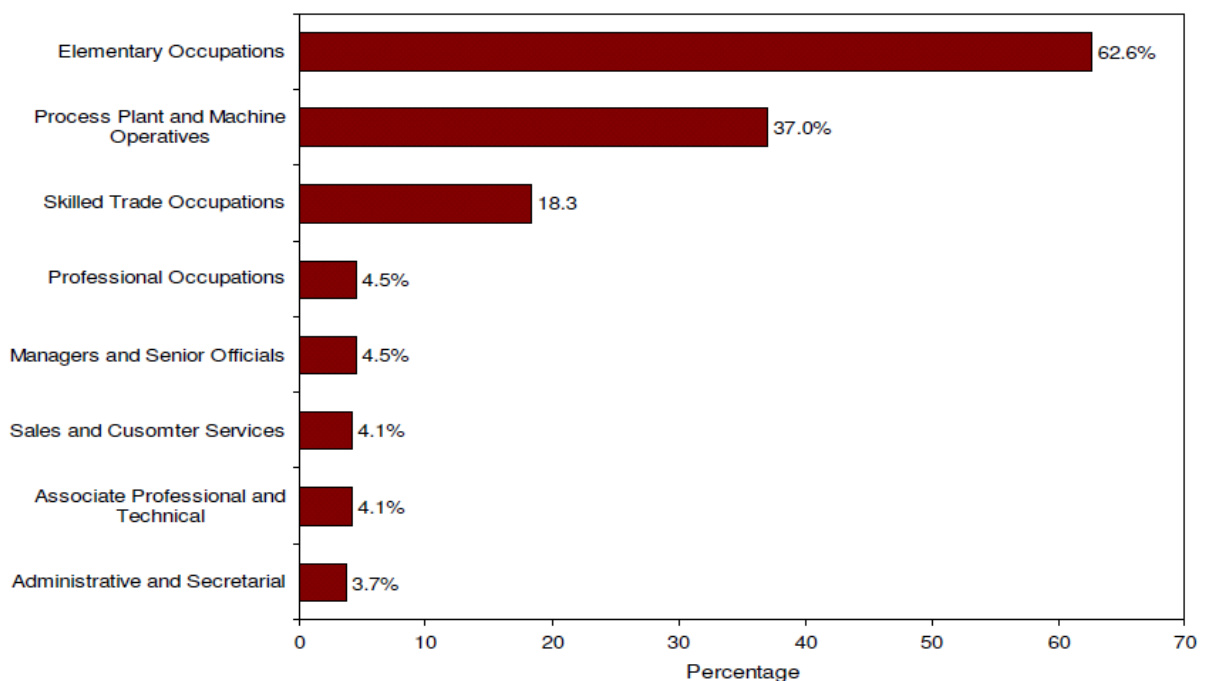
² Labour Force Survey, 4 quarter average, extracted using Supercross. Provides data on all foreign nationals working in the Improve standard industrial classification footprint

³ Please note; Unless otherwise stated the 2008 survey findings presented refer to Dairy data. Some questions asked resulted in base sizes that were too small to provide reliable results for the sector. In these cases, UK-wide findings are reported.

34% of Dairy organisations surveyed had either current or previous experience of employing migrant labour, below the UK industry average of 41%, and other sectors including Fruit and Vegetable processing (70%), Meat (59%), Fish processing (50%) and Bakery (41%). Of those Dairy companies currently not employing migrant workers, only 10% have done so in the past.

The great majority of migrants still seem to be employed in low skilled and unskilled positions; 63% of UK Food and Drink Manufacturing employers surveyed employ migrants in elementary roles (e.g. product packaging) and 37% employ migrants in process, plant and machine operative roles (e.g. machine minding). Only a small minority of employers surveyed employ migrants in management roles (e.g. plant manager, logistics manager), professional roles (e.g. Food Scientist) and associate professional and technical positions (e.g. Food Technologist, Engineer).

Types of job roles in which migrants in the UK Food and Drink Manufacturing industry are employed



There is an apparent trend towards the use of permanent contracts among employers. Those employers who had previously employed migrants tended to do so on temporary contracts while those currently employing migrants did so mainly on permanent contracts. This might suggest that as the influx of new migrants is decelerating, those migrants looking to remain in the UK intend to do so for a relatively longer period of time.

The most popular reason for recruitment of migrant workers was "no particular reason" which suggests that employers will consider any applicant for a role rather than specifically seeking out migrants. There was little significant difference between the reasons given for recruitment of migrants for skilled and unskilled roles across the whole UK Food and Drink Manufacturing industry.

The main reasons for employment given were:

- o Lack of local labour (i.e. there was little supply of local labour), c.26%

- The roles that migrants apply for (there is a perception, amongst migrants themselves, that there are some roles for which they are suited), c.21%;
- Job roles suit migrant workers (i.e. there are roles that employers consider most appropriate for migrant workers), c.17%;
- Unwillingness of local labour to perform roles (local labour is not prepared to under take the roles being offered), c.12%; and
- Lower cost than local labour (i.e. the costs of employment are lower), c.2%.

26% of Dairy companies surveyed would not consider employing migrant labour, compared with 14% of the whole UK Food and Drink Manufacturing sample. In the main these employers cited the size and scale of their business making it unlikely they would employ migrants: typically they are the smaller companies.

The perception of a migrant's lack of skills appears to be divorced from the reality experienced by those Dairy sector employers who actually employ migrant workers, with 64% feeling that migrants had no additional training needs to those of local staff.

In general, Dairy sector employers felt that migrants were beneficial for them as they had a good work ethic (38%), were willing to do the roles required, and were cost effective/value for money (9%). However, only a very small proportion of employers saw past the filling of low or unskilled positions towards migrants' potential to fill more skilled positions. Only 6% of Dairy companies surveyed felt they had specialist skills. With a great number of migrants being in UK employment in roles below their skills levels it appears that it may be employers' perceptions as to their uses and benefits that need addressing to make the most of the migrant resource⁴.

The main drawback UK industry employers perceived concerned the apparent existence of language barriers. When asked outright, 56% of Dairy employers surveyed felt that language barriers made employing migrants difficult.

Employment agencies were the most popular method for Dairy, and the wider UK Food and Drink Manufacturing industry, employers to recruit both skilled and unskilled positions. The employment agencies often take on most of the 'risk' associated with employing migrants and can often provide training solutions as well as providing a cost effective solution.

26% of UK industry employers surveyed reported experience of applying for work permits or visas. The East Midlands, London and Wales were most likely to have had such experience with 47%, 38% and 37%, respectively.

The majority of UK industry employers surveyed (60%) had actually provided training for migrants. Despite language barriers making the employment of migrants within the industry in the UK Food and Drink Manufacturing industry difficult, only 18% of employers actually arranged/provided English for Speakers of Other Languages (ESOL) training. In comparison, job specific training (60%), Health and Safety (52%), and food hygiene training (47%) were relatively more common. This provides more evidence that language issues are in reality less of a concern than some employers might suggest.

⁴ Source: A Trades Union Congress (TUC) report on migrant workers in the labour market, reveals how many migrant workers are trapped in low-skill, low-pay jobs with poor conditions that do not use their skills and experience gained back home. Too often they find themselves working well below their capabilities on the bottom of the jobs ladder, while British workers with similar skills and qualifications are much more senior (<http://www.unionlearn.org.uk/files/publications/documents/123.pdf>).

The proportion of Dairy and the wider UK Food and Drink Manufacturing industry employers who had accessed funding for migrant training was low. Findings from the literature review suggest that funding can be sporadic and demand often outweighs supply. For example, in England ESOL training is only available free of charge to those unemployed or claiming income support, with similar restrictions in Northern Ireland. Funding for training in Scotland and Wales is more accessible.

81% of Dairy employers surveyed stated that they believed migrant workers have had a positive impact on the Food and Drink Manufacturing industry, a larger proportion than the industry average of 74%. Employers with no direct experience of employing migrants were least likely to have rated the impact as positive, suggesting the experience of employing migrants is more positive than originally anticipated.

When employers were asked about the effect if the workers were no longer available, UK industry employers felt there would be negative repercussions around availability of skills, productivity and the number of vacancies. Whilst just over a fifth (22%) felt it would have no impact and 6% felt it would leave them in a position where they may need to close down. Responses from the stakeholder interviews also suggest that a decline in the supply of migrant workers (which is expected) could have serious implications for the sustainability of some parts of the industry. As such, this issue is one that needs to be addressed.

The research methodology involved four key stages; (1) Desk research, including a literature review and secondary data analysis; (2) Telephone survey of 600 employers across the UK industry (41 interviews completed for Dairy); (3) Stakeholder consultation, including interviews with 13 trade organisations, associations and training providers; (4) Case studies with employers of migrant workers.

Case Study - Dew-Lay, Cheesemakers (Garstang, Lancashire)

Capturing the productivity benefits of migrant labour while maintaining a commitment to the local community. See the [full report](#) for the case study.

Key reasons to read the report

- Generate ideas: stir up new ideas for your business by learning from case studies of innovative food and drink manufacturing companies at the forefront of migrant worker employment;
- Business understanding; develop a detailed insight into the profile of migrants working in the industry, the roles they are employed in and what training they have received;
- Find out the views of your industry's Trade Associations; and
- Get the statistics! Benchmark your companies use of migrant workers against the wider industry

For your copy of the [full research report](#), including the Dew-lay case study, please visit the Research section of the Improve website www.improve-skills.co.uk or send an email to research@improveltd.co.uk