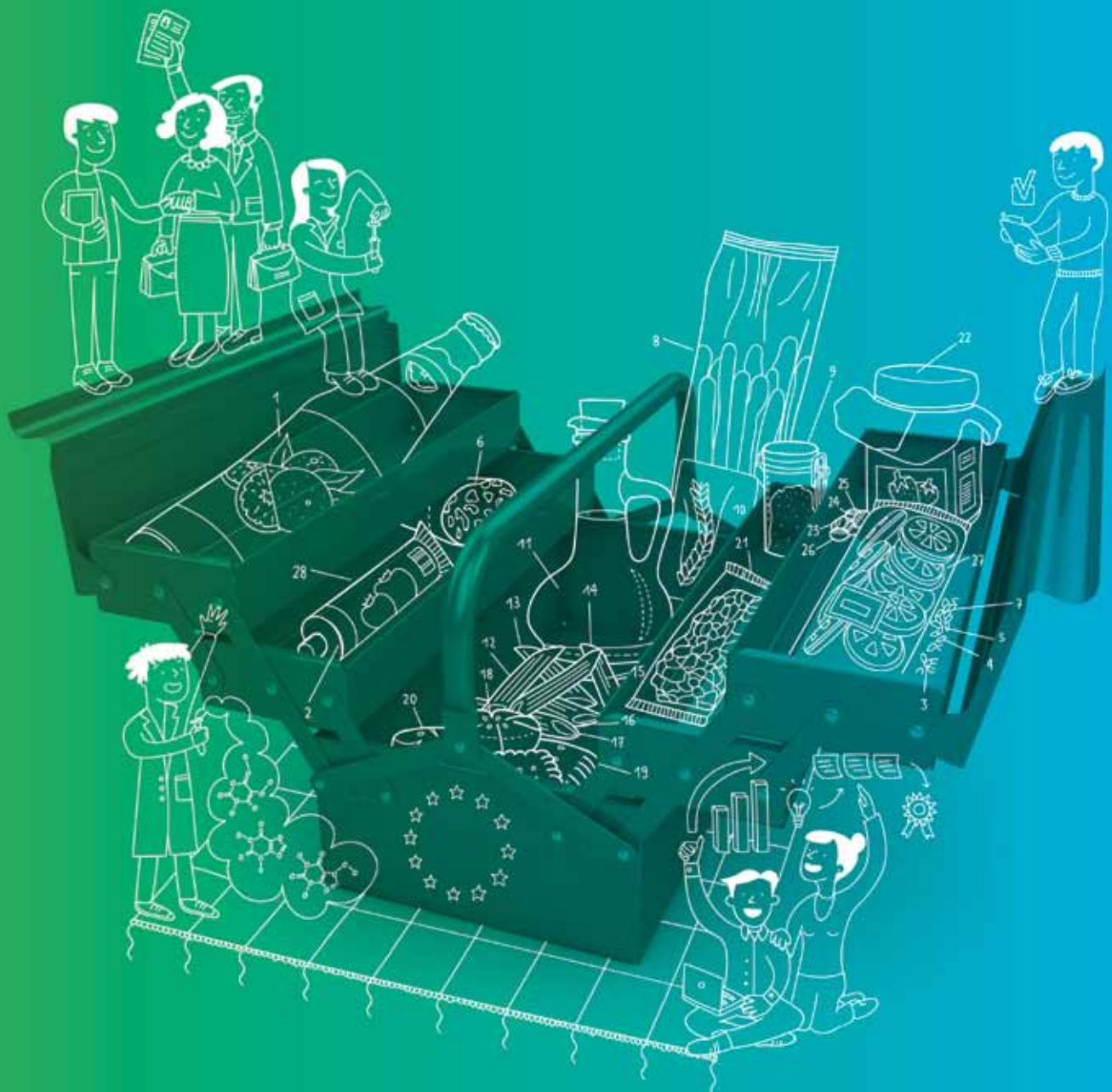




CASE STUDY REPORT: ACTIVE RECRUITMENT OF YOUNGSTERS AT NEW ENGLAND SEAFOOD INTERNATIONAL – A CASE STUDY

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KEY POINTS

- Despite significant efforts to recruit a stable workforce, NESI, a seafood processor based in South London, faced difficulties in finding (skilled) applicants.
- The workforce turnover was too high, negatively impacting business.
- Greater coordination with the local Job Centre was critical to convince jobseekers to “test” a job in the factory.
- Initial on- and off-the-job training is now provided to all new-hires to ensure workforce professionalization and stability and the respect of quality standards

BACKGROUND

THE UK FOOD SECTOR

The food and drink manufacturing and processing (FDMP) sector provides employment to some 400,000 people, i.e. one in seven manufacturing jobs, in more than 10,000 plants. The sector covers meat, fish, beer, soft drinks, confectionery and animal feed, plus bakeries and firms associated with the wholesale marketing of other foods¹. The FDMP sector has an annual turnover of £81.80 bn. (EUR 97.40 bn), accounting for almost 16% of UK manufacturing gross value added. In the past 15 years, employment in the sector has declined, with a total of 80,000 jobs being lost between 2000 and 2008, many of them a direct consequence of the 800 site closures during that period. Job losses have been driven by technology, costs and efficiency savings (partly due to overseas competition), climate change and the relative strength of certain retailers. In addition, the sector has witnessed significant merger and acquisition activity, compounding the downward pressure on employment. Although in the past the sector was low-skilled, it has invested heavily in innovation to remain competitive in the global marketplace. This has led to a change in the workforce, with higher skill levels needed to support this innovation.

UK SEAFOOD INDUSTRY

The UK seafood industry employs just under 20,000 full time equivalent (FTEs) (14,300 for sea fish processing) at 403 processing sites, each with an average workforce of 50. While half of all units employ less than ten workers, a small number of large firms dominate the sector’s employment landscape. The trend is currently towards fewer, larger processing units. The large processing units, employing more than 100 people, account for two-thirds of the sector workforce.

In terms of gender, almost 60 per cent of sec-

tor employees are male, though with female workers disproportionately accounting for the bulk of part-time employees.

The sector is characterized by a low, but significant number of seasonal workers, each on average employed for three weeks. Interestingly, vertical integration across the sector varies widely, with some processors owning or financing fishing vessels, giving them greater supply control and stability.

Labour and especially skill shortages are commonly reported as an issue by industry stakeholders. There are emerging shortages due to an insufficient number of young workers entering the industry to replace those soon to retire.

A variety of technical skill-sets are reported to be in low supply, including skilled primary processing operators (e.g. filleting, shucking, etc.), food scientists, product developers, nutrition specialists, safety specialists, food technologists and software designers. Interpersonal and administrative skills are missing, with difficulties reported in attracting administrative staff above supervisor level; the problem is not in the number of job applicants, but rather in finding people with the right skills and attitudes, as well as a genuine passion for and interest in the industry.

According to a sector survey conducted in 2014, reasons for the shortages of workers with the desired skill-sets included the cold indoor work environment; other industries in the region offering more desirable working conditions or pay; lack of passion for and interest in the industry and/or the work; non-standard working hours and general local labour shortages.

Different recruiting methods exist in the sector, ranging from standard job-boards to word-of-mouth and job marketing abroad.

¹ The bakery (25%) and meat (21%) sub-sectors account for the largest share of the sector workforce.

Some processors see the recruitment and retention of foreign workers as crucial to maintaining a stable labour force. Some are trying to attract skilled labour inter alia through attractive working hours and shift patterns; higher pay; attractive working hours and holiday entitlements.

Some businesses compensate temporary labour shortages through longer working hours for existing staff. Another way in which processors tackle skill shortages is through training and skill development aimed at growing staff from within. Both in-house training and external courses are used to this end.

COMPANY PROFILE AND DESCRIPTION OF ACTIVITIES

New England Seafood International (NESI) is a major supplier of fresh and frozen premium sustainable fish and seafood products in the UK and one of the largest importers of fresh tuna. It is based in Chesham on the outskirts of London.

Founded in 1991, NESI has grown steadily and today employs approximately 400 employees, two-thirds of whom work in the processing factory. Half of the workforce is Polish, mainly but not solely in the factory.

The factory operates 24/24 and workers are divided into night and day shifts. There is no rotation of workers from one shift to the other unless they volunteer. Shifts are long (twelve hours including breaks) but this is offset by a 4-day on/4-day off work pattern.

There is no trade union in the company but there is a "Forum" (works council) composed of day and night shift worker representatives.

The company recruits up to 26% of agency workers to fill gaps, deal with seasonal peaks and

Certain businesses recruit high-skilled workers and provide them with job stability in order to retain them in the long term, regardless of the immediate business need for labour, i.e. maintaining staff numbers, salaries and/or working hours even during quieter periods.

Processors need more funded projects to train young staff in a variety of fields, including skilled primary processing, management, food science and associated skills such as software design. Educational partnerships, apprenticeship schemes and industry ambassadors are expected to help promote the industry to school and university leavers and inspire the next generation.

overcome labour recruitment problems. The HR department's objective is to bring this figure down to a maximum of 10% in the near future.

NESI provides processed fish to major retailers in the UK including Marks & Spencer (M&S), Waitrose and Sainsbury. In 2005, M&S introduced a code that all its suppliers are expected to adhere to, covering its whole supply chain. In a nutshell, the code sets out the values M&S attaches to its brand name and covers issues such as workers' rights, the non-use of subcontracting by its suppliers, product labelling and the environment. The company undertakes regular audits of its suppliers to ensure, as far as practically possible, that they all conform to these principles. As an M&S supplier, NESI is committed to these principles. In practice, according to NESI HR Management, the M&S attitude is to provide suppliers with guidance in implementing the principles rather than cancelling commercial contracts in the case of breaches. M&S regularly organises meetings with its suppliers, allowing them to share their experience and good practices.

NESI is also involved in the ETI (Ethical trade initiative), an alliance of NGOs, trade unions and retailers which sets specific standards to uphold workers' rights. Companies committed to these standards adopt a code of conduct to which all of

their suppliers are required to adhere. ETI companies are expected to produce an annual report to the ETI, explaining how they have implemented the standards and the measures undertaken to ensure their suppliers also do so.

THE CHALLENGES FACED BY NESI

NESI faced difficulties regarding its high labour turnover. In the past it has relied on converting temporary labour to permanent employees after a 12-week trial period. However, due to the low local availability of unskilled temporary labour a large proportion of these workers come from Slough (30 miles from the factory), a factor negatively impacting business.

A significant share of newly recruited employees tended to leave the company after several days, weeks or months. This high workforce fluctuation was having a disruptive effect on production. Moreover, average skill levels were too low to ensure quality standards being maintained in the medium term.

On the other hand, due to structural changes in the UK economy, a high proportion of young people are unemployed.

NESI plays a pivotal role within the supply chain as it is positioned between fishing companies and retailers. Its position is sensitive not only regarding workers' rights and environmental concerns but also in terms of food safety. Its staff must fully comply with top-level hygiene rules and external auditors inspect the company on a regular basis. The hygiene standards could not be met without workforce training and motivation.

The processing team is made up of some 30 different nationalities. Many workers are "newcomers" to the UK and barely understand English. Communication is an issue in each of the processing lines.

The HR department launched a recruitment campaign in the local area, advertising job offers in the local media and on the Internet, but this did not pay off.

THE PROJECT DESCRIPTION: ACTIVE RECRUITMENT OF YOUNGSTERS

Seeking support in its recruitment strategy, HR management decided to contact the Job Centre, a public employment agency. Though there were difficulties finding the right contact, the Job Centre answered to NESI's request for cooperation following the intercession of the Department of Work and Pensions (DWP).

Local Job Centre officials and advisors were invited to visit NESI, including ones specialised in supporting under-24 jobseekers. This resulted to be a turning point: from the moment the advisors had a better understanding of the work involved in the seafood processing industry, they were easily able to identify skill needs and match them to a potential candidate's profile. Job Centre staff

were thus “coached” by HR management, opening the door to a more proactive cooperation.

The company decided to set up an induction process to attract new employees. A tour of the company was offered to groups of 50 - 60 people. Those interested in being trained on the job were invited to apply.

Initial training lasts one month and includes on- and off-the-job training provided by Kingston College², a VET provider close to the factory and specialised in vocational training services for companies. Training consists of providing general food safety skills to the trainees as well as general employability skills. At the end of the training month, trainees are interviewed for a job. The training period is paid for under the UK unemployment benefits system.

In the context of this case study, 3 young British employees of the company aged between 21 and 37 were interviewed to gain their views on the process developed by the company. One of them explained that he considered this training as a kind of “safety net”. He acquired skills making him feel more confident and professional.

Working conditions are of major importance when matching company and worker needs: as fish is quickly perishable, it must be processed within 5 days of being delivered. To accomplish this, a specific work organisation including night shifts is in place.

Below are some points raised by the interviewees:

Employment stability: the interviewees had decided to apply for a job at NESI because their personal situations were unstable. Two had only part-time or precarious jobs and the other had been out of work for three years. The jobs offered by NESI were full-time and the contracts open-ended.

With regard to working conditions, the inter-

² See <http://kingston-college.ac.uk>

viewees had the following to say:

- **Cold:** none of the workers complained about working in a cold environment (the temperature in the processing area is on average 2°C). The company provides adequate clothing and the job requires employees to be physically active.
- **Smell:** one employee interviewed explained that British women would not accept working in a fish factory because they were afraid of smelling of fish. At NESI, the vast majority of women workers are foreign.
- **4-day working week:** the workers interviewed considered the work pattern as a decisive factor for applying for the job. They work 4 days and then rest 4 days. However, shifts are long: 12 hours including breaks.
- **Day and night shifts:** night shifts are offered on a voluntary basis. The night shift is slightly better paid, £1.10 (EUR 1.3) per hour above day shift pay.
- **Communication:** communication is an issue in a factory with loud machines; workers wear earplugs or headphones. The relative lack of English skills of many foreign colleagues sometimes makes processing line organisation “messy”. In some cases, the line manager is however able to translate.
- **Health and safety:** lifting heavy weights, repetitive movements and processing line speeds were identified as negative factors.
- **Career and wage development:** the company has established possibilities for career evolution on the basis of the number of points acquired by workers.
- **Other positive factors highlighted by the workers interviewed:** additional leave on the basis of seniority, clothing furnished, task rotation, teamwork ...

Possible improvements according to employees: once the training is over, it would be good for new workers to have a personal mentor for a certain period.

TRANSFERABILITY OF THE PROJECT AND CONCLUSIVE REMARKS ON THE INITIATIVE

This project is based on cooperation and its transferability depends on several criteria:

- The local Job Centre: the Job Centre officials play a key role in sensitizing young workers to industry needs. Giving them access to the factory was decisive in enabling them to improve their own work in selecting jobseekers;
- Company management: the HR department plays a pivotal role that requires resources. However, workforce instability is greatly disruptive and pursuing this project has clearly been to the company's benefit;
- The workforce: the jobseekers are available in the local community. No specific skills are required from a technical point of view as the company provides basic food industry education. However, workers need to be open to working within an environment of cultural heterogeneity, in the cold and at night. The education that they receive is transferable per se as the certificate issued is valid for two years within the food sector across the country;

- Public funding: The unemployment benefits system finances the 1-month training period. The financial dimension is decisive for recruitment processes.
- Public infrastructure: The public education system provided theoretical input via a VET college close to the factory.

The project has attracted public attention thanks to several awards won by NESI: the Good Employer Award awarded by the British Employer Federation FDF; and the Workplace Wellbeing Charter Excellence Award, a public authority initiative.

Since the scheme started with the Kingston Job Centre in December 2013, NESI has run 4 training programmes and given employment to 13 long-term unemployed, of whom 6 are younger workers. The current programme involves 5 workers, of whom 3 are young.

One of the young workers employed has become a works committee representative and another has moved on to take up a formal apprenticeship.

Interviewee:

*Viv Sage, HR Director
Brian Hamlet, HR & Development Manager
3 employees*



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