



Employers' responses to Brexit: The perspective of employers in low skilled sectors

Heather Rolfe, NIESR

Introduction: the interviews

The EU referendum gave an equal say to all eligible voters but some had more of a stake in the outcome than others, among them employers of EU migrants. Between the end of 2015 and early 2016 we interviewed 24 employers in the low skilled sectors of food and drink, hospitality and construction about free movement and the implications of a Leave vote, publishing [our findings](#) in April. We interviewed most of them again in the three weeks following the referendum. We found them unprepared for the Leave result, somewhat regretful that they had not been more active in the lead up to the vote, concerned for the wellbeing of their migrant employees and worried about their future ability to recruit the labour they need.

Initial reaction to the leave result

Along with the rest of the country, our employers were surprised at the Leave result. None had anticipated the outcome. While all said their initial response had been one of surprise, some expressed much stronger feelings, exclusively negative: more than half said they had been 'shocked' in some way, including 'absolute shock' and 'shock and horror'. Other emotions included disappointment, sadness, frustration and even devastation. A small number described their response as disorientation or like bereavement. One employer, speaking on the 24th June said he felt 'like being in a dark room without knowing what's going to happen'. Another said he felt enraged to the extent he was 'boiling inside' and felt alienated from people in his local community who had voted Leave.

Concerns for the business and for EU workers

In some cases, this response was influenced by immediate or short-term concerns for their business, including the viability of current business deals and on-going trade with the EU. The manager of a brewery chain about to acquire a business was concerned that the loan would be withdrawn. A number of others in the hospitality sector said they had experienced, or were aware of, an immediate drop in business. A number of employers said their immediate concerns had included their welfare of their EU migrant employees, and that they expected to address these workers' concerns for their job security and right to remain in the country. Other concerns centred around

economic uncertainty and the effect of this on business. Employers in Scotland and Wales felt this most keenly, as did a number of employers in the construction sector who felt that Brexit will undermine investor confidence. One employer in Scotland felt there were particular implications for businesses in the country:

‘We are going to have 5-10 years of utter turmoil. Additionally, in Scotland we are probably going to have another referendum as well which is going to further create more uncertainty. So the big multi-nationals investing in Scotland especially are going to think twice’.

Some employers felt that [the Government should have been more prepared for the possibility of a Leave result](#) and for the uncertainty that has followed. In the view of a manager of a resort hotel:

‘All of the instability we’ve got now probably could have been headed off if there had been more clarity about what the tactic would be in the event of a Leave vote’.

At the same time, a number reflected that they had themselves been unprepared for the Leave result and regretted this.

Personal responses

For some, the response was more personal than business related and reflected their own commitment to the EU as a political and cultural entity. Some were also concerned about their personal finances, for example their pension and investments. However, even those whose concerns were largely expressed for their business clearly had a somewhat personal and emotional response to the result, reflected in their use of language. One food manufacturer compared the post-Brexit period as running a business on the outbreak of war in 1939, in that it required a response of continuing in the face of uncertainty and potential adversity: ‘You either sit back and you wait for events to happen or you go and sort it out’.

The employers who were interviewed two or more weeks after the result were more composed and reflective. Some even expressed the view that Brexit will in practice not happen or that withdrawal will be superficial.

Engagement with the referendum

Our employers had been engaged in the referendum debates to varying degrees. Some respondents, or their CEO, had taken part in live debates hosted by business organisations. A number had attended events in order to be informed of the implications for their business. A few had been interviewed by the media and one had campaigned for Remain. While many were aware that some large employers had guided their workforce about which way to vote, only one of our employers had done so directly, a small construction consultancy company. Others had circulated statements made by their CEO on the benefits of EU membership but had not advised staff on which way to vote.

Aside from a few very engaged individuals, most had not been directly involved in live campaigns or events but had engaged through reading newspaper articles and watching television debates. While some had engaged largely with immigration issues, others said their interests in the debate had been more broadly based in business concerns and encompassed trade, investment and general

economic impact. Some said they had become engaged only towards the end of the campaign period, while others said that they had become increasingly bored with it.

Criticism of the campaigns

A number criticised the quality of the debate and behaviour of both the Leave and Remain sides, who were seen as ‘bickering between themselves’ or in a ‘playground scenario’. The Remain campaign was seen as focusing too much on the risks of leaving rather than the positives of staying in. The level of information and quality of the debate around free movement was seen as especially poor. This was noted particularly by employers whose main interest in the debate and vote was with free movement. The manager of a brewery chain commented:

‘And I was thinking well I’m a relatively intelligent person and even I can’t find answers to some of the questions I have in order to make me feel 100 per cent convinced when I put that x in the box. ... It seemed to me that the information that was coming out wasn’t so much factual as more headline grabbing.’

Some employers who attended events reported hostile questioning on immigration, including perceived demands on the NHS and other services. It was felt that Leave campaigners had used ‘scare tactics’ around immigration, referring for example to [Nigel Farage’s ‘breaking point’ poster](#).

The referendum debate didn’t represent or reflect employers’ interests

Our employers felt that the representation of employers on the Remain and Leave sides was reasonably balanced but that it did not represent the range of employers, or employers like them. The media was seen as ‘showcasing’ colourful individuals such as [James Dyson](#) and to give the voice of big business, leaving out smaller businesses and those in less prestigious sectors such as hospitality. As a restaurant manager complained:

‘You heard quite a lot from CBI. You had the business umbrella networks and then you had the big companies. That’s what mattered. But the voice of your normal small businessperson like me, employing 70, 80 people, turning over £3.5 million, serving 90,000, 10,000 customers. We are the backbone of the economy as I understand it and nobody spoke for us.’

The focus on big business was reflected in how employers’ interests were represented, with debates focused on such issues as GDP, share prices and large infrastructure investments. Consequently, employers felt that business interests were seen as remote and self-serving. One respondent said that individuals could not relate to the ‘big numbers’ quoted by both Remain and Leave campaigners. There was seen to be an absence of discussion about how the effect of Brexit on business might impact on the general public and costs of living. Some employers also felt that the benefits of free movement were not stated sufficiently clearly, from the perspective of business. As a restaurant manager explained:

‘If our voice was being heard we’d have been saying please stop with the anti-foreigner rhetoric. We need foreigners for our businesses to succeed’.

Politicians were seen as unhelpful to business, with respondents referring to the alarmism of George Osborne and to the Labour Party's reticence to speak in positive terms about EU membership. There was no 'middle ground' or balanced discussion about the potential impact on businesses. This was seen to reflect the emphasis on political, rather than economic, arguments or at least the disconnect between the two. It also reflected the general tenor of the debate. [The dismissal of 'experts' by Michael Gove and Boris Johnson](#) described by one employer as 'the killer sound bite' was seen to further undermine messages from employers.

Employers should have been more involved in referendum debates

While seeing the circumstances as difficult, a number of respondents felt that employers, either generally or in their own sector, could have been more actively engaged in public and media debates. Employers in manufacturing and hospitality were most critical of their industries. They understood why some large employers did not speak out, in particular the danger of disaffecting customers, as well as the risk of alienating the public who have little sympathy for the plight of big business and banks. However, they felt they could have influenced the debate in a positive way. Employers were criticised as merely [signing a general letter](#) and for not speaking out on specific issues, such as free movement.

'I got phoned up and asked would you put your name to this list of people who are agreeing to this letter to go in The Times which I duly did but it was easy to be anonymous doing that. And I think a lot of us missed and significantly missed the chance to stand up and say things eloquently in a way that represented the business view'.

The failure of many employers' organisations to engage in referendum debates was also explained with reference to [fundamental disagreements over remaining or leaving](#). An additional, and possibly more important factor was complacency and an assumption that the Remain vote would win.

Employers could have done more to inform their workforces

Some employers felt that either they or their company should have done more within their own organisations; specifically to either inform staff or to guide them towards voting remain. They had been reluctant to do so, in fear of being seen as too directive or patronising, or more positively that it should be their own decision. In retrospect, some employers felt their lack of action had left some of their workforce inadequately informed about the implications of Brexit. However, they also reflected that there had been some disagreement at management level, both at whether messaging about the referendum was appropriate, and also about the message itself.

What workplace discussion was there before the referendum?

Very few of our employers had carried out some type of formal engagement about the referendum before polling day, for reasons we have explained. One employer, a small construction consultancy had organised a debate within the workplace with speakers from UKIP and the CEO himself, attended by around a third of the staff. Other employers had made their (Remain) position clear through activity of their CEO during the campaign period but did not engage directly with their workforce. One exception was a budget hotel chain which issued an internal message to employers

explaining the position of the CEO and the company. A cafe chain with a proportion of migrant workers of around 97 per cent, had asked its store managers to reassure their teams that, in the event of a leave result, there would be no change for two years and that the company would continue to welcome EU workers. This was the only company that acted on a growing concern among its EU workforce.

The extent of discussion in the lead up to the referendum varied. Some respondents were aware only of discussions at head office. These varied from being fairly frequent and lengthy to short and occasional. Some employers believed the low level of discussion in their wider workplaces reflected a widespread assumption that the UK would vote to remain. Two employers had been aware of pro-leave and anti-immigration views within their workforce, including through Facebook but not of discussion within the workplace.

While many employers were simply not aware of the extent of discussion around the referendum within their workforces, it was apparent that the referendum featured in discussion at events organised around other issues. For example, a large good manufacturer had organised a series of road shows following a change in ownership which included discussion about the implications of a leave result. Employees were reported to be most concerned about their right to remain in the UK and about trade with Europe. Other employers were also aware of worry among their EU workers, which in one case had arisen in response to the UKIP 'Breaking point'. The CEO of a food company reported:

'Some of the Polish people said to me they just felt a bit pinpointed as the root of all evil'.

Other employers also reported heightened concern from their migrant employees before the referendum, which further intensified after the result.

How did employees react to the Leave result?

While referendum discussions were described as fairly limited before the vote, levels of interest were considerably higher after June 23rd. The surprise of employers was shared by employees and accompanied by a good deal of informal discussion, often focused on free movement issues. The manager of a hotel chain described how this included 'concern around whether the people are wanted in the UK'. Some respondents felt it was ironic that [interest in the referendum and in the EU was higher in the aftermath of the vote](#). The HR director of a food manufacturer stated:

'My disappointment from people generally is if there'd been that level of discussion and engagement prior to the Referendum... perhaps the outcome might have been different'.

Worry from EU workers at the implications of Brexit

Employers reported different a range of responses from their workforce. In general, British workers were largely concerned about implications for the business, while EU migrants were concerned about their future. Many employers were taken by surprise at the level of concern among their EU workers about their continuing right to live and work in the UK. Specific concerns included whether they would be re-admitted to the UK should they travel abroad on holiday. They were also inclined

to see the result as an expression of anti-migrant feeling and said they felt ‘unwelcome’, ‘unsettled’ or ‘saddened’ by the result. The manager of a holiday resort chain stated:

‘The general flavour that I got back [from EU workers] was discontent, concern that English people do not like them being here and what is their future going to be. Because a lot of them have worked here for seven or eight years’.

In the hospitality sector these feelings were reinforced by verbal attacks involving the public. A few employers said that their British staff had expressed concern for their migrant colleagues, particularly where incidents had been reported. Employers also said they had received requests from concerned EU migrants for assistance with citizenship applications.

The response of non-migrants was reported as mixed. In some workplaces Leave voters were ‘very jubilant’. Some British workers for a hotel chain wore Union Jack earrings on the morning of the result, which the employer had reluctantly tolerated. In some other workplaces, particularly at head office level, employees were described as surprised, and not in a good way. Some employees in the construction sector assumed that the result would mean redundancies as contracts were withdrawn or as the sector went into recession, seen by employers as a legitimate concern. Some employees across sectors were concerned generally about the implications for business. However, most concerns were more personal, and concerned matters such as currency exchange for holidays, pensions and future freedoms to travel and work overseas.

Addressing employee concerns - employer activity in response to the Leave result

The main action taken after the result was declared on June 24th was around messaging to EU migrants and other staff. This took the form of both internal emails and site visits to reassure employees that the result would mean no immediate change to their status, or to company business and that the organisation valued its EU employees. In the weeks immediately following the referendum Employers held internal meetings to discuss the implications of Brexit, in particular the short-term risks of economic downturn. Some employers had set up structures such as working parties to consider the implications of Brexit for the business. In the case of a brewery and pub chain this included representatives from finance, human resources, marketing and customer services:

‘We’ve been going through what information is available publicly, looking at business unit by business unit, the potential impacts around movement of goods, movement of people and changes in the financial landscape, interest rates, euro rates, that sort of thing’.

While most employers issued messages to employees, the relative emphasis within communications on either the implications for the business or for EU migrant employees varied, with organisations with larger migrant workforces tending to focus on reassuring these employees. Statements were put out by the CEO or similar to emphasise that their EU workers were valued and expected no change to their status. One company in the hospitality sector, with a very high proportion of EU staff, had put together a flow chart explaining what Brexit might mean for their right to live and work in the UK, and a question and answer sheet also on the implication of Brexit for EU citizens.

While many employers wished to issue positive messages to their EU workers, a number were frustrated that they were not able to be more explicit or reassuring because of lack of clarity from the Government on the right of EU migrants to continue to live and work in the UK.

Dealing with xenophobic incidents

The days and weeks following the referendum result saw [a marked increase in racist and xenophobic incidents across the UK](#). A number of employers reported such occurrences, usually involving verbal attacks from customers to staff. These included a cafe and restaurant chain which received five reported incidents in the two weeks following the referendum vote prompting the company to put in place a policy for customers to have their bill waived and be asked to leave. In one such incident a customer told staff 'I'll come back to your store when it's British'.

The manager of a holiday resort described how, during the weekend following the referendum:

'We had a couple of cases at our [south west] Resort of the European team being abused; saying why are you still in the country? We won the vote you should not be here'.

Employers had not been prepared for such incidents, both because they had not expected the Leave result, but also because they had not expected public reaction to be as hostile and directed at their EU workers.

Implications of the leave result

Although shocked at the result and worried at its implications, employers differed on whether there would be implications for them in the short or longer term. Whether immediate or in the future, few employers felt the result would have no implications for the business or for their employees.

Early impacts

A small number of employers had experienced some initial impact of the Leave result. A construction consultancy had seen the investment for two residential housing projects withdrawn and expected to have to downsize its workforce. Others were concerned about the feasibility of their plans for expansion. For example a hotel chain was planning to establish a new business in the Lake District but was now concerned about whether they would be able to recruit the staff needed. More generally, employers said the climate of uncertainty was bad for business and was particularly likely to put on hold big investment decisions. Concerns were also expressed at the cost of goods supplied from other European countries as the value of sterling fell against the Euro.

Most had not experienced any impact and had a 'wait and see' attitude, including in relation to future immigration policy. They believed they would have to react to new reality but didn't yet know what it would be. The CEO of a food company thought there would be a call from employers for some certainty:

'I think we're all going to go come on guys, come on, let's get moving. Let's get a new PM. Let's get a relationship started with Europe and let's at least start to give some directional answers to some of the critical questions that business wants to know'.

Concern at restrictions on free movement

Some employers were especially concerned about the implications for free movement, which they believed will be constrained in some way once the UK formally leaves the EU. They believed the process of change would be very slow but that it would have a damaging effect on their business. This was felt most strongly by employers with significant numbers of EU migrant workers, and those located in areas of low unemployment and outside major conurbations. [As in our original research](#), many employers, across the three sectors, expressed concern at how they would be able to meet their labour needs should they be unable to recruit EU migrants. A number of employers said that restrictions on the number of migrants in low skilled work would exacerbate their long term and chronic recruitment difficulties and labour shortages. Some, particularly in hospitality, were not only concerned at the number of employees they could recruit, but their quality. A number said that, with fewer EU migrants available, they will need to be less 'picky' and that this would inevitably impact on employee quality. In the hospitality sector this was seen to have implications for service to customers:

'Everywhere you go in the leisure sector you will see lots of people from Eastern Europe. And it is not because they are any cheaper because we have the minimum wage and we have the national living wage. But they deliver a far better experience'.

Brexit could exacerbate existing recruitment problems

A number of employers were worried that the Leave result would increase levels of turnover among their EU workers who would decide to leave the UK in advance of any decision about their right to remain here. This was a particular concern for employers who had already seen a fall in job applications from migrants and who had experienced difficulty recruiting British workers. Brexit was seen as very likely to exacerbate their current recruitment problems. As a manager of a brewery and pub chain explained:

'It is already very, very difficult to fill some of those roles in a rural non-urban location which we are in, even with the movement as it currently is. So we don't think it will necessarily bring new challenges but it might make existing difficulties more pronounced.'

To prepare for this eventuality, a number were taking steps to retain their existing staff, including through supporting their applications for permission to remain and citizenship. For some companies these plans entailed sizeable costs: with one company expecting that almost 800 staff might take up an offer of assistance, requiring additional company resources or legal service fees.

Reviewing pay, reward and progression to attract more British workers

A number of employers were exploring ways of attracting more British workers. As we found in our pre-Brexit interviews, many were engaged in initiatives to attract more young people and local British workers. Post Brexit, they thought this would now need more serious investigation and action. One cafe chain with a largely migrant workforce said that while finding ways of attracting more British talent to the business was always on its agenda, it had now jumped to the top. In another organisation, in the construction sector, early discussions had taken place to review its resourcing strategy and how it might attract more British applicants. This included looking at pay and other aspects of the reward package. Other employers were planning similar reviews.

While believing that offering higher pay might attract more British workers, many felt they had limited flexibility and that pay would have to be increased substantially and to unaffordable levels to boost recruitment. A fish processing company had estimated that, with a workforce of 500 employees, raising pay by £2 an hour would cost an additional, and unaffordable, £2 million a year. Respondents stated that any increase in labour costs would have to be passed on to the customer, and that this was unlikely to be feasible. Employers also identified a broader risk to inflation should they and others increase pay rates, and that this would wipe out the benefit of a small pay increase.

As in the initial interviews pre-Brexit, employers commented on their sector's lack of appeal to young people. Each sector was seen to have its own challenges: construction in the physical nature of the work and environment; food processing in shift work and uncomfortable working conditions; and hospitality in shift work and pace of work. These challenges were raised again in the post-Brexit interviews and employers in all sectors identified a need for more clearly defined career pathways, career opportunities to attract school leavers and significant reform of our education system.

Immigration policy options – a preference for free movement

Employers wished to be part of any consultation process on future immigration policy but were doubtful that their views would be fully considered. As the HR manager of a cafe chain stated:

‘The Government's going to tell us, they're not going to consult, the government's just going to tell us this is what we're doing and then we're going to have to find ways of working with it'.

All employers said that their preferred future policy for EU immigration was free movement. A number, across the three sectors, said it was essential to keep free movement for businesses like theirs to thrive. A manager in the construction industry stated:

‘We'll have no alternative because we've got a massive skill shortage in the UK, especially on our trades, including down the lower end like pipefitters, welders, steel erectors, there's a massive shortage of labour. If we couldn't use that freedom then we'd never build any power stations'.

Employers with substantial numbers of EU migrants felt particularly strongly that the rights of existing migrants should be guaranteed. They also felt the existing stock of migrants was not sufficient to meet future needs, particularly given the probability of emigration. Others believed that, for the health of the UK economy, access to the single market would have to be retained and that free movement would therefore continue as part of this, or other trade agreements.

A few employers were of the view that the negotiations to leave the EU will not result in any real change in relation to immigration, with free movement set to remain in some form. They felt that such a deal would have to be struck because of the impact that restrictions on the supply of labour would have on business and the economy. Two employers in the construction industry stated:

‘An end to free movement will massively affect industries like hospitality and agriculture and that won't be allowed to happen'.

‘We need something that allows the Government to say that they are no longer allowing the free movement of people but which is. It won't be the same free movement as people have now, if you follow what I mean and it has to be fudged around the edges'.

Reconciling employers' interests and public opinion

While acknowledging the potential damage to the economy, some employers felt that retaining free movement would be incompatible with meeting the expectation of the majority who voted Leave. Employers were aware that the result was to some extent at least [a vote against free movement](#) and that the current and future governments would be under pressure to bring it to an end. As two employers, the first a restaurant manager, the second the CEO of a food company stated:

‘There’s a bunch of us who think we need more immigration and more people coming here and there’s a bunch of people who, for whatever reason, are deeply afraid of that happening’.

‘The outers’ view is that migration will stop and we’ll suddenly have a sensible level of tens of thousands net migration whereas anybody I know who works in a food manufacturing industry is thinking “oh crikey, if that happens, we’re going to be seriously stuffed in terms of what we can do to make food”.’

Other employers shared these concerns that public expectations and economic necessity were at odds and will not be easily reconciled. Not all employers were convinced of this, however, with some feeling that it was about sovereignty and that free movement might therefore not be as unacceptable to the public as one might assume.

Alternatives to free movement – points based systems and sector-based schemes

Our pre-referendum interviews explored alternative immigration policies, including a points-based system, increased immigration from outside the EU and sector-based schemes. These discussions were highly speculative and employers’ responses were more focused and considered in the post-referendum interview.

Employers did not feel a points-based system would meet the needs of their sectors because their overwhelming need is for low skilled workers who would be unlikely to be included in any such arrangements. There was concern that a permit system would come with specific pay rates which would be above those paid to workers in food processing and hospitality and much construction work. There were exceptions which were seen as potentially suited to a points based system. These were skilled trades in construction and chefs in hospitality.

While some employers felt that, in principle, a visa system might work they did not want a system which was costly or which involved excessive administration and bureaucracy. Many employers had experience of applying for Tier 2 visas and complained at the cost and time involved, describing it for example as ‘a massive pain in the backside’. They assumed that any system involving visas would necessarily involve time, both in completing applications and waiting for decisions. They also expected it to be costly. Employers with sizeable migrant workforces were particularly concerned at the cost and time implications of making visa applications:

‘If we are still looking at 100 hundred, 200 people and we continually have to apply for work visas for them that would create some background administrative and cost burden to the business.’

This employer saw one option as relocating the production site to mainland Europe and recruiting local staff. Visas were also seen as unattractive to potential employees. The manager of a budget

holiday chain was concerned that migrants would not want to be involved in visa applications, especially for temporary work:

‘At the minute [the UK is] very popular because overall we have a good living standard. But when you throw other factors in to the decision making, i.e. it is difficult to get a visa, it takes too long to get a visa, is it worth it if I just want to come and work for three months?’

A number of employers referred specifically to [Australia’s points-based system](#), believing it is inappropriate for the UK both in the high numbers it admits and in its orientation towards permanent settlement. A number of employers identified an advantage in EU migration in its temporary nature enabling them to recruit temporary workers for seasonal work and peaks in business. They felt that, like visa systems in general, the Australian system would not be sufficiently flexible and responsive to meet their needs.

Some employers in food processing and hospitality felt that a sector-based scheme, such as the former [Seasonal Agricultural Workers Scheme \(SAWS\)](#) might work. This option has been mentioned by a number of migration experts, including the [Migration Observatory](#), as well as [industry representatives](#). Some employers were concerned that this might involve a lot of bureaucracy and cost, and also that potential migrants might decide to work in other EU countries where such restrictions do not apply. Such concerns aside, there was some interest in the idea of sector based schemes, with one hospitality employer feeling that it would at least acknowledge the industry’s importance to the economy.

More non-EU workers?

When interviewed before the referendum, a number of employers said they had no preference over the origin of migrant workers and said they would be equally happy to recruit non-EU migrants. They reiterated these views in the post-referendum interviews. However, some employers did have a preference for EU workers: a cafe with a French name and image wished to continue to recruit French and other European staff; a hotel chain recruiting from within Eastern Europe said it would not be practical to use this method in more distant destinations. However, while many did not have a preference, some employers expressed doubt that they could attract individuals from distant countries for low-skilled and low-paid work. Any system which required individuals to make their own applications was considered likely to deter only the most motivated individuals. Moreover, many employers doubted that such a policy would be put in place, feeling that non-EU immigration has historically been less acceptable to sections of the British public than European free movement.

Conclusions

We explored the responses to Brexit with only 17 employers. However, they are likely to reflect the views of employers across their sectors and more widely. Our research highlights a number of current concerns. These centre around the rights of existing EU workers and the need for Government decision on their future status and the nature of any restrictions on the future of free movement.

Employers felt their views were not represented in media referendum debates. They felt the focus was on big employers, big characters and big numbers, all of which meant little to the general public. The interests of business were seen as separate to those of the public, despite the likely knock-on

effects of business impacts on employees and families. The [‘Regretxit’](#) reported from some Leave voters was mirrored in a feeling from some employers that they should have sent out a stronger message to their workforce, explaining the benefits of the EU to the company, and to their jobs. This raises an interesting question about the role employers should play in democratic events. The fact that few made statements to their employees or had a public profile may be explained by the decline in unionisation and de-politicisation of the workplace. While some trade unions were actively engaged in national debates, none of our employers talked of any union engagement with the referendum debate at workplace level. It is likely that, as with employers’ organisations, they were paralysed by divisions within their membership.

For many employers, uncertainty about future trade and immigration policy is the biggest source of potential damage. In the short term, employers need clarity about the future of EU migrants living and working in the UK, so that they can give reassurance, prevent turnover and respond appropriately to the wellbeing of their staff. The [opinion of immigration experts](#) is that the UK will have to guarantee the rights of existing migrants, and this needs to be officially acknowledged and stated for employers to take such action and to plan for the future. Employers also want some reassurance that they will be able to get the labour they need, including through immigration.

Employers who rely on migrant labour are aware that their perspective on immigration is at odds with large sections of the British public, particularly those who voted Leave. Low skilled sectors in particular depend on migrants, including from the EU – almost one in four workers in food and drink manufacturing is an EU migrant. It is hard to see how immigration can be reduced to levels apparently demanded by the public without incurring considerable damage to businesses and the economy. There is scope for a more informed public debate on immigration, including through [better use of evidence and statistics](#). However, this is likely to take longer than even the protracted process of leaving the EU.

Our research emphasises the importance of including employers in debates and decisions about free movement and the terms of Brexit. British Future advocates a [public conversation](#) on immigration through a ‘bottom-up’ approach involving employers among other stakeholders. The referendum result makes this more necessary and urgent. Jonathan Portes suggests [a public consultation on post-Brexit immigration policy](#) coordinated by an independent body such as the Migration Advisory Committee. Any such consultation should address the concern among employers about their future ability to recruit the labour they need. Theresa May has started to [engage small employers in post-Brexit discussion](#) through representative bodies including the British Chambers of Commerce and the Federation of Small Businesses (FSB). Continuing discussions should include employers across the widest range of sectors and of varying sizes and circumstances. It should aim to determine where we need migrants, why and whether there are alternatives. The referendum debate focused too much on big employers, big characters and big numbers; we now need to look at the detail, to take account of all perspectives and develop a workable and fair immigration policy.