

Research Report

Exploring identity, place and worker attraction and retention in rural businesses

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Non-technical abstract

This project, underpinned theoretically by a 'sense of belonging' and a holistic place-based approach, was designed to explore the challenges rural organisations in the Derbyshire Peak District (DPD) have with attracting and retaining workers. Interviews in the DPD were conducted with 56 participants representing employers, business support organisations, community groups and local authorities, as well as employees. The findings show the area has a complex and differentiated labour market stemming from the challenges associated with influences at global, national and regional levels. Connectivity across the region presents difficulties for workers without their own transport and poor digital infrastructure limits opportunities. Younger workers are also deterred by high property prices. Covid and Brexit have worsened the situation resulting in staff losses, skills shortages and individuals reevaluating their employment expectations. Emphasising the natural capital of the area and understanding an employee's orientation to work can help employers to alleviate the challenges these organisations face.

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Non-technical executive summary

This project, underpinned theoretically by a 'sense of belonging' and a holistic place-based approach, was designed to explore the challenges rural organisations in the Derbyshire Peak District (DPD) have with attracting and retaining workers. Interviews in the DPD were conducted with 56 participants representing employers, business support organisations, community groups and local authorities, as well as employees. The study found the area has a complex and differentiated labour market stemming from the challenges associated with influences at global, national and regional levels. Connectivity across the region presents difficulties for workers without their own transport and poor digital infrastructure limits opportunities. Younger workers are also deterred by high property prices. Covid and Brexit have worsened the situation resulting in staff losses, skills shortages and people reevaluating their employment needs. Emphasising the natural capital of the area and understanding an employee's orientation to work can help employers alleviate the challenges organisations face. The study highlights several implications for government, business support organisations and employers. One important recommendation is to encourage strong collaboration and co-operation between local authorities, business support organisations and employers to create critical mass when addressing common staffing issues.

Introduction and background

Rural organisations are facing unprecedented staffing challenges. Not only is it difficult to recruit employees, but it is also a challenge to try and retain staff in locations where it may be hard for individuals to travel to work using public transport, accommodation prices are high and job prospects are more limited, particularly for younger workers. A recent report has also suggested that people who live in rural areas but work in urban locations use their skills in their place of work rather than for the benefit of rural locations where they live (Statistical Digest of Rural England, 2022). These staffing challenges have been exacerbated by factors such as Covid and Brexit which have led to, for example, more people wanting to work from home and new requirements associated with working in the UK for Europeans. Thus, as Hoyos and Green (2011) have suggested, rural employers' recruitment and retention issues should consider the wider political, demographic and economic context and not be explored in isolation.

That said, working in rural locations has a strong appeal for many, especially those located in areas of outstanding beauty such as the Derbyshire Peak District, which is the focus of this study. In these places, employees often have a strong sense of belonging with the local communities in which they live and work, remaining loyal to their employers for many years. However, this has led to the area being perceived as a 'green graveyard' where people retire, making it difficult for employers to attract new and younger workers. The population of the Derbyshire Peak District (DPD), consisting primarily of the High Peak and Derbyshire Dales areas within the Peak District National Park, is approximately 162,000 and has remained more or less static since 2011. 28% of inhabitants in the Derbyshire Dales and 22% in the High Peak are aged 65 years or older. This compares more broadly to 18% of the inhabitants in England. Within Derbyshire, Derbyshire Dales has the greatest proportion of those aged over 65. Housing costs vary significantly across the region. The median house price in the Derbyshire Dales is

£315,000, compared to £175,000 in more urban areas in Derbyshire, like Chesterfield (Derbyshire Observatory, 2024).

Tourism forms a large part of the economy in the Derbyshire Peak District as well as other labour-intensive sectors such as mining and agriculture. A reduction in visitors and business closures during Covid, in addition to many overseas workers permanently returning to their home countries, has meant that the labour market has become exceptionally difficult for both large and small employers. This is in spite of the area being located near to large cities with active labour markets, such as Sheffield, Nottingham and Derby. The DPD is an area of outstanding natural beauty in the form of the Peak District National Park and research has demonstrated that the natural assets within a region can attract people to live and work in it (Barnard and Atkins, 2022).

The aims of this project, therefore, were to:

- Explore the role of identity and place in attracting and retaining workers in the DPD.
- Explore how the labour market in the DPD has been impacted by challenges, such as Covid and Brexit
- Identify how DPD employers can be supported to overcome workforce challenges associated with rural places.

Research design and methodology

The project focused on capturing the real-life experiences of attracting and retaining staff in the DPD and through action learning, a set of co-created recommendations for stakeholders were developed. The first stage of the study used a place-based approach to explore how 'natural' capital underpinned the sense of belonging felt by individuals in the DPD. This stage focused upon the views of those who had formal responsibility for place-based issues in the region. It consisted of 28 in-depth interviews with representatives of business support organisations, local government, tourist attractions and community groups. Results from this stage were presented in a stakeholder event to gather feedback on the findings and to ascertain the most pertinent issues that required further investigation.

The second stage of the research, informed by the first stage, delved deeper into the influence of identity and place on attracting and retaining workers. It also explored the impact of Covid-19 and Brexit on the labour market in the DPD and sought to identify how businesses could be supported to overcome their workforce challenges. For this second stage, the team conducted a further 28 in-depth interviews with employers and employees from a range of sectors (e.g hospitality, mining, manufacturing, visitor attractions) and from different sizes of employer such as SMEs and large organisations (according to staff levels). Findings from this stage were presented at a stakeholder event which included speakers from national and regional support organisations. Feedback from this event and wider stakeholders informed a co-created policy brief and an attraction and retention toolkit for employers. Both the toolkit and policy brief provide recommendations for employers, business support organisations and local/national government.

All 56 participants interviewed for the study were identified through purposive and snowball sampling with the research team using their local networks, supplemented by web-based searches, to select suitable interviewees. Interviews were primarily conducted online with a small number carried out in person. All interviews were transcribed and analysed thematically using the qualitative analysis software package NVivo.

Findings

The interviews revealed a complex and differentiated labour market within the DPD. Employers faced challenges from events and influences at global, national and regional levels.

In terms of **global influences**, Covid-19 had a profound effect on employment patterns across the UK. The research showed the impact in the DPD, with employees now seeking flexible, hybrid working and a better work-life balance. As one respondent remarked: *"I think Covid has very much changed people's perceptions of what they do or don't want to do and what their work-life balance is."* Similarly, another employer stated: *"We've lost some really good candidates because they want to work at home."*

National influences also impacted on talent flow in the region. Brexit had led to issues with the availability of labour, especially for employers that had relied on a large pool of European workers. These problems had forced employers to seek workers from outside the EU, which had increased their costs. One employer remarked: *"We saw a lot of our Eastern European workers, who worked in our hotels both in Derbyshire and in North Yorkshire, go back home. Many had worked for us for many years, and we have lost 80-90% of non-British citizens."* Another employer from hospitality stated: *"Even where we're bringing chefs over from South Africa, we are having to pay approximately £3,000 per chef in upfront costs."*

At the **regional level**, challenges for employers included operating in a tight local labour market. Employers found it difficult to attract staff with the appropriate skills and experience in sufficient numbers. An employer in manufacturing stated: *"On the production side of things, we... got about maybe 30-odd applicants, of which a lot were either over-qualified or had not actually [got] any of the skillset that we needed."* Another participant working in the mining sector said: *"There is a shortage of qualified technicians in this area, and people are quite happy with who they're working for... People don't want to move."* Interviewees also highlighted the lack of appropriate training opportunities for young people. An employer in the visitor economy said: *"I do worry about some of our specialists, because we struggle to get bakery apprentices... heritage skills... like specialist painting and decorating... skills that'll disappear if apprentices don't get pushed for at schools and colleges."* Other businesses faced challenges peculiar to their sectors. For instance, those in hospitality felt that the industry was not seen as a good place to work: *"We lost a lot of people from the industry. I think that hospitality wasn't considered a credible career."*

Several DPD businesses, such as those in hospitality and tourism, were seasonal resulting in many jobs being temporary. This presented issues in terms of attracting and retaining staff leading one respondent from a visitor attraction to state: *"Because many of our jobs are part-time and seasonal, we attract people at the end of their careers. They might have been headmasters or police chiefs – many who might have been CEOs, actually."* The older age profile of the local population led to a lack of young workers, primarily because younger people often left the region for other opportunities. A representative of a local authority remarked that: *"The pool of young people doesn't really get any bigger in the Peak District, they tend to drift away."* And similarly, a participant from a business support organisation said: *"In 50 years' time are we going to be a community of*

retirees? There is a problem with the Derbyshire Dales and the Peak District becoming a green graveyard."

Employees faced several challenges associated with working in the DPD. While employers found it difficult to find workers, employees also reported difficulties in finding a job. An employer in hospitality said: *"I'd say there aren't a lot of opportunities, if I'm honest – waitressing, pot-washing, things like that. And you find that you've got 50 or 60 people applying for this one job, coming from all over."* Similarly, a worker in the region said: *"I think there aren't a lot of vacancies... There isn't a lot certainly at the level that I would be looking at."* Structural challenges such as the cost of living, a lack of affordable housing, broadband and poor transport in and around the region caused problems for staff. The lack of broadband and internet access deterred some applicants from applying, especially if they wanted to work from home. Poor public transport and the cost of owning a car were the major causes of mobility problems for workers, as these employees remarked: *"Public transport – it's terrible, and it's disjointed beyond belief"* and *"Well, to be honest with you, I think transport is a big [problem] if you don't have your own transport. The bus service is very difficult – [the times are] very set."* The lack of affordable housing meant people also had to travel long distances to work, as an employee stated: *"Housing is expensive round here, because there's a lot of holiday homes now. There's very little affordable stuff. A lot of what I would happily call nimbysism goes on."*

Whilst there were several challenges to working in the area, the **quality of life, sense of place** and **natural capital** associated with the area as a means of attracting and retaining staff appeared to feature in the responses. Workers had a strong sense of belonging to the area, which was recognised by employers as a factor in attracting and retaining staff, as this manager remarked: *"I think a lot of people are... quite proud of living here and where they work."* It was also reflected in responses from employees, who explained that the countryside was a big part of the attraction of working in the DPD. One worker in hospitality stated: *"I come through the back hills to Bakewell... Just that calmness and that peace [when] driving to work every morning – you know, cows in the fields, sheep, lambs, all of that stuff."* Similarly, another employee stated: *"I do feel connected to the area... because I've been here since I was a kid really – well, a lifetime. So everywhere feels so familiar."*

Some employers had moved away from a one-size-fits-all approach to the employment package and instead offered **a broad range of different rewards** to attract and retain staff more effectively. This included flexible and home-working options, different shift patterns and subsidised travel. This 'cafeteria'-style rewards system, which could accommodate different individual orientations to work, helped make them employers of choice. It also enabled them to address the challenges associated within the DPD labour market. One large employer stated that: *"So I think there's a lot of the sort of flexibility and wellbeing stuff that we support with and less of what I would call the sticky HR issues."* A smaller employer stated that: *"We do incentives... for [our staff] to gain physical cash vouchers, nights out, team days out. As well as kind of staff parties, we organise brewery trips, wine-tasting days out. And we try and do one day a month... to try and create a community culture within the team."*

Key conclusions and implications

The study suggests that a place-based approach to recruitment and retention could develop a strong regional brand that emphasises the natural assets of the DPD region to workers. Employers could also enhance their local reputation with a flexible and customised approach to their total rewards packages. Both approaches would help to offset the challenges associated with the complex and tight DPD labour market. These challenges include global, national and regional impacts and events which are influencing the ability to attract and retain workers in the area.

Findings from the research have implications for national and local government and intra-organisational practice, as appropriate national policy is fundamental to the survival of healthy rural businesses that can underpin the vibrancy of their local economy and community. Specifically in terms of:

- Education policy
 - Apprenticeships as a way of addressing the ageing worker demographic in rural communities. One approach would be to update the scheme to be more appropriate to the needs of small and micro businesses. Unique features could include hybrid apprenticeships that cover more than one business area and pooled apprenticeships, shared between small or micro businesses.
- Infrastructure
 - Encourage and enable local government to work together to develop a fit-for-purpose public transport infrastructure. Consider providing central government funding to subsidise rural bus services and/or community transport options to move workers into and across regions.
 - Providers should increase the quality of broadband coverage in rural areas to enable businesses and communities to fully engage with the digital world.
 - Encourage and enable local government, developers and housing associations to provide more affordable housing for workers who can then live closer to where they work.
- Benchmarking
 - Fund research to benchmark and compare approaches to solving problems with recruitment and retention of workers in other rural communities both nationally and internationally.
- Cooperation and collaboration
 - Local government has a duty to understand and support the needs of its local communities and ensure that those in rural areas do not lose out through cooperation between local councils and business support organisations.
 - Promote the DPD as a 'place to work', rather than just a place to visit. Multi-agency coordination would enable the communication of a consistent brand to prospective workers, giving a geographical perspective to the message.
 - Translate the idea of natural capital into a central plank of business-focused communications, reinforcing the associated sense of belonging

and the improvement in mental and physical wellbeing that this creates for rural workers.

- Fund a facilitation role that helps rural businesses to successfully access government business support that may support worker attraction and retention.
- Fund a coordinating body to work with employing organisations to co-create ways to address common staffing issues such as transport to work, staff training and marketing the region as a place to work.

There are also implications for business support organisations operating in the DPD region:

- Business support organisations should work with businesses to create a holistic, place-based approach (in addition to industry/sector-specific strategies) that supports worker attraction and retention to the region.
- Enable companies to promote the benefits of working for a small business, such as the opportunity to multi-skill and to take advantage of multiple career paths.
- Support businesses to change the negative perception of certain industries that are important to the rural economy, such as hospitality.
- Encourage and enable employers to tackle shared problems, both between sectors and within them. Examples include: The possibility of sharing/funding transport to bring workers into remote locations that are poorly served by public transport, large employers could make excess spaces on their in-house training courses available to eligible employees of other, smaller, local companies. Small companies could cooperate and share the cost of training.

Finally, there are implications for employers in the region:

- Rural businesses of all sizes will be stronger when they work together to create critical mass to address recruitment and retention problems.
- Businesses should be willing to cooperate. Coordinated by business support organisations, companies should form a network to support one another – for example, as part of a corporate social responsibility initiative, an additional revenue stream or as a way of creating economies of scale to help justify initiatives such as shared transport for workers.
- Employers should emphasise the natural capital of the region and the links to a better quality of life to attract workers. Testimonials from existing staff could be used to promote this and incentives offered for positive word-of-mouth recommendations.
- Employers should be aware of the various orientations to work of their employees. They should seek to offer a total rewards package that makes the company appealing to individuals at all life stages.
- Organisations can take action to retain their workers. For instance, they can enable staff to rotate around the organisation to fill skills gaps and enable employees to become multi-skilled. This provides job enrichment (rather than just job enlargement).

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