



THE ADECCO GROUP

Brexit tracker

Winter 2017–18

Data collected as part of the survey for the CIPD/
The Adecco Group Labour Market Outlook (LMO), Winter 2017–18

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Action levels among UK businesses with respect to Brexit continue to edge up

There are fewer and fewer businesses in the UK who have yet to take action with respect to their workforce following 2016's EU referendum – decreasing for the third consecutive quarter (and third Brexit Tracker).

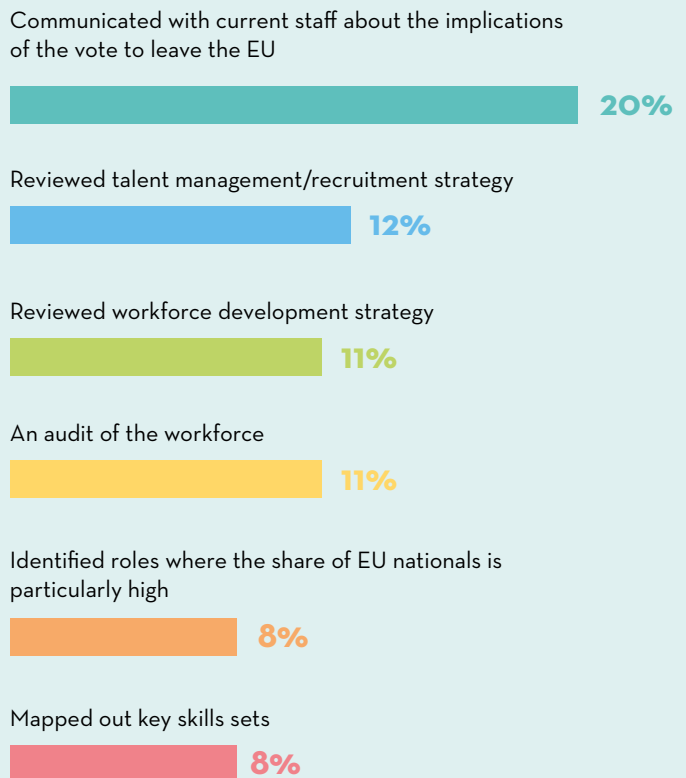
That said, this still leaves a significant minority (44%) who have not taken any action in the last 18 months. Action is far more prevalent among larger organisations where only three in ten have failed to act thus far, but smaller and medium businesses are more than twice as likely to have not taken action. The private sector (45%) continues to be more likely to have failed to act than the public sector (38%), while 'finance and insurance' remains the most active industry.

Simple communication with the workforce remains the most popular choice of action, with one in five companies now having taken that route. More than one in ten have now decided to review either their talent management/recruitment or workforce development strategies, or undertaken an audit of their workforce.

Percentage of UK organisations that have NOT undertaken action related to their workforce as a direct result of the vote to leave the EU:



Which of the following steps, if any, has your organisation undertaken as a direct result of the vote to leave the EU?





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This increasing level of activity sits nicely alongside the trend in a different question that was posed, where increasing numbers of organisations said they now have enough information to start making decisions about their post-Brexit recruitment strategy. This figure has also risen on consecutive trackers, up from 25% in the summer to 30% in the winter edition. This is still a minority, with half of organisations not comfortable making those decisions yet.

It is the smaller organisations (those with fewer than 250 employees) who seem more decisive, with more than four in ten (41%) ready to make decisions, compared to nearly half that level (23%) with larger organisations. The private sector is more confident about taking action than the public sector at this point in time.

Increasing levels of activity and decisiveness do not appear, however, to translate into confidence. The tracker continues to show a far larger proportion of respondents expecting a negative impact as a result of future immigration regulation, than a positive impact. The tracker shows that this ratio now exceeds three to one in favour of those with a negative viewpoint, although nearly one in three (28%) also believe it will have no impact.

Larger companies are, unsurprisingly, far more likely to expect the changes to impact them – only 18% believe they will be immune. They are also significantly more likely to expect a negative outcome, which more than half of them (53%) do.

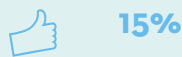
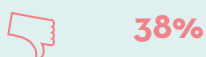
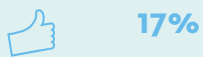
London is simultaneously the region with the highest expectations of both a positive and negative impact, mostly because it has the lowest rates of those expecting not to be impacted.

Among the industries that seem most positive about the future were: 'utilities', 'construction', and 'transportation and storage'.

Does your organisation have enough information yet to start making decisions about your post-Brexit recruitment strategy?



What impact do you expect future EU immigration policy to have on your organisation?





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What this means

As Brexit edges closer, more and more UK organisations realise that action is inevitable. However many still believe that they must wait until the outcome is clearer before deciding what action to take, but they should understand that this plan is fraught with danger.

Organisations that *are* preparing for a post-Brexit recruitment market are not actioning plans as we speak but they are doing all the necessary groundwork so that when the time comes to jump they will be the first ones out.

Companies should review the structure of their workforces and plans, as well as start to understand the concerns of their workforce. They should identify areas of the workforce with a prevalence of EU nationals then seek to understand the reason for this prevalence. Interactions with the workforce can not only provide valuable insight but also increase engagement - EU nationals that feel more valued will be more likely to stick with the company.

The above data was collected from 8-31 December 2017, as part of the survey for the CIPD/The Adecco Group Labour Market Outlook (LMO), Winter 2017-18. More information on the research methodology can be found [here](#).