



THE ADECCO GROUP



Brexit tracker

Autumn 2017

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

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Organisations start deciding on Brexit reactions - slowly

Nearly half of all UK businesses have still not taken any action with respect to their workforce following the EU referendum last year. There is some positive news, however, as the statistic did edge down slightly from 49% in the summer survey, to 46% this autumn survey.

Region

London continues to be the most active region: now less than one in three organisations (31%) have not acted – down from 40% in the previous quarter.

Company size

Small and medium organisations are more than twice as likely to have not acted so far as larger ones. Two-thirds of those with less than 250 employees have not undertaken activity yet, compared to just less than one-third of those with 250 or more workers. This would seem to make sense as larger companies are more likely to have a well-developed internal communications function. It may be that smaller companies have engaged in these practices, just in a less formal manner.

Sector

The public sector continues to be more active than the private sector, and by an even larger margin this quarter. This gap can be partly explained by the far greater proportion of large organisations (those with 250 or more employees) in the public sector – they account for 85% of the respondents in that sector.

Reaction

Communication with staff remains the most popular reaction so far but the number of organisations reviewing their talent management and workforce development strategies has edged up – but it's still only 12% of UK organisations.

How businesses have reacted so far:

Communicated with current staff about the implications of the vote to leave the EU



Identified roles where the share of EU nationals is particularly high



Reviewed talent management/recruitment strategy



Reviewed workforce development strategy



An audit of the workforce



Mapped out key skill sets





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Intention to act

The number of companies who do not plan to take action and those that feel they cannot make a decision both edged down this quarter as Brexit deadlines come closer. Less than one in three (31%) now feel they would not take action, down 2% from the previous survey, and less than one in five (18%) cannot make a decision, down 5% from the previous survey.

This matches with a slight increase in the number of organisations who believe they now have enough information to start making decisions, creeping up from 25% to 29%.

Among those that are expecting to take action, there were increases in ideas that involve growing skills internally within the workforce. One in six organisations (16%) expect to upskill their current workforce, 12% expect to hire more apprentices, and 9% expect to hire more graduates and school leavers.

London remains the region that is most likely to see organisations looking to move operations overseas: 14% of London firms are considering moving overseas, the highest figure of any of the regions. That said, 24% of financial services firms are considering moving overseas, which is far higher. Given the announcements from a number of large financial institutions over the last quarter that they were expanding or creating workforces on the continent, this shouldn't really be a surprise.

All regions outside London are significantly more likely to believe their organisation would not take any action: 21% in London vs. at least 30% in every region. The West Midlands showed the highest level of inactivity with 41% expecting their organisations not to take any action.

What actions do you believe your organisation will take in the future as a result of the UK's decision to exit the European Union?

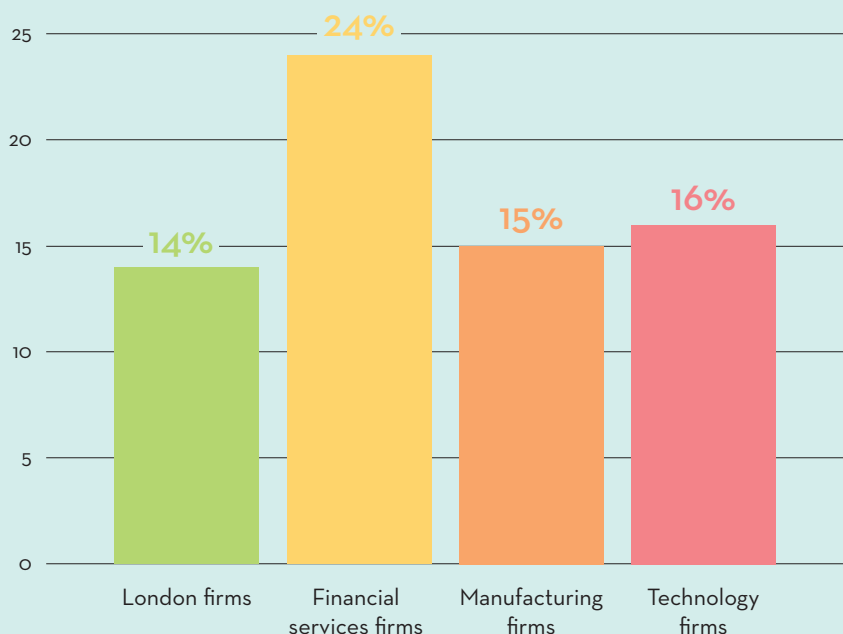
My organisation would not take any action



Can't make a decision until more information is available



Who expects to move operations overseas as a result of the EU referendum?



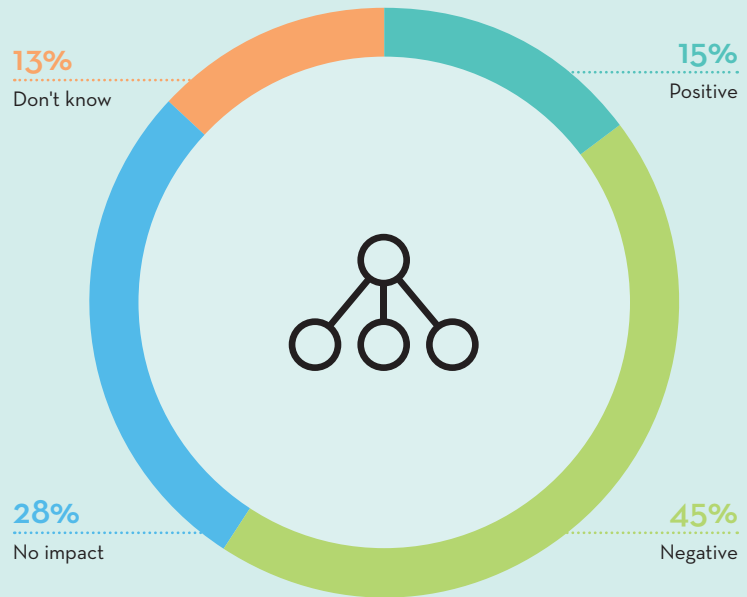
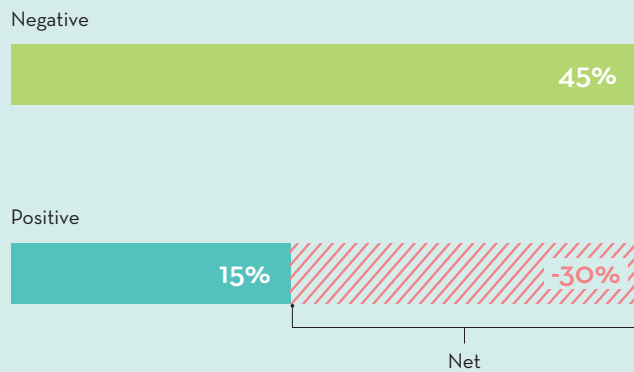


Expected impact

While there appears to be movement towards decisiveness in the UK recruitment market, the feelings around the overall impact have got worse. There was a significant increase in those expecting a negative impact on their organisation because of future immigration policy. Nearly half of all organisations (45%) expect a negative impact, up from 38% in the previous quarter.

More than half of large organisations (53%) now believe the impact will be negative, while among smaller ones a feeling that they will not be affected is still the most popular (43%).

What impact do you expect future immigration policy to have on your organisation? (Rounded)



The above data was collected from 11 September to 3 October 2017, as part of the survey for the CIPD/The Adecco Group Labour Market Outlook (LMO), Autumn 2017. More information on the research methodology can be found [here](#)