

Brexit – Putting our clients on the front foot post-Brexit

DECEMBER 2020





From the moment the UK voted to leave the European Union, Gi Group UK has worked tirelessly to ensure our team and our clients are prepared for every eventuality.

While the nature of our future relationship with the European Union is now confirmed with the agreement of a post-Brexit deal, the UK's terms with the EU will be markedly different and nowhere will be impacted more than the regulations relating to migrant workers.

The following whitepaper outlines how Gi Group UK have been working tirelessly over the last four years to minimise the impact of Brexit on our candidates and clients.

Paulo Canoa

CEO Gi Group UK & Ireland



A Brexit Taskforce

Gi Group has dedicated time, resource and expertise to preparing for the changes ahead and worked hand-in-hand with our clients to minimise any impact on their business. We have worked in partnership to develop robust plans to mitigate the challenges which a restricted access to labour from the European Union will present for UK industry.

We sought to quickly identify the immediate impact of a reduced labour market and also the potential outcomes it would create, focussing on implementing measures to help minimise the impact. From the outset we introduced new working practices to better utilise our available labour, consulted with clients

on improving retention rates, looked at opportunities to remove barriers that may currently be limiting certain demographics from applying for roles, reconfigured attraction methods, engaged those now available to work as a direct result of Covid and consulted with our European workforce to understand what support they required around applying for the EU settlement scheme.

That exhaustive experience means we are uniquely placed to support existing and prospective clients through the unprecedented staffing demands which will arise during 2021 and beyond.





The Immediate Outlook

At first glance, the immediate aftermath of Brexit may look like it will result in greater candidate availability. As a direct result of Covid-19, the latest ONS figures show that redundancies hit a record high of 370,000 in the three months up to October 2020 while the claimant count increased to 2.7 million in November 2020. This suggests there is no shortage of people available to work – and there will inevitably be some crossover where those desperately seeking work can be matched to newly created roles which may typically have been filled by migrants from the EU.

However, organisations simply cannot rest on their laurels assuming that the economic casualties of the pandemic will provide a ready-made workforce to meet any shortfall post Brexit.

It is a common misconception that those out of work due to Covid-19 will seamlessly transfer into roles no longer filled by EU citizens. The picture is more complicated when the types of role impacted by each of these seismic shake-ups are considered.

Many individuals impacted by the pandemic are not predominantly blue collar in profile. And those that may have chosen careers based on flexibility, customer facing nature and the hours on offer will not easily be swayed by the more rigid constraints of the more process driven industries likely to be directly impacted by staff shortages as a result of Brexit. Even if circumstances dictate they must take these roles in the immediate term, will they choose to remain should opportunities re-emerge in their originally chosen industries?

There is great potential for sectors such as retail and hospitality to bounce back once lockdown and tier systems are relaxed and the ongoing roll out of the various vaccines allows for a return to normality. New restrictions on entering the UK to work, on the other hand, are intended to be permanent.

So, while some businesses may see a short-term increase in their ability to source labour in Q1 and Q2 of 2021, indicators predict that the challenges to recruitment caused by Brexit may be felt thereafter.

As such, there are undoubtedly challenges on the horizon. So, it is imperative organisations act now – if they have not done so already - to adapt their plans and enhance their appeal to both existing and would be recruits.



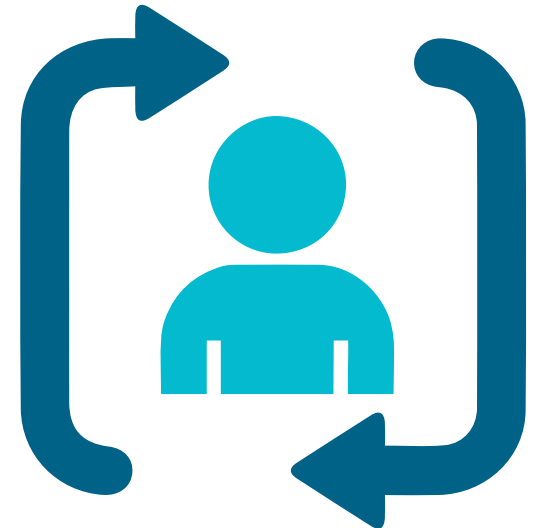
The Limits on Migrant Labour

From January 1st, 2021 it is access to fresh sources of labour for work in lower skilled roles which will be most severely restricted. The Points-Based immigration system will undoubtedly limit the future recruitment of European workers who have been a traditional source of willing and available recruits for blue collar jobs in logistics, food preparation and production lines across the UK.

It is simply not economically feasible for these businesses, built on high volume, lower skilled labour, to meet the salary threshold introduced in the new immigration policy and still remain competitive.

In simplest terms, the proposed criteria mean businesses will no longer be able to look to migrants from the EU on a like-for-like salary – reducing the potential pool from which businesses can source their workforce.

In the longer term, business and industry bodies such as the Recruitment and Employment Confederation are seeking to lobby the government to reconsider certain elements of the policy and increase access for industry to this traditionally fundamental talent pool. But in the interim, we cannot wait and see what transpires. We have to assume it is no longer an option and develop plans accordingly. We must put measures in place to retain existing employees, attract other available individuals into these roles and build a process to ensure future talent needs are met.



Availability of Non-EU labour

Recognising the significant impact Brexit could have on labour availability, Gi Group UK has been closely monitoring the situation, in particular looking at changes in the composition of our flexible workforce. Fortunately, while like most temporary staffing firms we have experienced some drop off in the availability of EU workers, on the whole it has remained relatively stable, with non-EU and UK workers actually making up the majority of our workforce.

Following the implementation of the Government's new Immigration Policy, recruitment of lower skilled workers is now expected to come from these categories:

- UK nationals and residents - with the legal right to work in the UK
- EU citizens with Settled or Pre-settled Status – this is seen by Government as a key source of lower skilled workers
- Dependent Family Members – Dependents of migrants coming to the UK under the new Points-Based immigration system (Family members of skilled workers)
- Refugee and asylum seekers - Those that have been granted refugee status can take up employment if they haven't already done so, and after 5 years residence apply for Indefinite Leave to Remain
- Tier 5 (Temporary Worker) Seasonal Workers - The two-year pilot for seasonal roles in edible horticulture saw 2,500 places in 2019 and 10,000 in 2020
- Tier 5 (Youth Mobility Scheme) visa - Currently for around 20,000 young people who want to live and work in the UK for up to 2 years
- Graduate Immigration Visa – This will be available for international students with a valid Tier 4 visa
- UK Ancestry – a route which allows Commonwealth citizens with a UK-born grandparent to come and live and work in the UK



The Future for Existing EU Workers

We also regularly engaged with our existing EU workers to understand intent in applying for the EU settlement scheme. We actively promoted the EU Settlement Scheme, advising of deadlines and requirements, and identified and delivered any support needed. This included providing information in different languages, providing access to computers and giving application support for those wishing to apply. Our measures had an extremely positive outcome.



From a recent survey to over 8,500 of our existing EU workforce:

- 86% of respondents were aware of the EU Settlement Scheme
- 91% of those that are required to obtain settlement permission had already obtained it
- 81% of those that needed to apply but had not yet done so, intended to apply in advance of the deadline
- Only 1.7% of all respondents required to obtain settlement permission hadn't done so and did not intend to

It can be seen that there is a clear desire among our team to stay in the UK and continue to work with us here – which is testament to the support we have offered, the measures we have in place and bodes well for our future provision of workers for clients. In the large part this is down to the investment we make in our candidates. Investments like **Project Care**.



Project Care

Gi Group launched Project CARE in 2017, a national project focused on developing and implementing best in practice Candidate Attraction, Retention and Engagement practices. This has included the appointment of a dedicated Candidate Management Team who are responsible for overall candidate experience, identifying new attraction and recruitment methods, improving the recruitment process for candidates as well as working closely with our delivery teams to continually look at ways to improve the service and support we provide to candidates – all combining to make Gi Group the recruiter of choice for temporary workers.



Consulting with Clients

As we have outlined, Gi Group has made huge strides to attract and retain talent for our clients, however as an agency, we cannot be solely responsible for employee retention.

Businesses themselves, both as a direct result of a reduced labour pool post-Brexit - but more importantly in order to compete in a world of work where the employer/employee dynamic is rapidly changing, have a significant role to play.

As part of Project Care, we have invested in understanding how we can improve flexible employee retention rates. We monitor attrition rates on a weekly basis, identifying red flags that need immediate attention, to improve the working environment for temporary workers.

Retaining existing employees is always far more straightforward than trying to attract new ones. There are a number of elements that can deliver significant gains in employee retention.

Value Your Flexible Employees

Reassuringly, many organisations already treat permanent and flexible employees equally, offering parity of pay and equal benefits to both. As a flexible employee, feeling valued is fundamental in choosing to stay.

While most flexible workers recognise that adapting to business needs comes with the territory – whether that be overtime or picking up extra shifts as necessary – it is still human nature to seek certainty.

Organisations need to consider the impact of regularly changing or cancelling shifts at short notice. Ultimately this will erode goodwill and increase the chances of flexible employees looking elsewhere.

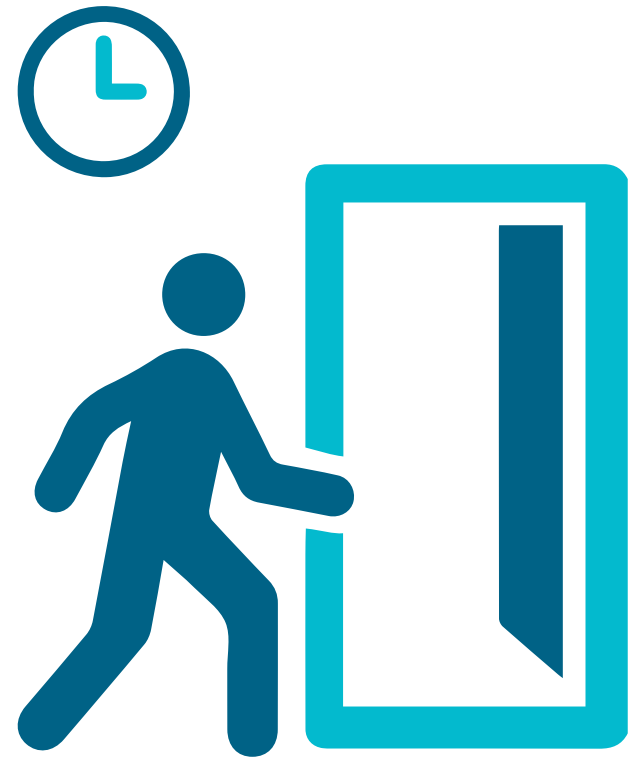


Working conditions

Everyone aspires to work in a nice environment and it is amazing the difference simple changes can make to not just retention but also productivity. Following a recent site analysis carried out in conjunction with a client, Gi Group UK made simple recommendations which resulted in better working conditions and morale:

- Maximising space in busy production areas to provide people with more space to work
- Adapting shift patterns to accommodate more workers reliant of public transport
- Introduction of an onsite Care team who ensure new starters feel comfortable in their surroundings and resolve any issues that may arise
- Removing barriers to work such as insufficient clocking in machines, lack of PPE and no lockers for flexible workers

The results in this case were immediate with staff turnover reducing from 20% to 6%.



Future Talent Pools

Equally as crucial as retaining existing employees, is ensuring the availability of those needed in the future.

Ahead of its competitors, Gi Group quickly recognised the potentially damaging future skills gap which market trends and Brexit could potentially create and put early measures in place to address it.

We have implemented a raft of schemes designed to minimise the impact of Brexit which organisations are likely to face across the industries in which we operate.

We have developed a blend of measures to identify and develop a stream of future talent in the areas our clients will most likely need it.

These programmes include:

- Working closely with educational organisations to mutually benefit students and local businesses
- Upskilling workers through schemes like our Skill Up programme
- Delivering apprenticeships – from design to implementation
- Ensuring pay rates and benefits which make roles attractive when compared to other local labour users
- Re-evaluating current working/shift patterns to attract demographics unable to work traditional shift patterns, such as: mothers, students, carers or older workers
- Creative solutions such as shift buddying which gives multiple individuals the chance of work while meeting the employers need for guaranteed availability
- Analysing current shift patterns with our clients and if necessary, introducing new working patterns which target specific demographics with known availability in the region

A Proven Partner

Building on this extensive experience in Brexit preparation, Gi Group is uniquely placed to help you navigate the uncertainty of 2021 and beyond.

We are the perfect partner to help organisations understand the staffing challenges presented by this unprecedented change in market conditions. One with the scale, global insight, nationwide coverage and sector expertise to help you mitigate them.





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