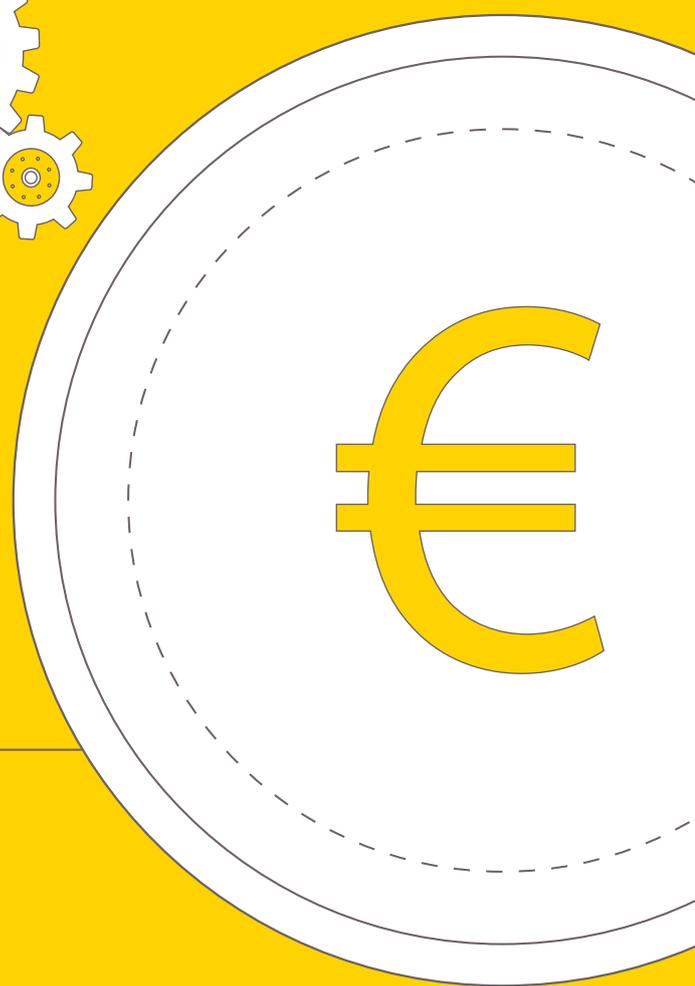


BREXIT

WHAT THE WORLD IS SAYING



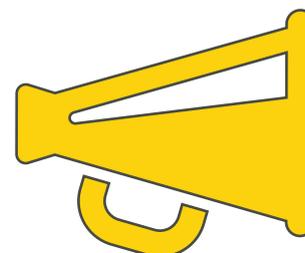
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ONYX

Contents

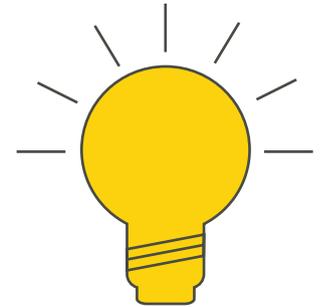
EXECUTIVE SUMMARY	3
SECTION I - UNCERTAINTY REIGNS	5
Talent acquisition strategies	6
SECTION II - WHAT IS THE WORLD SAYING?	8
EUROPE	8
Economic implications of Brexit	9
Talent markets	11
Freedom of movement	12
A limited impact on talent markets	13
Pull factors luring talent away from the UK	16
Other English-language markets may benefit	17
INDIA, AUSTRALIA & US	18
Economic implications of Brexit	19
Talent markets	21
Impact on Britain	21
Access for overseas talent	22
Global digital skills shortages	23
US and other English-language markets	24
High-end talent in the digital sector	25
SECTION III - RECOMMENDATIONS	26
1) Give us information and communicate clearly	26
2) Speak up about freedom of movement	27
3) Put openness and flexibility at the heart of future objectives	28
4) Focus on English-speaking markets	29
5) Focus on high-end talent and emphasise digital skills	30
ACKNOWLEDGEMENTS	31
Notes	35



Executive summary

The momentous vote on 23rd June by the people of the UK to leave the European Union will have important implications for talent management strategies – from heightened competition for talent across the EU to an unexpected boom in English-speaking markets outside Europe.

But uncertainty reigns as the government gears itself up to invoke the clause that starts the formal negotiations on the terms of Britain's departure and its future relationship with Europe. That uncertainty threatens to chill investment and represents yet another factor complicating the search for the brightest and best talent by employers, especially in the tech and engineering sectors that suffer skills shortages.



Britain is a leading player in the global talent market and the recruitment sector needs to retain that influential position. Its work is crucial to the UK's competitiveness and changes lives for the better in a host of ways. In order to retain its influence, the sector needs to identify what it wants the British government to prioritise in negotiations with the EU regarding the terms of Brexit.

Industry associations are taking the pulse of their domestic members in order to establish those priorities and advise them better about surviving in the post-Brexit market. But who is taking the pulse of the global talent market?

In the first detailed examination of how the referendum result has gone down among key players in the talent market outside Britain, BPS World has explored attitudes in European and key English-speaking countries.

We spoke to business leaders, representative bodies and professionals in the recruitment and retention sectors, concentrating on the high-value digital, technical and engineering industries. They revealed concern about the economic effects of uncertainty following the Brexit vote and that perceptions of the UK's image – “Brand Britain” – have changed. When it comes to talent markets, key themes emerged in our consultation:

- A belief that a compromise will emerge in discussions between the UK and EU about freedom of movement;
- Little sense that Brexit will have a radical effect upon global talent markets, combined with fears that Britain itself will probably be the main loser;
- Other pull factors that limit British access to European talent may be increasing;
- The vote is likely to enhance the attraction of other English-language markets;
- Digital skills shortages are a global phenomenon and a key criterion when it comes to attracting talent is an economy's broader innovation culture;
- Brexit offers the UK an opportunity to focus strategically on high-end talent.

Executive summary

The talent leaders that we consulted made valuable recommendations about what the recruitment industry and UK government should do next:

- **Give us information and communicate clearly;**
- **Speak up about freedom of movement;**
- **Put openness and flexibility at the heart of future objectives;**
- **Focus on English-speaking markets;**
- **Focus on high-end talent and emphasise digital skills.**

SECTION I

Uncertainty Reigns

The result of the referendum on Britain's membership of the EU on 23rd June will have implications for talent management strategies. The UK is already witnessing changing job search patterns, growing competition for talent in other markets and concerns about how Brexit affects "Brand Britain's" ability to lure the brightest and best.

The UK recorded a huge spike in searches for jobs abroad after the result, especially in Ireland and other English-language job markets.¹ Search patterns showed that many jobseekers in the UK feel strong ties to the English-speaking world and US, Canadian and Australian search traffic also revealed that the repercussions for UK talent could be far wider.

Britain is already a net exporter of talent when it comes to international migration and it has been widely reported, for example, that financial services companies could relocate.²

This means that, after Brexit, both the UK and EU will be subject to new competitive forces. First, tech companies could face renewed competition for talent from within the EU amid skills shortages everywhere. Companies in Germany and France that lack engineers will tweak retention plans to resist poaching. A majority of employers regard access to the EU graduate talent pool as vital to their business.³ There is already evidence of an impact in some areas. For example, German higher education institutions have warned that EU academics will leave the UK without guarantees on freedom of movement.⁴ The 5,250 German academics in Britain comprise the largest group of foreign teachers and researchers in the country.⁵ But there have also been alternative voices arguing that Brexit could in fact lure more high-skilled workers to the UK.⁶ Second, if freedom of movement is restricted under a so-called "hard Brexit", making it as difficult for talent to move to France as to the US, this benefits markets like America and penalises Europe. LinkedIn data suggests the markets winning the war for talent today are Australia, Chile and the UAE.⁷



Talent itself is certainly aware of these new competitive forces: research in August revealed that almost half (48 per cent) of UK jobseekers were more concerned about finding a job than before the referendum.⁸

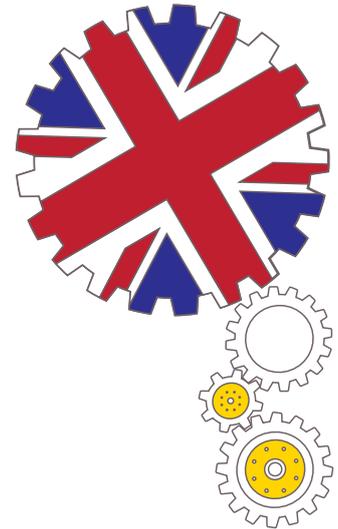
A key outcome of Brexit has also been a change in perceptions of Brand Britain and this matters because a country's image shapes talent acquisition. The debate about Brand Britain intensified considerably following the Brexit vote.⁹ A negative position suggests that Brexit represents an "isolationist" or even xenophobic step, while a positive position argues that the vote can breathe new life into the UK. It is a crucial debate for London, a key beneficiary of Brand Britain that helps the city attract the best start-ups and talent.

Uncertainty Reigns

TALENT ACQUISITION STRATEGIES

Although it is far too early to say what the impact of Brexit on free movement will be, uncertainty generated by the vote has thrust existing hiring realities into sharp relief:

- Brexit will compound the headaches caused by existing skills shortages, especially in engineering and technology sectors;
- Recruitment and retention professionals will have to cope with significant changes to legal and compliance issues;
- Fluidity in Brand Britain could have a knock-on effect for employer brands.

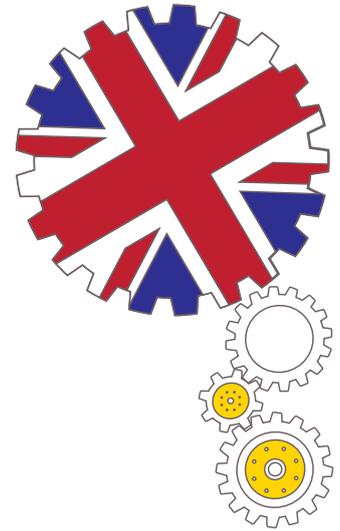


Surveys suggest that most UK business leaders believe Brexit will affect their talent management strategy, is hitting staff morale and could result in roles shifting to Europe.¹⁰ Yet although survey data suggests most businesses accept Brexit will have an impact on talent management strategies, evidence also suggests that strategies are not being discussed.¹¹ While a policy of “wait and see” and temporary hiring is a rational response, companies that do so could miss out on talent and risk losing top performers.¹²

Uncertainty has been exacerbated by signs of divisions within government over the degree to which Britain compromises with Europe on freedom of movement.¹³ Hints about the likelihood of a hard Brexit have provoked a backlash among British business leaders including Terry Scuoler, the boss of the Engineering Employers’ Federation (EEF) and Julian David of techUK.¹⁴ There have also been signs that business leaders in Germany will not stand in the way of a hard Brexit.¹⁵ Meanwhile, the 2.1 million EU nationals employed in the UK have launched a formal campaign to protect their rights: an estimated 600,000 people will not have been in the UK long enough to gain permanent residency by the time the UK leaves the EU in 2019.¹⁶ Several ideas to square the circle have been floated: the research establishment has called for scientists to be given a protected status for visas and the City of London has proposed special “regional visas” modelled on policies in Australia and Canada.¹⁷ Any reduction in the flow of top digital talent to the UK will inhibit the efforts of the government to establish a global lead in innovation.

Uncertainty Reigns

Brexit also has implications for the recruitment industry in the UK and Europe and in the aftermath of the 23rd June vote both REC and CIPD predicted a contraction in hiring.¹⁸ According to the World Employment Confederation, in 2014 the industry helped 11.3 million Europeans find work, with Europe and the UK representing the top global markets by sales revenue.¹⁹ According to the European Confederation of Search and Selection Associations (ECSSA), the recruitment market has experienced positive growth since the first quarter of 2014.²⁰ This means that the impact of Brexit on talent flows will go far beyond Britain.



Recruitment professionals that serve global companies need to be prepared for change – and, in order to do so, they need to be informed. If the sector can identify its main strategic challenges, it will be better placed to tell government what its priorities are. Industry associations are taking the pulse of their domestic members in order to establish priorities and advise them better about surviving in the post-Brexit market. But who is taking the pulse of the global talent market? Who is asking global recruitment professionals and the companies that rely on them what they think the UK should be doing?

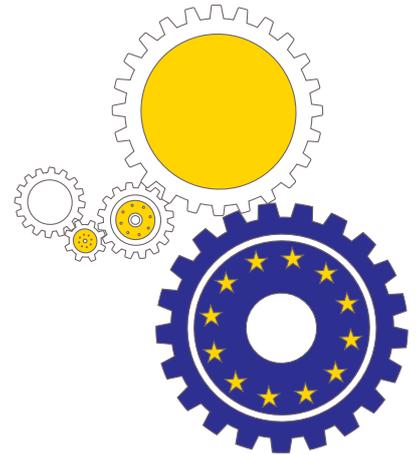
SECTION II

What is the World Saying?

Britain is a leading player in the global talent market, which has been shaped by our innovations in the recruitment and retention sector. Moreover, the UK is a standard bearer for the best talent management practices at an international level. The ethical guidelines we have pioneered are used as a benchmark in both the EU and farther afield. In short, by professionalising the talent market, working closely with global partners and shaping this sector's ethical framework, Britain's talent industry changes lives far beyond its borders. This explains why we have an obligation to shape the debate on free movement.

In order to articulate the priorities of our industry and ensure that Britain retains the best possible access to global talent and continues to professionalise this market, we need to know what the world is saying about Brexit.

In the first detailed examination of how the referendum result has gone down outside Britain, BPS has explored attitudes in European and key English-speaking recruitment markets. We consulted business leaders, representative bodies and professionals in the recruitment and retention sectors, concentrating on the high-value digital, technical and engineering industries.



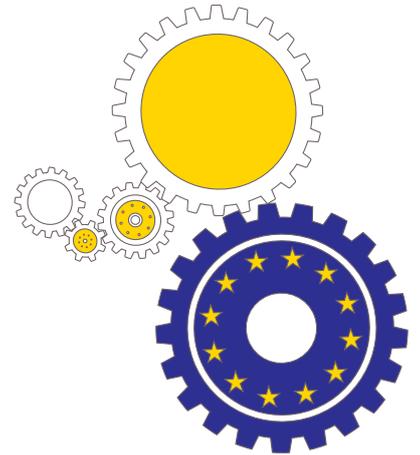
We asked them how the British vote to withdraw from the EU affects: the global talent market; talent strategies in their home markets; investment; and Britain's image as a place to do business in. Finally, we asked them what priorities the UK recruitment industry should be emphasising as the government shapes Britain's new relationship with Europe and the world. This is what we learned...

EUROPE

Europe's growing employment and recruitment industry has become a key element of economic growth.²¹ In 2014 the sector generated sales revenue of 133 billion (then £107 billion), mostly thanks to three large markets: the UK, Germany and France. The UK is by far the dominant player, raising the stakes of Brexit considerably. Alongside its formal contribution to growth, by providing employment our industry makes a significant contribution to social welfare and the public budget. The German recruitment market has also become much more attractive to global recruitment companies in recent years.²² According to Phoenix GIR, the country's strong economy offers nearly 1 million vacant jobs every year, has low unemployment rates and has been almost immune to the effects of the downturn since 2008.²³

What is the World Saying?

Nonetheless, alongside a healthy recruitment industry, even leading economies like Germany and France suffer skills shortages, especially in the engineering and technical sectors. A recent report by the VDE (Verband der Elektrotechnik, Elektronik und Informationstechnik, Association for Electrical, Electronic and Information Technologies) noted that between 2016–26, Germany will need 100,000 more engineers in electro-technology, electronics and computer technology than will graduate from its higher education institutions – about 10,500 per year. A key reason for this gap is industry’s increased reliance on new technologies. According to VDE, nearly 90 per cent of new engineering positions are in digital technologies, mobility, the smart grid and IT.²⁴



ECONOMIC IMPLICATIONS OF BREXIT

We asked recruitment professionals, business leaders and economists in key European markets for their reaction to Brexit. From the outset, we noted a considerable level of goodwill towards the UK based upon an effort to understand the predicament it now finds itself in. Our respondents predicated their comments by expressing:

- A genuine level of sympathy for the dilemmas now facing Britain over freedom of movement, given similar debates about immigration across Europe;
- Significant concern about the impact of Brexit on business, in particular pressures on UK and EU companies to adapt existing business models or to relocate;
- A limited sense of déjà vu based upon key past experiences within Europe of “divorces” of a loosely comparable kind.

Most respondents shared the view that the Brexit vote reflects debates about immigration that are being held across Europe and the fact that many citizens remain unaware of the extent to which their economies have become globalised. European respondents also pointed to a surprising lack of understanding in their own countries about what is happening in the UK and expressed concern about the economic impact of the uncertainty surrounding the Brexit process. Several respondents also pointed to past “divorces” within Europe that could be compared to Brexit – and ultimately had a limited economic impact. Dr-Ing Ingeborg Němcová, Associate Professor of European Studies at the University of Economics Prague (VŠE), referred to the formal division of Czechoslovakia in 1993 and how this had little real impact on labour movement. Similarly, Martin Vosecký, Chief Export Officer of Catro business and personnel advisory services in Prague, recalled dire predictions for the future of Bonn when a reunified Germany made the decision to move the country’s federal government to Berlin. It is generally accepted that Bonn is now better off than it was before.²⁵

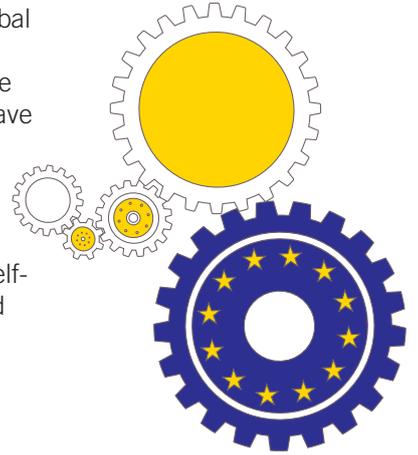
However, while there is a climate of uncertainty, most European respondents do not report corporate plans to relocate from the UK as a result of the vote.

What is the World Saying?

Dr Barbara Zesik, Chief Human Resources Officer of Santa Fe Relocation Services, a global company based in London, said: “We are firmly established here in London and I don’t think that’s going to change any time in the near future. We are a global organisation – we are currently looking at revamping our UK business rather than slowing it down, so we have a very positive mindset towards this issue”.

Similarly, Christina Fuchs, Head of Corporate Human Resources at the M+W global engineering group in Stuttgart, says her company has adopted a wait and see approach, but for now it is “business as usual”. M+W’s operations in the UK tend to be relatively self-contained – with local staff serving local clients – and its global work is project-based and often requires very specific, individual talent.

Ingeborg Němcová pointed out that while investment decisions in key high-value sectors such as digital could in principle be affected by the vote, the UK still offers important collateral advantages that would remain a deciding factor in location decisions. She said: “What would be different? For companies it is also important to work in a larger environment that takes into account existing developed capacities, other companies, contacts and so on – so at this point I think Britain would still be the preferred option”.



Large German engineering employers such as Bilfinger, which provides engineering and services in the UK where it employs 4,000 people, have already indicated that Brexit will have a limited impact.²⁶

Martin Vosecký believes that, far from delays to investment, in the long interim before Brexit takes place there could be increased European economic activity in the British market: “I haven’t heard people talking about delaying investment in the UK – it will not happen quickly because nobody has a clue what’s going on and investors will still try to take in the British market as much as they can while it is available”.

If changing business plans require relocation, however, this could affect smaller economies such as the Czech Republic, where local talent is employed by British companies in engineering, the aircraft industry, R&D, financial services and IT. Pavel Fára, Deputy Director, Svaz průmyslu a dopravy ČR (SPCR, Confederation of Industry of the Czech Republic), is concerned about relocation by British employers: the UK is the 11th most important source of foreign direct investment in the Czech Republic, where about 300 UK companies employ approximately 65,000 people, many in high value-added sectors supported by the government through investment incentives. Brexit could also have a direct impact on Czech exporters if there are future tariff barriers in the UK and a knock-on effect upon broader trade with important EU partner countries such as Germany or Poland. He said: “The UK is our fourth most important export market after Germany, Slovakia and Poland, which means that of course any future barriers between the EU and UK after Brexit could really badly influence the performance of our exports. We are an open economy and our GDP can grow only if our export performance is good”.

What is the World Saying?

Nonetheless, there is little consensus among Europeans about the impact of the vote on the UK's image as a place to live and work in – an important factor for high-end talent.

Professor Dr-Ing Michael Berger, Chairman of the Standing Committee on Education, Profession and Society of the Verband der Elektrotechnik, Elektronik und Informationstechnik (VDE, Association for Electrical, Electronic & Information Technologies) and based in Heide, Germany, believes that where Brexit has damaged the UK's image. He said: "Brexit has made Great Britain a little more unpredictable and I think it has damaged your image, although in every country of Europe the right wing has grown – Germany, France, Poland and Hungary".

Etienne Deroure, President of the European Confederation of Search and Selection Associations (ECSSA) and based in Paris, also said the main impact on the UK's image had been to draw attention to the mistakes made by government and hence political incompetence. He said: "From here we had a feeling that the Brexit referendum was all a bit of a mess and seen by some people as a mistake. But after all's said and done, things might not change that much after all the warnings of disaster. I am pretty confident we might not see many changes".

Barbara Zesik believes the implications of the Brexit vote could change perceptions in Europe. She said: "I'm not sure it has dented Britain's image – but I think it has changed it. The repercussions are probably more political in the sense that this is a wake-up call for the European Union. But I think it's changed the perception about Britain certainly of some of our European partners – and I wouldn't be surprised if some of them are in quiet admiration, saying 'Gosh they had the courage to do this'".

Christina Fuchs says that there is an appreciation that the Brexit vote reflected social divisions that exist within the UK between old and young, town and countryside etc. She said: "My personal perception is that in places like London nothing has really changed, it is still perceived as a very attractive place to work and a very attractive market. Generally, perceptions have not changed, there are too many unknowns. Of course there was a sense of shock, but I wouldn't say that the UK's reputation has greatly suffered".

TALENT MARKETS

Four key themes emerged in discussions with our European respondents about the impact of Brexit on talent markets:

- Most believe that a compromise will emerge in discussions between the UK and EU about freedom of movement;
- There is little sense that Brexit will have a radical effect upon British and wider international talent markets, although it is generally accepted that Britain could potentially lose some European talent in the longer term;
- Other pull factors that limit British access to European talent may be increasing regardless of Brexit;
- The vote is likely to enhance the attraction of other English-language markets for talent, particularly the US.



What is the World Saying?

FREEDOM OF MOVEMENT

Most European respondents believe that, given what is at stake for both Britain and the EU, there will ultimately be a compromise over the issue of freedom of movement in Brexit negotiations. There has been speculation in continental Europe that Britain could follow the Swiss model in terms of its future relationship with the EU. Michael Berger said: “Who knows what will happen – the range of possibilities is from the Swiss model to total isolation. If Britons end up being really isolated, that would be a very bad solution – but my guess is that the outcome will be similar to that Switzerland and the impact will not be that large”.



Switzerland’s relationship with the EU is based on more than 120 bilateral agreements designed to secure access to Europe’s markets. Nonetheless, the Swiss-EU relationship took many years of haggling to consolidate and has already been affected by Europe’s determination not to make concessions to the UK on free movement. Forthcoming research by REC indicates that despite a tightening work permit regime, Swiss business groups are happy with the country’s system which they feel provides enough flexibility to bring in the skills that they need.

Pavel Fára insists that the “four freedoms” that EU leaders insist are non-negotiable for access to the single market – the free movement of goods, capital, services and people – are crucial to the Czech Republic. He points out that his country lives with a tangible fear that disrupting these heightens the risk of EU disintegration. Nonetheless, Fára hinted that the UK may represent a unique case and said the desire to compromise on freedom of movement is likely to be driven by the equally strong antipathy towards tariff barriers. He said: “It is clear that the control of movement is very important for Great Britain and probably the main reason for the Brexit vote. At the end of the day there will be some trade off; it is not about punishing the UK or any other countries for leaving the EU. To be really honest I think the UK is one of the few countries – and there are not many in the EU – where this could be done”.

Etienne Deroure agrees, arguing that when economic factors are at stake, people usually work out a solution. Similarly, Martin Vosecký believes cooperation is more likely because it makes good business sense. Vosecký said: “We have got to cooperate somehow: why should we punish you? So I think there will be a compromise. Investors will want to harvest what they have started. While Britain remains part of Europe there are still opportunities. Try stopping an entrepreneur who can see profits”.

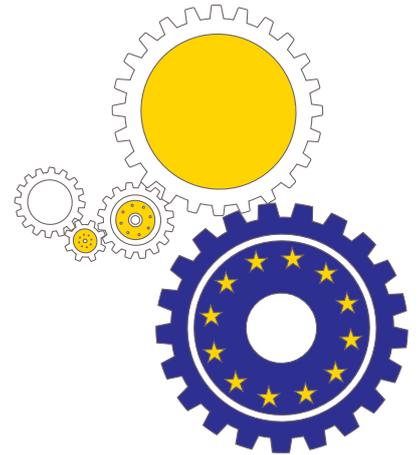
What is the World Saying?

Barbara Zesik is cautiously optimistic that there will be a compromise, because the UK has become so intertwined with Europe over 40 years. She said: “Do I worry that my four and five-year-old children still have access to European universities in the same way that they would have had before the Brexit vote? Absolutely. But do I hope that cooler heads will prevail and Britain will basically have an associate membership which means that a lot of things will just continue as they were? Yes”.

A LIMITED IMPACT ON TALENT MARKETS

Few respondents expect Brexit to affect the global and British talent markets radically. Michael Berger believes Britain already operates in different talent markets by virtue of its language and the Commonwealth, whereas German talent strategy is based on activating “silent reserves” – women and the elderly, for example – concentrating on core technical talent and on immigration from eastern and south-eastern Europe as well as Russia. Berger said: “My impression is that UK and continental Europe recruit on different markets, except maybe from China. The middle level of the universities in Great Britain is already not born in the country, so there will be no real impact on the global market”.

Barbara Zesik thinks employers will still hire on the basis of the best person for the job: “Even if Britain does tighten its visa restrictions for other nationalities, my instinct at the moment is telling me that few things will change”.



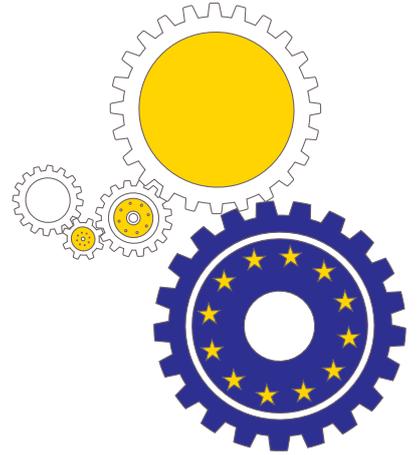
Ingeborg Němcová has already sounded out prospective young job candidates in the Czech Republic and finds opinion divided: for many there is an incentive to apply sooner rather than later to work in the UK – hinting, ironically, at a potential spike in EU citizens applying to work in Britain in the short term. She said: “We discussed if a person willing to go for a job in the UK would speed it up before the negotiations end, or wait and my finding is that it is half and half. Many, especially young people, would say ‘It will take about two years – we would be UK citizens before the negotiations close, so let’s speed it up’. The other 50 per cent would say I am not going to such a situation and will wait until everything is clear”.

What is the World Saying?

It is generally accepted, however, that Britain could lose some European talent in the longer term, although Martin Vosecký sees this as a potential plus for other British employers: “This could give Britain an opportunity: you will suddenly have a lot of very talented people at home who may lose their employers and look for something else”.

Even in the absence of a flurry of corporate relocations, a number of respondents noted that the Brexit vote did have a psychological impact upon top talent. This was summed up by Christina Fuchs: “I spoke to quite a few colleagues and many of those who were absolutely against Brexit said ‘I am going to move somewhere else’, because of the insecurity. I don’t think the change is going to be that drastic, but it is going to be meaningful”.

Perhaps more seriously for the UK’s skills mix is the loss of home grown talent: in principle, British talent could be drawn to Europe, especially dynamic labour markets such as Germany. The latest statistics show a huge increase as a result of Brexit of Britons seeking citizenship in EU states.²⁹



German respondents tended to be more pessimistic about Britain’s ability to hold on to existing talent, believing the country could ultimately lose out from Brexit. This accords with survey data that suggests a clear divide between a more pessimistic Europe and a more optimistic non-Europe.²⁸

Michael Berger said: “I’m personally convinced that Britain will lose. I deplore the decision and think, Britain was, is and should stay a part of Europe with equal rights”.

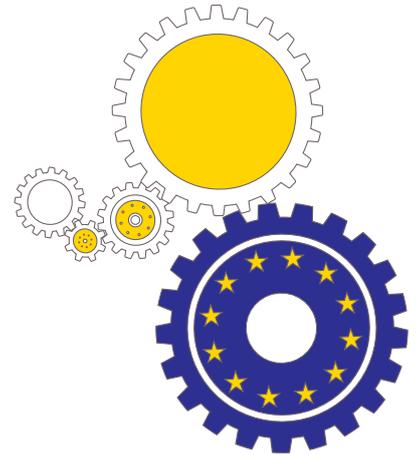
Berger notes that while technically interested young people from the UK may discover Europe as a labour market, recruiting UK talent in this area is not a main focus for German companies. Nonetheless, there are reports of start-up hubs in Germany such as Berlin courting British tech firms, with obvious implications for UK-based talent.²⁹

Marco Dadomo, spokesman for the Verein Deutscher Ingenieure (VDI, Association of German Engineers) in Düsseldorf, reinforces this more pessimistic position. He said: “The VDI fears that Brexit will have a globally bad effect or influence for the British recruiting market for engineers or tech experts. As we know, Britain has already problems finding enough specialists in this sector. Brexit will make it less attractive for international experts to work in Britain for a British company. We have also heard that quite a lot of UK experts of different sectors plan to leave Britain when Brexit will be implemented”.

Christina Fuchs also believes that Brexit will not help UK skills shortages and could potentially benefit Germany. She said: “You hear from a lot of younger people in the UK that they are worried about being isolated in Britain and not having access to a broader labour market and potential employers that might be headquartered over here. It is possible, if we are generous and want more British graduates and make it easier for them, that this could be an opportunity for us”.

What is the World Saying?

However, Pavel Fára believes beneficial mutual access to talent could prove to be one of the sources of a potential compromise between Britain and the EU over freedom of movement. He said: “There will be some trade off, definitely. We are very afraid of closing the UK labour market for European workers completely, which is not good for the UK either. It may seem like a good idea to say ‘Let’s protect our market and save the jobs for the locals’, but this is not a realistic strategy. Even the Czech Republic is now trying to attract immigrants from Ukraine, Belarus etc. Access to the common market and not building new obstacles for trade, is a key issue”.



Several factors are likely to influence candidates’ future decisions to go to the UK. For skilled talent from smaller European economies, wages in the UK and Germany remain significantly higher. In the Czech Republic wage rates are about one fifth of those in Germany and about one third of those in the UK. Other factors include the administrative burden and social welfare.

Etienne Deroure said: “I don’t think Britain’s attractiveness will be the problem – it all depends how heavy the extra burden of recruiting will be. The main problem, as I see it, are if the UK goes from being a place where it is easy for recruiters to take people from Europe and there is no paperwork involved, to the introduction of new paperwork and costs. A related problem is the social benefit system, because right now if I go to UK I can benefit from the National Health Service and the pension system is exactly the same as if I was working in France”.

Some European respondents believe that Britain’s image in Europe and perceptions of Brand Britain – an important draw for much high-end talent – has also changed. It is important to note that the UK’s image of itself as an outward-looking trading power is not the same as that held by other countries. Michael Berger notes that the simplified image of Britain’s economy in Germany is still one where Britain is characterised as “a country after Thatcher” mainly concentrating on non-technical services. He said: “We think you are deindustrialised – just look at the car market. So Thatcher has left a deep impact on German senses in this area”.

Ingeborg Němcová believes talent is very sensitive to the local climate and in particular signs of xenophobia. Anna Lehmann, a journalist for the Die Tageszeitung newspaper, noted recently that some of the 300,000 German-born residents living and working in the UK that she had spoken with were now seriously thinking about returning home, saying “The atmosphere has changed”.³⁰

Barbara Zesik added: “For me the question is whether the UK will continue to be a beacon of tolerance and integration which is what I personally feel it has been for such a long time. I am myself German and have lived in the UK for 16 years, this is my home, so on a personal level Brexit was quite a shock to my system”.

What is the World Saying?

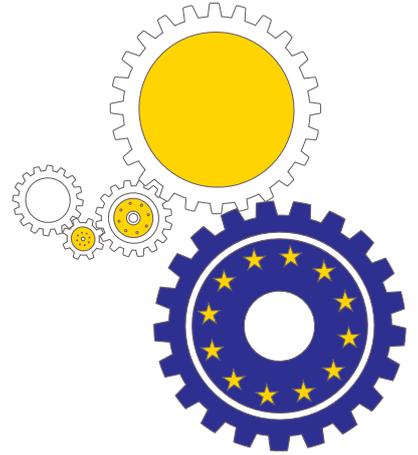
PULL FACTORS LURING TALENT AWAY FROM THE UK

European respondents believe that, regardless of Brexit, other pull factors reducing British access to talent may also be increasing.

First, skills shortages are affecting all the countries of Europe. Etienne Deroure said: “The engineering population is a very special one, because there is a shortage almost everywhere in western Europe, particularly France, the UK and Germany. In those three countries there is a lack of those skills, so everybody is looking for engineers, either IT engineers, mechanical engineers, electrical engineers, software engineers”.

These shortages mean countries such as Germany have been having very similar debates to the UK about the profile of STEM subjects in education.³⁰ Even smaller countries like the Czech Republic have both skills shortages and unemployment. Martin Vosecký notes, for example, that the Czech Republic still has a quarter of a million unemployed people while its industry needs 140,000 skilled or semi-skilled workers.

Second, rapidly growing economies such as the Czech Republic are increasingly providing opportunities at home for technical talent – boosting the incentive to stay. Ingeborg Němcová says growth in these areas of the Czech economy – now among the most industrialised in Europe – distinguishes it from Poland or Romania, where jobs remain scarce. While Czech wages are “incomparably lower”, so are prices – making life cheap and helping to lure multinationals. It is the desire to gain experience that is the decisive factor for technical talent seeking work abroad. She said: “Czechs are relatively conservative they would prefer to stay at home and move only if they would like to get experience. For those who do want to get a job abroad, I would say United Kingdom and Ireland are the first destinations and Germany next, because the majority here speak English as a second language and German is less common”.



What is the World Saying?

OTHER ENGLISH-LANGUAGE MARKETS MAY BENEFIT

As a result of the Brexit vote the attraction exerted by other English-language markets on candidates that might once have headed for the UK could increase. As noted, there is evidence that searches for jobs in Ireland, Australia, Canada and the US all rose following the EU referendum. This suggests both that Britain itself not only risks losing domestic talent to key English-language markets, but so do EU countries.

Ingeborg Němcová said: “Britain is one of the best locations because of knowledge of the language. Moreover, there is a strong tradition of Czech people heading for UK. On the other hand, once people are willing to move to English-speaking countries they can pick the US or Canada even though they would not have the advantages of being EU citizens with all the social and pension benefits”.

Christina Fuchs says it makes sense for people within the English-speaking world to contemplate this option, which could prompt countries like Germany and France, which need engineers, to become more open to British talent. She points out that, increasingly, among many international companies it is not necessarily required for everyone to speak the local language in the business context. Any willingness among British talent to seek out opportunities in the wider English-speaking world could potentially benefit global groups such as M+W – which operates across three regional markets and employs 6,000 people. Fuchs said: “We are in the US, we are in India, we are in Australia – so we probably wouldn’t miss out on those people if they wanted to work for us as a company”.

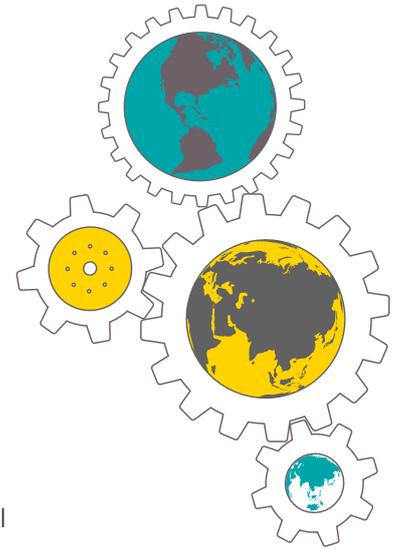
Martin Vosecký points out that the most talented people in a company tend to leave first and likens Britain’s situation to that of South Africa, which for many headhunters is a source of English-speaking talent that wants to leave the country. He said: “Britain may become a fishpond for global recruiters”.



What is the World Saying?

INDIA, AUSTRALIA & US

India has become one of the most significant employment and recruitment markets in the world, providing access to the labour market for 27.8 million workers in 2014.³² After a period of stagnation there is huge optimism and hiring volumes and budgets are increasing.³³ British employers have always seen the country as an important source of high-end talent and many Indians have access to the UK market by virtue of British (and often Portuguese) passports. India's status has also put it high on the itinerary of British officials seeking closer economic ties. In 2013, for example, then prime minister David Cameron led a trade delegation to India and promised the UK would be "incredibly welcoming" to Indians who wanted to study in Britain. However, there have also been mixed messages that leave Indian talent unclear about whether to beat a trail to the UK. In November, for example, Prime Minister Theresa May was scheduled to travel to India to lay the groundwork for developing a new trading relationship after Britain leaves the EU. While this will be welcomed, in October it was reported that May was personally responsible for stalling talks on an EU free trade deal with India because of her refusal to compromise on immigration.³⁴



Australia is also a source of top technical and engineering talent and its digital industry is forecast to grow to A\$139 billion (£86 billion) in 2020 with a corresponding increase in demand for ICT workers.³⁵ In 2015 there were around 628,000 ICT workers in Australia and by 2020 this is likely to reach 695,400. According to the Australian Computer Society (2016) there was a net migration inflow of around 19,600 ICT workers in 2014-15, with large growth among software and applications programmers. Australia's digital needs highlight difficulties it has retaining students from the Asia-Pacific region that study in the country but do not stay. Countries such as Singapore are increasingly meeting their needs by focusing on developing domestic talent.

The US has one of the world's most significant recruitment markets, providing access to work for 14.6 million people in 2014.³⁶ Nonetheless, it also faces skills shortages in key areas: in September 2016, for example, the Federal Reserve reported that many businesses were having trouble filling job vacancies for high-skilled positions, especially for technology specialists, engineers and selected construction workers.³⁷ The US government has responded to this with a range of programmes to promote technical skills and training.³⁸

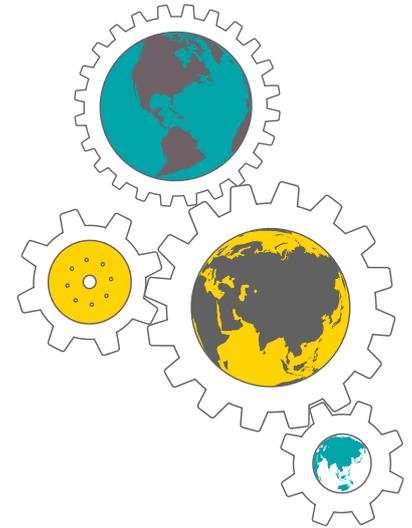
Latin America has become an attractive market for talent professionals and between 2013-17 Central and South America are projected to be the world's highest growing markets for Recruitment Process Outsourcing (RPO).³⁹ This region is seen as a fertile frontier for the high-tech sector as its growing economies tackle the "digital divide".⁴⁰ There is also a high level of optimism among Latin American business leaders about Britain as a place to do business in after Brexit.⁴¹

What is the World Saying?

ECONOMIC IMPLICATIONS OF BREXIT

Most respondents from outside Europe premised their discussion of Brexit with concerns about its broader economic impact, although Australians were distinctive for not expressing concern about this while noting that the vote could reflect a counter-intuitive isolationist posture at a time of increasing globalisation. Any discussion of the talent market must, therefore, be set against these broader concerns about the impact of Brexit on business in markets such as the US.

At first glance, Brexit may appear to have few implications for the Americas – and in the heady aftermath of the vote, the then Chancellor George Osborne portrayed it as a “golden opportunity” for US investors.⁴² In principle, Latin American countries could also be beneficiaries of new trade deals with the UK building on the so-called “Canning Agenda” since 2010 to increase trade and investment in the region. However, markets are bad at weighing up political events and it is only now being accepted that, in fact, the US has much at stake. Confirmation of this came with the publication of a document by the US Chamber of Commerce in October pointing out that US investment in the UK totals nearly \$590 billion (£485 billion) and employs about 1.2 million Britons directly and millions more indirectly.⁴³ The US Chamber of Commerce summarised concerns by identifying its top seven priorities for the UK-EU negotiations. Its fears relate primarily to threats to the seamless free market access that the UK provides to the European market and some US businesses have already signalled that they may now favour other countries in investment and hiring decisions.⁴⁴ More importantly, the report reminded the British government of how the UK’s skills gap continues to sap competitiveness and hence how crucial freedom of movement is.



In the US media more broadly, commentators have voiced a range of fears about the impact on investment, trade, inventory strategies, taxation and equity. A recurrent concern across all of these is the reigning lack of certainty about the UK government’s negotiating position.⁴⁵ This, in turn, has strengthened calls for Brexit “transition measures” that at least provide near-term predictability, a point made forcefully by the US Chamber of Commerce.

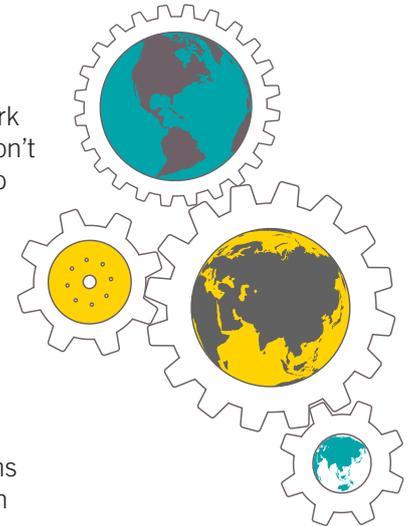
Mariano Zadeh, Managing Director/Head of Latin America of 4finance in Miami, believes that Brexit will not have a significant impact on business, although he accepts that much depends on how it is going to be phased in. He said: “I think there is going to be a lot of noise, but at the end of the day it’s going to be more noise than anything”.

What is the World Saying?

Zadeh said that although in theory one could argue that companies might consider relocating, this disregarded the advantages for many tech providers such as 4finance of being based in cities like London, with its huge talent base and a strong business infrastructure. “I see Brexit in a positive way, I am not that negative. Cities like New York are open to the world and have never really had an agreement with Europe per se. I don’t think the UK and London will suffer significantly because of Brexit – they might end up being fortified”.

Where concerns about the sectoral effect of Brexit have been expressed, these have focussed upon the impact on Europe’s digital industries as a whole, over which Britain exerts an important influence. Writing in the Harvard Business Review, for example, Bhaskar Chakravorti argued that Brexit could deepen the entire continent’s “digital recession” – a loss of momentum in its evolution toward a digital economy.⁴⁶

Recruitment leaders in India believe there could be implications for companies in terms of relocation and changes to existing business models, with a corresponding impact on talent. Venkat Iyer, Honorary Secretary of the Executive Recruiters Association (ERA) in Mumbai, foresees the potential for a Brexit effect on the “Rest of world” (ROW) operations based in London and said it was important to safeguard the city as a financial capital with passporting rights in the Eurozone. He said: “This will have an impact from an Indian company perspective. London and the UK at large are seen as the financial hub for entry into the UK. A large number of Indian entrepreneurs were traditionally based out of the UK and used to hire people from India for their global operations. These business houses are in a state of flux with the Brexit vote. There is no clarity if Britain will actually exit ... but there is a possibility that they will relocate their business outside the UK to either Eastern Europe or other regions that offer tax flexibility”.



SV Nathan, National Secretary of the National HRD Network (NHRDN) in Gurgaon, says Indian business leaders tend to be risk averse and reiterated that the most potentially damaging issue is the lack of certainty about Britain’s future direction – uncertainty that already appears to be affecting the software market. Nathan said: “When people are in doubt then they look at other alternatives. To that extent everybody is waiting with bated breath to see what’s going to happen – although you will find a lot of people saying maybe it is just a storm in a teacup”.

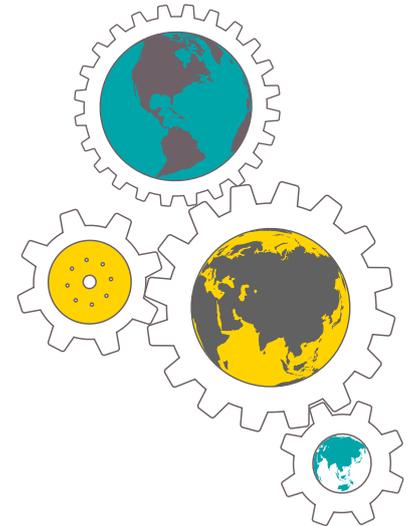
Nonetheless, despite economic concerns, the clear mood music among Indian figures is that Brexit is an opportunity for Britain and should be seen positively – if anything offering the potential for the country to reposition itself. In India, the UK is seen as having lost its traditional manufacturing lustre and Brexit offer the chance to grow the knowledge economy.

What is the World Saying?

TALENT MARKETS

Five key themes emerged in the discussion with respondents outside Europe about Brexit's impact on talent markets:

- Britain itself will probably be the main loser;
- Access to the UK and the opportunity it offers to access European countries could change;
- Digital skills shortages are a global phenomenon and a key criterion when it comes to attracting talent is an economy's broader innovation culture;
- The US could be a net beneficiary of Britain's loss among English-language markets;
- Brexit offer the UK an opportunity to focus strategically on high-end talent.



IMPACT ON BRITAIN

Australian respondents felt that the main impact of Brexit upon talent markets will be felt by the UK. Simon Schweigert, Media and Government Relations Manager of the Recruitment and Consulting Services Association, Australia and New Zealand (RCSA) in Melbourne, points out that, while it is still too early to tell, there is a likelihood of increased talent flows from the UK to Australia and New Zealand. He said: "It is expected there will be an increased flow of talent from the UK to Australia from both Australian expats and UK nationals, primarily due to exchange rates and a sluggish economy in the UK. It is not likely to change recruitment strategies as UK professionals and workers are already an integral part of the talent sourcing mix in Australia and New Zealand. Increased availability of UK workers will be good for the inbound talent market in Australia and New Zealand.

"However, the movement of skilled talent to Australia and New Zealand will potentially have a positive impact on the ability of recruiters and employers to source the skilled and experienced talent they require in areas such as construction, infrastructure, engineering and health".

Among Indian recruitment leaders there is recognition that continuing skills shortages suggest the UK will have to place a greater premium on domestic talent, something India has also tried to prioritise in its digital innovation strategies.

At the heart of US concerns about the potential impact of Brexit on the talent market is the issue of freedom of movement and in particular how this has allowed Britain to mitigate the harmful impact of skills shortages. The US Chamber of Commerce advises the British government to craft policies on free movement that take this into account. It stated: "The ease with which professionals have been able to move across the EU has been a competitive advantage for European companies. Britain has been among the biggest beneficiaries of such flexibilities. We believe the UK must continue to allow the movement of labour without overly restrictive barriers".

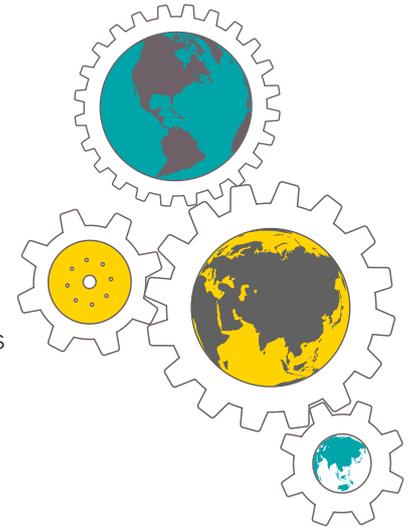
What is the World Saying?

ACCESS FOR OVERSEAS TALENT

Britain has long attracted Indian talent and while there is a sense among recruitment experts that this is unlikely to change, there is also an awareness that the need to adapt business models as a result of Brexit could have an impact on UK-based companies.

Venkat Iyer pointed out that a large part of the business for major consulting firms such as Deloitte, EY, KPMG and PWC runs on a US and a Rest of the World model which in most cases is headquartered in London. He said: "This will affect their business models, if they decide to change their ROW HQs. A lot of them run shared services centres in India and this may have an impact of UK billings. Big financial firms also run ROW operations out of the UK ... They will continue to remain in the UK, but depending on tax treatments, the business from the Rest of the World maybe now will originate from other regions. This will lead to a dual structure and more people being hired on the continent to manage the European business for them".

Iyer says the Brexit vote was already affecting software companies, which could lead to a reduction in the resources deployed in the UK and billings. Africa-based Indian groups could also be affected, as they attract talent using a compensation structure partly in local currency with a balance payable in sterling in the UK.



SV Nathan believes opportunities for Indian talent will depend very much on whether the UK government can use Brexit to communicate a new narrative around the knowledge economy. Nathan said: "I see this more as an opportunity. There is a great opportunity for Indians to come to the UK – however there have been no policy statements and there has been no broad positioning. With the removal of all the constraints, the UK has a phenomenal opportunity in almost crafting a completely new policy that would really help a lot of knowledge workers coming in. But that story is still waiting to be told".

For young Australian talent, a key issue is not so much access to Britain as a career destination per se, but as a destination offering broader access to Europe. Suzanne Roche, General Manager Policy and Advocacy of the Australian Information Industry Association (AIIA) in Canberra, said: "If only from a perception point of view, the notion that there might be some barriers to getting into and staying in the UK market might be something that would impact the attraction of young people with excellent digital capability skills wanting to relocate in the UK. There has been some response, particularly from young people, saying there's a concern that Brexit means they will have less ability to go to the UK and then flow freely from there to Europe and also about their potential ability to get jobs generally".

What is the World Saying?

GLOBAL DIGITAL SKILLS SHORTAGES

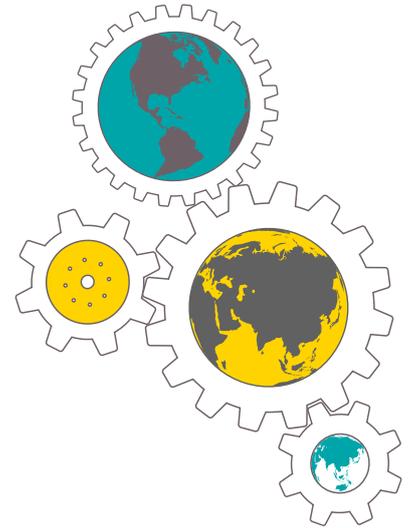
Our respondents all noted that digital skills shortages are a global issue, suggesting that in principle this strengthens overseas opportunities for British talent.

Suzanne Roche points to the insights that emerged an AIIA global digital leaders dialogue on skills earlier this year in which participants came from Asia, the US and Israel. She said: “What became very clear is that every country has a range of skills-related talent pool issues. We all had this to a greater or lesser degree and we are all trying to grapple with it in different ways”.

Australia’s efforts to attract Asian talent to ease skills shortages tend to be limited by high rates of return following their studies, potentially strengthening opportunities for British candidates. However, the key draw for digital technical talent globally is not necessarily where they work – but the kind of work they are seeking. High-value individuals will often make their career decisions on the basis of the innovation they wish to be involved in, placing a premium on a country that encourages cutting-edge research.

Roche said: “What it comes down to, is the extent to which people who want to move would move because they were going to where the cutting edge stuff was being done, where the really interesting work was being done, where there are opportunities and freedom for innovation. That is the real draw card”.

Britain’s ability to attract talent will therefore be determined as much by the culture and infrastructure it creates within the digital economy, for example, as by the signals it sends out about rules of access. At the moment, however, the UK is not seen as a particularly attractive destination for Australian and New Zealand digital talent.



What is the World Saying?

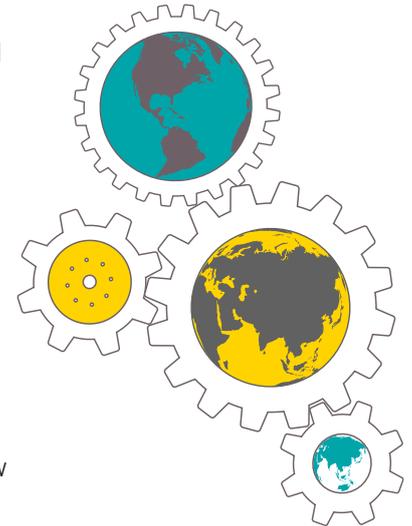
US AND OTHER ENGLISH-LANGUAGE MARKETS

There is a shared sense among respondent that other English-language markets could benefit from Brexit more than Europe itself as talent reconsiders whether to target the UK. Yogi Sriram, Senior Vice President (Corporate HR) at Larsen & Toubro in Mumbai, points out that the US has been a destination of choice for young Indian talent, especially for higher education. He said: “If you ask an aspirational young Indian whose social compass points towards the west where do you want to go to study and then work – the automatic choice will be the United States of America, especially the Bay area”.

Top talent is sensitive to changes in migration rules and any new obstacles to working in the UK could simply strengthen the impulse to look at other English-language markets. Immigration lawyers and Indian expatriates have been reported in the British media stating that jibes at foreigners have already cost the UK talent and there is a general recognition that many qualified workers now prefer Canada, Australia and New Zealand.²⁷ While Britain has tightened many of its immigration policies, competitors such as the US are loosening them.

SV Nathan warns that current uncertainty about UK policy means Indian software engineers, in particular, could exercise this option. He said: “Brexit has not changed anything, but the absence of information is causing people to worry. If people don't have information, then they take the safe way out. I speak with a lot of younger people, guys who would want to work abroad and some of them are starting to say ‘Maybe I should try harder to go to the US’. Also, once they never thought about Australia or Canada: now I am hearing a lot of people saying maybe I should seek an opportunity to go to Australia or Canada”.

In Australia, the US is also seen as a highly attractive destination for digital talent where exciting things are happening, there are large businesses and distance is less of a factor. Suzanne Roche says that, to the extent that all these things are seen as positives, Australia loses a lot of skills in that direction. She said: “Although there is some interesting stuff happening in some of the Asian countries, there is a perception about cultural differences, whereas in the UK they are less of an issue – but there's not a perception that there's actually much happening there”.



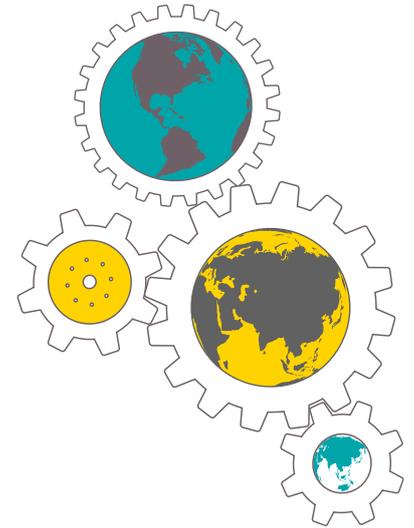
While Mariano Zadeh believes that as a result of Brexit more British talent could also be lured stateside, he also foresees more European talent that may have once headed for the UK now considering the US. He said: “I am a strong believer that if you have better quality of people from other parts of the world then the local talent should also improve due to competition, the more competition the better long-term for the country; but then the UK can sustain this by themselves – they have a lot of great talent”.

What is the World Saying?

HIGH-END TALENT IN THE DIGITAL SECTOR

Respondents from both India and the US see Brexit as an opportunity for Britain to think more strategically about its talent needs and to focus on the digital sector. Yogi Sriram says that recent conversations among those whose opinion matters about digitisation did not portray Britain as being as advanced as the US. But this could clearly change. He said: “This is a fantastic opportunity for Britain to rediscover itself: Britain has a great chance now to bring in young highly qualified talent selectively, pay them well and create technology hubs. I think Britain has lost out in the last few years to the USA – in attracting talent in cutting-edge technology areas and also in innovation; but this is an opportunity for Britain to concentrate on the next horizon of businesses.

“Britain has an ageing population but may not have realised that the retired experienced senior citizens may actually be another source of talent for mentoring and developing qualified talent from other countries. This will mean attracting talent from outside the UK in a very selective manner at the higher end of technology in order to create R&D centres and innovation hubs. Attracting qualified talent in science and technology should now be the mantra for Britain”.



Mariano Zadeh believes that too much emphasis is being placed in the US on trying to gain blue-collar jobs that, economically speaking, it doesn't make sense for the country to retain. The UK needs to be smart – and use the opportunity of Brexit to emphasise opportunities in the knowledge economy. He said: “A lot of the things that are happening are hard to contain because of the sheer size of global trade. I think the US and countries like the UK need to focus on the service economy, on tech jobs – renewable energy, new economy etc. – so that developing countries gain the benefit of having jobs on manufacturing lines”.

SECTION III

Recommendations

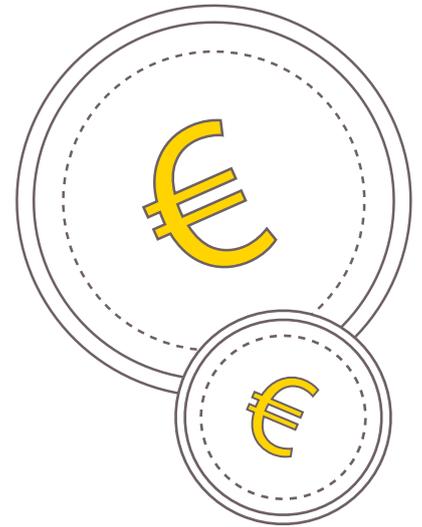
Success requires expertise, cultural savvy and a “can do” attitude. Resourcing partners such as BPS World are setting the pace by pioneering the very best standards of recruitment globally on behalf of their clients.

1) GIVE US INFORMATION AND COMMUNICATE CLEARLY

There is a widespread feeling among our respondents that insufficient information is coming out of Britain about the strategic objectives of the government in the Brexit negotiations and that UK talent professionals are not communicating in a range of areas. Martin Vosecký says that while there are clear opportunities for the sector, UK employers need to act fast to ensure that uncertainty does not result in talent leaving. He said: “The situation in Britain now is similar to when two companies are merging and people don’t know what is going to happen in terms of employment. They feel vulnerable – and it is easier to attract them somewhere else where they feel safer. So you need to let people know as soon as possible what is going to happen otherwise they will leave”.

British recruitment and HR bodies have realised the need for better communication. REC has undertaken a major consultation on the potential impact of Brexit and has already urged the government to reassure individuals from EU countries working in the UK and British nationals working in other European countries.⁴⁸ Similarly, the CIPD has emphasised the importance of UK employers communicating clearly with staff about the implications of Brexit, publishing a guide for HR professionals about rights.⁴⁹

Our respondents believe the UK government needs to communicate more clearly to key markets about its talent shortages – and to convince them that it is open for business. SV Nathan said: “The one thing that is often missed is an opportunity for the UK to really talk about their skills shortages and make it broadly known that Indians and people from other nationalities are welcome. Britain needs to tell a stronger story and to communicate to talent, wherever it comes from. Lack of information is a problem”.



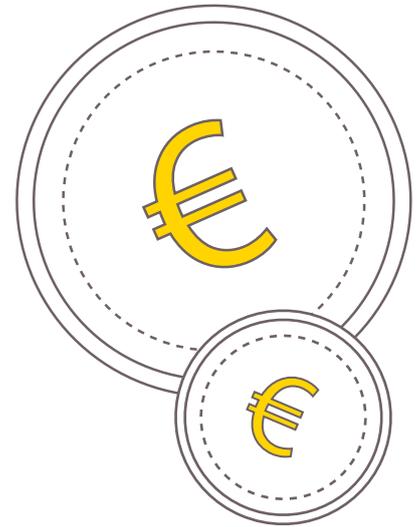
Recommendations

2) SPEAK UP ABOUT FREEDOM OF MOVEMENT

There is a sense that talent professionals in the UK and Europe have failed to explain to the broader public the merits of free movement. The sector often sees itself as being at the end of the value-creation chain, leaving opinion-shaping to industrialists. Michael Berger says the failure to speak up about freedom of movement enables ordinary people to absolve themselves of responsibility for what is in fact a crucial pillar of their prosperity. He said: “In Germany, normally companies and industries have relied on the skills of the people that we educate, but now this is insufficient, even here. Ordinary people are saying: ‘That’s not our business, it’s the business of the politicians to make it clear that bringing in talent is necessary’”.

Recruitment bodies in Germany such as APSCo GmbH (Association of Professional Staffing Companies) have become more vocal in recent months about the importance of freedom of movement for professionals.⁵⁰ Our European respondents in particular believe that there is an onus on the recruitment sector to demonstrate the economic value of freedom of movement. Ingeborg Němcová said: “Closing down free movement of labour would be an unacceptably high cost and British economists need to show what free movement of labour contributes to their economy and what are the potential losses from misuse of the social system and so on. There will still be more gains than losses – but it is portrayed differently in the media”.

Christina Fuchs also believes it is very important for negotiators to ensure that as much freedom of movement as possible continues after Brexit, especially for students. She said: “The more freedom of movement we have between countries the better. If we make it very hard for people to go in and out in both directions, then that is going to be bad for all of us. The UK has a great education system, great schools, universities and colleges where Germans also study. We must make sure that at least from an education perspective there is a lot of freedom for people to move back and forth”.



Recommendations

3) PUT OPENNESS AND FLEXIBILITY AT THE HEART OF FUTURE OBJECTIVES

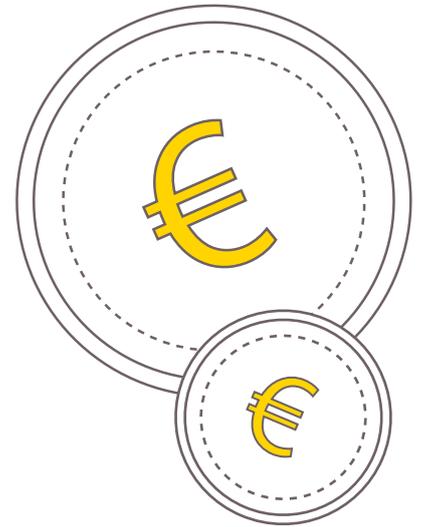
There is a shared feeling among European respondents that Britain must ensure that it minimises obstacles to talent and offers a welcoming environment for skilled people and investment. Etienne Deroure travels to the UK often and says Britain is something of a role model in France when it comes to the ease of doing business – and must not lose that. Barbara Zesik’s hope is for a scenario in which Britain welcomes people “with open arms” if they already have a job, or lets them come here for a period to find one. She said: “It was David Cameron who used the phrase: ‘Britain is open for business’ and I hope that continues to be the case”.

Michael Berger believes that remaining open to talent can require a degree of self-reflection: “I’m not in a position to tell my British colleagues what they should do. What we do here in Germany is to be open to global influences, practise tolerance, be ready for compromises and look closer at our weaknesses and strengths. German history is a disciplinarian”.

Similar views are reflected globally. Yogi Sriram said: “If Britain is able to reposition itself as a crucible of science and technology, it is important that you keep the door open to highly intelligent and capable talent. Remember Charles Darwin, Michael Faraday, Isaac Newton and more recently Alan Turing, Stephen Hawking, Tim Berners-Lee are all from Britain and therefore Britain can rediscover the scientific temperament that has become somewhat dormant”.

For talent from Australia and New Zealand, British openness is key to accessing Europe. Suzanne Roche said: “If you are coming all the way from Australia you want to be able to move pretty seamlessly throughout Europe – and there is a lack of clarity about whether that is still going to be possible”.

Forthcoming research by REC that looks at lessons the UK can learn from Norway, Switzerland, Canada and Australia suggests that flexible migration rules that adapt to global events and changing economic and social pressures are a key advantage.



Recommendations

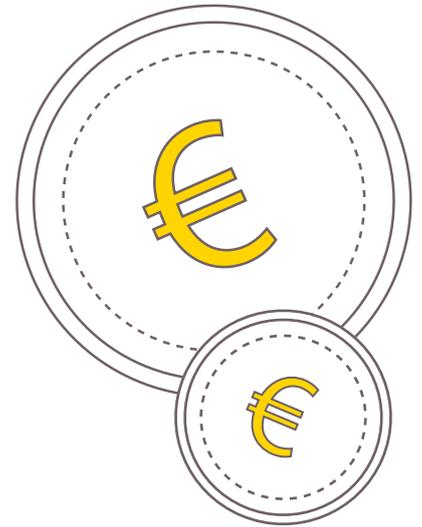
4) FOCUS ON ENGLISH-SPEAKING MARKETS

Language skills are a crucial issue for talent acquisition and can sometimes limit access to the UK market for European candidates. Nonetheless, Britain has an advantage over many countries because of the global use of English and access both for employers and talent to the core English-speaking markets within the Commonwealth.

Michael Berger says that it makes sense for the British talent sector to concentrate on people who speak English and the UK's negotiators should concentrate on these markets in future. Christina Fuchs agreed: "If I were from the UK and looking abroad, the first thought that would come to mind would be the Anglo-Saxon world. You don't have the language barrier so it's a lot easier to go and get started with the job rather than learning a language, which is a big disadvantage in Europe".

Mariano Zadeh agrees that a key advantage enjoyed by the UK is its place in the global English-speaking market and retaining and developing that should be a priority of the talent industry. However, Michael Berger warns that while some English-speaking markets such as India are highly attractive, this has a focus on inward development and could resist efforts to poach its talent.

A crucial source of talent is among students who study in the UK and one way to tap into this resource would be to adapt visa rules to make it easier to hire them. Venkat Iyer called for "clear-cut laws on visa regulations" that are bilateral and emphasise hiring young people who study in the UK but are forced to leave without an opportunity of finding employment. He said: "There are millions of students who have studied in the UK and have come back at the end of their course, though they would have preferred to stay".



Recommendations

5) FOCUS ON HIGH-END TALENT AND EMPHASISE DIGITAL SKILLS

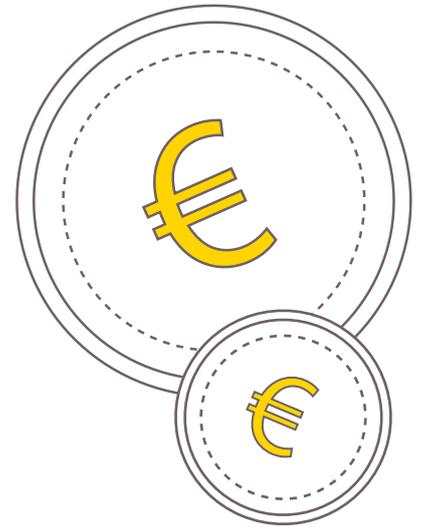
European observers say that Britain's negotiators mapping out its future relations with the EU should place a significant premium on digital skills.

Michael Berger believes Brexit offers the British government an opportunity to invest in digital innovation in the context of growing automation. He said: "The computer industry will be a rising market; so start from the idea that you are not really reindustrialised and production is second order and then you will know how to proceed. My proposal would be to concentrate on software and to start an initiative in this area to attract people from other countries, let's say India or the Far East. The idea would not be to draw production to Great Britain but to concentrate on software development".

This perspective prevails in much of Europe. In 2016, the year of its 160th anniversary, the VDI for example has focused considerable attention on the topic of "digital transformation" and for technical literacy to be integrated more strongly into teaching.⁵¹ Ironically, this message is also moving to the centre of British debates on education.⁵²

Mariano Zadeh believes that the British recruitment sector also needs to focus on strategic industries of core value to British GDP when advising government prior to talks on Brexit. Zadeh says Britain should use this opportunity to attract as much investment as possible into key strategic industries, using subsidies and sweeteners wherever it can and to ensure that London remains a tech hub.

He said: "The UK should be smart and proactive in order to attract investments, if needs be by giving subsidies or investment advantages for companies within and outside the country that want to get into the UK, regardless of the EU situation. That would generate good local talent and good local jobs".



Acknowledgements

EUROPE:

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INDIA:

Venkat Iyer, Honorary Secretary, Executive Recruiters Association (ERA), Mumbai (www.era.org.in)

SV Nathan, National Secretary, National HRD Network (NHRDN), Gurgaon (www.nationalhrd.org) and Senior Director and Chief Talent Officer, Deloitte India

Yogi Sriram, Senior Vice President (Corporate HR), Larsen & Toubro Ltd, Mumbai (www.larsentoubro.com)

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