



Brexit: Handling the impact on your workforce

Brexit response.

What's your workforce exposure and is your business ready?

No group will feel more anxious after the Brexit vote than the 2.9 million EU nationals living in the UK. Employers are trying to establish what the result means for them and their workforce too: as of this moment, the government hasn't said if EU citizens will have the right to remain and work in Britain and a decision may take time.

So what practical steps can employers take today?

Firstly, you should remind yourself that legally speaking nothing has changed since the referendum, nor will it until at least late 2018 – two years after Article 50 is triggered. With some time on your side, this is not the moment to second-guess or make rash decisions. Organisations should focus on understanding their workforce – its makeup, needs and vulnerabilities – planning and then building in agility.

KPMG has created this guide to help you do exactly that – asking questions you will need to address in the next two years and suggesting some possible actions to fortify your workforce for the future.

What is our current demographic across the workforce?
How many EU nationals are in our workforce?

What is the impact to our business if we lose our EU nationals due to future regulations or their personal choice?

What skill-sets do we risk losing?
What up-skilling/cross-skilling do we need to do to mitigate the risk of a skills gap in the future?

What work permits/visas do our employees hold currently?
What will be required going forward? What is our compliance risk?

What does our succession/talent pipeline look like?
What is our contingency planning?

Where have we typically relied on global mobility to fill skills gaps or build a talent pipeline that now needs to be reviewed?

What can we do to retain and attract the best talent during this time of uncertainty?
What can I do to reassure my EU migrant population?

Is my HR function ready to respond to the challenges raised by Brexit?
Do we need further support or additional skills in the HR function?



Suggested action plan

Employers can take concrete steps to understand their exposure to Brexit and mitigate its effects over the next two years – even with the picture for EU nationals still unclear. One immediate question is whether your HR function is equipped to undertake these actions or whether it needs more support, new tools or other skills from outside.

23 June 2016

UK votes to leave the EU

2018/2019

Exit negotiations expected to conclude



1

Data



- It's critical to know the demographic of your workforce. Workforce data should be maintained and, where necessary, collected for the first time. You will need up-to-date and relevant data on your employees' nationality, length of service, the roles they play and the skills that they bring to the organisation.
- It is important to have a single 'golden source' of the truth to enable accurate business planning.
- Management teams should be reviewing their employee data to identify their EU migrant workers, the role they are in and how long they have been in the country.

2

Communication



- Good consistent communication with those employees directly affected is essential (whether EU nationals working in the UK or UK nationals working in the EU). It's important to reassure staff and demonstrate, as an entire management team, that you're aware that people are nervous about the future, and that you'll keep them informed about the implications as more details become available.
- Further, during this time of change, it is important to engage with all employees to ensure they understand the opportunities available to them within your organisation and have confidence in the future of the business.

3

Immigration



- Organisations might want to consider whether there are individuals where a change of migrant status might be appropriate.
- Compliance with the immigration requirements should be checked and maintained during this time of change.
- Any global mobility programmes (e.g., leadership or graduate rotation programmes) should also be reviewed to understand the impact of possible changes and ensure future viability and compliance.

4

Scenario planning



- When thinking about the medium to longer-term, managers should build on the data they gathered earlier in the process, and start work on more detailed scenario planning. They should form a precise understanding of their business plan and requirements to identify where the greatest risks lie.
- This scenario planning will help you (i) identify if there are key workers that you want to help secure UK citizenship/permanent residence; (ii) understand if there's further L&D required to build skills internally and (iii) understand recruitment needs.

5

Skills gap



- Your company's learning and development strategy should be reviewed to ensure the necessary skills that will be in demand are developed.
- Opportunities to embed or leverage existing initiatives (e.g., learning academies, apprenticeship schemes) should be explored.
- Managers will need to look at proactive and creative recruitment processes to fill any gaps that may appear should key workers leave the UK.



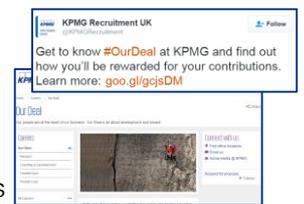
Some of the ways in which we help clients to drive business performance via their workforce are outlined below. If you would like to explore any of these services or understand how we support clients to develop or transform their HR functions and manage periods of uncertainty and change, please contact us.



- ✓ KPMG’s workforce analytics toolkit includes the capability to collate workforce data from multiple sources and track relevant employee metrics to inform strategic decisions.
- ✓ This can be used on a one off basis for deep analytical purposes or regularly for ongoing monitoring and scenario modelling.



- ✓ KPMG runs large scale communication projects for clients. These are often focussed on explaining technical information which impacts employees. We used our approach to communicate with our own EU and non EU nationals around the impact of Brexit
- ✓ An effective and well communicated Employment Deal drives attraction and employee loyalty, engagement and productivity.



- ✓ Our legal team are on hand to provide immigration advice on a bespoke basis.
- ✓ We have also created tools (flowcharts and mobile apps) to help clients understand and manage their immigration requirements. Our Right to Work app enables clients to be compliant with the immigration requirements and maintain a strong audit trail.



- ✓ KPMG’s Strategic Workforce Planning offering helps clients understand and plan their workforce needs over the medium to long term.
- ✓ Our analytical tools model current workforce data against the projected requirements to deliver the business strategy. It identifies areas of risk and facilitates planning of strategic actions required to close any gaps.



- ✓ KPMG’s Apprenticeship diagnostic enables organisations to holistically review their workforce and identify their skills gaps and prioritise apprenticeships at all levels
- ✓ We have developed a number of learning academies to target particular client needs, e.g., to develop leadership skills, commercial skills, etc.



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