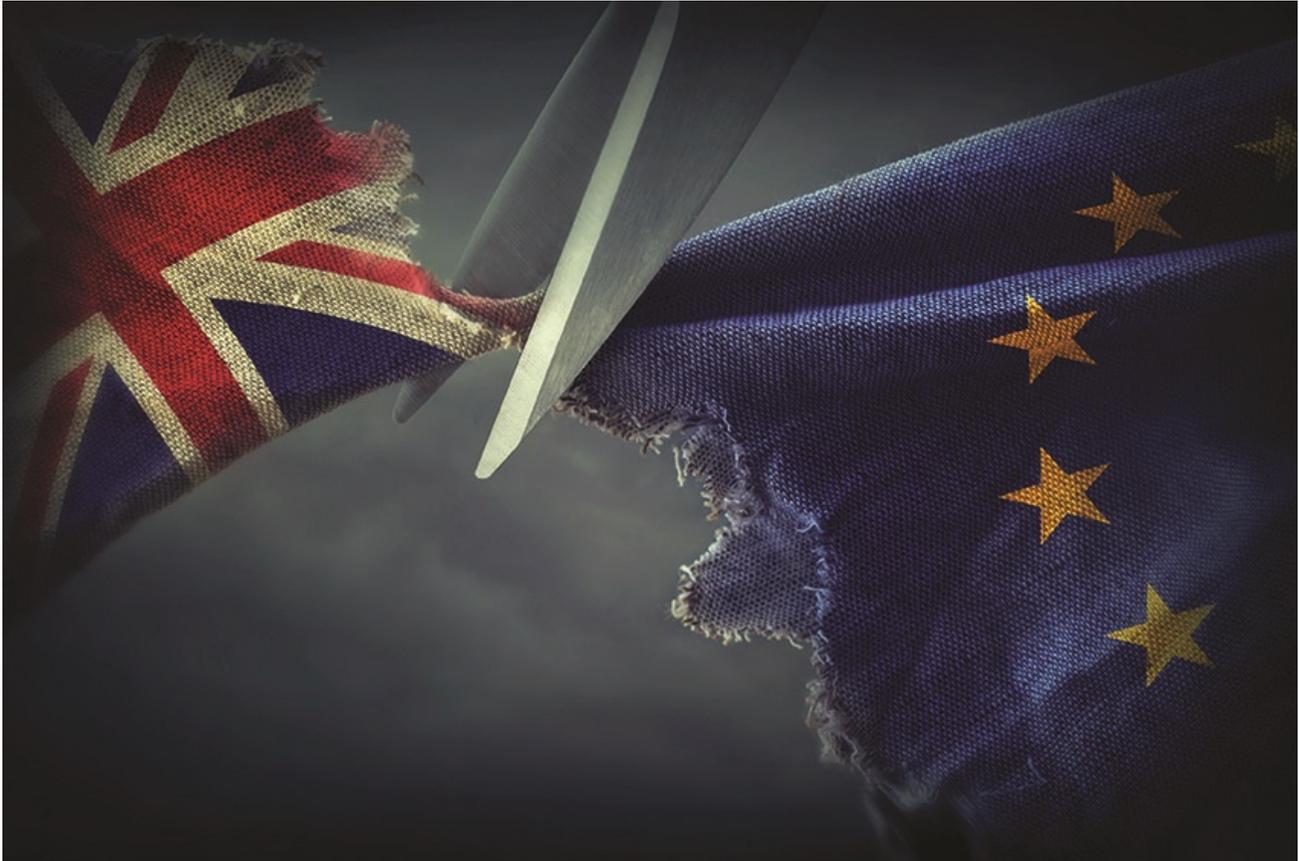


FOR ALL THE FASHION BUSINESS

Drapers

Facing the threat of a post-Brexit talent drain

24 August 2017 By [Kirsty McGregor](#)



Five months on from the triggering of article 50, research shows UK companies are finding it harder to recruit from Europe as Brexit looms. Drapers looks at the impact on fashion

The UK attracts more job searches from within the European Union than any other of the bloc's 15 founding states, reports recruitment site Indeed. The attraction of studying or working here is clear: we have a famously diverse high street and world-class fashion universities. The innovation and calibre of designers at London Fashion Week have cemented our position on the world's fashion stage.

But Indeed warns that the UK's position as a top destination for migrant workers is at risk. Job search traffic from EU countries to the UK was down by 18% in the first half of 2017, compared with the same period last year.

Meanwhile, an analysis of Office for National Statistics data by Indeed shows that 1 million jobs – or 44.3% of all new jobs – created in the UK since 2008 have been filled by people who were born in another EU country.

“Such heavy reliance on European talent could prove a serious liability if Brexit interrupts the flow of workers,” warns Mariano Mamertino, EMEA economist at Indeed.

The extent to which this is hitting the fashion industry is as yet unclear. Some experts believe the rhetoric around immigration is already having a significant impact on the retail side of the industry. Several headhunters agree that it has become harder to recruit people from outside of the UK to come here to work.

Caroline Pill, vice-president of global executive search at Kirk Palmer Associates, says: “London has always been seen as one of the most desirable destinations for senior execs to move to. While this remains the case, we can sense some hesitation because of the uncertainty around work permits and other requirements for Europeans, as well as the current exchange rate.

Brexit is massively impacting recruitment
Mary Anderson-Ford, AquaRetail

“That said, London remains one of the best cities in the world to live and work in, even if, for the first time in a long time, it is facing a bit of a pushback. It’s come as a bit of a wake-up call for everyone.”

“Brexit is massively impacting recruitment,” agrees Mary Anderson-Ford, managing director of merchandising-focused recruitment agency AquaRetail. “I am hearing that there is a reluctance to come to the UK.”

She adds that the economic impact of the uncertainty surrounding Brexit is having a knock-on effect: “Shoppers aren’t spending, so retailers are cutting their recruitment budgets or headcounts.”

Reassuringly, however, this drop-off in numbers is not everyone’s experience. Some retailers insist they are still attracting the same volume of applicants to jobs in the UK.

“International recruitment has continued to progress well, and we have actually seen a higher response rate since the Brexit vote,” reveals Chris Brierley, group recruitment officer at JD Sports Fashion. This is in part a result of its ongoing worldwide expansion, he believes.

The retailer’s headquarters are in the UK – in Bury, Greater Manchester – but its reach is global. Brierley explains it operates in Malaysia and Australia, as well as markets closer to home, such as France, Spain, Germany, the Netherlands, Italy, Denmark, Sweden and Portugal.

Brexit hasn’t presented us with any challenges, but this may change
Chris Brierley, JD Sports Fashion

“This appeals to candidates in the UK as well as internationally,” explains Brierley. “Recently we have seen a number of candidates relocate to the UK to undertake roles at JD. We have also successfully recruited candidates within international territories such as Italy and Spain.”

But Brierley says he is not taking this for granted: “To date the Brexit vote hasn’t presented us with any challenges, but this may change closer to the time when we actually exit the EU.”

When Amazon opened its new head office in east London last month, UK country manager Doug Gurr insisted that Britain remains an attractive place for recruiting talent despite the uncertainty around Brexit. With the opening of the new office, it will double the number of research and development roles it employs in London to 900.

By the end of 2017, Amazon expects to have 5,000 employees across its three London offices and a total UK workforce of 24,000. Next year, it will open a distribution centre in Bristol, creating 1,000 jobs. Gurr says the retailer still receives “plenty of applicants” for roles based in the UK.

Away from retail, for UK-based manufacturers the vote to leave the EU has been a double-edged sword. Research released by the Confederation of British Industry (CBI) in June showed manufacturers across the UK have enjoyed a boost since the referendum. While a breakdown for fashion and clothing manufacturing was not given, the CBI’s research suggested there had been a consistent increase across all sectors in the UK, signalling a general rise in demand for British-made goods.

Manufacturing in the UK protects brands and retailers from currency fluctuations, which hit import costs. It could also shelter businesses from any new import tariffs introduced when the UK leaves the EU’s single market.

We have seen a slowdown of skilled staff knocking on our doors for jobs
Jenny Holloway, Fashion Enter

Jenny Holloway, chief executive of London-based manufacturer Fashion Enter, confirms that business has picked up significantly: “We now have so many enquiries from larger retailers andetailers that are naturally concerned about movement of trade with Brexit and fluctuations in exchange rates.”

However, she adds that the number of skilled EU workers applying for jobs has dropped since the Brexit vote: “On the downside, our workforce is about 80% European and we have seen a slowdown of skilled staff knocking on our doors for jobs. There is still uncertainty because there is a lack of clarity about citizenship rights and what happens with the [migration advisory committee’s] recommendations in September 2018.”

In July there was confusion after some senior government ministers suggested free movement would continue for two to four years after Brexit in March 2019, as part of an implementation phase. Prime minister Theresa May was forced to issue a statement clarifying that free movement will end when the UK exits the EU.

Home secretary Amber Rudd explained that EU nationals will still be able to come to the UK during a transitional period after Brexit, but will have to go through a “registration and documentation” process. She reassured businesses there would be “no cliff edge” in the migration system.

Rudd has commissioned the migration advisory committee to help work out what this immigration system could look like, and examine the costs and benefits of migration from the EU.

However, the committee will not report until next September – just six months before Brexit. It is this uncertainty fashion recruiters are struggling with.

As Pill puts it: “It’s human nature to want to know what’s going to happen, what does it mean, do I need to negotiate my contract to include more guarantees? All these concerns are legitimate and I would encourage people to address them.”

Brexit is undoubtedly making some people think twice about coming to the UK to work, but we may not see the true impact on fashion for a while yet. The industry relies heavily on workers from outside the UK. If the restrictions on immigration are too draconian, it could have a lasting impact on British fashion’s global reputation. For retailers and brands, the challenge is to think creatively about how to attract the best candidates while the negotiations continue to unfold.

How to recruit the best international talent after Brexit

1. Address the candidate’s concerns honestly and provide reassurance where you can, without making false promises.
2. Remember any decision to relocate will involve a candidate’s family, so think about the wider package you’re offering and whether you can add more in the way of compensation to mitigate the risk.
3. Communication and an open dialogue is essential, says Pill. Phone or face-to-face interactions are better than emails, which can be misinterpreted.
4. Be positive, adds Anderson-Ford: the current situation will not last forever, and the UK will continue to be an attractive location to live and work in. Retail businesses the world over have always yearned to have stores here, especially in London.
5. Don’t be afraid to cast your net wide – if you want to reach out to EU candidates to fill a specific role, do it. You lose nothing by trying and could secure the ideal person for the job. But at the same time, do not overlook the vast quantity of home-grown fashion talent here in the UK