

## Industry news

# Trump visa ban to hit international agencies

**US President Donald Trump's decision to temporarily block foreign workers entering on H-1B visas for skilled employees, and L visas, for managers and specialized workers being transferred within a company will impact international recruiters.**

"The costs that will accrue include less domestic job creation from those trying to expand their American businesses, forcing recruiters, talent managers and employees outside the US to find workarounds," observed international business advisor and TIARA 2020 judge Allyson Stewart-Allen.

"This will directly impact any recruitment business looking to place foreign talent and makes it unlikely they will be able to do so for the foreseeable future," adds Matt Newman, MD & US lead for Rec to Rec specialist Camino Partners.

### SHORTFALL PREMIUM

"When the market turns up again, there will undoubtedly be a shortfall of candidates. Recruiters with strong relationships and an extended



Allyson Stewart-Allen leads a PointSix workshop on expanding into the US

network in the States should be able to still do well."

Newman further predicts that the consequential impact of a candidate shortage will likely drive up the cost of contractors and perhaps further encourage companies to outsource work abroad.

"For those reasons I think the Executive order will be shelved when

most unemployed Americans in key skilled areas are back in work," he added.

"For UK recruitment companies hiring internally for UK staff in America the E2 visa that's mostly used is not affected. It's currently on pause (for those outside the USA) as the embassy in London is closed due to the travel ban but will likely reopen when it is lifted."

## Recruiter results hit by pandemic and regulation

**COVID-19 and IR35 have tested some of the industry's leading recruiters in recent months.**

UK recruiter Staffline reported a 3.9% decline in revenue to £1,076.7m for the year to December 2019, audited preliminary results show.

Staffline executive chairman Ian Lawson said 2019 had been a challenging year for the group, but its new management team was ensuring appropriate measures of strong corporate governance and controls. "Clearly in the current year, we are operating within an unprecedented macroeconomic



climate as a result of the Covid-19 pandemic. However, Staffline's people have risen to this challenge and maintained an outstanding level of business continuity," he said.

Staffing 360 Solutions has released its

fiscal 2020 first quarter results, showing a 20.5% revenue decline to \$58.7m (£47.1m).

Chairman and CEO Brendan Flood said the results were anticipated, and largely due to the loss of a low-margin client in the UK and the impact of IR35 payroll tax legislation.

### ADAPT TO PROSPER

Meanwhile, Norman Broadbent reported a 22% revenue increase to £11.5m for the year to December. Group CEO Mike Brennan said the company was better placed to respond to the challenges of Covid-19 than many.