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❖ **HUMAN RESOURCE MANAGEMENT**

Report on UK'S Current Labour Market and Possible changes in Human Resourcing Strategies post Covid and Brexit

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Executive Summary

Remote working has preferably been smooth with the transition from the office environment with the adequate use of technological aspects to promote workplace balance, coordination and productivity. Business across the world needs effective recruitment, development and management of potential employees who could take care of the business and ensure better operations. This report shall be based in terms of understanding different aspects and domains in a business. In consideration of the major domains, the labour market in the United Kingdom shall be analysed in terms of its market position and effective opportunities for future recruits in any organisation. Following this analysis, the major changes within human resource management due to the post covid and Brexit shall be instigated and evaluated.

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Introduction

Business across the world needs effective recruitment, development and management of potential employees who could take care of the business and ensure better operations. In this case, human resource management can be considered in terms of making analyses within the employee context of any organisation for supporting their major aims and objectives. The strategic approach for supporting and nurturing the employees in terms of ensuring an aspect of a positive workforce environment within an organisation is effectively known as human resource management. This report will be based in terms of understanding different aspects and domains in a business. In consideration of the major domains, the labour market in the United Kingdom shall be analysed in terms of its market position and effective opportunities for future recruits in any organisation. Following this analysis, the major changes within human resource management due to the post covid and Brexit shall be instigated and evaluated.

Analysing the current state of the labour market in the United Kingdom

A market which is categorised as a place with different workers and employees interacting with each other is known as a labour market. In this market, employers from different industries and their respective organisations tend to compete to hire the best workers or employees for their organisation in terms of satisfying their required job and the employees choose their most comfortable employers. According to Landivar *et al.* (2020), The economy of this market is being devised with the help of effective demand and supply of the labours available for respective firms. A labour market is influential in terms of allocating an effective balance between national responsibilities and the needs for labour resources in consideration of the different possibilities for their coverage. It works on a self-regulation mechanism whose principle is applicable and the same in all different markets. The most common element of the mechanism of the labour market which is effectively considered by the employees as well as the employers are the price, the supply and the demand.

Labour market varies in accordance to the prices, the demand and the supply and even in consideration of their place and the country which is allocated. In this case, the labour market can be classified into two distinct types. They are:

<u>External Labour Market</u>	<u>Internal Labour Market</u>
This is a system through which an organisation tends to look outside their firm, aiming to find a desirable person for a senior job as has been stated by Fana, Torrejón Pérez and Fernández-Macías, (2020). This is done to avoid the re-positioning of an existing employee who is present at a lower level in a company for a higher-level job.	In this case, the recruitment of any employee for a senior job is allocated to an individual from the firm itself from a lower position. Graham and Anwar, (2019) made a statement in their study that the Promotion of the employee is made to make sure they attain the position with effective skill and a handful of experience in the field.

Table 1: Types of Labour Market

The United Kingdom had an estimated employment rate of 75.6% from October to December of 2022. This number was 0.2% higher in comparison to the previous three-month period. The increment in employment in the last three months took place due to the initiation of part-time workers in different industries and working levels. The United Kingdom has a vast market with a huge number of employees from different classes and creeds. Brell, Dustmann and Preston, (2020) state in their study that This market allocates some of the finest employees within different operating organisations in terms of meeting their organisation's aims and objectives. Employers compete amongst themselves to recruit the most efficient labour for their firms. The following segment of the report shall be emphasised in terms of analysing the current state of the labour market within the United Kingdom.

- The UK labour market has seen a range of delegations in the past few months. This shall be considered in terms of the fiscal year of 2022 and to some extent, the beginning of 2023. The employment number of people aged more than 16 years was found to be 32.84 million. This was estimated as the rate in November 2022 to that of January 2023 as has been stated by Comunian and England, (2020). The rate of employment that was estimated in the previous quarter in terms of people ranging from the age of 16-64 years

was 75.6% with an increase of 0.1% this quarter. There has been an overall increase in the employment level within the country in comparison to the last year, yet the number was 146,000 below that of the pre-pandemic level.

- In consideration of the number of employees throughout the year, there should also be an analysis laid out in terms of making an impact on the unemployment index within the country. The rate of unemployment as of 2022 in the UK was 3.7% with several 1.25 million people unemployed aged 16+ years of age. According to Tassinari and Maccarrone, (2020), there has been a significant rise in the unemployment rate over the last quarter of the year with a higher percentage of people losing their jobs and positions due to different factors that have been affecting several industries within the country. The number of unemployed has fallen to about 123,000 below the pre-pandemic level.
- Economic inactivity is another status that has been tagged to people who do not have a regular and stable income source or criteria. There have been no significant change in the number of people who are economically inactive within the country. The age range of the people that have been considered in this case is between 16 to that of 64 years of age. There have been accounts of about 8.89 million people who were said to be inactive economically with a rate of 23.3% of the people. The number of people stayed constant in comparison to the last year but there are about 412,000 people who are more economically inactive than the pre-pandemic level as has been mentioned by Merkel, (2019).

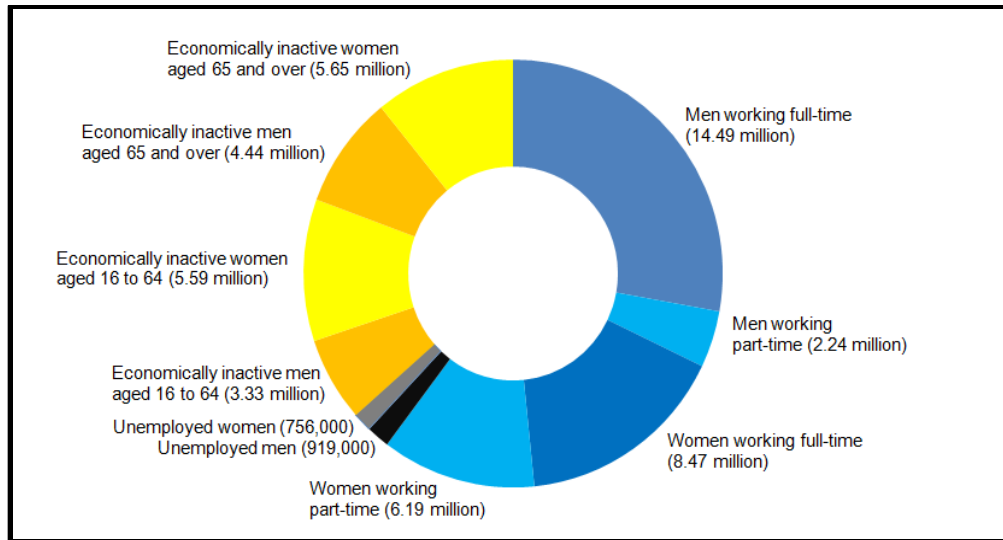


Figure 1: Labour Market in the United Kingdom

(Source:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/january2016>)

- There have been several redundancies within different industries in the United Kingdom due to adverse situations. In this case, the implication could be understood with the number of jobs that have been affected due to the redundancy in different sectors of the various workplace. Farré *et al.* (2020) state that The amount of redundancy that has been observed as of 2022 was about 94000. This number was slightly higher than that of the last year which indicates that there has been a change in job efficiency within the market.
- Vacancies in the workplace are another aspect that is being considered within the labour market. In this case, these vacancies represent the different amount of positions that are considerably available for people for their income. There has been a reduction in vacancies within the workplace in comparison to last year. The fall is estimated to be 1.12 million from December 2022 to February 2023. Other than this, this figure still lies about 328,000 higher than the pre-pandemic level.
- The number of salaries or wages also counts as one of the most impactful aspects that are considered within the labour market. In this case, the amounts that are being stipulated are being considered following the market value of different goods allotted to individuals following their needs in daily lives as per Etheridge and Spantig, (2020). The fall in wages would represent that there has been a failure or closure in a certain sector which

has caused prices of other commodities to rise. In this case, the average wages that fell in real terms within three months to that of January 2023 is about -3.5% excluding all the bonuses. The fall in the wages in consideration and including the bonuses has been -4.3% in the last three months.

Identifying the different changes in Human Resource Management in Post covid and Brexit external environment

The COVID-19 pandemic had an impact on the entire world with the closure of businesses and with the avoidance of physical contact with people. In addition to this, Brexit which was devised on 31st January 2020 also had a potential impact on the major aspects of organizational performance and also in their structure, especially in the United Kingdom. Butterick and Charlwood, (2021) mentioned in their study that Different firms have to compromise with different assets to make sure that they operate accordingly to the situation that was existent at the moment. In consideration of these events, the human resource management had to go through different changes that needed to comply with the changes within the external environment of the organisation. The strategies that were taken within the HRM changed in perspectives of the new and destined ways that were put out after the pandemic and Brexit.

In terms of understanding the different changes in human resource management and their congruent strategies, the various external environmental aspects should be considered and evaluated. These external realms have affected the overall human resource management and the procedures after the COVID-19 pandemic and also the Brexit which should be considered appropriately as per Stuart *et al.* (2021).

Factors	Description
<i>Political</i>	● There was an official change within the political structure of the country due to Brexit that led some major politicians to exit. ● The global pandemic had a severe impact on the government and their stability for which the prime minister of the United Kingdom had to resign from their position and was replaced soon.
<i>Economical</i>	● Every key business and firm in different sectors was highly affected

	due to the change. This was more effective for the multinational companies who were working with the other EU countries. ● According to Brunetto and Beattie, (2020), Economic inflations led to a devastating impact on different companies due to which they faced financial problems for continuing their operations in their respective market.
<i>Social</i>	● There was a widespread social conflict with the implication of Brexit. The referendum states that 48.1% of the people voted to stay with the European Union while 51.9% voted for leaving the EU. ● The COVID-19 upsurge harmed the people in the country which resulted in the breakdown of goodwill and motivation towards the workplace and also their personal life.
<i>Technological</i>	● There was no direct impact of Brexit on the technological aspect of the country. Different solutions to the issues due to Brexit were made by the effective initiation of telecommunication methods within the IT sectors. ● COVID-19 led to an increase in different technological approaches both in the personal and professional lives of individuals. Internet usage and data have been implied in remote working across different companies and also for education in students.
<i>Legal</i>	● There were impacts on different aspects such as the enforcement of the judgement in commercial and civil matters with taxes, the EU legal professional privilege, intellectual property, anti-money laundering regulation and the data flow as has been stated by Alfes <i>et al.</i> (2019). ● There were effective implications of different laws such as the health protection regulations, the tribunal procedure rules and the land registration rules due to COVID-19 in the United Kingdom.

<i>Environmental</i>	● There was an observed shrinkage in the natural sites within the country by 15%. Pollution from different power stations that caused acid rain and even air pollution was observed that was not held under the environmental laws of the UK. ● However, the covid-19 global pandemic had a widespread positive impact on the environment that improved air quality, and reduced water and noise pollution with reduced GHG emissions.
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Table 2: External Environment Analysis after COVID-19 Pandemic and Brexit

There has been a huge impact of covid-19 and Brexit on human resource management, their processes and the strategies that are applied to them. The biggest change and transition that has been observed is the allocation of remote working within the workplace. The operation of remote working is based on the principle of working outside of that of the office environment within the respective homes of the employees. Cooke *et al.* (2019) state that This step was necessary as it was important to demonstrate the well-being and commitment of the employees which was also useful in ensuring a good work-life balance.

Following are some of the new changes in the strategies and holistic operation after Brexit and the COVID-19 pandemic within human resource management in different organisations in the United Kingdom:

- **Onboarding changes:** The finding of suitable candidates for the job is one of the most important aspects and initial implications within human resources in any organisation. The process of onboarding is used in hiring new people which became tough in the pandemic and post-Brexit environment due to the unavailability of people as has been analysed by Khan *et al.* (2019). All the major interviews and training programs were conducted online mode. Different HR management software was used in tracking the data and progress of the employees and all were educated with the help of live classes, recorded videos and with the usage of high-tech distance-learning methods.
- **Changes in Performance Management:** The productivity of the employee is constantly tracked and analysed by the human resource department. In this case, task management software was used to assign tasks and regulate the efficiency of the employees. Regular check-in of the employees was also implied to make sure that the task was being carried out in consideration of effective ethics, norms and protocols of the organisation.

According to Cumming, Wood and Zahra, (2020), The workers were also remotely comminuted to make sure they understood their task and were asked if they faced any problems. Initiations were also made with the usage of KPIs to match the new reality of remote working.



Figure 2: Human Resource Trends in the post-pandemic period

(Source:https://scotennepruse.com/land?c=GgrSR7X_zPcFVekLE_vBQTQKMyk%3D&cnv_id=21b3208c4c64d43699005bc3e377f2ed&placement=18754866&campaign=707507&sub1=707507)

- **Changes in Training and Development:** The process of training and the development of employees is important for increasing their motivation and maximising their efficiency within the workplace. In the case of the post-pandemic and Brexit time, the training of the employees in the software and the IT sectors were considered much more important than any other sectors as per Ererdi *et al.* (2022). According to PwC, about 23% of the employees are learning new skills related to technology from their employers. They suggested the HR departments of different organisations for effective re-skilling or up-skilling of their employees for better productivity.
- **Changes for Maximising engagement:** The engagement of the employees became one of the most important factors for consideration within different organisations in the post-pandemic period. In this case, the employees and the employers needed to have good

communication for improving engagement and productivity within the workplace. Employees were asked about their work-life balance with virtual check-ins in different organisations. Mazurchenko and Maršíková, (2019) mentioned in their study that Employees were also advised to seek help for their mental health for their well-being and healthy living. Effective diversity and inclusion were also maintained to prevent discrimination and harassment within the workplace on grounds of sex, religion, caste or ethnicity.

Conclusion

The change in the allocation of different strategies was made in particular to meet the organisational expectations and reach the aims and objectives of the companies. Remote working has preferably been smooth with the transition from the office environment with the adequate use of technological aspects to promote workplace balance, coordination and productivity. This report finally concludes by putting a remark on understanding the current trends within the labour market in the United Kingdom. In addition to these, there has also been understanding based on identifying the different changes in the human resource strategies that have been devised in consideration of the external environment in the post-covid and Brexit time.

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