



ASSIGNMENT 1

HUMAN RESOURCE MANAGEMENT
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Executive summary

Labor market of a nation is the driving factor that influences the economic growth and developments in a greater extent. Fluctuations in the labor market are brought forward by uncertain social circumstances. Effective planning and implementation of the coping up measures have been carried out in the UK to beat the challenges caused by Covid 19 and Brexit.

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1.Introduction

The purpose of the current paper is to analyse and assess the UK labour market's current situation. A strong labour market and workforce are essential for a country's economic progress to be sustained and unbroken. The pandemic outbreak and other governmental actions have caused numerous changes in the labor markets of several nations. The implementation of Brexit in the UK contributed to a number of changes in the country's economic and other aspects. The development of the pandemic was an unavoidable factor that led to various changes in the nature of the work and, overall, the labour market, similar to the changes brought about by the Brexit.

2.Report

2.1Current scenario of labour market in the UK

Few of the research and studies are focused on illustrating the income disparity and inequality in the UK labour market. The demand for labour in the UK market is considered to be a derived demand, and this indicates that there is a demand for employees that makes a significant part of the economy of the nation. In the UK, employment can be classified as either working in the public or private sector or as self-employment. High inflation rates, which led to a persistent decline in household incomes in the UK, are yet another factor associated with labour market variations in that country. Similar to the effects of inflation and the high expense of living in the nation, Covid 19 and Brexit were two more factors that significantly altered the situation.

The employment rate in the UK for the period of July to September 2022 was about 75%. Over the last three months period, there was a decline in the number of employees and an increase in the number of self-employed people. In the period from August to October 2022, there were 32.77 million persons aged 16 or older who were employed, and the employment rate for those in this age range increased to 75.6% from 75.4% in the previous quarter (Lopez and Rial, 2021). Despite growth over the past quarter and year, employment levels were still 211,000 below their pre-pandemic level. The number of vacancies fell in the last quarter of the year, and over these years, 1.1 million vacancies were noted during the period of September-November 2022. A greater population remained economically inactive during this period, and the inactivity rates were higher during the quarter period of the year (Rehman and Della, 2018).

In 2021, the majority of the employees in each ethnic group worked in the fields of education, public administration, and health, according to data on employees broken down by racial or ethnic group. According to data from 2022, 32% of all workers in the UK were employed in public administration, health care, and education in 2021. The industry with the most employees is this one. In the months of August through October 2022, there were 32.7 million

workers over the age of 16, and their employment rate was 75.6%. Similar to the employment rates in the UK labour market, the unemployment rate was 3.7%; this constitutes a proportion of about 1.25 million aged above 16 to be unemployed (Hodge. 2021). These unemployment rates were higher at the beginning of 2020 due to Brexit and covid 19, but fell during the later months of the year. The following diagram indicates the unemployment rate in the UK over the period of 2000-2019 (Porter and Ketels, 2018).

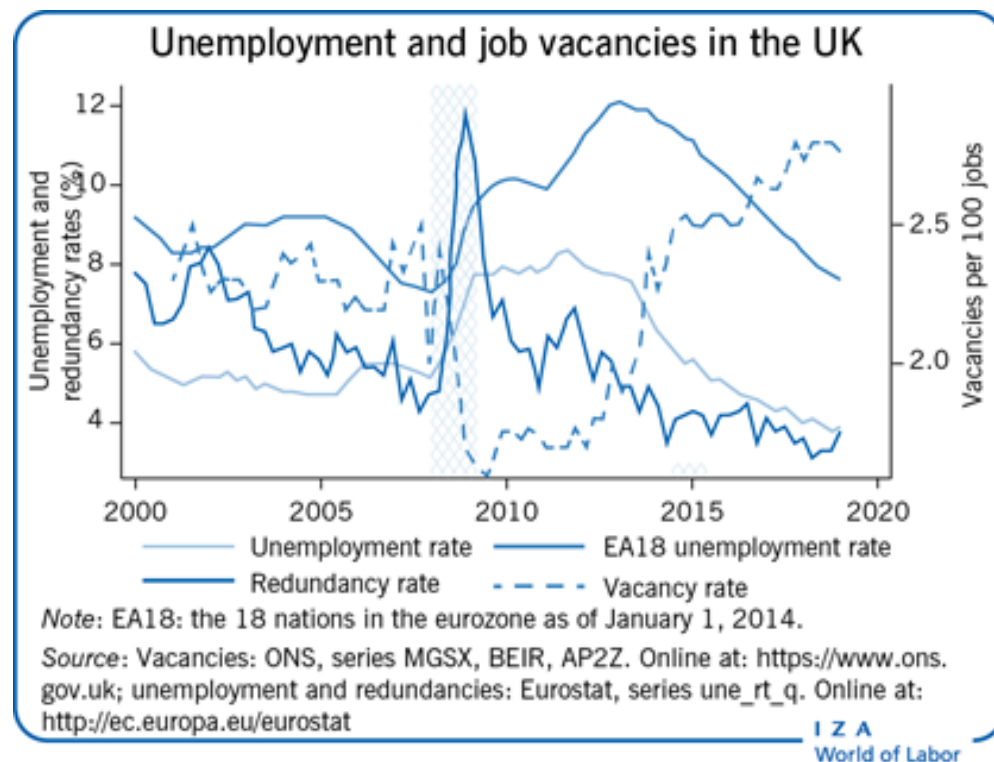


Figure1: unemployment and job vacancies in the UK (adapted from Herz and Van Rens, 2018)

2.2 Post Brexit effects and interventions

The exit of the UK from the European Union has resulted in many changes in the workforce and businesses of the UK. The post-Brexit immigration system has given access to the UK labour market for non-EU citizens. But they have introduced changes such as visa requirements for EU nationals. Studies on the UK labour market show that the country's exit from the EU had a major impact. Higher economic effects hampered the nation's economy and deteriorated its public finances. A 2% decline in the country's Gross Domestic Product (GDP) is possible as a result of Brexit. Additionally, studies revealed that the country's labour market would suffer as a result of the UK's likely exit from the EU. The country's immigration laws have also changed as a result of Brexit. According to other studies, immigrants who have lived in the UK for a longer period of time are less likely to be impacted by Brexit than those who have only recently arrived. Few studies have found that the government has tightened immigration procedures in the wake of Brexit, which has resulted in a decrease in immigration

to the UK. This was largely caused by skilled employees finding employment elsewhere. Therefore, leaving the EU has caused a social welfare issue.

Brexit has also increased pressure on the government to enact legislation with EU roots that have affected the labour market. Brexit resulted in changes to employment legislation. This covers adjustments to the working hour restrictions of 1998, agency worker rights, and yearly leave (Kordos, 2019). Employer flexibility has changed as a result of the free trade agreement with EU members, which is another development that was apparent. According to UK studies, immigrants have no bigger impact on the nation's labour market than any other group of people. Since there was an end to the free movement of nationals across the UK border, many employers and industries that relied on EU nationals for their employment were no longer able to recruit newly arriving EU citizens since these jobs were not eligible for work visa requirements (Mas, 2020). Only skilled work visa candidates could come and work in the UK with the new immigration programs. Most of the low-wage workers were not eligible to come to the UK, and this resulted in a staff shortage in the semi-skilled and unskilled employee sector. Work visas came up with a large number of restrictions on workers' rights, and this led to a greater risk of exploitation, especially that of employees with low wages. During the time of 2021 and 2022, there were shortages noted in many of the semi-skilled roles, such as HGV drivers driving fuel tankers and retail stock assistants (Day, 2018).

2.3 Interventions adopted

To combat the changes induced by the Brexit, there were various measures undertaken by the government and other organizations. Few of the studies indicated that organisations were developing scenarios and achieving this through effective measures. But the outbreak of pandemic resulted in worsening the situation of the labor market in the UK. To address the challenges caused by the exit of the UK from EU, various measures were adopted (Greer and Loblova, 2020).

Introducing temporary job mobility schemes for young people from the EU was a measure of fulfilling the staff shortages noted due to Brexit. This intervention was adopted by many of the organisation to attract young and skilled workforce towards the employment. Similar to this, temporary labour was considered as an effective way of addressing the skill shortage in many of the nations. In the UK as well, this measure was adopted (Ispas, 2020). Digitalisation of the recruiting process and widening the job portals were carried out by many of the organisations. Besides this, investing in new technology was considered by few of the companies. This includes developing of long term strategy to invest in new technology and software that reduce the need of human workforce.

Analysing the migrant workers in the UK, few of the organisations have developed strategies to employ migrant workers from the EU. Similar to this, to combat with the changes brought by Brexit, organisations have given further emphasis on the workforce planning and development (Ardley, 2018). Additionally, organisations came up with idea of employments under permanent contract rather than a temporary basis (Markova and Tosheva, 2021). this was a measure after analysing that job seekers were attracted by permanent contract jobs than no contract jobs.

Maximising of the financial support to the employees and providing wage rises were considered by many of the companies. Hence strategic work force planning was developed by organisations to identify the skilled workforce and human resources (Hassan et al., 2021). Organisations and institutions developed strategies and interventions to avoid the challenges and risks induced by Brexit on the labour market of the UK.

2.4 Outbreak of pandemic and coping measures

The outbreak of the pandemic had a substantial effect on the labour market and economy of the UK as a whole. According to various research, it is evident that the pandemic outbreak had an economic impact of at least £40 million in the year 2020, contributing to about 1.7% of the GDP (Groshen. 2020). The COVID-19 pandemic had a drastic impact on the creative industries as well as commerce, hospitality, travel, and lodging. Employers in these industries have been struck hard, which suggests that graduates in these fields will have trouble finding work. The recovery in these sectors is probably going to be gradual, despite the UK government's extensive methods to assist employers in getting through the crisis. A lack of cash reserves to address hazards would also likely cause serious issues for the self-employed parties. This suggests that given the instability in the industry, it will be risky for recent graduates to create their own practice or start a small firm (Khamis et al., 2021).

With the outbreak of the pandemic, there were various changes induced in the labour market. This included changes in the working pattern, flexibility of availability of the employees, and changes in employee development and training programs. In the beginning phase of the pandemic, with the lockdown and other restrictions induced by the government, a noticeable change was seen in the shifting of work from the office setting to the home setting (Allas et al., 2020). This indicated that employees were provided flexi-time shifts and priority to their safety with the adverse effects of the pandemic. Similarly to this, many temporary layoffs and job losses were evident in many of the organizations. Opportunities were fewer during the period of the pandemic, which caused the least number of hiring and recruitment processes during this period. With the social restrictions, there was a fall in the employment rate in the year 2020; this fall in the employment rate was merely based on the adverse effects of the Covid 19. In addition to this, men were at more risk compared to women regarding the threat to their

jobs. Between March 2020 and March 2022, the public sector's employment rate climbed by 5.1%, while the private sector's employment rate decreased by 1.3% (Achudt, 2020).

The pandemic also resulted in the economic inactivity of the nation for a considerable amount of time. The pandemic has had a significant negative impact on the hospitality and non-essential retail sectors. Employees in these areas have lost income by the start of the epidemic because they pay relatively low wages compared to many other sectors. Additionally, during the pandemic season, the employment gap between those with impairments and those without disabilities widened (Duval et al., 2022). After a sharp decline in employment rates in 2020, employment levels steadily increased in 2021 and 2022. The employment rates of part-time workers, which were unchanged from the start of the pandemic, have begun to improve as of the end of 2020. Additionally, there were more full-time employees and fewer people likely to have start-up ideas.

2.5HRM strategies undertaken

One of the most serious work problems has been brought on by the COVID-19 pandemic. There is a genuine risk that the crisis will worsen inequality and poverty, with the effects lasting for years. Currently, nations must do every effort to prevent this jobs crisis from developing into a social disaster (Huang et al., 2020). A crucial investment in the future and future generations is the rebuilding of a healthier and more durable labor market. Various strategies have been undertaken by the organisations to support their employees during these difficult times and to continue the functioning of the organization. These strategies were developed by the HRM team of the organisations as an intervention to beat the challenges caused by the pandemic. Few of the measures that were undertaken by the HRM team are

- Freezing recruitment processes
- Redeployment of employees
- Freezing or delaying of wage rises
- Used the JRS plans
- Shorter working time and hours
- Wage flexibility
- Flexibility in working patterns of the employees
- Redundancy activity
- Furloughed jobs

Working from home was a remarkable change that has been brought into society with the lockdown. Many of the corporate sectors advised their employees to do work from home rather than attend the office. Many businesses fulfilled the expectations of their employees by providing enough IT equipment (Kim et al., 2020). Through this, a customer network is

integrated into the workplace environment at employees' homes. This method placed a strong emphasis on the flexibility of employment contracts. Working remotely and from home was encouraged, and flexible scheduling with floating hours was provided. This included encouraging staff to work remotely and to hold formal meetings and interviews online. This was offered in the corporate sector, where there were common areas (Jain et al., 2020).

To ensure the safety of employees at work, many strategies were adopted by the organisation. Organisations in the public sector are more likely than those in the private or non-profit sectors to have adopted the most popular methods for ensuring employee safety at work (Anand, 2020). This is mainly because of the fact that they employ more important employees who have frequent contact with the public and have been required to continue working during the pandemic, as well as the fact that they are often larger than the private sector or non-profit organisations (Chung et al., 2021). This involves a few of the measures, such as the provision of PPE, staggering shifts, altered layouts, reduced job rotation, and staggered break times. Few of the organisations have provided frequent testing for Covid 19 in the office premises to track any infections at the earliest.

The majority of organisations' HR departments have developed measures to assist employees and ensure employee growth amid a crisis. This remedy included using contemporary techniques, including providing alternative employment, part-time roles, and flexibility in working hours. About 11 million workers were laid off as a result of the introduction of the Coronavirus Job Retention Scheme (CJRS). To encourage this industry, other claims like the Self Employment Income Support Scheme (SEISS) were created; however, they too expired in September 2021 (Zhou and Khan, 2021).

3. Conclusion

The current report has shed light on the numerous facets of the UK labour market. Details on the present labour market analysis of the UK are included in several sections of this study. It has been determined how effective HRM solutions have been in reducing the negative effects of these crisis scenarios and their effects on the UK labor market. The following sections of this paper go into further detail about the modifications that the pandemic and Brexit have made to the UK labor market. This study serves as an example of the value of various HRM approaches in different crisis scenarios.

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