



Name: Vency Deepak Jain

Student ID: 2239376

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Lecturer: Mohamed Asim

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1. INTRODUCTION

The Labour Market Story is a current evaluation of the condition and performance of the UK labour market. (ukces,2014). The labour market is always changing because it reflects the demands of employers, who in turn reflect changes in the external environment. Mortgage holders are feeling the effects of increased interest rates quite strongly. During the busiest season of the year for the rental market, rents are also rising. Especially in the public sector, many firms have open positions that are difficult to fill. Others claim that their pay bill has been significantly affected by hikes in the National Minimum pay (NMW) and National Living Wage (NLW). To address the issue of difficult-to-fill positions, employers are boosting compensation and upskilling their personnel. Even counteroffers are being made by several firms in an effort to keep employees.(cipd) Britain's utilization of labour and limited natural resources presents significant economic issues. The labour market in the UK is dealing with a number of challenges, making labour market research essential. Analysis of the UK job market prior to, during, and following the epidemic. Additionally, it covers the analysis of post-covid HR tactics to deal with the issue as well as other crucial facts and adjustments to HR tactics brought on by the aftermath of Brexit.

2.Evaluation and Review

2.1 Meaning and Characteristics

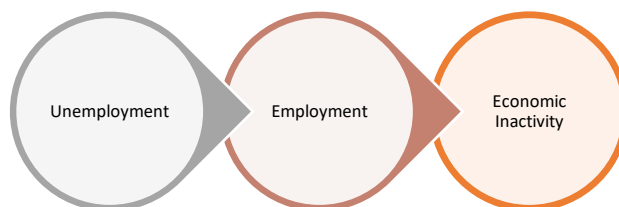
Investigate the labour market's supply and demand. The labour supply refers to the total amount of labour that families are willing to give in the labour market.

The amount of labour that businesses want to hire is known as labour demand. The number of people may be used to measure the provided and desired amounts, nonetheless, the number of hours requested or provided to labour represents a more accurate method of measurement. The characteristics of the labour market have an impact on the real number of workers in the economy. Employment levels and wages given to workers are both determined by the equilibrium of the labour market. (Zsuzsanna,2014)

- Characteristics of Labour Market.
 - The labour market has divisions. that there is little mobility inside a sector and between industries, which has caused the labour market to be divided. (Leontaridi, 1998)
 - The labour market is stiff and unyielding. Particularly in areas with high rates of unemployment and inflation, these rigidities are satisfied. (Serban & Aceleanu, 2015).
 - Contractual and participatory markets exist here. The methods for balancing the supply and demand of labour with regard to quantitative, qualitative, and structural aspects are provided through contracts and negotiations between employers and employees. (Cojuhari & Dorofeev, 2014)
 - The labour market operates on an administrative level. (Ghişoiu, 2000).
 - It is a flawed market because, in the modern economy, the labour market has never been entirely competitive. (Kaufman, 2007a)

2.2 Labour market Measurements and key trends of UK

The formal definition of labour market data is given by the International Labour Organization. It's been measured under the three main categories.



- Unemployment: Number of persons who are jobless as a percentage of all people who are economically active, which includes both those who are employed and those who are not.
- Employment: Percentage of all persons between the ages of 16 and 64 who are employed as a whole.
- Economic Inactivity: The percentage of persons who are economically inactive as a whole between the ages of 16 and 64. The primary causes of economic inactivity include:
 - a. being a student and not having a job or seeking for one
 - b. caring for the family and/or house
 - c. being ill (both temporarily and permanently)
 - d. being retired; and being discouraged. (Andrew,2019)

As the following key trends of UK labour market is 32.93 million persons aged 16 or older were employed from April to June 2023, While the employment rate for Community aged 16 to 64 was 75.7%, it had decreased from 75.9% the preceding quarter. In the UK, where the unemployment rate was 4.2%, 1.44 million people over the age of 16 were unemployed. The unemployment rate has risen in the last three months and a year, and there are currently 63,000 more people unemployed than there were before to the outbreak.

The economic inactivity rate for those between the ages of 16 and 64 was 8.69 million, or 20.9%. Despite a decrease in inactivity over the past three months and a year, it was still 247,000 higher than levels before the outbreak. A total of 108,000 people were laid off, up 54,000 from the previous year. In May to July 2023, there were 1.02 million vacancies, a decrease of the previous quarter and year, although they were still 219,000 higher than before the epidemic. (Brigid,2023)

2.3 Challenges faced by UK labour market

The rigid labour market in the UK is one of the key factors preventing our businesses and economy from growing. Talking about growth won't help much if we aren't prepared to do anything about it. There are certain graphs UK labour market is facing some of the statistics as

- According to the Open University's 2022 Business Barometer, 86% of big organizations and 68% of SMEs are now experiencing a skills shortage. 78% of organizations said that such shortages have resulted in lower production, productivity, or growth, and 72% reported that it has resulted in more work for other employees.
- Over 75% of UK firms responded to the annual CBI/Pertemps Employment Trends Survey by saying that over the preceding five years, the UK has lost some of its allure as a destination to invest in or do business.
- Warning from the Federation of Small Businesses, stating that "the broad labour scarcity is restricting small enterprises' potential to develop, while they also struggle with a deteriorating energy problem in the winter, rising borrowing rates, and unrestrained inflation. (Kostas,2022)

2.4 UK labour market current situation and analysis

Firstly, covering with the main points carried forward in the UK labour market. Recently estimated data for the year 2023. Due to low unemployment rates and high vacancy rates, the labour market is now constrained; the majority of those looking for work are already employed, making hiring more difficult than usual. (Brigid,2023)

- UK EMPLOYMENT RATE

According to estimates, the employment rate in the UK fell by 0.1 percentage points between January and March 2023, reaching 75.7% in April to June 2023. Full-time employees and self-employed individuals were the main contributors to the quarterly decline in employment. According to the estimated pay rolled workforce for July 2023, there will be a monthly rise of 97,000 above the estimated pay rolled workforce for June 2023.

- UK UNEMPLOYMENT RATE

The unemployment rate increased over the prior quarter from April to June 2023 by 0.3 percentage points to 4.2%. The majority of those who have been jobless for up to six months are to blame for the rise in unemployment.

- ECONOMIC INACTIVITY

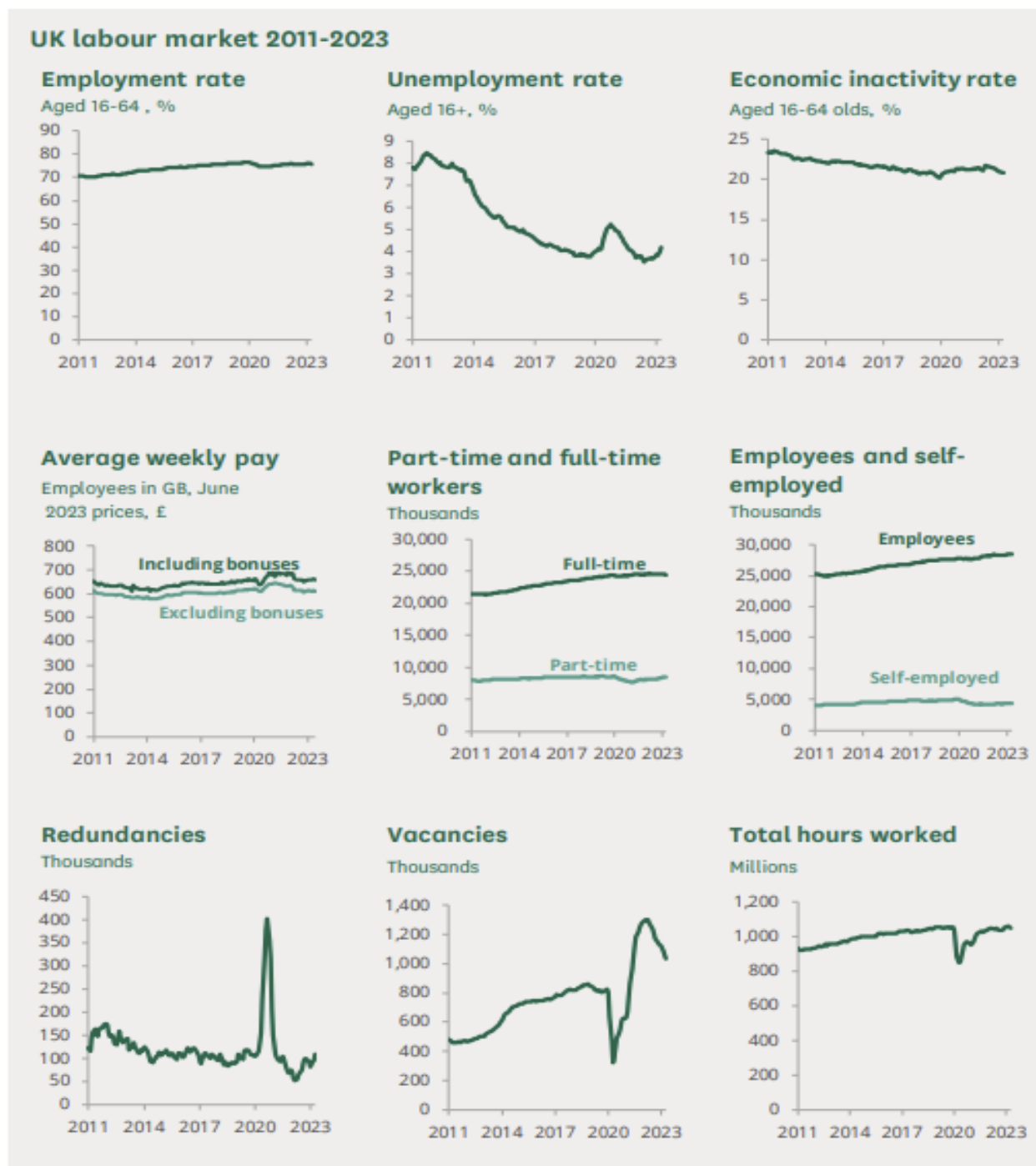
In the quarter from April to June 2023, the rate of economic inactivity dropped from 0.1% to 20.9%. People who are not working because they are taking care of family or home accounted for a major portion of the decline in economic inactivity during the most recent quarter. The normal annual increase rate for compensation (excluding bonuses) was 7.8% from April to June 2023, which is the highest rate since comparable records began in 2001.(OFNS,2023)

According to Analyses, the employment rate gradually rose in the years before the coronavirus epidemic started. It peaked at 76.6% in the early months of 2020, which was the highest level ever noted since records began to be kept in 1971. Following the UK-wide coronavirus shutdown in March 2020, the number of employed people fell and stayed down throughout 2020, hitting a low of 32.13 million by the end of the year. A few of the first indications that the epidemic was affecting the labour market was a record-breaking drop in the number of open positions from April to June 2020. There were 326,000 open positions throughout those three months, a record low. This was a 475,000 decrease from January to March 2020.

Since then, the number of openings has gradually increased until spring 2021, when it reached its pre-pandemic levels. Vacancy rates significantly increased for the remainder of 2021, reaching their highest point since similar records began in 2001 in March to May 2022, before declining in subsequent quarters. This indicates that labour demand is steadily declining.

4.2% of the economically active population was jobless, which is known as the unemployment rate. The unemployment rate was at a historically low level when the coronavirus epidemic began. Despite rising as a result of the pandemic and reaching a peak of 5.2% in late 2020, the rate was still far lower than the rates that were anticipated at the start of the epidemic. As opposed to this,

the rate increased after the 2008 financial crisis, reaching a post-recession high 8.5% in late 2011.



Source: ONS, Labour Force Survey, Tables [A01](#), [EARN01](#), [RED01](#), [VACS01](#) and [HOUR01](#)

There were 107,800 layoffs from April to June 2023, a little rise from the prior quarter. When coronavirus limitations were loosened after the epidemic, redundancies also dropped dramatically. Since then, as labour demand has decreased, they have been gradually rising. There were 8.69 million economically inactive persons in the UK from April to June 2023. 19% or 1.67 million of individuals who were inactive from April to June 2023 sought employment. (Brigid,2023)

2.5 Emerging changes in HR strategies in post covid external environment.

According to some reports, the COVID 19 problem is a dual pandemic, posing a serious and international threat to the health and prosperity of nations. (Ken,2020) They have had a significant effect on companies and jobs all around the nation. The Government has implemented historically exceptional economic measures in addition to these public health initiatives to save employment and incomes throughout the crisis. (Stephen,2020)

The significance of HRM, or "Human Resources Management," in enterprises and organizations has been brought to light by the COVID-19 pandemic, especially in light of the extra issues caused by the virus. Given the uncertain future and the high probability of losing job or experiencing wage decreases, the need for employee aid is stronger than ever. In order to create the optimal HR strategy, employers are starting to rely more on their HR department. (AlMala,2020)

Emerging Changes in the following categories:

○ REMOTE WORKING & WORKPLACE FLEXIBILITY

Before the pandemic, employees reportedly worked remotely 25% of the time, and Boston Consulting Group predicts that number would increase to 50% or more. (Kaufman ,2020). Some firms provide their employees the option of flexitime, which allows them to leave early one day and make up the time on another. Other businesses merely allow employees to work as many hours as they like each week, provided that those hours total at least 40.

○ FOCUS ON WELLNESS

After dealing with the stress and anxiety of the COVID-19 outbreak, employers will need to focus more on the general welfare and mental health of their staff. Holistic benefits are one common way to promote health to a business. These benefits include all aspects of well-being, including mental health and financial security. The objective of these plans is to provide employees with access to advantages beyond just basic health insurance, even though the benefits they offer may differ.

○ EMPLOYEE UPSKILLING

Trends in employee personalization indicate that workers want to feel appreciated as unique people. Employers show their appreciation in part by promoting upskilling. This solves knowledge gaps within the company and gives employees a sense of appreciation.

○ AI DRIVEN TECHNOLOGY

In the near future, businesses will keep looking for cost-cutting measures in the case of a slowing economy, which will accelerate the trend toward artificial intelligence (AI). Businesses may now do more than ever before with a tiny fraction of the effort thanks to AI. HR routinely makes use of AI to help with human resource management.(Maria,2020)

2.6 Emerging changes in HR strategies in post Brexit external environment.

The analysis covered four distinct time periods: Brexit (2016–2020) and before (2011–2016). Future (2020–2021) was also included. (Gupta,2023). Brexit was a difficult assignment to complete since the UK had to leave the European Union. It has been eagerly anticipated for a while, and while they are aware that organizations on both sides of the water have been diligently making preparations for it, there is still a chance that new barriers or difficulties will arise as the process is carried out. After the UK's official departure from the European Union on January 31, 2020 (Bratton, 2021) In response to a recent authority investigation into possible impacts of Brexit on divisions, the Ministry for Agriculture, Food, Environment, and Rural Development will be the one that will be most adversely affected by it considering that nearly 80% of its purpose is related to the European Union. There are a number of challenges associated with complying with the environmental inventory and its administrative framework, which has led to grave worries about the potential long-term effects of Brexit on the viability or need of the UK's sustainability plan. (Office for Budget Responsibility, 2023)



HR priorities post Brexit

- TALENT/LABOUR MARKETS AND IMMIGRATION

Determine which groups may be affected if the Freedom of Movement is changed. Reassure those who are impacted and communicate with all staff. Also ensuring that relocation and foreign talent acquisition comply with legal obligations.

- POLITICAL AND TRUST AGENDA

Changes to laws governing agency employees, holiday pay, and transfers are most likely to occur. Reviewed and updating strategies for addressing the human consequences of Scottish independence (mobility, job conditions, financial ramifications, etc.) Also updating fair pay policy, encompassing executive and general staff compensation.

RECRUITING STRATEGIES, METHODS, AND GROUPS

An Additional important region where firms should execute better is in recruitment. This report's findings demonstrate that certain firms are restricted to a number of recruitment methods and channels. By connecting people with particular aptitudes or skills to occupations that need those capabilities, a focus on strengths-based recruiting may help enhance inclusion and diversity. (Davies, G.2021)

- MAXIMISING EFFICIENCIES

The most effective organizations will be better equipped to handle the crisis and seize any chances that present themselves. Determining the effects of foreign currency rate variations on this group and develop policies and operational assistance for internationally mobile personnel. Retirement and other perks

- COMMUNICATION

Cross-cultural communication abilities are essential for businesses that operate outside of the UK and the EU. Training and activities that encourage good communication and collaboration within different teams are part of HR strategy.

3. Conclusion

In conclusion, a complex interaction of forces resulting from the aftermath of both the Covid-19 epidemic and the Brexit transition has formed the state of the UK labour market at the moment. The Covid-19 epidemic presented the labour market with previously unheard-of difficulties, including as massive job losses, adjustments to distant employment, and changes in the need for particular skill sets. The landscape of the job market has been significantly affected by Brexit as well. Foreign talent is less readily available as a result of changes in immigration laws and the loss of free mobility. Human resourcing strategies have adapted and grown nimbler

in response to these difficulties. To improve remote cooperation and speed hiring procedures, organizations have invested in digital tools and technology. Businesses are urged to use an all-encompassing strategy for people management in the post-Covid, post-Brexit external environment. In order to do this, an organization must promote a diverse and inclusive work environment, encourage lifelong learning, and pay attention to the changing preferences of its staff.

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