

LCMB7000
Assessment 1: Human Resource
Management

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Introduction

Human resource management is one of the most important aspects that help businesses to focus on one of the stakeholders such as the workers or the employees that helps the businesses to achieve their goals. As per the research by Dirani *et al.* (2020), it can be said that organisations need to focus on their human resources by motivating them and providing them appropriate work environment so that they could be able to work at their full potential which would help the organisation to fulfil their objectives. This research is focused on understanding the current state of the labour market in the UK due to Brexit and Covid-19 pandemic. Additionally, it has focused on the emerging changes that the organisations need to conduct so that they could be able to improve their HRM strategies which would help them achieve their goals. Therefore, it can be said that the research has focused on different aspects of HRM so that it could help in understanding the importance of technology in HRM so that it could be improved and enhanced to improve the overall strategies.

a) The current state of the labour market in the UK

The labour market is such a place in which workers and employers interact with each other so that the employers could be able to hire the best employee and the workers could be able to get the best satisfying job. It is an economic function that goes with the demand and supply of labour. Thus, it can be said that it is important for both parties so that the employers could be able to get efficient workers to conduct their operations and the workers could be able to get jobs as per their needs and desire (Collins, 2023). However, it has been impacted due to Brexit and even the Covid-19 pandemic for which the labour market of the UK has suffered.

The current position of the UK labour market

The UK labour market has been affected due to both Brexit and Covid-19 pandemic for which both the parties such as the employers and the employees have suffered. Due to the pandemic of Covid-19 when the process has become complicated, businesses have started to close their plant in the market of UK for which they have faced the issue of temporary unemployment in the economy of the UK. This has reduced the demand for workers in the economy for which the economy. On the other hand, it can even be said that the pandemic has forced businesses to stop their

business operations for which there has been a position of unemployment in the economy of the UK. Due to the lockdown, unemployment rose to about 400,000 and the number of people working fell by 825,000 in 2020 (Commons library, 2022). This has helped in understanding that due to the pandemic, people have lost their jobs and there was huge unemployment at that time in the market of UK which has impacted their economic growth.



Figure 1: UK unemployment due to the Covid-19 pandemic

(Source: Statista, 2022)

As per the report of Statista, it has been understood that UK has faced a significant amount of unemployment during 2020 when the pandemic of Covid-19 hit their market and they had to stop their business operations so that the spread of the pandemic could be stopped (Statista, 2022).

On the other hand, due to Brexit, businesses in the UK have faced significant issues due to labour shortages. Brexit has stopped all the business transactions between the UK and the EU, which not only impacted the product or service but it has even impacted the operations in which the workers from the EU and other places play a huge role. The businesses used to get efficient and cheap workers from EU countries

which have helped them to conduct their operations and even helped them to make good profits from which they have been able to sustain in the competitive market. Due to the labour shortage, employees have started asking more for their job for which employers have faced issues while hiring them (Telegraph, 2022). Therefore, it can be said that the cost of operations for the organisations has increased. On the other hand, it can be said that due to Brexit and its uncertain agreement businesses have faced issues while their manufacturing as there were fewer employees from EU countries who are cheaper than the employees of the UK. It has been impacted as the migration issue has not been solved for which the government has not been able to provide appropriate solutions to the labour shortage issues (Ward, 2017). Therefore it can be said that the local UK labour market has been inflated due to Brexit as workers from other countries have faced issues while getting a work visa to work in the UK.

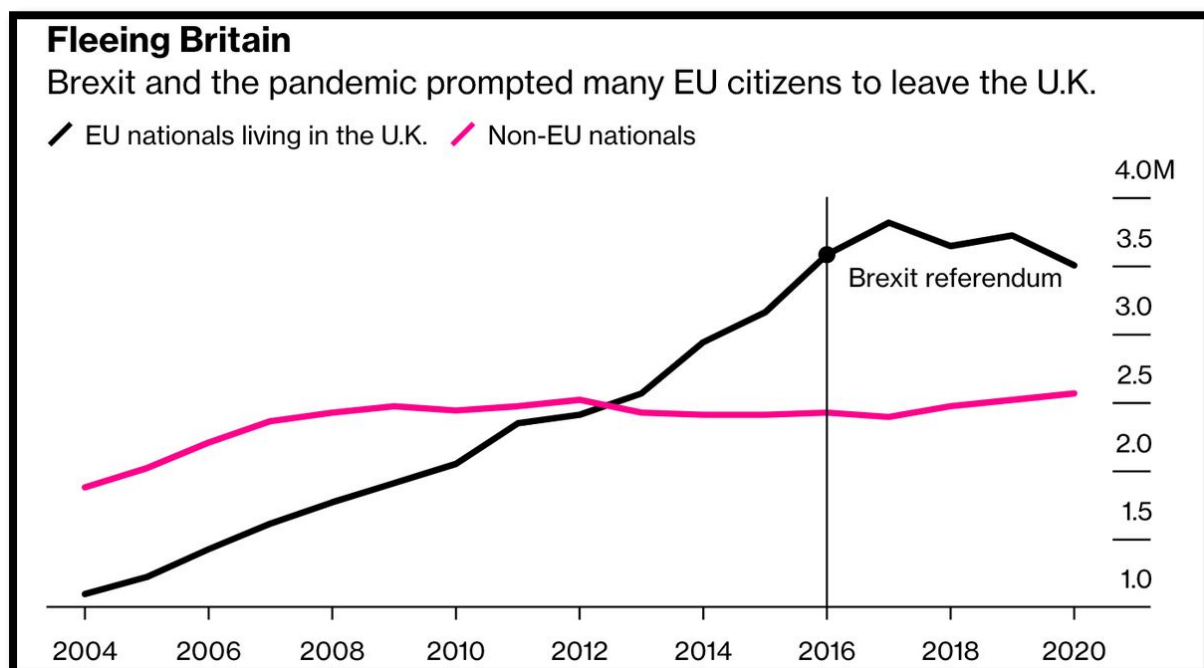


Figure 2: Migration of employees from the UK

Source: Bloomberg, 2021

As per the report by Euronews (2022), it has been found that due to the combined effect of Brexit and the pandemic Europeans have returned to their home country which created a labour shortage in the market of UK.

Factors affecting the UK labour market

Different factors have affected the labour market such as population growth, labour mobility, immigration, globalisation and even the availability of education and training centres. The higher population increases the supply of labours in the economy for which the demand gets lower and the workers need to work at lower prices. Mobility even influences the labour market. In the market of the UK, there are advanced and appropriate transportation and housing for the employees thus they have focused on the market of the UK. The employees from the EU have even focused on the UK market so that they could be able to work and make a good amount of wage, as many businesses are operating in the market. As per the research by Fang *et al.*(2022), it can be said that globalisation is also an aspect that influences the labour market. Through globalisation, businesses can access the global labour market for which they have been able to conduct their operations effectively and the workers in the global market can get jobs that suites their skills and knowledge. This even helps the employees to travel to other countries so that they could be able to work in other countries. Education even impacts the labour market, as business operations are changing according to their need so that they could be able to conduct their business operations effectively and fulfil people's needs. This has helped in understanding that the education and training process needs to be improved so those job seekers could able to gather updated and relevant skills which would help them in getting an appropriate job (Lauder, and Mayhew, 2020). Therefore, it can be said that therefore many factors which could impact the labour market of the UK.

Possible ways to improve the labour market

The labour market of the UK has faced many issues due to the pandemic of Covid-19 and Brexit thus they should focus on some of how they could be able to improve their labour market.

Reduction of minimum wages: Due to the high minimum wage organisations are not been able to focus on the new workers, if they could be able to reduce it they could be able to rely on the new, young employees which would help in improving the flexibility in the labour market (Bossler *et al.*, 2020).

Power of trade unions: The power of trade unions needs to be reduced as they have the power to go on strike the demand of higher wages and even other aspects.

Therefore, it can be said that if the power of trade unions could be reduced then it would help businesses to improve their flexibility in the hiring and firing process which would help them in keeping a balance in the labour market.

Better education and training: The government of the UK could focus on providing appropriate training processes to low-skilled employees so that they could be able to improve their work quality (Kruppe, and Lang, 2018). On the other hand, they could even improve their education process and include more relevant and important skills and knowledge which would be needed to become more knowledgeable. This way job seekers could be able to become more knowledgeable and could be able to get better jobs in both domestic and the international market.

b) The emerging changes in Human Resourcing Strategies in the post-Covid, post-Brexit external environment

The importance of Human resource management

Human resource management is an operation that is conducted by organisations so that they could be able to improve their operations by improving their employee's performance. It is included with different operations regarding employees of any organisation. This conducts the operations such as hiring, firing, training, motivating and even providing them with the appropriate environment to work, which helps them to conduct their business operations effectively (Chams, and García-Blandón, 2019). Therefore, it can be said that HRM is an important aspect for businesses so that they could be able to manage their employees in an effective manner which would help them improve their overall efficiency. As per the research by Ogbonnaya and Messersmith, (2019), it can be said that HRM strategies even focus on employee performance so that it could be improved and optimised as per the requirements of the organisation so that they could be able to achieve their organisational goals.

The impact of Covid and Brexit on HRM strategies

The research has helped in understanding that due to the Covid-19 pandemic, many people have lost their job, and businesses had to stop their business operations to reduce the spread of the Covid-19 pandemic. Due to the pandemic, the HRM process has faced many issues while conducting its operations such as engaging with the workforce, managing relationships, training and development strategies, talent

retention and even assessing employee health and well-being. From this, it has been understood that the HR departments have faced many issues while conducting the research. The employees were forced to work from home which was a hard task for them as there were many training and knowledge gap about the technology that they needed to use while conducting their operations. The department of human resources could not able to provide appropriate training to the employees to conduct their operations effectively from their homes. On the other hand, it has even been found due to the remote working set up the processes of human resource management could not be conducted efficiently such as effective communication, maintaining employee well-being and even managing the appropriate relationships with the employees (Carnevale, and Hatak, 2020).

Therefore it can be said that there aware many issues that the HRM have faced due to the pandemic as things have shifted to remote working which was new for the employees as well as the businesses from which they have faced some difficulties while conducting their operations. However, due to Brexit HRM strategies even have changed as some of the employment laws in the UK were based on EU legislation (Templeton, 2020). Therefore, it can be said that the UK need to create new legislation so that they could be able to conduct efficient and effective HRM process by maintaining the legislation.

The emerging changes to improve HRM strategies

Many changes have happened due to Brexit and Covi-19 pandemic, which have given new opportunities to the businesses from which they have been able to improve and optimise their HRM strategies, from which they could be able to improve their operations.

The implementation of Hybrid Structure: The hybrid Structure suggests that the employees could work from the office and even from home as working from home has become routine due to the pandemic. Therefore, many organisations have started shifting towards hybrid culture in which they would not need a bigger place, they would not need to manage huge employees. On the other hand, it would even help them get employees from different locations so that they could be able to hire efficient employees for their job. Due to the pandemic, nearly 49% of the employees were working from home(Parliament, 2022).

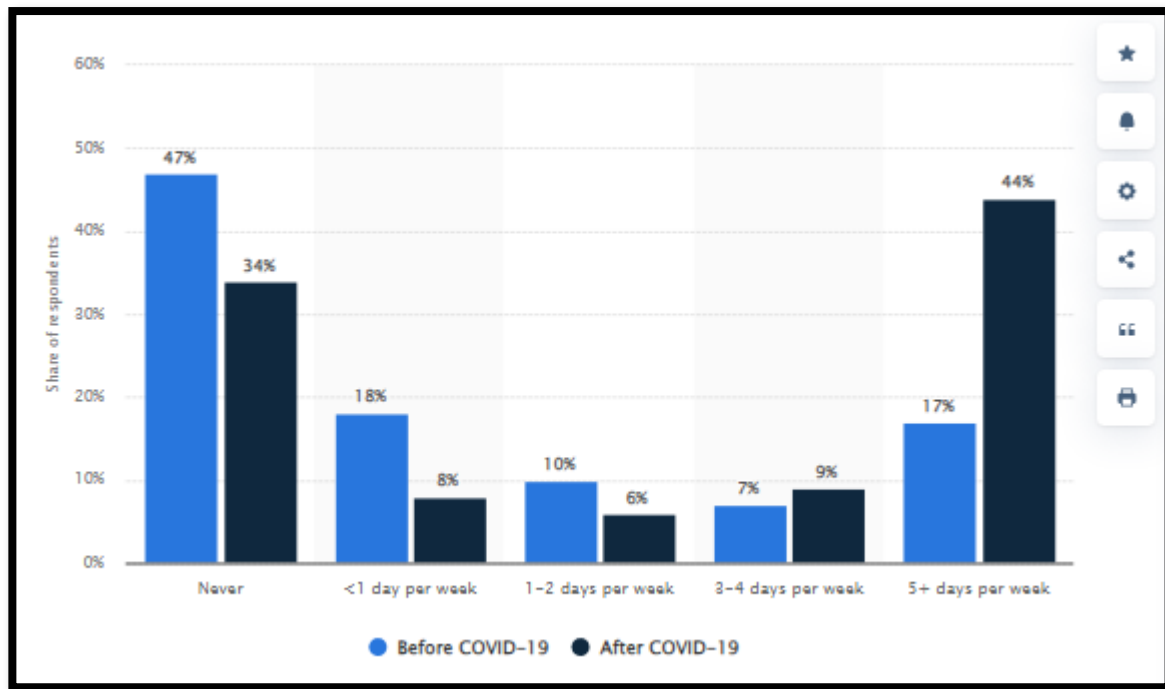


Figure 3: The increase in remote working after the pandemic

(Source: Statista, 2022)

From the report, it has been understood that due to the pandemic, remote working has increased and people have started liking this culture which has helped businesses in conducting their HRM strategies in a better way (Statista, 2022).

Monitoring the employees: As remote working has increased, the HR department has faced many issues while monitoring their employees. It has happened due to less personal interaction of employers with the employees. Technology has played a huge role in this. The HRM has implemented the use of software and applications which has helped them to understand and monitor the attendance of the employees that were working from their home. On the other hand, it has helped them to focus on their performance. The HRM departments have focused on the performance of the employees so that it could be improved. As per the research by Abdullah *et al.* (2020), it can be said that information and technologies have helped HRM in improving their operations. It has helped them to implement advanced communication in their business from which they have been able to communicate with those employees so that it could be improved and they could be able to work efficiently. Cloud computing is one of the technologies that has helped businesses in managing the data of their employees which has helped them in their employee retention process.

The hiring process after the pandemic has even improved, as with the help of technology businesses have been able to conduct online examinations of their potential employees, and it has even helped them to advertise their job vacancies on online platforms such as social networking sites which have helped them to attract more people to their jobs (Villeda *et al.*, 2019). Through this, they have been able to get efficient workers for their jobs. After Covid when businesses have focused on increasing their market, through globalisation, the businesses have focused on hiring culturally diversified employees so that they could be able to help them make effective decisions, in this process, HRM has played a huge role that has helped in improving the overall management for their human resources.

Conclusion

The research has focused on the HRM that has changed due to Brexit and Covid-19 pandemic. Thus from the research, it has been understood that the businesses have shifted to hybrid mode so that they could be able to conduct their business operations effectively. On the other hand, it has even been understood that the implementation of technology has even increased so that it could help in improving the overall operations of HRM. Additionally, it has even focused on the current state of the labour market in the UK which has helped in understanding the possible improvements that could be done to improve the market.

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