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ASSESSMENT 01

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Executive summary

The entire report is mainly based on the concept of human resource management. Along with that, it also focused on the current situation of the UK's labour market. The situation after the pandemic and the Brexit deal has been discussed in the first part of the report. Moreover, the internal analysis of the labour market has been done as a SWOT analysis. On the other hand, as an external environment analysis, PEST analysis has been done in the next part of the report. After that, the changes in HR strategies have been critically analysed in terms of the era of post-covid and post-Brexit. Moreover, some recommendations have also been provided in terms of improving the HR strategies of the chosen organisation.

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Introduction

Human resource management is considered the practice of selecting, hiring, recruiting, deploying as well and controlling the employees of an organisation. HRM also includes several processes such as strategic recruiting, HR preparation, employee training, worker relations, efficiency, employee satisfaction, health care as well and management regarding growth compensation (Anwar and Abdullah, 2021). The HR department of a business organisation is mainly responsible for overseeing policies which are regarding controlling workers and building good relationships between the organisation and its employees. In the entire business industry of the world, HRM plays a major role in the growth and development of the markets including the labour market. In this regard, this report aims to discuss the labour market of the United Kingdom in terms of the current situation. The internal analysis of the labour market will be discussed through a SWOT analysis. Along with that, PEST analysis will also be done as an external environment analysis of the UK labour market. There are several changes identified in HR strategies in every type of market including the labour market of the UK because of the uncertainty and constant changes. In this regard, the report will provide a discussion of critical analysis regarding HR strategies in the labour market in terms of post- Covid and post- Brexit. Some recommendations will also be provided in the report in terms of improving the HR strategies of the chosen organisation.

Current State of Labour Market in the UK

In recent times, the labour market of the UK is unusually tight including over 1 million job opportunities across the United Kingdom. The rate of employment was found at nearly 76.6% in early 2020 which is also identified as the highest rate since the year of 1971 (Business, Energy and Industrial Strategy Committee, 2023). On the other hand, the unemployment rates are very close to the lowest level of employment rates which is nearly 3.7%. In the meantime, there was a significant rise in Corona Virus which caused the pandemic of Covid-19. Therefore, it severely affected economies, societies as well as labour markets all over the world. It created several negative scenarios all across the UK labour market. The impact on the labour market can differ based on some particular institutional arrangements, measures for responding to crises as well and employment structures (Eichhorst, Marx and Rinne,

2020). Along with that, the labour market has been constantly changing in recent years due to several uncertainties. The pandemic has enabled the adoption of modern and new technology which provided opportunities for workers to work from their homes or remote locations. The opportunities for remote work have increased flexibility among workers including enhancing their performance and productivity speed. In this case, automation plays a major role in recruitment, performance management as well as business activities.

On the other hand, the unemployment rate of the UK has also declined by 0.2% in mid-2022 in terms of people between the ages of 16 and 64 (Leaker, 2022). After the pandemic, the level of part-time workers has significantly reduced whereas the number of full-time workers and entrepreneurs have been increased highly. The rate of economic inactivity was also enhanced by nearly 0.4% points in terms of the quarter to 21.7% in the month between May and July of 2022 (Leaker, 2022). The total number of job vacancies in the United Kingdom has increased by nearly 290,000 in mid-2022. Therefore, it can be said that the labour market of the country is now facing several challenges and also tries to overcome these by implementing several policies and best practices. Moreover, it can be said that the integration of the labour market of stateless persons is more challenging than the local newcomers who are economically motivated (Brell, Dustmann and Preston, 2020). Therefore, it can be said that the labour market of the country needs to develop more as well as in an effective way.

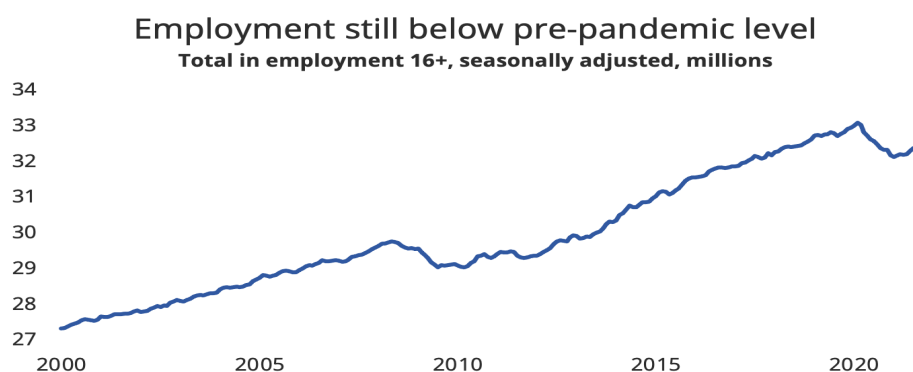


Figure 1: Current Situation of the Labour Market in the UK

(Source: Labour Market, 2023)

SWOT Analysis

Strengths: The United Kingdom has a strong and established place among the global markets and it also has good relationships with both exporters and importers. Moreover, the labour market of the UK also has a skilled workforce, therefore, it is one of the main strengths. Such companies like AstraZeneca have an educated workforce and, in this way, the company provides effective medical services to its global customers.

Weaknesses: After the pandemic, there was a huge decline in the transportation system which impacted the labour market of the UK. In some regions of the UK, the level of innovation is very poor. Therefore, it affects the communication between the labour market of the country and other countries including the process of production and creation (Balsmeier and Woerter, 2019). In this regard, AstraZeneca is also facing several problems in exporting its products to other countries.

Opportunities: The high level of education and effective training is the main advantage of the labour market of the UK. In this way, the market can easily hire a strong workforce and grow and develop this industry more effectively in the future.

Threats: Uncertainties around the business market can be a major threat to the labour market of the United Kingdom. Moreover, a lack of innovation and exporting can also lead the market to be affected adversely in the future.

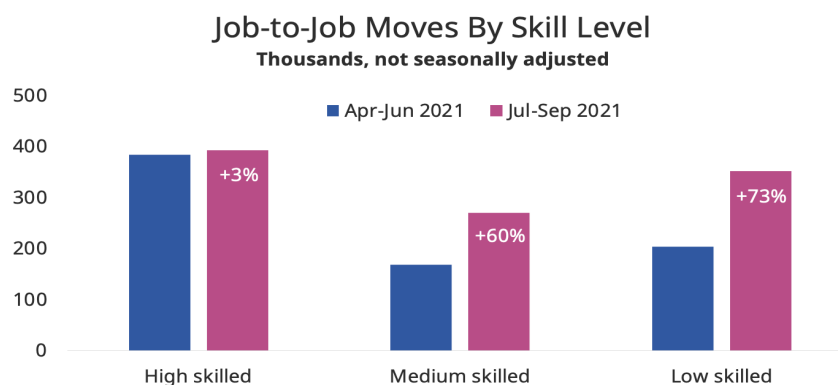


Figure 2: Weakness of the Labour Market in the UK

(Source: Labour Force, 2023)

PEST Analysis

Political factors: The United Kingdom mainly includes Scotland, Wales, England and the Northern Islands. It is also considered one of the strongest countries in the world. In this country, the head of the government is selected every five years and the prime minister is elected in that position. In other words, it can also be said that the government of the country leads proactively and it is also split into both local and national administrations. Therefore, the level of conflict is less within the country. Moreover, in the UK, there was a stable political system before Brexit. Brexit refers to the deal which indicates the withdrawal of the UK from the European Union (Kordos, 2019). After the Brexit deal, there was a huge range of uncertainties noticed in the business market including the labour market of the UK. Along with that, the country has some hidden corruption which also affects the political structure of the country. Therefore, AstraZeneca has been impacted by all the political factors of the United Kingdom. The company is mainly impacted by the trade regulations which are provided by the UK government after Brexit. Along with that, the policies regarding taxation, wage legislation and many more also majorly impacted the healthcare business of the company.

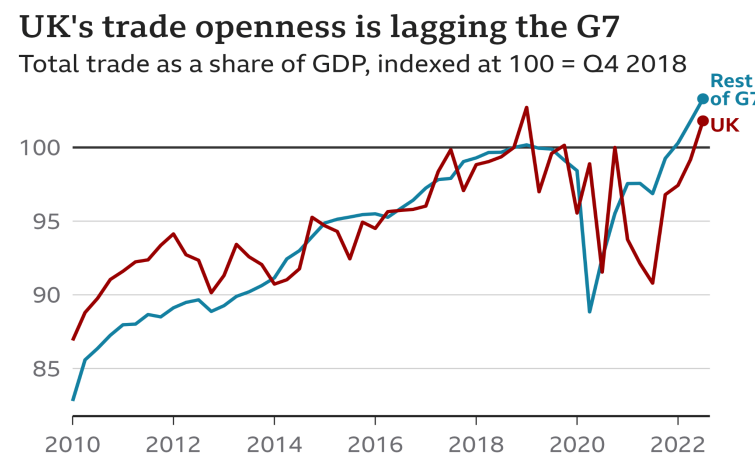


Figure 3: Impact of Brexit on the UK labour market

(Source: Bbc, 2023)

Economic factors: The unemployment rate was nearly 4.9% in 2020 in the UK and it has also expanded by 0.4% since the year 2019 (Shaw, 2021). It happened because of the shutdown of business organisations due to the pandemic of Covid-19. Therefore, it severely impacted the labour market of the economy including the healthcare sectors like AstraZeneca.

Moreover, the corporate tax rate of the country was 19% which was supposed to decrease to 17% by the UK government (Shaw, 2021). Therefore, it impacted the labour market as well as the business organisations with the decline of investors. Moreover, the cost of labour has been significantly increased after the pandemic. Therefore, it also brought a drastic change in managing the business operations of the labour market of the UK. Therefore, it can be said that all the economic factors are highly responsible for bringing a change or creating uncertainties in the labour market.

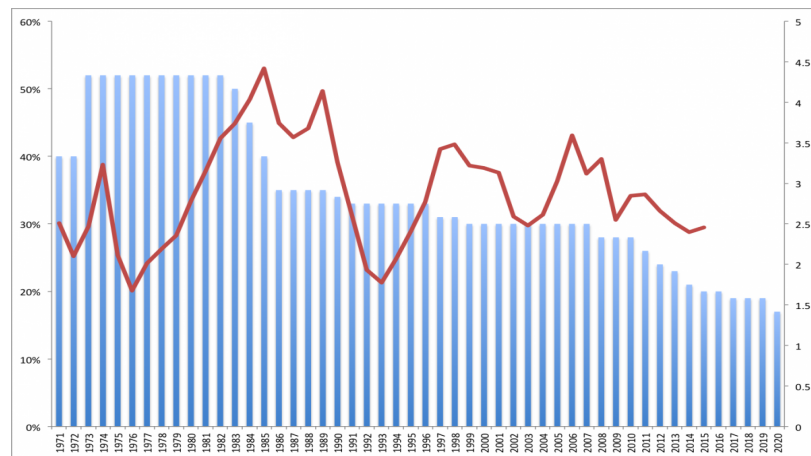


Figure 4: Change in corporate tax rate in the United Kingdom

(Source: Forbes, 2023)

Social factors: The country has now a significant amount of population which is over 67 million and it is also forecasted that by the year 2039, the population amount will be 74 million (Shaw, 2021). Moreover, the country has a diverse workforce and it is one of the biggest strengths of the country. Business organisations including all sectors offer several types of products and services to their particular target segments of the business market in terms of some specific needs and requirements. Along with that, the literacy rate of the country is about 99% and it is also ranked at the top positions in terms of the best countries in the world (Ardielli, 2019). Therefore, it helped healthcare sectors like AstraZeneca to run their business operations effectively along with a skilled workforce.

Technological factors: The United Kingdom is highly effective in terms of using advancements and innovation of modern technologies (Lopez et al., 2021). Therefore, it helped the labour market to enhance its growth and development by using the modernisation of technologies. The health industries like AstraZeneca also get several benefits and advantages in the time of production and marketing of their medical products. The

department of R&D of the sector has also benefited from the innovation and advancements of technology. Therefore, it can be said that social factors of the UK are very effective and it allows the company to survive efficiently in the competitive business market of the United Kingdom as well as globally.

Critical Analysis of Human Resource Strategies in Post-Covid

Due to the pandemic, there was a dramatic change noticed in all the sectors of the world including HR management. In recent days, it has become difficult for the HR department to understand the business market due to the uncertainty and contemporary changes. On the other hand, the HR departments of all sectors also apply several effective strategies in terms of enhancing the growth and development of their business organisations. In the post-pandemic era, there is a huge rise in the concept of remote work. Remote work mainly considers the process of operating from several locations. In this process, employees can perform their roles and responsibilities from different locations of the world, instead of being physically present (Waizenegger et al., 2020). On the contrary, it also helps the workers to enhance their productivity and level of performance by involving them in business activities. Therefore, it also smooths the process of onboarding and recruiting skilled employees as HRs now take interviews online in terms of searching for educated and skilled workers.

On the other hand, AstraZeneca is a multinational pharmaceutical organisation, which is based in the UK and the HR department of the organisation also changed its strategies after the pandemic. The HR department of the organisation is now focused on maintaining the health and well-being of its employees. After dealing with the stress and anxiety of the pandemic, employers must put their focus on the well-being and mental health of their employees. On the contrary, the HRs decided to provide the employees with some benefits as well as financial backup in terms of improving their mental health and enhancing financial security. Along with that, employers also started to focus on employee personalisation such as beneficial packages, online tools, medical support as well as many more personalised opportunities. Moreover, by applying the mode of remote work, employers provide flexibility to their employees of AstraZeneca. On the contrary, the workers of AstraZeneca have got the opportunity to finish their tasks whenever they can. Therefore, it can be said that the HRs has

enhanced the growth and development of the organisation by implementing workplace flexibility. Workplace flexibility will help the employees of the organisation to improve their mental health and manage personal crises (Azizi et al., 2021). Along with that, the company is also focused on the upskilling of employees, which means, they provide proper training to their employees to improve their skills and abilities.

Critical Analysis of Human Resource Strategies in Post-Brexit

In the post-Brexit era, nearly 25% of total UK organisations are now employing workers from the EU (Abbot, 2023). They also modified their HR strategies for overcoming the issues and concerns that arose after Brexit. The HR departments of UK companies are now focusing on improving employee retention. Because of the Brexit deal, a lot of employees have left their jobs and moved to the EU. Therefore, the companies of the UK have suffered a lot in terms of the lack of trained and skilled employees. On the contrary, the companies started to change their HR strategies towards organisational growth and success. On the other hand, they also implemented several attractive approaches for driving the minds of EU workers so that they can effectively join and work in the companies of the UK. Moreover, by attracting EU employees, business organisations can easily get the talents and strong workforce which can enable the companies to enhance their productivity and performance levels.

On the other hand, the healthcare sector has also faced several HR issues regarding employee selection, recruitment, training as well as focusing on their well-being. Being a global biopharma company, AstraZeneca has a good presence all over the world in terms of the effective quality of life-changing medicines and medical services (AstraZeneca, 2023). Therefore, due to Brexit, the company has also lost a huge amount of employees who belong to the EU. On the contrary, the company applied several strategies to bring those workers back as they were highly skilled, trained as well and experienced with the activities of the business. Along with that, the HR department of the company also focused on acknowledging the differences in salaries of the employees. Therefore, it helps to enhance employee engagement and satisfaction within the organisation. It also provides opportunities for the company to enhance their organisational growth and development including achieving the

long-term goals. Along with that, the company is now also focused on being transparent with its workers.

Recommendations to Organisation

- **Assessing the current workforce:** AstraZeneca needs to assess as well as understand the current situation of the employees in terms of their capabilities and expertise. Along with that, the company needs to think about alternative strategies or ways to improve the capabilities of the employees. In this regard, the company can provide its employees with effective training and knowledge. Therefore, by assessing the current workforce of the company, AstraZeneca can easily improve its strategies regarding its HR department.
- **Planning regarding employee development:** The company must focus on planning or thinking about how it can manage employee development (Whysall, Owtram and Brittain, 2019). In this regard, the company must implement several policies and benefits so that employees can easily get advantages and opportunities from the company. Moreover, it is also necessary to focus on employee engagement and satisfaction. Employee satisfaction can easily lead the company to enhance staff development and achieve organisational growth and success.
- **Strengthen the management of leadership:** The company needs to analyse the capabilities of the leaders or managers of the company. Therefore, it will be helpful for the company to assess the gap for which the company is facing HR issues. Along with that, the company can also change the style of leadership within the workplace if it is required.

Conclusion

It can be concluded from the entire report that human resource management is one of the most concerning departments in all industries including the healthcare sector. HRM activities also lead any company to run its activities smoothly. From the report, it is also known that the labour market of the United Kingdom is also facing several challenges and issues in terms of multiple political, economic, social and technological factors. In this regard, the SWOT and PEST analysis of the labour market of the UK has been discussed in terms of explaining both the internal and external environment of the particular market. Along with that, the changes in HR strategies have been discussed in terms of the era of post-covid and post-Brexit.

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