



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

Name: - Jasmine Kaur Parmar

Student-Id: - 2238559

Module Code: - LCMB7000

Lecturer : Mr. mohamed Asim

**MODULE :HUMAN RESOURCE
MANAGEMENT**

Report on

**The current state of labor market in the United
Kingdom.**

**The Emerging Challenges in Human Resourcing
Strategies in the Post Covid , Post Brexit External
Environment.**

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Task 1 : The current state of labor market in the United Kingdom.



1.1 INTRODUCTION :

This research is based on the current UK labour market conditions and the developing shifts in human resource management practices in the post-COVID and post-Brexit external Environment. For discussing this topic, its mandatory to have the proper information of the background. firstly, it is important to know about the concept of Human resource, In a simple language, It is a part of a business in control of finding, recruiting, screening and training job applicants. This department also care for the compensation, advantages and termination. For the success of organisations and to achieve goal, Human Resource management plays a vital role. Human resource management mainly target in improving and advancing the organisation workforce. The management of human resources, as a unit of operation within a company, oversees all laborers and carries out a range of responsibilities, such as managing human resources, conducting position appraisals, hiring new hires, and planning new hire get-togethers and compensation. (GUEST,2003). In addition, In this report, various perspectives related to UK labour market: key trends, challenges, implications and government initiatives will be examined. Moreover, various models of Human Resource management used in the topical market will be discussed, the legal

regime of UK will be scrutinised to recognise the concept and scope of Human Resource operations in the UK. In addition, rights and differentiation of workers at workplace will be examined with the help of numerous cases in the recent nation. furthermore, this report captures the zeitgeist of contemporary Human Resource management as well as discuss about covid - 19 pandemic in relation to entrepreneur ethics, physical, inequality and the rise of Gig Economy, complicated issues which is faced by employees, employers, organisations and society. This report will also discuss about the current trends and theories of HR which is initiated by the organisations after covid and Brexit. By discussing all important aspects of current labour market, suggestions will be shared to bring changes in labour market and needed to import in modification of Human Resource planning.

1.2 DEFINITION OF LABOR MARKET



Derek Bosworth, Peter Dawkins, and Thorsten Stromback (1996) present an accessible explanation of the labour market, explaining that the labour market is the area where supply and demand meet to decide the price and quantity of work performed. Beligrădeanu and Stefanescu (1997) define the labour market as "the confrontation between the supply and demand for labour in a given time frame and geographical area that is usually completed through employment (with an individual job agreement)." A worker (employee) is a person who performs labour in exchange for a wage in a public or privately owned business or institution. According to Steliana Pert (1990) and Nita Dobrotă (1997)). The employment market, like commodities and capital markets, is an important component of the market economy. Financially, the job market is one of the producing factors . Zamfir & Vlasceanu. (1993).

The labour market is an important part of wealth resources and is inextricably linked to marketplaces for services and goods. This theory has two levels: macroeconomic and microeconomic, both of which provide useful information on employment. It is the meeting location for employers and employees to exchange labour for wages. This term refers to the relationship between demand and supply. As a result, in order to identify the market, it is necessary to first comprehend its types and functions. (MICIULA, RoGowska and WoJTASZEK , 2021).

According to the economy, there are many different types of labour markets, which is connected to the existence of a number of different dimensions and criteria for analysing these markets (see table 1).

(2011) (Churski, 2010; Bednarz)

Table -1 : classification of types of the labour market

Geographical range	Local, regional, national, and worldwide market
Market situation	Sellers market and buyer market
The degree of homogeneity	Homogenous and heterogenous market
Qualification competences	Demand mismatch market , Supply mismatch market
State interference level	Free computer markets, blended markets, and markets with complete intervention
The dimension of specialisation	Detailed division in to labour market, eg : the job market of accountant.

Table 1 , Source : study based on Jablonska 1996, churski 2010

Review and Evaluation

2. STATUS OF CURRENT LABOR MARKET IN UNITED KINGDOM

2.1 LABOR MARKET OVERVIEW:

The labor market plays a crucial role for material wellbeing and performance of economies. The United Kingdom labor market is currently tight with more than 1 million job vacancies all over country . It has seen that unemployment rate has been decreased and employment rate has been increased. The recruitment rate in uk was estimated at 76.0% in march to may 2023, which is higher than the December 2022.

The majority of the growth in occupation was ascribed to part-time workers.. (Debra leaker , 11 july 2023) .

Technology and globalisation have a huge impact on talent availability and requirements. Manpower, a renowned recruitment agency, addresses these difficulties by developing CEP (Centre for Economic Performance). CEP's major goal is to gather insights into fiscal performance and policy guidance through research on productivity, technology, and the labour market. CEP's most major study over the last two decades has been labour markets. Notably, CEP is the UK's largest academic social science centre. (Vatilingam, 2006, pp.4–10)

CEP researchers established the Layard-Nickell model, which gives a clear structure for grasping joblessness. Many people previously felt that joblessness was unavoidable as a result of technological progress. According to the concept, short-term demand controls unemployment, whereas medium-term demand limitations exist for inflation to remain constant.

Understanding unemployment through evidence on vacancies is an important contribution made by CEP. Despite a rise in vacancy rates by 1985, the high unemployment rate suggested that job searchers were not filling positions. CEP's research identifies three essential unemployment-management strategies: active labour policies that give job or training, caution against relying simply on welfare-to-work, and ceasing labor-supply-reducing measures and pension reforms that discourage elderly worker involvement. The United Kingdom obtained a low unemployment rate by applying these techniques.

The United Kingdom has a higher employment rate than France, Germany, and the United States, with roughly 75% of working-age people employed. Despite lower unemployment, inactivity, or persons of working age who are not employed or seeking job, has become an issue. At the moment, 2.7 million people of working age get incapacity payments. Notably, men aged 25 to 54 have increased their inactivity fivefold since the mid-1970s. The increase in inactivity is mostly caused by a decrease in demand for unskilled labour, which has been spurred by technological improvements and globalisation. While the supply of competent people has increased throughout this time, it is insufficient to match the demand.

The number of pay-roll employees fell by 9,000 from May to June 2023, to 30.0 million. From March to May 2023, there was a 0.2% increase in joblessness, mostly due to people who had been out of work for up to a year. In comparison to original forecasts, an 85,000-position gap was noted. Over the same time period, average gross compensation for employees increased by 6.9%, while regular pay increased by 7.3%. In 2023, however, the growth rate of total and regular wages fell by 1.2%. (Clark, D., published on April 21, 2023)

The number of pay-rolled employees had reduced by 9,000 from May 2023 to June 2023, reaching 30.0 million. Between March and May 2023, joblessness climbed by 0.2%, with persons unemployed for up to 12 months driving the increase. There were 85,000 fewer positions than originally expected. During the same time period, average gross compensation for employees climbed by 6.9%, while regular pay increased by 7.3%. However, the growth rate for total and regular wages fell by 1.2% in 2023. (Vatilingam, 2006, pp.4–10)

3. INDICATORS AND TRENDS :

3.1 EMPLOYMENT IN THE UK :

Employment rate in the UK is increased in year 2023 whereas rate of unemployment got declined. UK employment rate was predicted at 76.0%, which is 0.2% higher than the previous quarter whereas, (www.ons.gov.uk, 2023). United Kingdom economic activity rate was guessed at 20.8% which is lower than the previous quarter. Total hours worked got raised and is above pre-coronavirus pandemic levels. (Sian Evans and Mateus Libard, 11 July 2023)

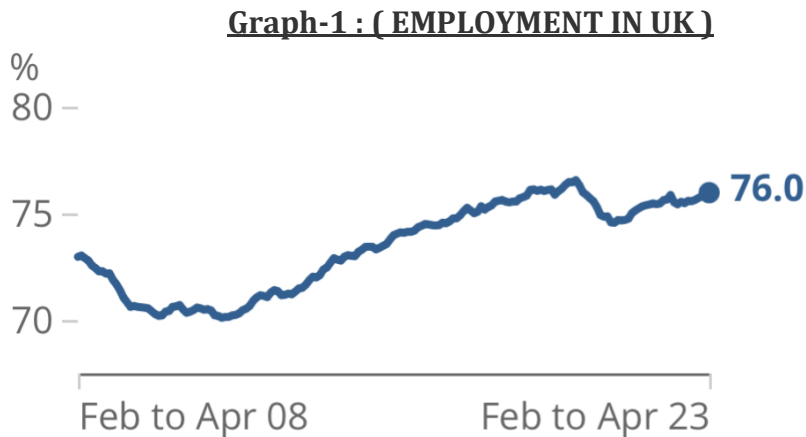
- **Employment rate**

Employment rate (16 to 64)

Quarterly change: ▲0.2pp

Since Dec-Feb 2020: ▼-1.1pp

(Source: office for national statistics, 11 July 2023)



SOURCE : LFS FROM ONS)

3.2 UNEMPLOYMENT IN THE UK :

In united kingdom , the unemployment rate had been declining from late 2013 until the start of coronavirus pandemic. From that time it was increasing till late 2020. (www.ons.gov.uk, 2023)Whereas now again it came back to the level of pre pandemic levels . From last 3 months in 2023 it slightly got increased. The increment in unemployment rate was driven by the people who are unemployed from last 12 months . In contrast the individuals who are unemployed for over 12 months got decreased .

(Hannah slaughter, 17 January 2023)

Unemployment rate

Unemployment rate (16+)

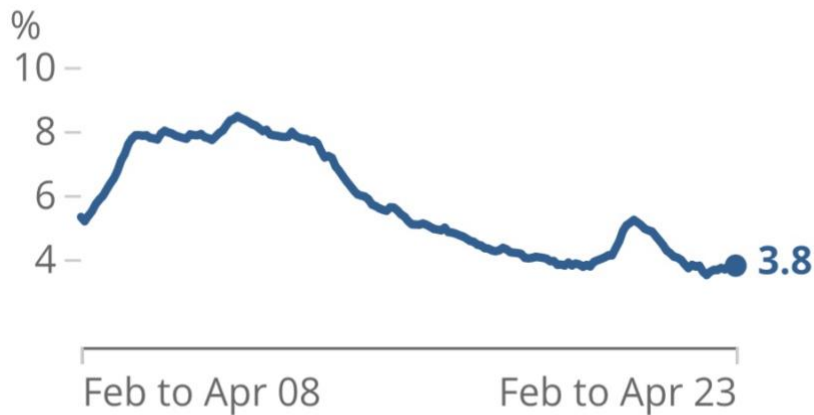
Quarterly change: ▼-0.4pp

Since Dec-Feb 2020: ▲0.1pp

(Source: office for national statistics, 11 July 2023)

GRAPH -2 : (UNEMPLOYMENT IN UK)

(SOURCE: LFS FROM ONS)



3.3 ECONOMIC INACTIVITY IN THE UK:

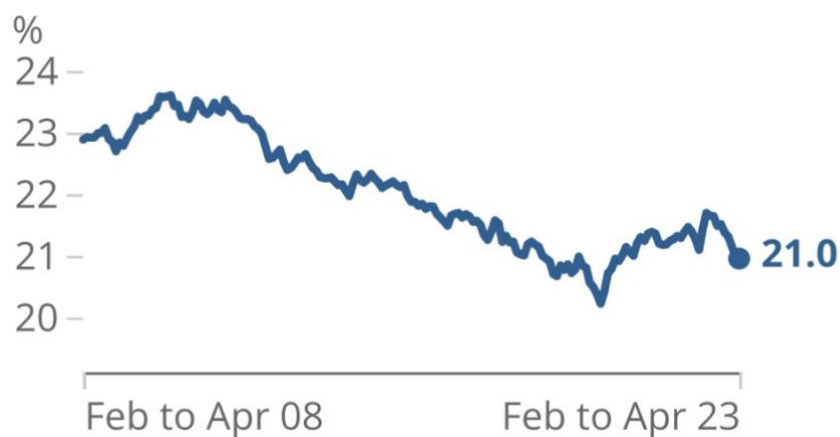
When status of Economic activity is seen , it is visible that from year 1971 economic activity rate is declining, however it got inclined in pandemic time . The rate of economic activity got decreased from may to march 2023 as comparable to last quarter. People who are 16 -64 seasonally got adjusted . There is a cumulative change from December 2019 to February 2020 for each period up to may -march 2023. The increment in economic activity since pandemic time had been followed by those who are long term unhealthy and young students whereas reduction in economic activity during latest quarter that is march – may 2023 is just because of individual who are looking after their family and retired persons .
(www.ons.gov.uk, 2023)

ECONOMIC ACTIVITY (AGED 16-64)

Three month change: -0.4pp ▼

Since Dec 2019 to Feb 2020: 0.6pp ▲

(Source: office for national statistics, 11 July 2023)



GRAPH 3: (ECONOMIC INACTIVITY IN UK)

(source : LFS FROM ONS)

4.THE EMERGING CHANGES IN HUMAN RESOURCING STRATEGIES IN THE POST COVID , POST BREXIT EXTERNAL ENVIRONMENT

Human resource management, which guides operations within organisations, has lately evolved. Understanding the word emphasises the importance of integrating human resource practises with corporate strategy, as helped by HR professionals, for employees to create a sustainable competitive advantage. According to organisational behaviour theorists, factors like as aptitude, motivation, role perception, and contextual contingencies influence how human resources behave and perform.(Mc Shane, 1995).

Staffing, incentives, employee growth, worker upkeep, and retention are all part of human resource management. HRM models and practises used by businesses include the Harvard, Guest, and Warwick models. When compared to previous approaches, significant changes are expected in HRM strategies and models following COVID and Brexit. Bratton and Gold(2000,p. 11)

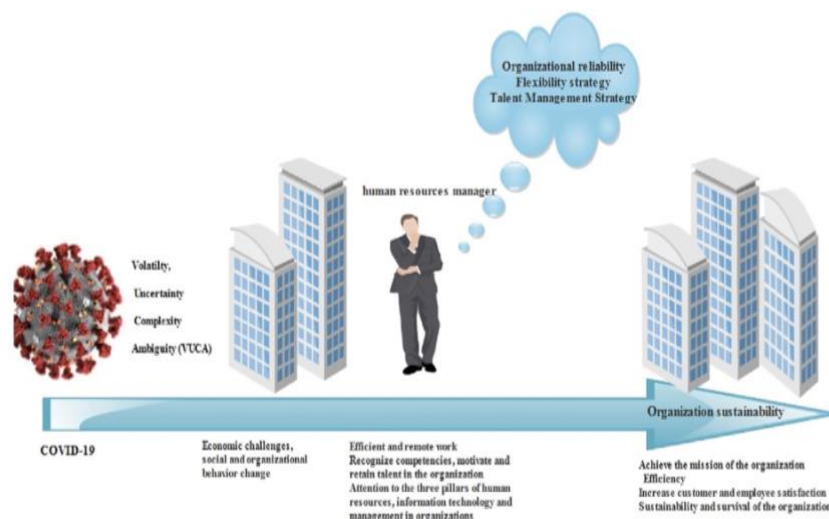
4.1 HUMAN RESOURCE PLANNING TECHNIQUES IN POST COVID

HR strategies refers to the administrative capability centred on controlling interpersonal interactions inside an organisation. It entails utilising frameworks set up by HR directors to effectively utilise employee potential and accomplish organisational goals. This includes practises and frameworks that have an impact on workers' perspectives, decisions, and output with the goal of achieving various organisational goals through efficient use of their resources.

People's positive commitment to the organisation and its objectives grows when leaders and HR specialists inside a company apply HR methodologies, frameworks, operations, and policies to help them reach their goals (Guest, 2003). People from all across the world have been afflicted with the COVID virus, which is a horrible disease brought on by the Corona virus, since at the start of February 2020. Organisations all throughout the world go through various stages of managing the COVID-19's effects. According to estimates, twenty million people had lost their employment, which was unquestionably more than lost over the entire recession (Caligiuri, 2020). A greater rate of unemployment could result from the after the epidemic scenario, presenting opportunities and challenges for senior management. It's crucial to create an environment where accountability is based on trust. Despite potential difficulties, it's critical to put (Azizi's, 2021) recommended remote work solutions into practise. Organisations are evolving, presenting novel ideas, and seeking out inventive professionals to carry out imaginative strategies to break through the resistance of endurance barriers and conform to the epidemic's situation. Having a progressive organisation is the best method to concentrate on everyone achieving entirely when the economic downturn is still ongoing. This will improve the circumstances in which employees or clients are becoming really beneficial. It is essential to have HR rehearsals in order to advance (Gigauri, 2020). The secret to successfully managing the workforce to achieve the best level of productivity while ensuring employee happiness is to develop special tactics to deal with the obstacles presented by a worldwide epidemic. During a recession, building a progressive organisation can be successful for all parties. The importance of HR practises for advancement is emphasised by Gigauri (2020). In order to assure staff efficiency and happiness while overcoming the challenges given by a worldwide epidemic, special methods are needed. Workplace engagement and organisational success are influenced by HR management practises. HR specialists are essential during transitions, especially when people are feeling vulnerable and alone. It is difficult to standardise methods for various loyalty phases, nevertheless. Despite these challenges, HR is still fundamental post-

COVID, therefore it needs to be handled carefully. This crucial job is a result of the pandemic's radical change in HR positions (Caligiuri, 2020; Hamouche, 2021).

4.2 Plans for the administration of human resources in the post-Brexit world



Despite preparations, the impact of Brexit on the UK has created challenges and uncertainties. Since July, over a million settled status petitions have been filed, causing anxiety about the labour force. Environmental concerns were exacerbated by the Ministry of Agriculture's adherence to EU legislation, which affected 80% of the UK mission. A study investigates differences in working conditions among low-income temporary employees, exposing dangers to EU OSH-based conditions. Maintaining post-Brexit occupational safety and health standards is critical for employee well-being, labour flexibility, and regulatory alignment, necessitating policy coordination with EU objectives.

EU Occupational Safety and Health (OSH) rules benefit enterprises, workers, and the welfare of the United Kingdom. Employee happiness improves productivity and economic performance. OSH criteria for low-income temporary workers remain unchanged post-Brexit. Legal constraints on their working circumstances take economic and political concerns into account. Both EU and UK legislation strike a balance between labour market freedom and workforce protection to ensure long-term economic growth. (URAZULIKE ,10AD)

EU OSH standards assist UK firms, workers, and welfare. Improved well-being leads to increased productivity and economic performance. Post-Brexit, rules for low-income temporary employees remain in place. Economic and political variables are taken into account in EU legal laws for low-wage workers. For long-term economic success, EU and UK policies must combine labour market flexibility with worker well-being.

Since the United Kingdom's decision to leave the European Union in 2016, the country's economy has encountered both problems and minor benefits. Currency depreciation, rising inflation, consumption freezes, fluctuating consumer spending, reduced foreign investment, variations in unemployment rates, manufacturing and export fluctuations, and varying labour and employer reactions are examples of these. Because of differing post-Brexit opinions, the UK government may deploy fiscal and monetary policy. The Labour Party and TUC reactions to Taylor's Review emphasised the flexibility of the UK labour market. The Brexit referendum in 2016 highlighted legal and economic concerns to workplace safety regulations, particularly for low-wage overseas workers.

(URAZULIKE ,10AD)

4.3 HR STRATEGIES INTRODUCED AFTER POST COVID AND POST BREXIT :

1. Remote and hybrid work

The ability to work remotely was the most significant and noticeable shift. Prior to the pandemic, many companies were hesitant to even consider applying this. Understandably, this figure shifted considerably during 2020. What was previously the domain of a few adventurous enterprises became the norm for the majority of organisations. (Raouna .K , 2021)

2. EMPLOYEE WELL BEING

Businesses have begun to prioritise employee well-being. If some firms were able to downplay the relevance of worker happiness prior to the pandemic, the pandemic has demonstrated it to be a critical component not only for performance, but also for overall company image and positioning among potential employees.

Corporations are investing in training their managers to be more sympathetic leaders.

3. HR data-driven

As organisations recognise the value of effective human resource practises, we must ensure that we are making sound judgements about the strategies and programmes to deploy. People analytics, as some refer to them, provide a deeper knowledge of what employees are doing, why they are doing it, and how their actions affect the organisation.

4. Digitalization

The pandemic will simply hasten the transition from paper and pen to digital. It will be interesting to observe how new software contributes to the speed and convenience of HR processes in the future. We can already see how technology has impacted recruitment and administration of databases, so we can expect it to impact all areas of HR with the development and implementation of new technology solutions. (Bennett and McWhorter, 2021).

5. MODELS OF HRM CHOSEN BY UK ORGANISATIONS AFTER BREXIT AND COVID .

- The Warwick model: This approach emphasises on the importance of human resources in change management. It contends that human resources should be included in all parts of change management and assist the organisation in adapting to a changing environment.
- The Harvard model: This paradigm views human resources as a network of interconnected activities. It contends that HR practises should be blended and matched with the culture and values of the organisation.
- The Guest model: This kind of approach focuses on the interaction between employees and organisations. It contends that human resources should prioritise the creation of a high-performance work environment in which people are motivated and engaged.

Table :2 (THE GUEST MODEL OF HRM).

HRM strategy	HRM practices	HRM outcomes	Behaviour outcomes	Performance outcomes	Financial outcomes	
Differentiation (Innovation)	Selection	Commitment	Effort/ motivation	High: Productivity Quality Innovation	Profits	
	Training					
Focus (Quality)	Appraisal	Quality	Cooperation		ROI	
Cost	Rewards					Low:
(Cost-reduction)	Job design		Involvement	Absence Labour turnover Conflict		
	Involvement	Flexibility	Organizational citizenship	Customer complaints Labour turnover		
	Status and Security					
Source: Guest, 1997						

Source:
Guest, 1997

Source : GUEST ,1997 .(Bratton and Gold 2000,p. 11)

These models are not mutually reinforcing, and numerous organisations employ a mix of them. The optimal model for a certain organisation will be determined by its size, industry, and strategic objectives.(Bratton and Gold 2000,p. 11)

For example: In UK , currently Amazon follows Harvard model for Human Resource management .This paradigm is founded on the premise that the HR function should be linked with the organization's strategic goals. Amazon's HR practises are intended to attract, develop, an retain the best em ployees to assist the organisation achieve its goals.

6,Conclusion:

This research examines several aspects of the UK labour market, emphasising its dynamic nature as a platform for both job searchers and employers. It considers elements such as talent supply, demand, salary, working environment, and employment trends. Prior to COVID, the UK labour market had dropping unemployment and rising employment, but the pandemic reversed this trend. In 2023, the unemployment rate has fallen in comparison to employment. Brexit creates uncertainty in labour legislation and personnel availability, affecting human resource planning. Talent mobility, skill shortages, immigration laws, and work permits are all affected. Due to the

economic effects of Brexit, HR must change contracts, policies, and procedures while addressing budget limits and personnel size. In an ever-changing workforce, agility and adaptability are critical to effective HR initiatives.

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