

WHAT IS PESTLE?

It is a tool that helps organisations like Hywel Dda University Health Board (HDUHB) to identify external factors that could impact organisations and inform strategic planning and objectives (Belsare, 2025). The acronym stands for Political, Economic, Sociological, Technological, Legal and Environmental (Belsare, 2025). Examples of what these factors entail from a people management perspective follow below.

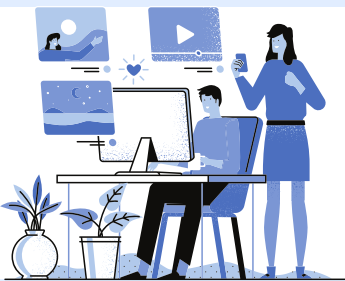


Applying PESTLE analysis to People Management and Human Resources (HR) will help to develop strategic workforce plans and embed policies (Talent Management Institute, 2024) (TMI).

PESTLE In More Detail		
Factor (CIPD, 2025)	Examples (CIPD, 2025)	What does this mean for People Management? (TMI, 2024).
Political	Political Stability, regulations, trades & tariffs	These factors inform of current political priorities and potential changes these can have on organisations, which will inform HR professionals.
Economic	Inflation, economic growth & inactivity	Economic factors influence people management and workforce planning strategies such as labour market analysis and resourcing within budgets.
Sociological	Population growth, age profiling & career influences	These factors inform people management of the lifestyle preferences, demographic shifts and address multigenerational needs of the workforce.
Technological	Artificial Intelligence (AI) & emerging technologies e.g., robotics	These emerging technologies can help to identify tools that provide workforce efficiencies and inform operational processes.
Legal	Legislative changes, taxation & employment rights	These factors inform HR teams of the shifting rules and changes that need building into strategy and mitigate potential risks.
Environmental	Sustainable energy, global warming & health emergencies	These factors inform organisations and HR of the physical environment and community needs of the population and workforce, developing initiatives like remote working to reduce commuting.

SOCIOLOGICAL FACTOR: AGEING WORKFORCE

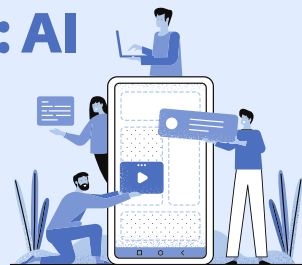
An example of a **Sociological** factor impacting HDUHB is an ageing workforce that is mirroring the ageing population of Wales (HDUHB Annual Report, 2024). 36% of the workforce in HDUHB is aged 51 and above (HDUHB, 2025). Not only will this age group be looking to retire in a 1–10-year time frame, but the retirement age is also rising which could risk these staff entering a period of where the likelihood of developing health issues, chronic conditions and disabilities that can impact their work capacity rises significantly (Cylus and Tayara, 2021). This demonstrates the impact of the **Political** factor of raising and lowering retirement ages will have on People Management planning in HDUHB as reasonable adjustments need to be made to promote successful ageing at work (Cui et al, 2025). **Economic** factors could include the cost of living crisis delaying retirement plans and the changes to pension contributions pressuring the older workforce to remain in work longer due to leading to increased likelihood of needing alternative working patterns such as flexible working (Witteveen, 2024). Flexible working patterns is also supported in the Employment Rights Bill (2025) by improving family friendly rights and the day one rights to request flexible working ensuring that rejections to this request are declined on reasonable grounds (Department for Business & Trade, 2024), this highlights a **Legal** consideration for HR and People Management strategies. These strategies can include the utilisation of the ageing workforce’ skills and experience differently due to potential physical difficulties and barriers such as mentoring roles, implementing flexible working patterns that fit the needs of the employees such as patterns that fit caring needs, ergonomic solutions promoting efficiency, productivity and inclusivity of the ageing workforce (Katirae et al, 2024).



By using the **PESTLE** tool to identify these external factors that will impact HDUHB by planning for an ageing workforce, this puts People Management and HR teams in a positive position to plan strategically to fit the needs of this workforce demographic effectively.

TECHNOLOGICAL FACTOR: AI

A rising external **Technological** factor that is impacting HDUHB is the rapid pace of AI and the risk it has on data protection, cybersecurity and slow progress of adaption in national regulations and governance around its usage (Chustecki, 2024). HDUHB is currently exploring the usage of AI internally to reduce reliance on physical papers, note taking and promote workforce efficiencies where applicable and researching the use of it medically (HDUHB Annual Report, 2024). There are many benefits to AI in healthcare such as improved diagnostics and treatment planning, reducing medical errors and improving patient outcomes (Chustecki, 2024). Due to the **Economic** climate, organisations are aiming to achieve monetary savings or efficiencies and productivity amongst the workforce, AI can be a key enabler of this. An example of this is the use of AI in recruitment activity and planning, this can be a mundane task for HR professionals and AI can provide the benefit of automation of routine considered tasks improving efficiencies and capacity for more complex tasks, this adds to both organisational and economic growth (Abdeljaber et al, 2025). Although it is also argued that AI can have a negative impact of innovation and creativity (Abdeljaber et al, 2025). There are also many factors that hinder the adoption of using AI within HDUHB including the need for workforce training or reskilling particularly for the older workforce to work with AI systems (Hossain, Abdulla and Huq, 2025). Limited education and training in AI literacy can hinder workforce adaption and career movements and will prove a workforce skill gap if not addressed (Ersanli et al, 2025). This stresses a **Sociological** factor that needs considering when developing People Management strategies for workforce development and transformation.



There is a significant risk linked to AI and cybersecurity as these systems can be hacked by external parties and strong security systems are needed to mitigate the likelihood of this risk occurring, this is particularly important in healthcare systems due to the storage of patient data. NHS England (2024) states that patient data is protected by the **Legal** frameworks the Data Protection Act (2018), the General Data Protection Regulation (GDPR) and the Common Law Duty of Confidentiality (CLDC). People Management and HR teams must consider these frameworks when planning for the use of AI amongst the workforce to ensure that patient and personal data is protected or there is the potential of an imposed fine. This analysis of these external factors on the use of AI in HDUHB has provided significant areas for consideration when developing People Management strategies for improved decision making and strategic planning.

For more information on the use of PESTLE in People Management visit our intranet page.

References: Abdeljaber et al (2025), Belsare (2025), Chustecki (2024), CIPD (2025), Cui et al (2025), Cylus and Tayara (2021), Data Protection Act (2018), Department for Business & Trade (2024), Ersanli et al (2025), Hossain, Abdulla and Huq (2025), HDUHB (2024), HDUHB (2025), Katirae et al (2024), NHS England (2024), Talent Management Insititute (2024). Witeveen (2024).