

Programme: MBA – Masters of Business Administration

LCMB7000 Human Resource Management

Assessment 1: Human Resource Management

Table of Contents

1.0 Introduction.....	3
2.0 The current state of the UK labour market	3
3.0 The emerging changes in the Human Resourcing strategies	6
3.1 Human resourcing strategy changes in the post-Brexit context.....	6
3.2 Changes emerge in the human resourcing strategies in the post-Covid context.....	9
4.0 Conclusions	11
Reference list	12

1.0 Introduction

Human resource is regarded as the backbone of any organisation that remains responsible for its growth, productivity, performance, and success. On the other hand, Human Resource Management (HRM) is the strategic approach that focuses on nurturing, developing, and supporting employees while offering them a safe and healthy workplace along with greater opportunities to fulfil their potential (Armstrong and Taylor, 2023). Therefore, the strategies related to HRM are strictly intertwined with the constant development of hired people to keep them satisfied and motivated to retain them safely in the organisation for longer.

However, over the years, continuous changes go on to be made in HRM strategies and approaches, especially under the influences of different macro-environmental factors to keep up the organisational productivity and performance level along with a focus on establishing an ethical and legal employer brand image (Dass and Parker, 2017). Therefore, in the entire HRM lifecycle, transitions have become highly evident which remains the core focus of this study. Hence, here in this report, a detailed analysis and discussion will be made on the current condition of the labour market and the changes that are happening in the contemporary HRM strategies driven by the influences of two important external events Brexit and the Covid-19 pandemic.

2.0 The current state of the UK labour market

Before the pandemic hit, the UK labour market was very strong and its performance used to uprise continually for the past seven years (Hawksworth, 2019). However, during the pandemic situation, a huge level of job cuts was evident in every sector and the number of furloughed employees went on increasing rapidly. In turn, the unemployment rate had risen by leaps and bounds leading to one of the greatest economic crises for the nation. After controlling the rapid spread of the pandemic and by launching various financial schemes, grants, and measures, the UK government became able to protect the labour market from facing a grave downturn. As per the report of the Office for National Statistics (2022), from July to September 2022 the unemployment rate in the UK labour market stood at 75.5% which is 1.1% lower than the pandemic situation.

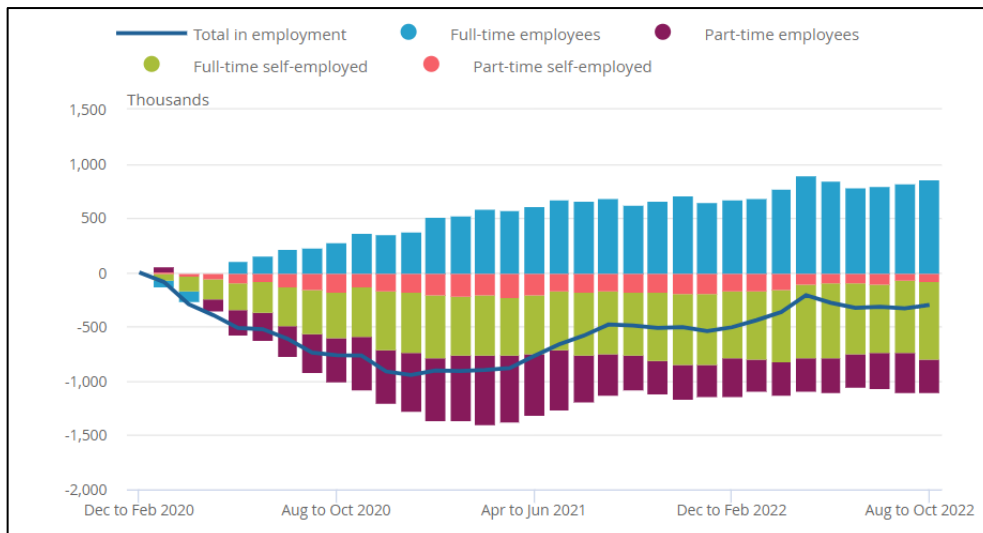


Figure 1: The total employment rate in different categories in the UK labour market

(Source: ons, 2022)

Also, the report states that during this period, the total range of the working population decreased though the number of self-employed individuals increased to a significant extent. Most importantly, along with the robust decrease in the total number of unemployed people in different categories, it has been determined by the same government report that the amount of total payrolled employees has made an incredible rise (ons, 2022).

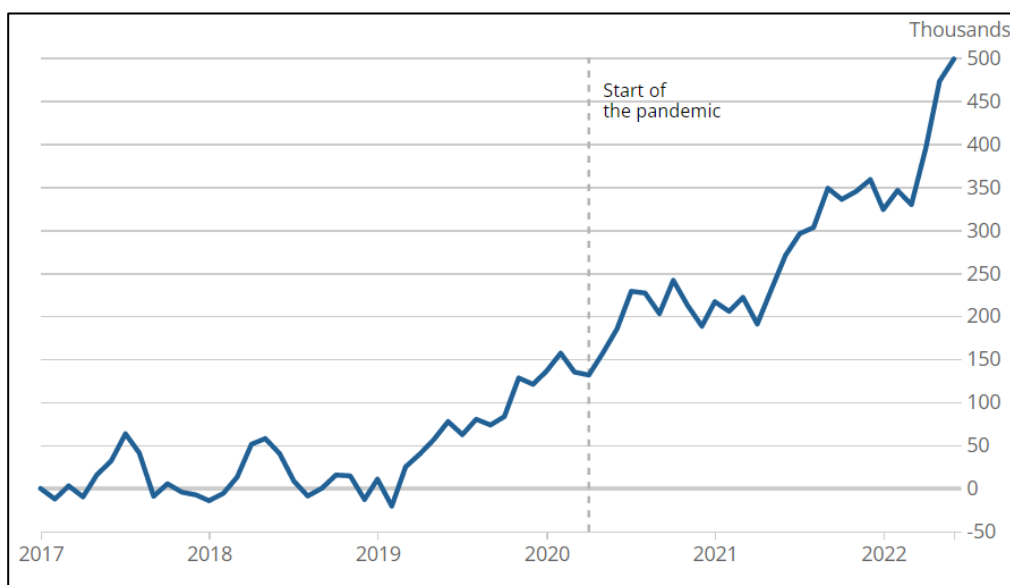


Figure 2: The growing rate of long-term sickness in the working UK population

(Source: ons, 2022)

However, it has been noticed that the rate of economic inactivity has risen in the UK labour market which currently stands at 21.6%. The major reason behind this is the long-term sickness of the majority of the working population and it has reached its highest point. At the same time, the total number of vacancies reached 1,225,000 (ons, 2022). It has been identified that the number of vacancies remains higher in the four consecutive quarters and this rate is increasing incessantly due to a majority of employers currently preferring to hold back the recruitment process being under enormous economic pressure.

Still, CIPD (2022) has reported that during the economic and employment downturn, employers in the UK went on competing to pool the best talents, and the recruitment process considered making a global approach. At the same time, it has been determined by the report that the tendency related to redundancy remains low among employers. However, Hick and Murphy (2021) have pointed out that during the pandemic and the post-pandemic context, the major difficulty that UK employers face is securing or retaining talents and here, the major concern for them is payment. Though large public and private UK companies have become more inclined to raise the wage level in order to retain the existing talents, the hard-to-fill vacancies that require extraordinary skill sets persist massively. Along with raising wages and focusing on hiring global talents, the employers of the UK labour market hold a strong concern to upskill their existing workforce and deliver their human resources the necessary cost-of-living to keep them highly productive, motivated, and satisfied to continue with their parent organisation for longer (cipd, 2022).

Besides, while assessing the current trends of the UK labour market, Vyas (2022) noted that the employment growth remains flat in the UK during the post-pandemic situation due to the reduction in the unemployment rate and rise in economic inactivity. In this situation, the aforementioned author claimed that the demand for flexible working rising among both employers and employees to boost the growth of employment as this specific trend remains able to unite job seekers as well as economically inactive people, especially due to long-term sickness. Therefore, this flexible working approach remains a key aspect for the contemporary UK labour market to accelerate the pace of economic progress by creating relevant employment opportunities.

On the other hand, Reuschke and Houston (2022) have stated that during the initial phase of the pandemic economic inactivity remained the highest among people who were in their 50s as most of them prefer to be retiring, look for their right jobs, or continue to live on financial benefits or pensions. Henceforth, the UK labour market continues to face hard times in making an effective economic recovery as well as retaining age-old experiences and skills. However, the authors have posited that contemporary UK employers realized that the people and skills available in the current UK labour market are not enough to fulfil the requirements of all the working public and private sectors, especially in the short to medium term. In turn, overseas recruitment has become a core part to complement the available skills within the UK labour market.

3.0 The emerging changes in the Human Resourcing strategies

3.1 Human resourcing strategy changes in the post-Brexit context

The UK's departure from the European Union holds a robust influence on the economies of Britain as well as other European nations and it is more likely to be continued over the years. In this situation, it has been assessed that the event of Brexit caused the imposition of new laws related to migration, and more than 25% of UK employers who recruit staff from different parts of Europe faced major difficulties in pooling their required talents as the migration rate from the EU to the UK decreased by 95% during that time (Wadsworth *et al.*, 2016). Hence, in attracting and hiring candidates to fulfil staffing needs, the strategies related to human resourcing have gone through major transitions.

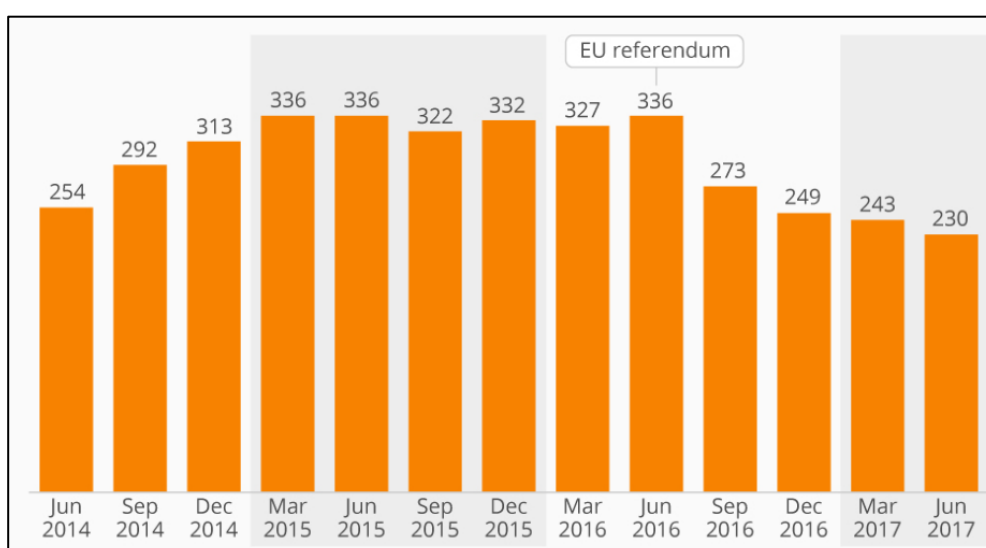


Figure 3: The reduced migration rate during the Brexit

(Source: Armstrong, 2017)

In the words of Sumption (2022), while employers operating in the UK faced issues during the Brexit period in fulfilling the vacant positions by pooling talents from different European regions, they started to prefer recruiting local UK candidates. However, in filling up the low or middle-skilled jobs, UK employers witness hindrances as the majority of the working population are either overqualified, economically inactive, unwilling to opt for the job role, or do not possess the required skillsets. In this context, the aforementioned author claimed that to make the jobseekers of the UK interested in the job roles, contemporary employers start offering benefits packages instead of luring them by announcing just the highest wages. Similarly, Collings and Isichei (2018), have noted that benefits packages are formed to cater to the unique needs and expectations of the workforce that a specific organisation possesses, and these are not governed by external forces which ultimately help employers to establish a unique brand image and attract more potential candidates. Therefore, the contemporary benefits packages that have been developed by UK employers during the Brexit period strongly reflect the inclusion of policies and rules related to holiday incentives, work-life balance, flexible working, health and safety, and many more that satisfy the changing employee needs and their well-being. Thereby, the current labour market gets attracted to the exceptional benefits packages and by creating them in the right way, organisations successfully lure potential candidates as well as retain the existing workforce by making them feel valued, motivated, satisfied, engaged, and loyal to their current employers.

On the other hand, Orazulike (2018) posited that employers also became highly focused on creating a dynamic and positive working environment where employees can learn and grow while being engaged in their job responsibilities. As per the author, the contemporary labour market is mostly dominated by millennials and Gen X who prefer autonomy, freedom, collaboration, and positive work culture at the most to remain satisfied with their jobs and employers. Therefore, employers while resourcing and retaining candidates focus on communicating how well the organisation has created a positive work culture that encourages employees to support and work together, fosters an ambience of mutual respect and trust, and empowers employees to make decisions and changes if required.

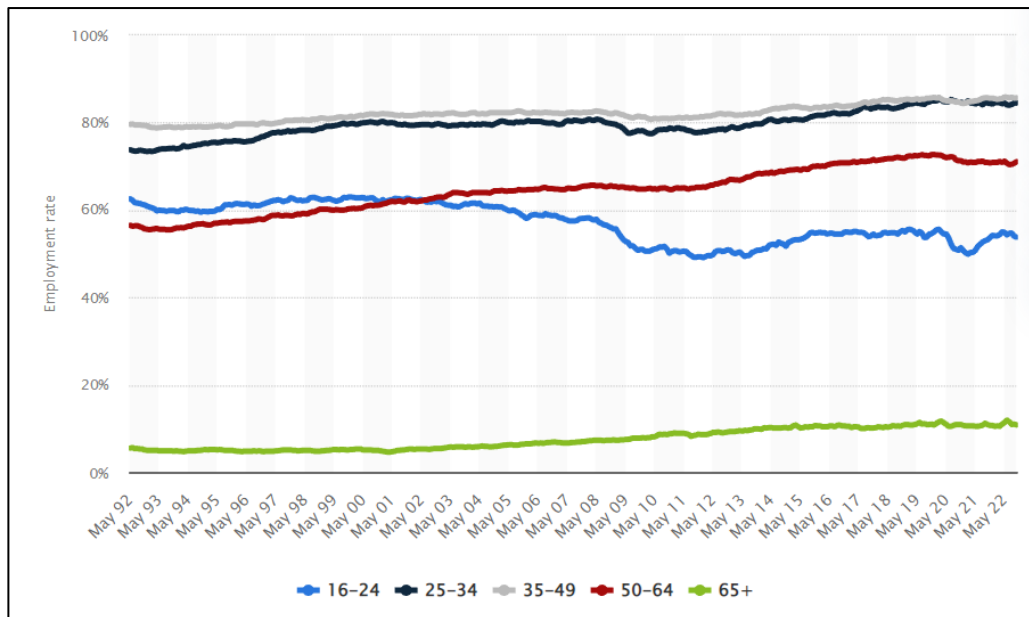


Figure 4: The employment rate in the UK by age group

(Source: Clark, 2022)

Besides, it is also evident that Brexit caused significant changes in immigration laws due to which questions related to job and economic security increase in the labour market. In this situation, Martinescu *et al.* (2022), have noted that while recruiting employees, employers have started declaring living and working rights, and settlement schemes, as well as developing HR policies by aligning with the new UK employment regulations. Moreover, along with demonstrating the realistic pathway for career development and earning prospects, especially while attracting global employees, employers operating in the UK have considered creating and promoting an inclusive and diverse workplace that includes a welcoming gesture to embrace all individuals with relevant skills equally and ensures fair management practices by strictly prohibiting all sorts of discriminatory and biased attitudes. Also, a tendency to attract the young population was evident during that period to cope with the changes regarding the required skillsets and improve productivity and performance levels continually (Lulle *et al.*, 2018). Therefore, human resourcing strategies also started considering partnership development with recruitment agencies and experts to gain seamless access to the labour market and hire the most suitable talents to fulfil the staffing needs.

3.2 Changes emerge in the human resourcing strategies in the post-Covid context

After the emergence of the Covid-19 pandemic, remote work has become the new normal where employees communicate and collaborate virtually with their peers and superiors and work from either their homes or their convenient places. In this situation, the strategies regarding human resource management have transformed enormously to help employees cope with new working systems and patterns and satisfy their personal and professional needs in terms of improving productivity and performance during such a tough time. While assessing these strategies, Zhiqiang *et al.* (2021), have noted that this pandemic has reviewed and renewed the people's portion in the job role of an HR and the HRM practices have acquired a robust need to comprehend the real-life experiences that each employee passes through in terms of offering them the required support not only as a staff of an organisation but as a human being in general. Though the core responsibilities of the human resourcing strategies related to productivity, efficiency, and performance improvement of the workforce have not been changed, these practices or strategies related to HRM have become more concerned to find out the challenges that employees face while executing their responsibilities in remote work culture as well as the aspects for which they are facing difficulties inside and outside their professions.

Similar to this context, Smite *et al.* (2023), have stated that the pandemic caused a period of transition where employees are in the dire need of extreme support and collaboration and when they sense these aspects positively, it is used to create a positive impact on their well-being that leads to greater productivity and efficiency. However, in the remote work culture, apart from financial and physical wellness, the need for mental health protection and emotional well-being has become key criteria to offshoot the existing productivity and performance level. Therefore, HRM strategies and policies have started including various mental health schemes and packages to keep the existing workforce motivated and satisfied as well as to improve the employer's brand image in order to attract and hire new potential candidates from global fields.

On the other hand, Brundha and Chaturvedi (2021) have opined that flexible work and the gig economy have become the new concerns to holistically improve organisational performance and productivity and here, HR plays an important role by defining and

developing new skills, capabilities, and approaches to make them able to fulfil what is expected of them. Here, the changes in the human resource management strategies focus on ensuring the entire human capital of an organisation remains strictly inspired, motivated, and engaged in the new work processes and systems to derive the best quality outputs. The major transitions related to this context are identifiable mostly in the talent management strategies and while exemplifying such changes, Moore *et al.* (2022), have noted that the majority of the employees who have been hired during the pandemic time have not received the scope to come to the office and meet their colleagues or superiors in-person. Therefore, new mentorship programmes have been included in the talent management process to meet and keep the new hires actively engaged with the existing workforce and help them accommodate positively in the company culture. At the same time, digital technologies have become a core part of the entire HRM strategies, especially while fostering effective engagement and collaboration among remote or hybrid employees.

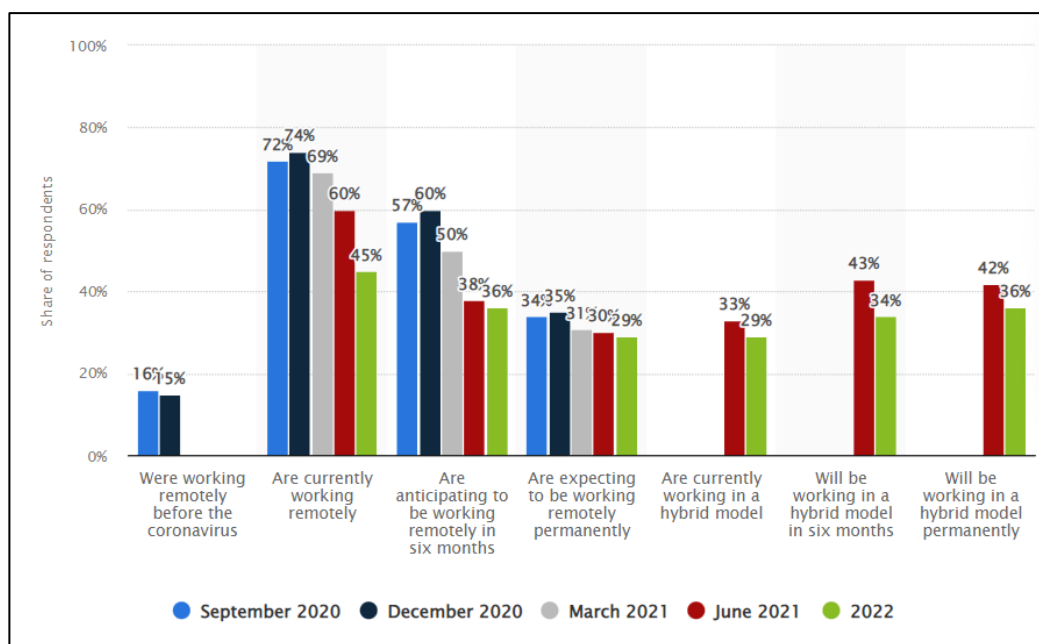


Figure 5: The growth of remote or hybrid work tendency

(Source: Sava, 2022)

On the other hand, Durai and Jose (2022) have posited that the productivity and performance of an organisation usually depend on how well it recognises employee efforts and satisfy their diverse needs and in the pandemic context, employers by focusing on making successful

financial recovery considered competing for, attracting, and developing the top talents to steer organisational profit and growth. However, financial difficulty imposes a crucial barrier for the majority of employers to offer high-salaried jobs. Therefore, the HR strategies considered increasing the variable pay that remains highly effective to incentivise staff to perform at their best level while keeping up a healthy and competitive working environment. Besides, personalized compensation and flexible benefits packages have also been taken into consideration by contemporary employees to attract the most needed candidates and hire them by offering the best facilities that cater to their unique needs and expectations (Smite *et al.*, 2023). Hence, all these changes in HRM enable organisations to attain the necessary competitive advantages during such a crisis.

4.0 Conclusions

Thus, to conclude the entire discussion, it can be stated that the UK labour market is going through huge ups and downs after the events of Brexit and the Covid-19 pandemic as both these incidents caused major changes in the regulatory requirements and social demands. However, it has been assessed that in recent times, the UK labour market has shown a remarkable improvement in reducing the unemployment rate though the rate of economic inactivity goes on to increase due to long-term sickness of the working population. At the same time, the Brexit event transformed immigration-related laws which made global talents disinterested to opt for working in the UK. Therefore, while fulfilling staffing needs with the native population, employers in the UK faced diverse issues. In this context, major changes have occurred in human resourcing strategies, policies, and approaches to attract, recruit and retain global employees. Moreover, changes regarding talent management, workforce planning, compensation, and benefits, etc. have become more evident in the pandemic context when remote, flexible, and gig working have become the major trends. Still, productivity and performance improvement remain the core aim of human resource strategies and thus, all the changes that have been made in contemporary organisations are entirely focused on these areas to gain the necessary competitive and sustainability advantages.

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