

MBA General Management, UWTSD

Module: LCMB7000 Human Resource Management, Mary March

Human Resource Management – Assessment 1 (Re-submission)

Yi-Chen Cheng (1902780)

Scenario:

You have recently started work as the HR Manager for a medium-sized, high-tech firm that faces intense competition on a daily basis. Change seems to be the only constant in your workplace, and each worker's responsibilities shift from project to project. Projects teams are established for each new initiative, and these are the principal units of work, but recruiting competent employees is becoming increasingly difficult because of current labour market conditions.

Task:

You have been asked to present a report for the senior management team that outlines:

- Current and projected labour market issues that impact on resourcing activities
- Contemporary Resourcing Practices that could address these issues
- How the HR function will contribute to this and thereby enhance company performance in the context of an increasingly competitive business environment.

Introduction

The labour market is an important discussion topic for the economist as well as business managers. It is important for business managers to identify the emerging issues, analysis and evaluate the issues and their impact on labour sourcing activates of the organisation. For the post-war period in the UK, the labour market had experienced many basic changes which led to uncertainty in the country's economic growth.

According to the latest report of National Statistics, in the UK, the employment rate is 78.5% and the unemployment rate is 4% in the UK, in the financial year 2018, which shows the highest employment rate in the country (Hawkswort, 2019).

Even though the financial year 2018, shows a higher employment rate, however, the figures are not enough to gain higher productivity, which results in low growth in the country's GDP as just 1.4% in FY 2018. (Consultancy.uk, 2018).

Various economic and political factors are affecting the country's GDP, employment and employment or labour market scenario of the country. In today's business environment, the country is experiencing labour market issues including acute labour and Brexit deal, wage issues, the role of trade unions, and economic national environment. These labour market issues are significantly affecting the resource activities of the country. This study focuses on the contemporary labour market issues and related practices for human resources to deal with resourcing issues in as HR manager of a medium-sized, high tech business firm in the UK.

Labour Market

A labour market includes demand and supply of human resources as an economy function. The labour market functions according to the demand of firms for labour and supply of human resources. This demand-supply function in the labour market is highly influenced by the economic, political and trade union factors (BC cam, 2019).

Presently the country the UK is facing a huge shortage of natural resources and labour market issues such as high unemployment in many regions of the country. This study will discuss the labour market issues and their effect on the human resourcing activities of the country.

Factors affecting the labour market in the UK

Since 1973, the UK is a member of the European Union which is a contract between 28 European nations which allowed free trade and free-roaming throughout the associated counties. According to a referendum, held in June 2016, the UK decided to leave the membership of the European Union, this withdrawal of the UK from the European Union is known as **Brexit deal**. However, this deal is not finalized yet but has a significant impact on the labour market (BBC News, 2019).

The Brexit deal has a direct impact on the UK labour market as it deals with the EU which allows a free drive of labour in any European Union country, and they help to improve GDP, budget, and country's productivity. The primary concern of the deal is a referendum to leave the EU, those effects on the labour market and increased uncertainty in economic and political setups. This referendum is an indication of short hiring in labour market and results in fluctuations in job ads and cuts down business activities of the country. Besides it, Brexit created uncertainty towards jobs and wages and affects international trade and the labour movement. Also, this deal imparted an uncertainty, like free trade and free movement of people, will be allowed or not after finalizing the deal (Institute for Government, 2018).

The Brexit deal sets the dilemma between two situations, wheatear this deal will break down the free trade and labour movement between the member countries or the country will remain the member of the union and all trade-related policies between member countries will remain to be

same. This Brexit deal created the perceptions for weaker trade relationships, higher trade cost, and changes in immigration policies and so on (Petrongolo, 2016).

High Employment

from 1971 to 2019 in the UK, the employment rate has been recorded as highest in 2019 as a 76.1% employment rate and giving jobless figures as the rate of 3.9% which is below the average of EU and weekly earnings of employees has been increased by 3.4%. According to economists this higher employment set economic inactivity because either people are already working or not looking for a job, which creates a tight market scenario (Hughes, 2019).

Aging population

The UK is a country with around 66 million population, and it has been estimated that by 2041, the UK population will be 73 million. However, with the growing population ratio, the country facing high aged population issues and it is estimated that more than 25 % population will be older than 65 years in the next some years which a subject of concern to the labour market is (Euro job portal, 2019). This deficiency of the young age population or productive population in the country affects adversely to the labour market of the country.

Labour Union

Labour Union refers to a formation of workers or a platform where workers send their representatives to seek protection from unfair misconducts of the employer, improvement in real income and job security. However, there is a significant decline in the membership of the labour union from 1995 to 2016. It has been identified that labour unions have a direct impact on the labour market, it is considered that trade unions tend to push the real wages of workers above the

wage rates, hence this push in wages tends to create less employment and slowdown employment growth (Nipun, 2019).

Part-time employees increasing

In the employment scenario of the country, there is a big majority of part-time employees in the country, and around 70.7 % of employees out of total part-time workers do not want a full-time job. This indicates the serious absence of full-time employees in the UK employment scenario. At the global platform, the UK has a much higher ratio of part-time employees than most other economy (OCED, 2019). According to a report in 2015, the average of part-time employees of the EU 28 was 17.2% which was lower than the UK that has a 24% part-time workforce. This figure is enough to show how the country need of full-time workforce to increase productivity and GDP of the country (Taylor, Marsh, Nicol, & Broadbent, 2017).

Technology

To increase the GDP of the country, the productivity of the country plays a key role. In the UK's business scenario productivity is a key challenge for the country. Technology is a major issue associated with the productivity of the country and the country has a persistent weakness in the area of technology. This technological weakness of the country gives threats to the development of the county and the ability to create jobs in the future. Besides, this is the absence of technology advancement creates a demand for a huge workforce that affects the labour market of the country (National Academy of Sciences, 2019). The main objective of the country is adopting and implementing technological advancement to boost up productivity. However this adaptation of technology advancement will tend to gap between winners and losers, it again will

affect the labour market as a requirement of a new skilled worker as per adaptation of technology.

It is notable that prior to adopting and implementing technology advancement in the country, the government should consider the impact of this on the labour market, and government has to set regular assessment of and how it is effective to the labour market, and government should ensure that this technology advancement should be more likely to create jobs (STOA, 2018).

Changing trends

It has been seen that changing trends with a rapid pace in the labour market are increasing high employment that results in an unfilled job. In the present lifestyle scenario, employment trends are changing from working for life to be employable, to enhance skills, and expertise which leads to a high turnover rate for better opportunities for growth. There is no lack of job opportunities for skilled employees and fixable jobs are available at any corner. However, these changing trends increasing satisfaction level in employees and fulfilling the needs of the workforce, hence, employers in the labour market are facing insufficient supply of skilled workforce (Prising, 2016).

So it has been seen that many issues in the labour market impact resourcing activities in both terms as positive and negative. To analyse the issues of the labour market and their impact on resourcing it has been identified that the Brexit deal is influencing to a higher extent and created uncertainty in the market. Due to the effect, Brexit deal employers are avoiding to hiring workforce from EU nations and people also avoiding moving in EU nations for employment. Apart from this, the participation of women in employment, and increasing training systems and methods, introduced in new trends labour market. Also, changing trends in lifestyle, Technology,

Part-time employment preferences, and Labour Unions are affecting the human resource activities for business organization and leading restructuring to recruitment and selection activities (CIPD, 2019).

Human Resourcing

Employee resourcing is a process that covers a wide range of various methods and approaches carried out by the Human resource management, for resourcing in the organization to meet organisational key goals. In simple resourcing is a recruitment process. The core concern human resourcing is placing the right people with all required skills, knowledge and experience, in the right place at the right time. The functions are involved by the human resourcing are planning, recruitment & selection and performance management. In a country like the UK, business organisations are adopting new methods and techniques for retaining the existing workforce and acquiring a new workforce. This consist change of HR activities also impacts to the labour market.

Contemporary Human Resourcing functions

As the above discussion, it has been identified many issues in the UK labour market, that need strategic analysis to overcome the issues and create an efficient supply of workforce.

The Brexit deal affects the Human resources planning directly, it is difficult to forecast that Brexit deal will be soft or hard, trade and movement of workforce and will be free or not, what will be the regulation and how will be the supply chain and what will be the scenario after the finalizing the deal, these are many uncertain conditions giving thread to many business organisations of UK. However, any business organisation needs to be prepared for the consequences of the deal in every of every prospect.

In case of not finalizing the deal, UK and EU nations will end up free trade and movement till expiring for article 50, so employers must be preparing that employees in their company, who belong to EU nations might apply for registration.

To avoid consequences of the deal business managers may hold the hiring process till finalising the deal or be prepared for the immigration policies and regulations if employees are from European Economic Area, or European Economic Area nationals. To deal with this uncertain situation the another way is analyses of your work population or workforce, and find out that who are EEA in UK, and will direct impact on the organization after the deal, and set a communication with them and discuss the whole scenario belongs to Brexit, analyse that free movement at what extent will impact on them and categorize them. To do the same, upgrading, the business policies including work rights, mobility or expenses, is imperative (MacKenzie, 2019).

In addition, to be prepared Brexit deal, Human resource functions like recruitment, managers need to cope up with changing plans, and managers may hire the employees as contract basis that will be last at December 2020, or hire the workforce from the same country or hire the workforce outside the EU28 nation so Brexit deal cannot effect HR functions of organizations.

For the human resources manager needs to change policies to cope up with the aged workforce, employers should develop an age-friendly work culture, reframing the polices like certain age limitations for applying for a particular job, importing workforce from other countries and open up new corporate branches of the company out the EU nations to avoid the consequences of Brexit. (Roper, 2016).

Technology advancement in work culture also plays a crucial role in the HR practice of an organisation. Employers of business organisations have to develop alter new training and learning methods to cope with technology advancement. Besides, managers are conduction workshops and conferences to increase the knowledge and skills of employees to be compatible with the technology (Waugh, 2018).

Part-time workforce issues and **changing behavioural and** lifestyle trends are also big threats for the labour market and HR managers of an organisation. Through upgrading work culture and work structure and make more suitable for the part-time workforce, like divide the task into various categories, and various working hours slot. HR managers may retain the workforce by providing opportunities for growth & development, job hours flexibility and other reasonable compensation and parks to attract more workforce. (Mathis & Jackson, 2008).

Conclusion

HR Manager for a medium-sized, high-tech firm has been identified in the present business scenario, business organizations experience an acute shortage of skilled employees. In a tight labour market scenario, acquiring and retaining the workforce is a challenge for Human resources managers. Today's contemporary labour market experiencing acute shortage of labour due to issues, including the aging population of the country which results in the less productive workforce, absence of technology advancement and introduction of new technology, that is not compatible with the workforce skills, and high part-time workforce which has less working hours and results as less productivity. The high employment rate in the country is also another issue of the labour market, which creates saturation in the labour market leads to a talent shortage in the

country. Apart from these issues, the Brexit deal is a major issue for the HR manager to resourcing employees and performance management. Brexit deal formed an uncertain economic and legal scenario in the UK business environment and small and medium-sized firms are highly affected by Brexit deal however hiring the employees from out the EU countries is not feasible for medium-sized firms due to high cost.

This study concludes that adopting some modifications and up gradation in HR practices, preparing a plan for Brexit, effective training and learning methods and some other practices can increase the retention of the employee in organisation and enable employers to acquire a skilled workforce from the international platform.

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