



Human Resource Management

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INTRODUCTION

A labour market is a place where different kinds of workers and employers can meet and talk to each other. On the job market, employers try to find the best people to hire, while people looking for work try to find the job that will make them the happiest. If a company needs more workers to fill a newly created position, HRM will have to recruit more workers, which will bring the unemployment rate down in the long run. So, the combination of on-the-job search and charges for job creation makes it possible for human resource management to keep replacing employees even after they have left their jobs. This paper will explain the current state of the UK job market and the changes that will be made to Human Resourcing Strategies in the external environment after Covid and Brexit. In particular, this paper will explain what's going on with the UK job market right now.

DISCUSSION

UK current labor market

According to data provided by the Office of National Statistics, the United Kingdom was able to shed 828,000 jobs between February and December of 2020. As a result of an increase in the unemployment rate from 3.0% to 3.6% during the most recent reporting quarter, a total of 202,000 jobs were eliminated. It has been determined that the rate of unemployment in the UK now sits at 5% as of right now. I just wanted to let you know that the unemployment rate in October 2019 was 3.8%. Nevertheless, UK have gone a long way from the unemployment rates that were seen in the aftermath of the financial crisis, when the rate increased to 8% at the beginning of 2010 and 8.5% by the end of 2011. It is possible that the upward trend in unemployment, which started not long after the financial crisis of 2008 and has sustained for around three years, will continue for some time into the foreseeable future (lexology.com, 2021).

According to information provided by the Office of National Statistics, the United Kingdom was successful in cutting 828,000 employment between February and December of the year 2020. The increase in the unemployment rate from 3.0% to 3.6% during the most recent reporting quarter was directly responsible for the loss of 202,000

jobs overall that occurred during that period. It has been determined that there is currently a 5% unemployment rate in the United Kingdom. Nevertheless, in comparison to the unemployment rate of 8% that was recorded at the beginning of 2010 and the unemployment rate of 8.5% that was recorded at the end of 2011. The present upward trend in unemployment, which started not long after the financial crisis of 2008 and has continued for around three years, is likely going to continue for some time into the foreseeable future. This tendency began shortly after the crisis (peoplemanagement.co.uk, 2021).

The number of people actively employed in the United Kingdom was approximately 32.8 million in the three months leading up to October 2022, which was somewhat higher than the number of people actively employed during the same time period in 2021. Within the specified time frame, the number of people holding jobs in the UK reached its highest point in February 2020 at over 33 million and its lowest point in May 1983 at just slightly more than 23.6 million.

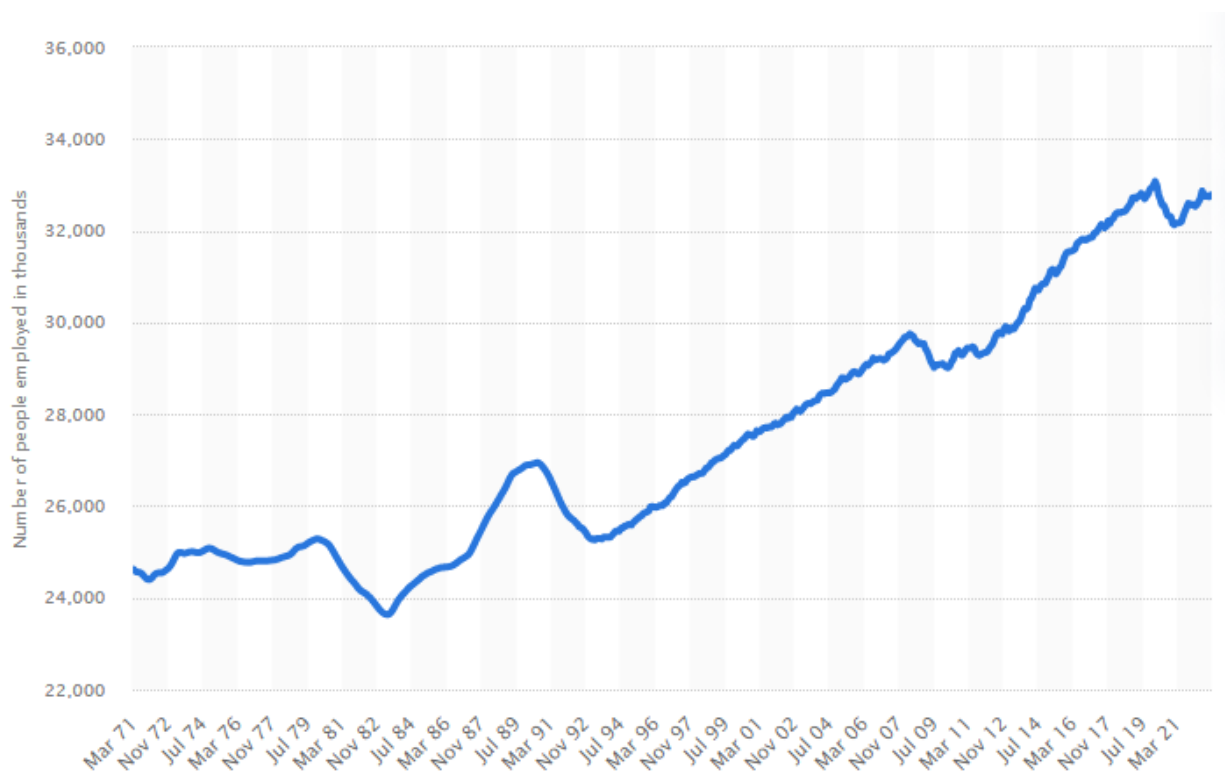


Fig 1: Number of people employed in the United Kingdom from March 1971 to October 2022

(Source: statista.com. 2022)

During the period of July to September 2022, the employment rate in the United Kingdom was 75.5%, which was essentially stable from the previous quarter but was down 1.1 percentage points from the period prior to the coronavirus (COVID-19) pandemic (December 2019 to February 2020). The number of people working for businesses as a whole has fallen over the course of the most recent three months, while the number of people working for themselves has climbed during this same time period (statista.com, 2022).

According to recent data, the number of employees on payrolls reached a record high of 29.8 million in October 2022, representing an increase of 74,000 over the updated figures provided for September 2022. The unemployment rate dropped by 0.2 percentage points, coming in at 3.6% during the three months spanning July 2022 through September 2022. The number of people who are now without jobs across all time frames and time periods witnessed a decrease during the most recent three-month period (ons.gov.uk, 2021). The percentage of persons who were economically inactive increased by 0.2 percentage points during the third quarter of 2022, reaching 21.6% of the total population. The number of persons who are chronically unwell reached an all-time high during the most recent quarter, which led to an increase in the rate of economic inactivity reaching a new high. Recent publication on our site included an essay that went into greater depth on the topic of persons who are unable to work due to chronic disease. In the years 2021 and 2022, more than two-thirds of people who had a chronic disease had been out of the employment for other reasons in the three months before to the interview (ons.gov.uk, 2021).

The forecasted number of openings for the period between August 2022 and October 2022 is 1,225,000, which is a decline of 46,000 from the number projected for the preceding quarter. Even while the number of job vacancies has fallen for the past four quarters in a row, they are still at historically high levels. It has been claimed that

businesses are delaying hiring decisions due to the economic uncertainty. The average total salary, which includes bonuses, increased by 6.0% from July to September of 2022, while regular compensation increased by 5.7% over that same time period. There has not been a time in history that has seen a period of quicker growth in base pay than this one, and the only thing that came before it was the coronavirus pandemic. The employment rate for individuals aged 16-64 was 75.6% in the third quarter of 2022, which was up from 75.4% in the previous quarter, while the number of people aged 16+ who had jobs was 32.77 million. This is an increase over the previous quarter's rate of 75.4%. Even though employment has increased over the past three months and over the course of the past year, it is still 211,000 lower than it was prior to the epidemic (ons.gov.uk, 2021).

There were 1.25 million people in the UK who were at least 16 years old yet lacked employment. The unemployment rate rose slightly during the most recent quarter, despite the fact that it has been falling on an annual basis and is now 128,000 lower than it was prior to the recession. A total of 8.94 million people between the ages of 16 and 64 were included in the economic inactive population with a rate of 21.5%. The number of people who were classified as sedentary during the quarter decreased, but it increased throughout the course of the year and was 489,000 greater than it had been before to the pandemic. Although the number of openings fell from the previous quarter and from the previous year to 1.19 million in the period of September-November 2022, it was still 391,000 more than it had been before the pandemic. When compared to the same time period one year prior, annualised changes in average earnings were -3.9% without bonuses and -3.9% with bonuses for the three months ending in October 2022. This was the case when comparing to the same time period in the previous year (commonslibrary.parliament.uk, 2022).

UK labour market 2011-2022

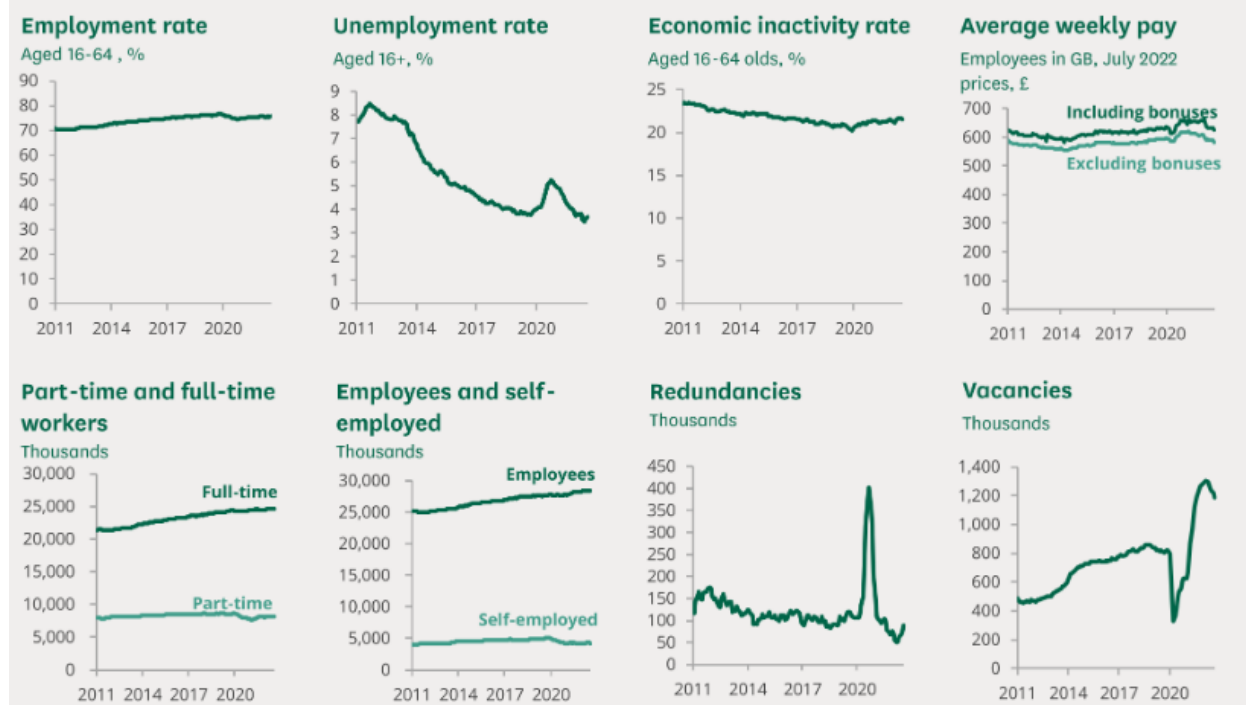


Fig 2: UK labour market

(Source:commonslibrary.parliament.uk, 2022)

The changes that are happening in Human Resourcing Strategies after Covid and Brexit.

Post Brexit

There were initial concerns that the decision to leave the EU would have a negative impact on employment, but in the time since the referendum in 2016 to make that decision, employment has expanded extremely quickly. Even if the rate of employment growth has slowed down this year, the labour market is still fairly tight, and there are a

significant number of positions that are vacant. Because of this, many different businesses are finding it more difficult to fill available positions. This is partially attributable to the fact that the growth in employment in the United Kingdom has not been accompanied by an increase in the number of people from the European Union who have come to work in the country. This is due to the fact that the United Kingdom is a member state of the European Union (cipd.co.uk, 2022). According to the findings of the Labour Market Outlook (LMO) study conducted by the Chartered Institute of Personnel and Development (CIPD), the percentage of companies reporting difficult-to-fill positions increased from 56% in the Spring 2017 report to 61% in the Spring 2019 report. This information was reported by the CIPD. As a direct consequence of this, a lot of businesses are boosting compensation, in particular for workers who are highly productive and for new recruits. The LMO Autumn 2019 poll discovered that as a result of heightened rivalry for personnel, 59% of private sector employers have boosted their salaries (cipd.co.uk, 2022) .

The decision to leave the European Union has had a significant impact on the methods of management, the employment process, and the routines that employees follow on a daily basis. According to the findings of the research, many businesses operating in low-paying sectors struggle to build and sustain strong people management and development practises and would benefit from government-sponsored business support. This would help businesses become more competent in this area, which would allow them to better encourage employee well-being and career advancement, as well as recruit and keep a workforce that is more diverse (Roumpi, 2021). This information could be helpful in bolstering efforts to boost workplace productivity, as people management practises such as training, performance management, and advancement are the management practises that are most strongly related with firm-level productivity. These management strategies all show a positive link with the quantity of research and development that a company carries out, which is a very encouraging finding ((Roumpi, 2021).

Because workers in the UK are frequently overqualified, hesitant, or unable to execute the job due to issues such as disability or caring responsibilities, recruiters and

companies were hesitant to fill these posts with persons from the UK. When it comes to picking which company to work for, income is obviously a consideration, but for about one-third of employees, the benefits package is more important. Flexible working hours, work-life balance regulations, work-life balance rules, holiday incentives, fitness programmes, and discount programmes are some of the most popular employee benefits that organisations have introduced in order to attract employees (Roumpi, 2021) Employee benefits contribute to creating a more productive and positive work environment for everyone. In order to cultivate a cooperative and supportive work environment, the leadership team must be willing to take risks (Kumodji, 2022). This is in addition to the fact that employees must be trusted and given the authority to make adjustments and decisions on their own. Freedom and autonomy increase morale and productivity by providing workers with a sense of control over their work and an interest in the future of the firm. This gives workers a stake in the organization's destiny. When an organisation cultivates a positive culture, it has the potential to increase employee retention rapidly and steadily. Additionally, it has the potential to attract new workers through positive word-of-mouth advertising and positive opinions of the company's brand (Kumodji, 2022).

Post Covid

As is the case with many other departments in modern organisations, the Human Resources (HR) division is having trouble adjusting to the "New Normal" that the Covid Pandemic has brought about. In the uncertain era that followed the release of Covid, human resources managers face a number of challenges, including the monitoring of remote workers, the maintenance of payroll systems, as well as the planning and execution of trainings. Because managers of human resources serve as an essential link between management and staff, it is imperative that they receive training on how to maintain business continuity (Azizi *et al.* 2021). Work-from-home (WFH) arrangements require HR managers to coordinate with the administrative function in order to ensure the supply chain and logistics of work-from-home (WFH) arrangements. This includes the acquisition and distribution of laptops to employees as well as the configuration of VPNs or virtual private networks in conjunction with technical support (Rivera-Prieto *et*

al. 2022). HR managers are also responsible for ensuring that technical support is available to configure VPNs. The HR Function must now serve as the centre point around which all of these once autonomous responsibilities must now be executed. In point of fact, HRM in the context of the New Normal requires a transformation in both vision and strategy (Rivera-Prieto *et al.* 2022).

In addition, the Post-Covid Era is likely to mark the beginning of the Age of Flexworking and Teleworking. The former will involve hiring employees on an as-needed and project-based basis rather than on a full-time basis, while the latter will call for HR managers to develop new skills in order to deal with activities such as Training and Development for employees working in a Virtual Workplace setting. Flexworking and teleworking will both require new skills from HR managers (Elouadi and Elouadi, 2022).

It appears inevitable that businesses will increasingly rely on gig workers and temporary workers to fill open positions, marking the end of the era of full-time, salaried positions with benefits. In light of the foregoing, it seems inevitable that businesses will increasingly rely on gig workers and temporary workers to fill open positions (Elouadi and Elouadi, 2022). This makes it necessary to take a novel approach to problems such as deciding the amount of pay that should be given to such resources and to take a more creative approach to the management of people. In the model of the Virtual Workforce, HR Managers will need to think creatively about how to train and develop their employees due to the unique challenges posed by the delivery of trainings digitally, via platforms such as Zoom (Collings *et al.* 2021). These unique challenges will require HR Managers to think about how to train and develop their employees in new and innovative ways. Indeed, recent developments suggest that a great number of businesses are making financial expenditures in the hunt for a medium that is dependable, secure, and unobtrusive, and that can even be used to organise team meetings, trainings, and all-hands meetings. In order to successfully accomplish this task, each of the Support Mechanisms will have to collaborate closely (PLATER *et al.* 2022).

RECOMMENDATION AND CONCLUSION

It is recommended that HR Managers and company leaders needs to opt out to flexible working hours and remote working. Remote workforces necessitate Agile Methodologies, which can only occur inside Flexible and Flat organisational structures, necessitating new Reporting Structures from HR Managers. In conclusion, it can be subjected that Covid contracting is just one part of a new strategy for managing employees' health and wellbeing. In the uncertain post-Covid environment, human resource managers face various challenges. New normal HRM calls for a shift in both perspective and strategy. Human resources professionals should educate themselves on telecommuting and flexible schedules. With the rise of the Virtual Workforce, HR Managers will need to get creative with how they train and develop their employees.

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