

MBA – Master of Business Administration in General Management
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Name – Dwanisha Miteshbhai Vyas

Student ID - 2243253

University Name - University of Wales Trinity Saint David

Lecturer Name - Mohamed Asim

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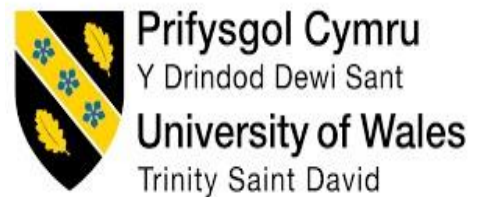


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Introduction

After the COVID-19 pandemic and BREXIT the UK labour market has been through a period of profound transformation. The number of available jobs has been falling for 16 straight quarters as of late 2023, which has affected many different industries. Regardless, regular and total compensation have both seen small increases, with the latter showing even more modest growth when accounting for inflation. There has been a considerable loss of working days due to labor conflicts, especially in the health and education sectors. These developments are taking place in the wake of COVID-19, which has altered traditional methods of work, and in the wake of BREXIT, which has cast doubt on long-standing employment laws and called for fresh approaches to human resource management (Freeman, 2023). Diversity and inclusion, digital transformation, workforce wellness, and adjusting to changing regulatory and governing frameworks are some of these.

Task 1: Current State of the Labor Market in the UK

Overview of Labor Market

There are several significant changes in the UK labor market as of the end of 2023. With a decline of 58,000 to 957,000, the number of open positions has dropped significantly, continuing a trend that has persisted for the last 16 quarters across the majority of industries. Still, wages are on the rise, with a 7.7 percent increase in base pay and a 7.9 percent increase in total compensation (including incentives) each year. After accounting for inflation, however, these numbers reveal a more moderate increase. There was a 229,000-day loss in September 2023 in the labor market as a result of industrial actions, which mostly hit the health, social service, and education sectors (Freeman, 2023). In October 2023, the number of paid workers rose a little to 30.2 million. While the unemployment rate stayed about the same at 4.2% and the economic inactivity rate at 20.9%, the employment rate fell slightly to 75.7%. The UK labor market is now experiencing a period of change as it deals with the aftermath of COVID-19 and the fallout from BREXIT (Freeman, 2023). Changes in employment, salary growth, and the economy as a whole are all being felt as a result of these two big occurrences. To meet the changing demands and seize the new possibilities of the labor market, human resource strategies and policies are being shaped by this setting.

Key Statistics and Trends

There were conflicting indications from the UK labor market from August through October 2023. There was a steady employment rate of 75.7% for those aged 16–64, and the number of employed persons aged 16+ reached 33.01 million. A yearly gain of 234,000 jobs was recorded throughout this time, which is a small increase of 50,000 jobs. With a rate of 4.2%, 1.45 million people were out of work. This was an increase of 13,000 from the prior quarter and 206,000 from the previous year, which is 77,000 more than the levels seen before the pandemic (Powell *et al.*, 2023). Consistent with the previous quarter but down 232,000 from the previous year, the percentage of economic inactivity among those aged 16–64 was 20.9%, with 8.70 million people affected. This is still 257,000 more than the rates before the pandemic. From September to November 2023, the number of job openings decreased to 949,000, which is lower than the previous year but still 148,000 more than the levels before the pandemic. A real-term yearly rise of 1.2% was seen in wages, including bonuses. Without incentives, the increase was almost the same. With bonuses included, nominal pay growth was 7.3% and without them, it was 7.2%, both of which are close to record highs since 2001 (Powell *et al.*, 2023). The labor market environment is shown here as complicated, with growing unemployment, salary rises, and variable job availability all playing a role.

Sector-wise Analysis

Analyzing the UK labor market by sector demonstrates that various sectors are affected in different ways. The decline in job vacancies, although widespread, has been uneven across sectors. Industries like hospitality and retail, which rebounded strongly post-COVID, are now facing a slowdown in growth. This is partly due to changing consumer behaviors and economic pressures. On the other hand, industries like technology and healthcare continue to demonstrate resiliency, with the consistent or growing need for personnel (genderdata.worldbank.org, 2023). The digital revolution and the aging population are two long-term trends that are good for these industries. However, even in these places, the pace of development has decreased compared to the initial post-pandemic recovery period. Construction and manufacturing sectors have experienced mixed fortunes, impacted by supply chain issues and changing trade dynamics post-BREXIT. The public sector has been hit hard by staffing issues and labor conflicts, especially in the healthcare and education sectors (genderdata.worldbank.org, 2023). Overall, the labor market across sectors is balancing the effects of economic recovery, changing consumer patterns, technological

advancements, and post-BREXIT trade adjustments, leading to a complex and varied employment landscape across different industries.

Task 2: Emerging Changes in Human Resourcing Strategies in the post-COVID, post-BREXIT external environment

Governance and Reform

Human resource management methods are undergoing a substantial transformation as a result of the governance and reform initiatives implemented by the United Kingdom government in response to the post-COVID and post-BREXIT environment. Among the most important initiatives is the planned liberalization of rules emanating from the EU (Corden, 2023). This involves doing a thorough examination of all EU laws that will be kept after BREXIT, to repeal those parts of the legislation that are not specifically excluded by the end of the year. HR departments are being prompted to reassess their policies as a result of the possibility of a rollback of employment regulations. They are contemplating whether to continue with the standards that are now in place or to embrace new and more flexible ways (Corden, 2023). In light of this transformation, HR strategies have undergone a more comprehensive reorientation, to align themselves with growing regulatory frameworks while still retaining efficient labor management.

Deregulation and EU-derived Laws

The strategy that the government of the United Kingdom takes towards deregulatory policies and regulations originating from the European Union, especially in the wake of BREXIT, comprises doing an in-depth analysis of the legislation that was inherited from the EU and perhaps repealing it. The purpose of this procedure, which is a component of the larger plan to reduce "red tape," is to reevaluate legislation that was implemented into the statute of the United Kingdom after the country left the European Union (Gkiontsi, 2023). Except for those laws that are expressly exempted after a thorough assessment, the objective is to repeal these laws before the end of the year. Human resource departments may face obstacles as well as opportunities as a result of this initiative, which may result in substantial changes to employment legislation. It is a challenge for human resource professionals to decide whether it is more appropriate to stick with the policies that are now in place or to adjust to the new regulatory flexibilities. This critical movement may allow for more adaptation and customization in workforce management, but it will also need HR practitioners to be vigilant and adaptable to negotiate the shifting legal environment (Gkiontsi,

2023). This shift marks a trend towards more personalized employment regulation from the United Kingdom.

HR-led Environmental, Social, and Governance (ESG)

A strategic change in the objectives of organizations is reflected in the fact that environmental, social, and governance (ESG) projects that are driven by human resources are gaining traction in the United Kingdom. The function of human resources in this department encompasses a wide range of responsibilities, including ensuring compliance with rules and regulations and encouraging participation in volunteer programs and initiatives (pinsentmasons.com, 2023). This includes supporting initiatives such as the Real Living Wage and the Disability Confident campaign, both of which play a significant role in promoting the social components of environmental, social, and governance (ESG) criteria. In addition, human resources play a significant role in the gathering of data and benchmarking to monitor development in many ESG elements relating to people. The incorporation of environmental, social, and governance (ESG) initiatives into human resource practices not only ensures that firms comply with rules but also makes a positive contribution to larger societal and environmental objectives, strengthening their reputation and connecting with the values of a contemporary workforce (pinsentmasons.com, 2023). Through the use of this method, the expanding position of human resources as a crucial participant in the incorporation of ethical and sustainable practices inside enterprises is highlighted.

Diversity and Inclusion (D&I) and Wellbeing

Diversity and Inclusion (D&I) and wellness are becoming more important components of human resource strategy in the United Kingdom, particularly in the shifting climate that has emerged with the implementation of COVID and BREXIT. For diversity and inclusion, efforts are concentrated on creating a varied recruiting pipeline, especially at the leadership and board levels, with a particular emphasis on gender, ethnicity, and socio-economic diversity. There are new regulations imposed by the Financial Conduct Authority that compel publicly traded businesses in the United Kingdom to report on their board diversity objectives. Additionally, there are efforts such as the FTSE Women Leaders and Parker reviews that investigate these issues. The dynamics of the workplace are also being influenced by legislation changes such as the suggestions made by the Scottish government regarding gender recognition. Furthermore, gender identification is becoming

an increasingly important topic of discussion. The prevention of harassment continues to be a top focus, and it is anticipated that new laws will strengthen employer accountability for harassment and regulate non-disclosure agreements (NDAs). A more widespread trend is occurring in the direction of taking into consideration both one's physical and mental health when discussing wellness (Parker, 2023). The provision of assistance to workers who are affected by concerns such as menopause and domestic violence is included in this. A dedication to fostering inclusive and supportive work environments that respect and promote a varied variety of employee needs and identities is reflected in the holistic approach to diversity and inclusion (D&I) and wellness.

Supporting Workers

Disabled and Older Workers

Recognizing the distinct contributions and requirements of handicapped and elderly workers, employers in the United Kingdom are increasingly placing greater emphasis on providing support for these groups. Within the workforce of handicapped individuals, there is a strong focus placed on inclusive recruiting and retention tactics. This is particularly relevant for those who have long-term health issues, such as COVID-19. To do this, workplaces must be made accessible, flexible working arrangements must be provided, and possibilities for professional growth must be made available to all employees. When it comes to elder workers, there is a growing tendency toward acknowledging the unique expertise and abilities they possess. Employers are investigating various approaches to recruit and retain this generation because some individuals are delaying retirement or returning to the workforce as a result of financial concerns (MacLeavy, 2021). Flexible working arrangements, targeted retraining programs, and wellness efforts that are customized to their specific need are some of the strategies that may be used. In recognition of the varied composition of today's labor force, these initiatives are a component of a larger movement toward a workplace that is more welcoming and supportive of its employees.

Family-Friendly Policies

To improve the assistance that workplaces provide for families, the government of the United Kingdom has approved several family-friendly regulations. Notable efforts include a new entitlement to paid leave for parents of newborns who need neonatal care, unpaid leave for caregivers, greater protection against redundancy for pregnant women and new parents, and suggestions for more flexible working arrangements. All of these measures are noteworthy. The

purpose of these policies is to assist parents and caregivers who are employed and to help them strike a balance between their jobs and family responsibilities (O'Brien, 2021). An increasing acknowledgment of the significance of family well-being in the workplace is reflected in these initiatives, which are also part of a larger push to build working environments that are more welcoming and supportive of employees of all backgrounds.

Workers' Health and Wellbeing

In businesses in the United Kingdom, there has been a heightened emphasis placed on the health and well-being of employees, with a particular emphasis placed on both physical and mental health. Not only are initiatives focusing on assisting in mental health, but they are also tackling the problem of physical wellness. The CBI Work Health Index is one example of a tool that is being used to benchmark health-related problems. In particular, problems concerning women's health and safety, such as providing assistance to individuals who are impacted by menopause and domestic abuse, are garnering a greater amount of attention (Bryan *et al.*, 2022). It is important to note that this comprehensive approach to health and wellness in the workplace highlights the growing recognition of the critical role that employee health plays in overall organizational productivity and employee happiness.

Workforce Structure and Employee Engagement

The workforce structure and employee engagement are significant emphasis areas for human resource strategies in the United Kingdom, particularly in the changing climate that has emerged with the implementation of COVID and BREXIT. The development of workforce structures that not only generate commercial value but also correspond with larger organizational objectives, such as environmental, social, and governance (ESG) goals, is a significant objective for businesses. As part of this process, employment positions will be reevaluated, flexible work arrangements will be implemented, and the concepts of the gig economy will be included. Concurrently, the importance of employee engagement is growing more and further. This includes tactics for industrial relations that are geared at reducing the amount of interruptions that an organization experiences. To preserve the harmony and productivity of the workforce, initiatives for employee engagement are being enhanced for both union and non-union employees (O'Brien, 2021). To adjust to changes in the legislation, particularly the possible implications of trade union law reforms and new statutory procedures, these measures are necessary. The ultimate objective is to construct a workforce that

is flexible and adaptable, capable of adjusting to changing market circumstances, while simultaneously guaranteeing the well-being of employees and the efficiency of the business.

Conclusion

In this post-COVID and post-BREXIT period, the labor market in the United Kingdom and the policies around human resource management are going through considerable adjustments. The complicated nature of the labor market is shown by the fact that the number of job openings has decreased, but wages have increased and employment patterns have changed. HR strategies are adjusting to these changes by emphasizing governance reforms, emphasizing the importance of diversity, inclusiveness, and employee welfare, and adopting HR-led environmental, social, and governance efforts. There is a greater commitment to workforce diversity and inclusion when there is support for certain worker groups, such as the handicapped and older workers, as well as family-friendly policies. In general, these movements indicate that the labor market in the United Kingdom is entering a time of transformation, and human resources will play a crucial role in navigating through these changes.

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