



LCMB 7000-Human Resource Management

Report on the Current State of UK'S Labour Markets
and Potential HR Approaches

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Executive Summary

After COVID and Brexit the present situation of labour merchandise in the UK has seen changes in the human resource approach and that is being analysed in this report. At the present examination the labour market is analysed with the usage of labour pool, employment rates, and unemployment rates, and stated through many graphs, figures, and data. For examining the changes and making an appearance in the approach, the company that was recruited is Tesco. For post-COVID changes analysis distant and mixed working, resilience, and pliability were analysed, and examined changes and for post-Brexit changes analysis, communication, facts and technology, leadership elements, are analysed and examined. To deduce, it is important to keep in mind the notable evolution in the approach post-COVID and post-Brexit because they seemingly or non-seemingly can impact the resources and development of the company.

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Introduction

Along with markets of goods and services assets are also connected with the labour market. The labour market is also termed a job market which notifies the relationship between the supply and demand of the labour unions, in which, the employers notify demand, and the employees notify supply. A main part of the manufacturing process is labour according to the employer's demand as they are in charge of transforming input into output. But, the employees or the individuals deduce the making or the production procedure and work as labourers. Conversely, a guideline for resolving the difficulties faced by the company together with all things considered the answers which are beneficial to the society in addition worked by the human resource planning (Pizzinelli, and Shibata, 2023). Human resources are a department that is answerable for screening, onboarding, vetting, selecting, recruiting, advancing, teaching, paying, and firing, in addition to giving advantages to the employees. Management of human resources is the planned approach to taking care of and supporting employees and securing a positive and better workplace environment. The role of human resource management varies over distinct businesses and organizations, but normally, it involves compensation, recruitment, advantages, teaching and development, and employee relations. For making plans, aptitude management deducing compensation, assessing the importance of corporate culture, elevation planning, together with selecting, the efforts of the human resource manager are needed (Upadhyay, et al., 2023).

This paper focuses on analysing the present situation of labour merchandise in the United Kingdom, in addition to changes in human resource planning following COVID and in the post-Brexit external environment.

Main Body

The present situation of the labour market in the UK

An increase in employment and a small decline in economic inactivity have been seen in the latest labour market statistics. However, since the prior quarter, it has been seen that vacancies continued to decline and redundancies have grown slightly. High inflation still means real pay

extension is negative but nominal pay extension continues to be strong (Portes, and Springford, 2023).

Employment

The number of people in salaried employment or who had a job that they were away from (for instance, since they were not working due to holiday or off due to sickness) is been measured by employment. As some people have more than one job this differentiates from the number of jobs (Brell, Dustmann, and Preston, 2020). The employment rate is the ratio of people who are in employment and aged between 16 and 64 years.

The number of people in November 2022-January 2023, who are of age 16+ and working was 32.84 million, and the working rate for people who are of age 16-64 was 75.7%, above 75.6% in the prior quarter (Francis-Devine, Powell, 2023). Employment levels have grown in the prior quarter and across the prior year but were still 146,000 beneath the level before the pandemic.

Unemployment

Unemployment term is used to refer to people who are available and ready to work within the next three weeks and who searching for jobs actively but fail to find one according to their preference (Bell, and Blanchflower, 2020). The unemployment rate is not the ratio of people who are not working in any jobs due to certain reasons of their own. It is the ratio of the population who are working economically (those in work plus those looking for and present to work) who are not employed. The unemployment rate in the United Kingdom was 3.7%, and 1.25 million people aged 16+ were not employed. The unemployment rate in the UK has increased in the prior quarter but has shown decrement over the prior year, and was 123000 below the level before the pandemic (Francis-Devine, Powell, 2023).

Economic inactivity

People who are not in the labourpool (also termed as economically not active) are not in the working population but do not fall under the internationally believed definition of unemployment as they have not been looking for work across the prior four weeks, or they are not able to commence work in the coming pair of weeks (Watermeyer, et al., 2021). The economic

inactiverate is the proportion of people who are not in the labourpool aged between 16 and 64. 8.89 million people aged between 16-64 were economically not active, and the inactivity rate was 21.3% (Francis-Devine, Powell, 2023)). Inactivity levels declines during the quarter, and stayed at a similar level to the prior year, but were 412,000 overhead their pre-pandemic level.

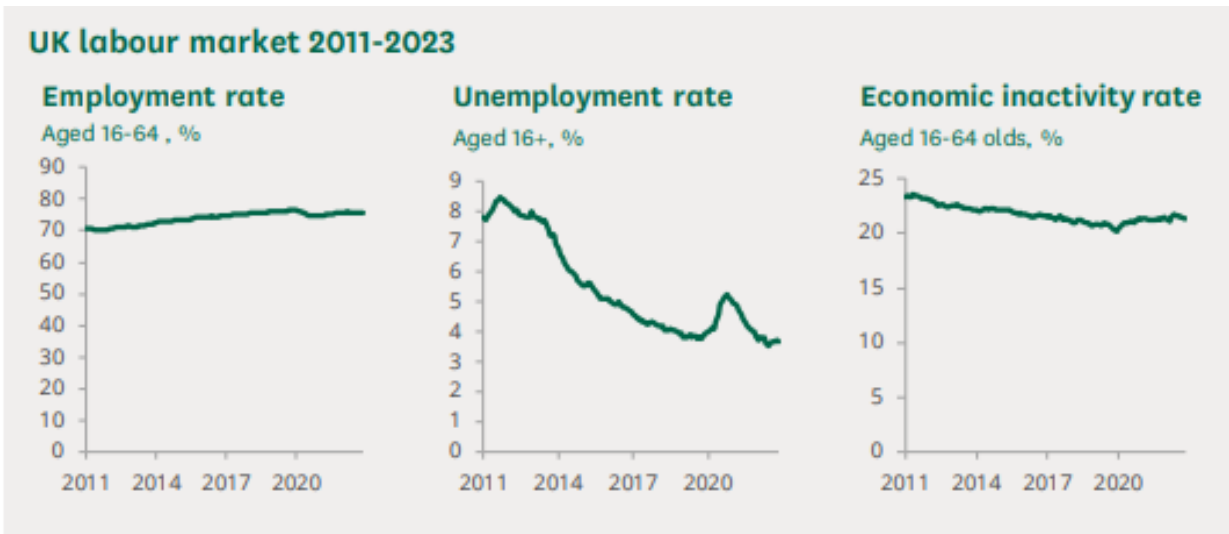


Figure 1 UK labour market statistics (source- Francis-Devine, Powell, 2023)

Average pay

The advancement in employees' means total pay (involving bonus pay) was 5.5% and the increment in daily salary (eliminating bonuses) was 5.2% from May 2022 to July 2022. In real words (adjusted for upsurge), during several years, entire pay declined by 2.6% and structured pay declined by 2.8%. Furthermore, mean wages declined in real words in the three months to January 2023, with a yearly evolution of -3.5% eliminating bonuses and -4.3% involving bonuses (Luppi, et al., 2020).

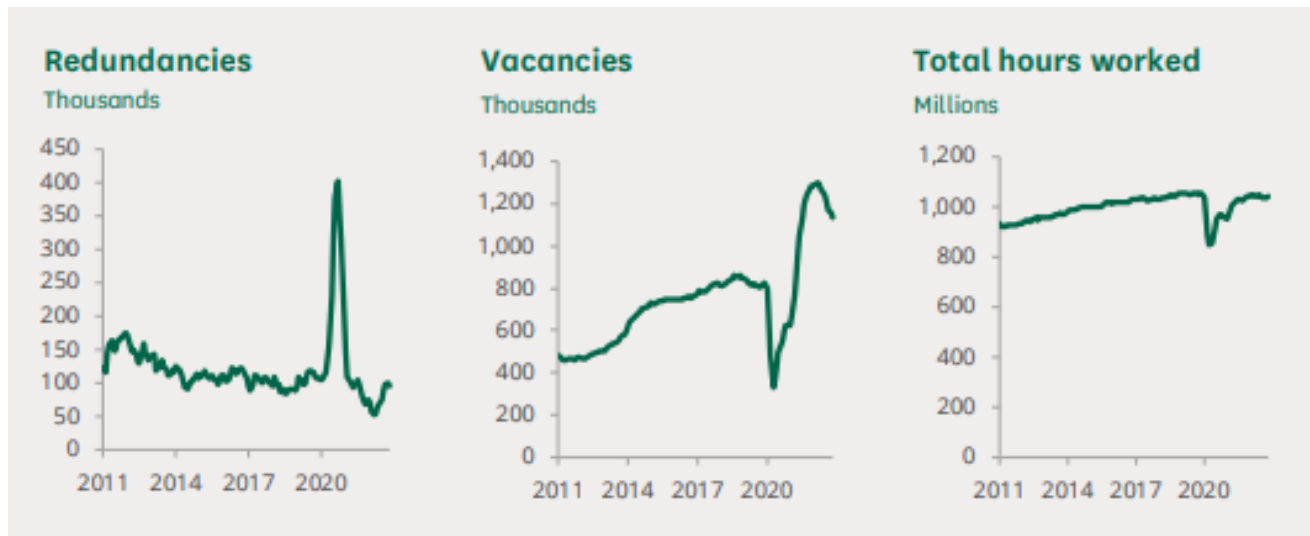


Figure 2 UK labour market statistics (source- Francis-Devine, Powell, 2023)

Additionally, as per figure 2, it is noted that there was 94000 overabundance which grow slightly from the previous quarter. Also, the number of vacancies declines in the previous quarter, and over the year, to 1.12 million in December 2022-February 2023, but stays 328,000 overhead pre-pandemic levels (Tomlinson, et al., 2022).

In addition to this, from prior 2012 support growth in the employment rate has been seen, the rate reduced due to the commencement of the coronavirus (COVID-19) pandemic. There has been growth from the start of 2022, and the growth in the employment rate has been seen across the prior three-month time period. During the prior three months, the count of permanent employees has reduced but it is still overhead the extent of a pandemic. From the start of 2022, the count of temporary employees had been reduced; however, across the prior three-month time period growth has been seen (Etheridge, and Spantig, 2020). In the starting year of the COVID pandemic, the count of freelance workers declined; however, growth in both permanent and temporary freelance workers has been witnessed in the prior three-month time period (Figure 3). The count of persons in employment with secondary jobs declined in the prior stages of the pandemic. Since then it has been continuously growing but has declined across the prior three-month time period to 1.23 million (3.8% of people in the working-class) (Watson, 2023).

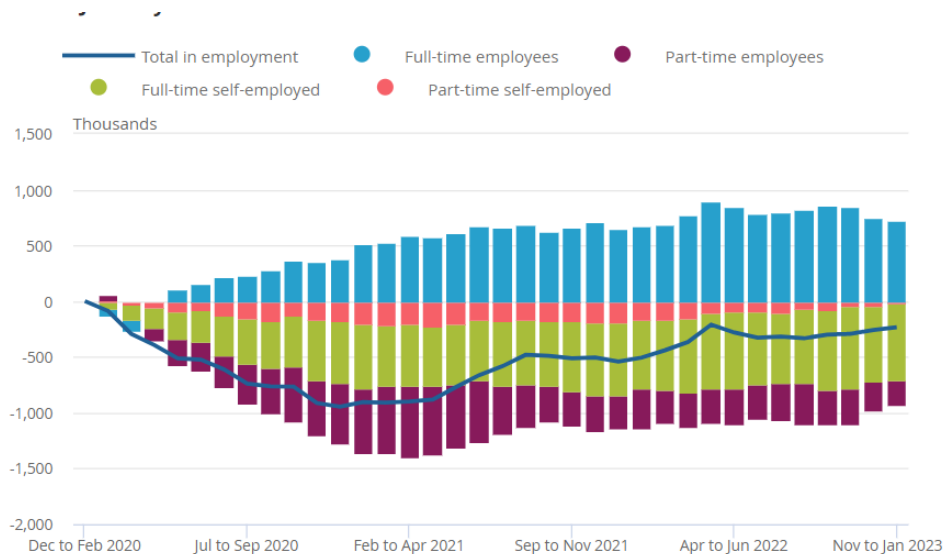


Figure 3: The increase in employment over the prior three-month time period was directed by part-time employees and self-employed workers (Source- Watson, 2023)

Throughout the commencing year of the coronavirus (COVID-19) pandemic, there has been a decline in employment amount and an increment in economic inactivity and unemployment amount for both men and women (Watson, 2023). However, now it has been witnessed that the unemployment rates for both men and women have now returned to levels familiar level as it was prior to the coronavirus pandemic (Figure 4). In the prior three-month time period, the growth in the employment amount and the decline in economic inactivity amount were directed by men.

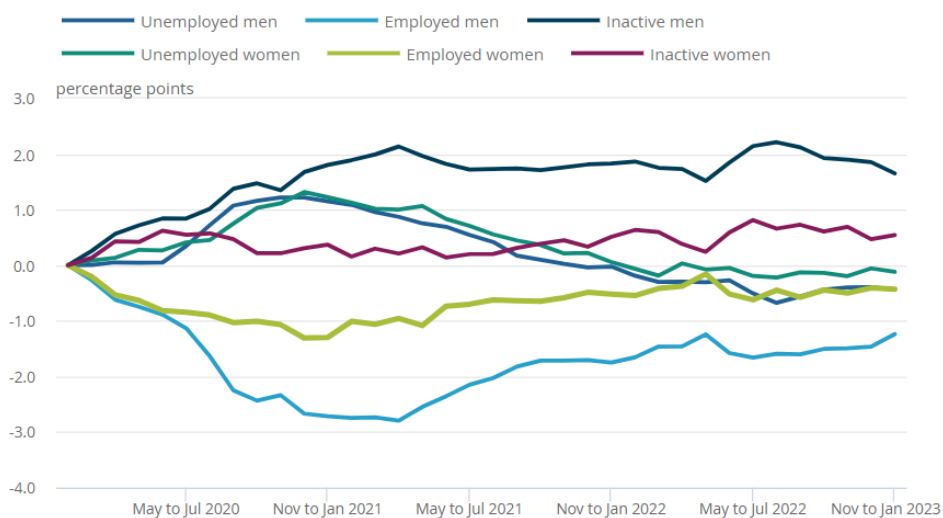


Figure 4: The increment in the employment rate across the prior three-month period was directed by men (Source- Watson, 2023)

Hours worked

Since the composition of the coronavirus lockdown estimates actual total working hours have been typically growing in the UK. However, in comparison with the recent three-month time period, the overall actual weekly hours worked declined by 10 million hours to 1.04 billion hours from September 2022 to November 2022 (Figure 5). Still, this is 16.3 million hours beneath the levels before the coronavirus pandemic (December 2019 to February 2020) (Watson, 2023). In the prior three-month time period overall actual weekly hours worked by both men and women declined. The level for men stays beneath pre-pandemic levels while the level for women is overhead prior to the pandemic levels. In the prior stages of the coronavirus pandemic, it has declined sharply, meaning actual weekly hours worked are now back to the familiar levels as witnessed before the pandemic, although they decline in the prior three-month time period. The shortfall in overall actual weekly hours collate with prior the coronavirus levels is therefore greatly the outcome of fewer people in employment (Webster, Khorana, and Pastore, 2022).

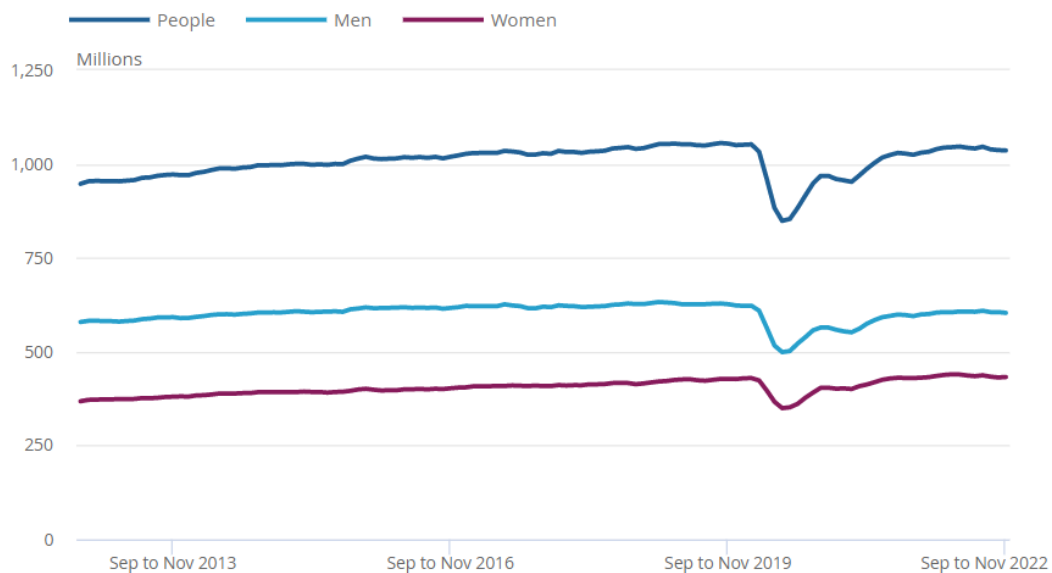


Figure 5: Overall actual weekly hours worked declined across the previous three-month time period (Source- Watson, 2023)

The appearing changes in Human Resourcing Planning in the post-COVID, post-Brexit external environment

Appearing Changes in Human Resourcing Planning in the post-COVID

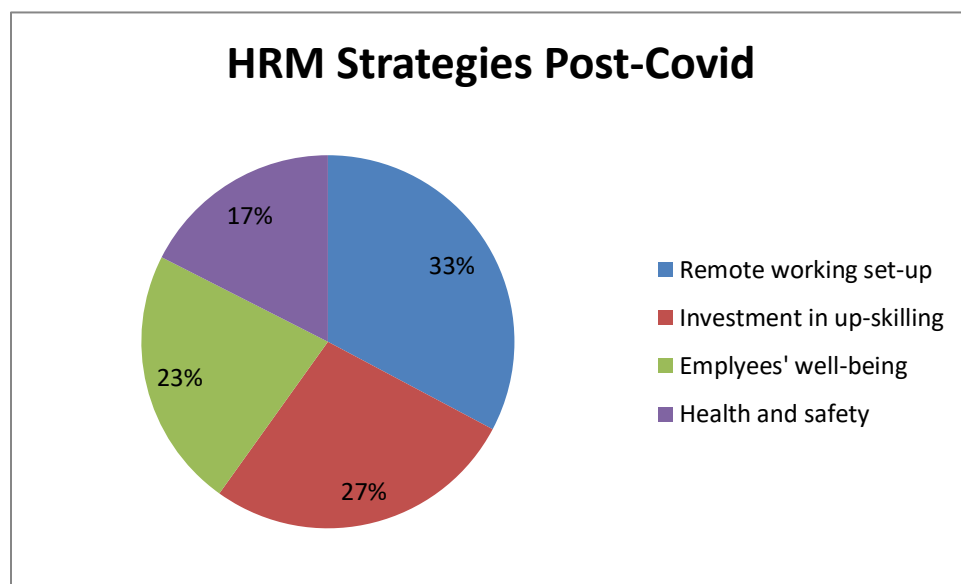
The COVID-19 crisis has brought about notable evolution in the methods organizations in the UK function, specifically in their human resource management approach. One of the most notable evolutions in human resourcing plans post-COVID-19 is the move towards remote work. Several organizations have had to adjust to remote working due to lockdown limitations and social distancing course of action. As an outcome, remote working has become a more lasting element of the workplace, and organizations are now concerned with developing and executing remote work policies to secure yielding and employee welfare (Phillips, 2020). Additionally, the crisis has also led to an enhanced focus on health and protection actions in the workplace. Employers are now executing several actions to secure the safety and welfare of their employees, such as daily cleaning and sanitization of the workplace, temperature examination, social distancing pact, and the supply of personal protective equipment (PPE).

The pandemic has also spotlighted the requirement for flexible work arrangements, such as part-time freelance work, job splitting, and pliable scheduling. With caring for children or elderly relatives employees have had to stable their work obligations, and pliable work arrangements have aided to ease some of the stress and pressure related to this. Furthermore, the crisis has also spotlighted the requirement for up-skilling and reskilling of employees. Several organizations have had to adjust to new methods of working, and this has made a requirement for new expertise and knowledge (Sharma, and Kumar, 2022). Employers are now contributing to teaching and evolution programs to aid their employees acquire the important skills to proceed in the new working environment.

Key statistics-

- More flexible work arrangements are been adopted by 56% of organizations, like pliable scheduling, part-time work, and remote working(Komm, et al., 2021).

- Investment in up-skilling and re-skilling programs are been planned by 48% of organizationsto aid their employees develop the important skills to proceed in the new working environment(Komm, et al., 2021).
- Increments in the focus on employee well-being are been planned by 40% of organizations, such as intellectual health support and well-being programs(Komm, et al., 2021).
- Implementation of health and safety measures in the workplace is planned by 31% of organizations, such as disinfection of the workplace, etc. (AM, et al., 2020)



Source- Self-Made

Overall, the COVID-19 crisis has brought about notable evolution in the methods organizations in the UK function, specifically in their human resource management approach (Yawson, 2020). These evolutions are probably permanent, and employers will require to continue adjusting to the new working environment to secure the welfare and functionality of their employees.

Appearing Changes in Human Resourcing Planning in the post-Brexit External Environment

UK exiting from European Union- Brexit impacted the external environment of the nation as well as emerging changes within human resourcing strategies in the UK. It could be said so as the changes were seen in recruitment, workforce planning, employment law, competition, global

expansion area, etc. Post-Brexit it was harder for the UK to recruit and retain talent within their organizations (Ridgway, 2019). This challenge brought an emerging change by focusing now onwards more on retaining and hiring talent processes and developing new talent pipelines for the UK organizations. It was noticed that around 40 per cent of organizations increased their focus on retaining and recruiting local talent as per a CIPD survey conducted in 2020. Further, change in workforce planning was noticed as the need for being prepared and anticipating the potential changes within the labour market by maintaining an effective workforce was considered to be crucial. This led to more usage of analytics and scenario planning tools, and 33% of organizations began focusing on workforce planning and scenario planning (Chartered Institute of Personnel and Development, 2019). In addition to these changes within the employment law of the UK were also noticed Post Brexit. Brexit has also resulted in changes to employment law, including changes to immigration policies and the implementation of new regulations. As a result, there has been a greater emphasis on compliance and ensuring that HR policies and practices are following the new regulations. Increased focus on compliance with new employment laws was seen around in 39 % of organizations as per a CIPD survey conducted in 2020 (Chartered Institute of Personnel and Development, 2021).

In addition to these changes, the major emerging change post Brexit has seen win competition. Brexit has also increased competition in certain sectors, as UK organizations must now compete for talent and market share with EU organizations. This has resulted in a greater emphasis on employer branding and talent attraction strategies. Post Brexit increased the emphasis on global expansion, as UK organizations must now explore new markets and partnerships outside of the EU. This has resulted in a greater emphasis on international recruitment and the development of global HR policies and practices. As per the CIPD Survey 2020, 24% of organizations have increased their focus on global expansion and international recruitment (Chartered Institute of Personnel and Development, 2020).

According to these statistics and emerging post-Brexit changes, the most significant changes in human resourcing strategies in the external environment post-Brexit are an increased focus on compliance with new regulations, local talent, and effective workforce planning. As organizations seek to compete in an increasingly competitive market, there is also a growing emphasis on employer branding and global expansion. Overall, Brexit has had a significant

impact on the UK's external human resource strategies. Organizations must adapt to the new environment by creating new talent pipelines, implementing effective workforce planning, adhering to new regulations, emphasizing employer branding, and exploring new markets outside the EU(Smith, 2019).

Conclusion

It could be concluded from the present study that Covid and Brexit potentially impacted the HR strategies within the UK. Various emerging changes were made by the organizations such as an improved focus on hiring local talent, compliance with new employment laws, etc. The above analysis also shows the facts regarding employment levels, unemployment levels, working hours, average pay, inactivity, etc. in the UK labour market. It has shown that in the UK the inactivity rate was 21.3%, the unemployment rate was 3.7%, and employment levels were still 146,000 beneath their pre-pandemic level.

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