



LCMB 7000- HUMAN RESOURCE MANAGEMENT

An Analysis of the current situation in UK's Labor Market and emerging HR Strategies after the Covid and the Brexit

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Introduction

This report focuses on various aspects which are related to the overall market that exists in the United Kingdom and the changes which occur in terms of the competitiveness between the organizations. One of the primary factors which can be related to the development of competitiveness and the increased awareness of the brands within the customer base is the relative rise in the employee intake and labor capacity within the companies. Therefore, through the sections provided below, this report mainly focuses on the current state of the labor market that exists in the United Kingdom. The inclusion of significant evidence and the evaluation of all the revolving aspects takes place within the sections provided below on this basis. Further focus will then be provided towards the emerging changes within the strategies related to resourcing of the workforce after the advent of the Covid-19 pandemic and the occurrence of the Brexit event.

Importance of the Labor market in the UK

The labor market is a proper function of the economy that deals with the demand and supply of the workforce or labor. According to the opinion of Trinh (2023), in the labor market, the workforce fights for the most rewarding jobs and companies seek to hire the most eligible candidates. On the other hand, the labor market of a country is a platform in which the demand of the employee and supply of workers has been met in a systematic way. Especially in the UK, the labor market is very important as it is directly associated with the economy, lifestyle of the people and other socio-economic factors of the country. It makes it possible to build an efficient workforce that succeeds in an environment of opposition, upward mobility, and development in the economy. Flexible labor marketplaces can help companies to minimize expenses from revenue. For instance, organizations may allow extra employees for better development, as per the opinion of Fasani, Llull and Tealdi (2020). Long-term employment safety and corporate survival may both benefit from this. It might be declared that as a result of globalization, it has become critical for enterprises to continue to preserve their competitive edge in the global economy. The labor marketplace can be identified by reliability, a lack of flexibility, and a range of pay for corresponding positions. From October to December 2022, the UK labor force participation rate was anticipated to be 75.6% (statista,2023). Part-time staff members were primarily responsible for an increase in employment in the contemporary situation.

Factors Related to the labor market in the UK

There are different factors such as labor supply and demand, economic regeneration, minimum wage policy, educational and instructional programs and others which are related to the labor market. According to the opinion, each factor is important for developing a labor market. The status of the UK labor market is not very satisfactory, as per the opinion of Duta, Wielgoszewska and Iannelli (2021). After Covid 19 pandemic situation, the demand for the labor market became surprisingly low. In January 2023, the United Kingdom's labor force workforce participation rate jumped from 61.2% to 63.2% (statista,2023).

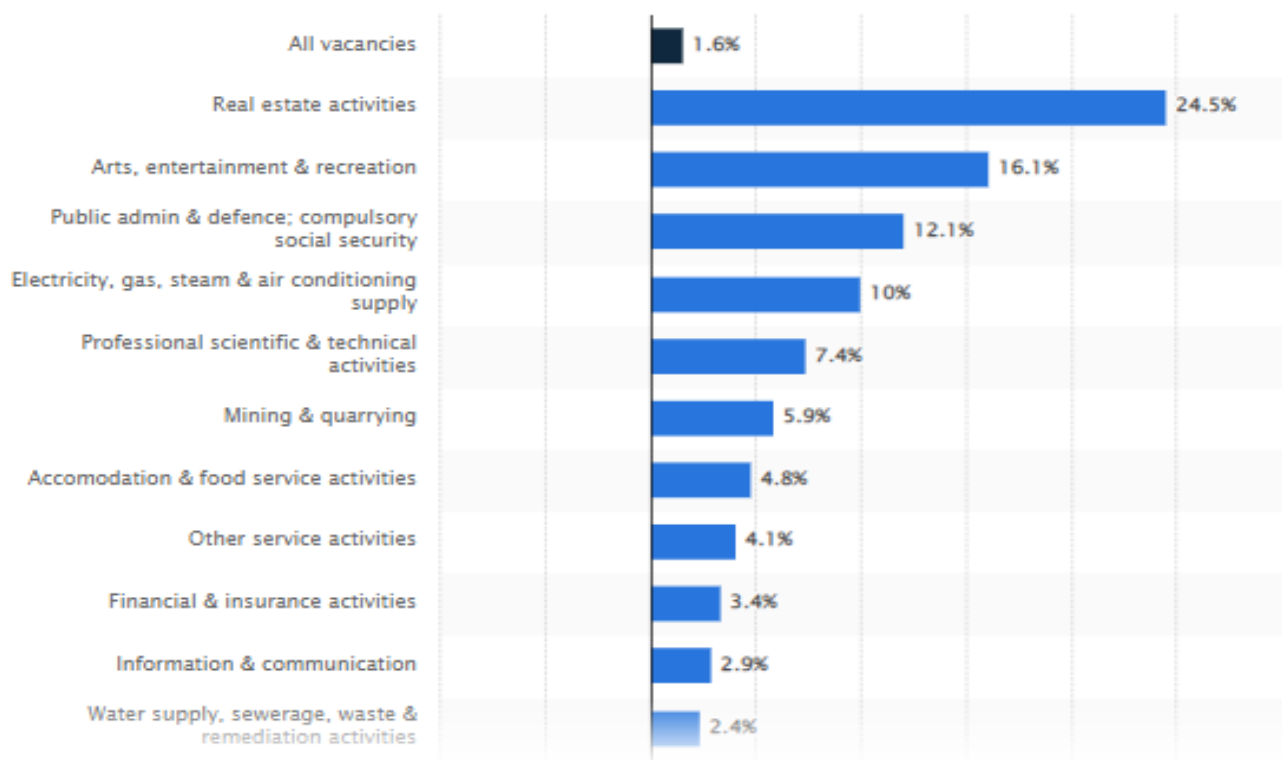


Figure: Rate of demand for an employee in different industries in the UK

Source: (statista,2023)

The number of openings for employment in the real estate sector in the United Kingdom increased by a rate of 24.5% between the three months ending in May 2022 and the three months concluding in January 2022, and there was also a significant spike in job applications in the arts, leisure, and amusement industry (statista,2023). Besides, the above data also reveal that the increasing rate of job vacancy indicates the improvement of the labor market after covid 19 pandemic situation in

the UK. Besides that, the flexible wage policy of the UK government also helps to generate more prospects for the workforce of the nation.

The current state of the labor market in the UK

There are different factors which are associated with the current situation that exists within the labor market in the overall United Kingdom. These factors are mainly presented within the above-given sections within the inclusion of the different views presented by the authors regarding the factors. As can be observed that the increase in the vacancies and the opportunities for being involved within the company operations have witnessed a significant rise in the last few years, also including the time at which the occurrence of the health-related concerns due to the Covid-19 pandemic gripped the different parts of the world. As a result, according to the opinions of Hensher (2019) overall increase in the employment of individuals within the United Kingdom has taken place. There are differences within the current situations in the labor market when witnessed in terms of the different regions in the UK. The changes within the employment rates followed by the corresponding slowing down of the economic growth within the regions can be considered as the potential elements which can allow the increase in clarity related to the current situation that exists and affects the workforce consisting of deserving and talented individuals in the United Kingdom.

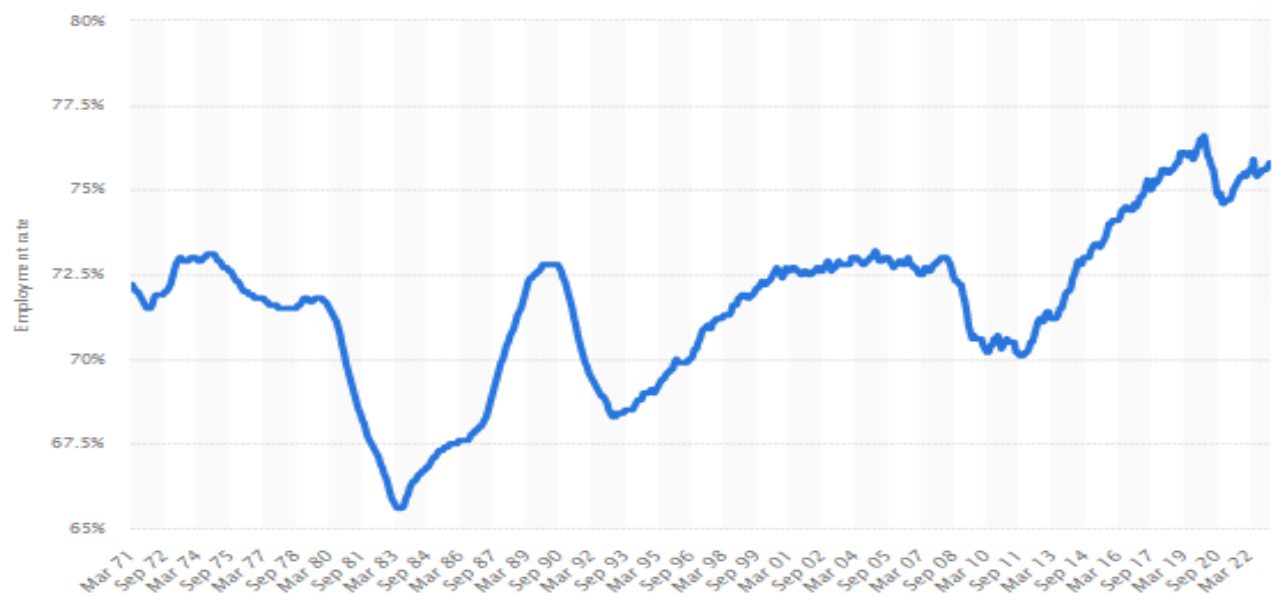


Figure 2: Employment rate in the United Kingdom

(Source: Clark, 2023)

The graphical representation provided above includes a sufficient number of ideas regarding the trend of the employment rate in the United Kingdom. There are significant levels of changes and fluctuations which have occurred over the years in the case of the employment processes. From the graphical presentation, it can be observed that a significant decline in the employment of individuals had taken place within the labor market during the period starting from the month of January in the year 2020 to January 2021, when the percentage of the employment rate was registered to be 74.6 per cent. However, the current market now witnesses the increased efforts of organizations in competition to develop resilience against crisis situations which can occur in the future and have a significant number of effects relevant to those experienced during the covid-19 pandemic. As a result, an overall rise in employment rates can be observed after January 2021. The current employment rate now stands at 75.8% as of February 2023. In the case of the other factors including the economic inactivity rate certain fluctuations can further be found and such fluctuations carry a significant amount of impact within the labor market of the United Kingdom. According to the opinions of van Zon *et al.* (2020), the people who have remained unemployed within the country for a period of 4 weeks continuously are considered the economically inactive section of the population.

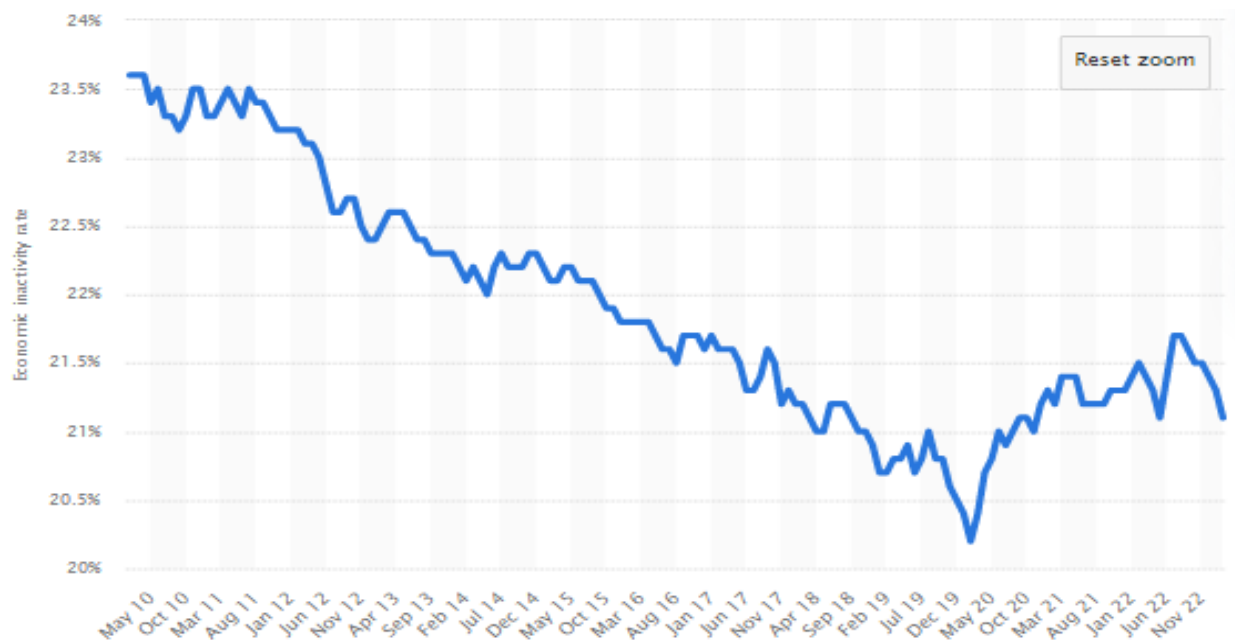


Figure 3: The economic inactivity that has taken place in the United Kingdom
(Source: Clark, 2023)

From the above-given figure, it can be understood that the variations which have taken place in terms of economic inactivity demonstrate the change in the situation and the requirement for further improvement. The increase in the situations related to the unemployment of individuals which have been discussed in the earlier sections. It can be observed from the above-given figure that a significant rise taking place between the months of June and November in the year 2022 has resulted in significant levels of unemployment, whereas a difference in the situation can be considered at the start of the year 2023. The graphical representation, therefore, provides significant insights related to such changes during the years at a significant rate.

Changes which will occur within the condition in the future of the UK labor market

There are different changes which can be considered in terms of the future increase or decrease of the workforce within the country and the amount of economic inactivity as well. The research carried out by Flynn *et al.* (2020) develops a significant amount of information regarding the predictions of further effects that will take place within the labour market in the UK in further continuation of the current effects due to the Covid-19 pandemic. As per the ideas mentioned within the research, GDP growth due to the changes in the labour market of the United Kingdom will primarily face a difference. An increase in GDP growth will face a certain amount of steadiness, altho the occurrences of contractions may result in slight changes within the actual scenario. According to the opinions of Keogh-Brown *et al.* (2020), the factor of unemployment carries further gravity and affects the overall gross domestic product developed by the country and therefore presents specifications regarding further development, which requires critical attention. The changes related to future policies and decision-making by the government authorities can their food take place accordingly based on the accuracy of the predicted data.

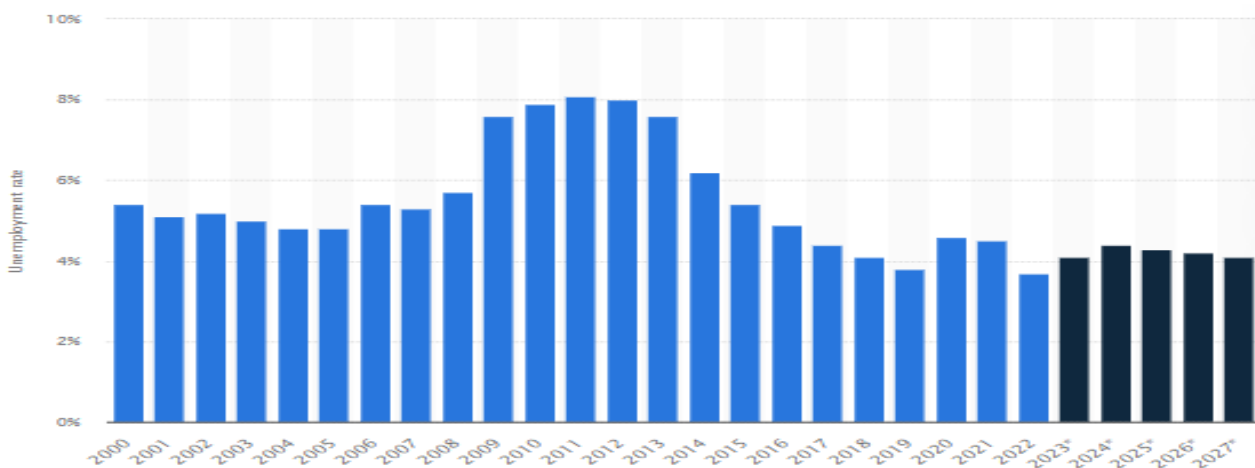


Figure 4: The overall unemployment rate of the United Kingdom and predictions till the year 2027

(Source: Clark, 2023)

From the above-given data that has been presented graphically in Figure 4, it can be understood that a decrease in the unemployment factor will be faced by the United Kingdom in the year 2023. Compared to the period between the years 2021 and 2022, which shows an overall employment rate of more than 4%, then the time period between the years 2022 and 2023 demonstrates a decrease in the unemployment rate to less than 4%. However, from the graph presented above, a negative direction can also be predicted in the upcoming years. A significant increase in unemployment can be observed from the years 2023 to 2025.

Part B

The impact of Covid-19 on Human Resourcing Operations and the respective changes in operations in United Kingdom

The overall impact of the Covid-19 pandemic on human resourcing operations can be understood by the changes in the corresponding changes which are associated with the productivity of the organizations operating in the United Kingdom. Along with different other nations which have been affected in terms of the overall employee intake and the fulfilment of operational needs, significant changes have also been observed within the United Kingdom, especially due to the increase in health-related concerns with the increasing intensity of the Covid-19 pandemic.

According to the opinions of Hamouche (2020), the associated changes have mainly included the effects on employee well-being as well as satisfaction in the workplace. The well-being of the employee is mainly related to the salary and other benefits, which can present a significant change within the lifestyles of the employees and, therefore, also result in the engagement of the employees with the organizations. However, in such cases, the organizations have been faced with extreme difficulties, especially while providing compensation and benefits. According to the opinions of Al-Alawi *et al.* (2023), the further effect that has therefore been considered as a result of the difficulties of the provision of salaries is the increase in the amount of dissatisfaction among the employees. The adjacent effort which is related to the overall decrease in the dissatisfaction of the employees is the lower amount of coordination which in turn creates the scope of decreased productivity for the company.

Greater health-related concerns due to the onset of the covid 19 pandemic have resulted in the further failure of the human resource management operations to instill a significant amount of confidence within the employees. The requirement of the availability of sufficient resources and strategic decision-making processes in terms of the increase in employee confidence and exploration of the capabilities of the employees has faced a greater level of the barrier due to the decrease in the interests of the existing employees towards the management of the quality of the operations. Effective communication, which generally takes place within the workplace with the physical presence of all the associated employees, is a major factor that drives organization growth and maintenance of clarity and harmony between the employees. However, due to the onset of the Covid-19 pandemic, a change which has been significantly observed in a positive direction is the usage of technological advancements for the facilitation of communication. The digital platforms have, on the one hand, allowed changes in communication patterns irrespective of the distances between all the involved stakeholders in the decision-making process. However, certain negative implications which can be considered in such cases is the amount of knowledge in experience, according to Nicola *et al.* (2020), which is required for the handling of the technologies and the production of valuable results.

The Impact of Brexit on Human Resourcing Operations and the respective changes in UK

The separation of the United Kingdom from the group of Brexit countries can be considered as one of the events which have changed the way in which the businesses within the United Kingdom operate and deliver services to customers. According to the opinions of Ridgway (2019), among all the factors which have been consecutively affected, including the investment processes followed by the changes in the cash flows, significant changes have also been observed in terms of the employee intake as well as the development processes related to the increase of organizational efficiencies. The exit of the United Kingdom from the European Union and the corresponding facilities provided in terms of access to resources and the delivery of products has resulted in changes in agendas related to operational capabilities. The decrease in the number of employees managed by the organizations has been followed by the requirement of skills and abilities for the refined handling of the processes. Such views have been further provided in the research of Horak *et al.* (2019).

There are other effects which are related to the operational capabilities of the organization and the management of the employee strength due to the Brexit event. The increase in the difficulties related to the immigration of employees is a concern which requires the critical attention of the employees. The evolution of the employee relationship with the company can be understood in terms of employee satisfaction. However, according to the opinions of Davda, Gallagher and Radford (2018), the benefits which have been associated with the development of job-related scenarios for employees are the development of the citizenship of the country and the continuation of the work and contribution towards the development of the company. It is required for the different stakeholders who carry greater impacts in the organization to provide further help and knowledge regarding the necessary help of the employees in order to carry on the operations related to higher profitability.

Conclusion

There are different aspects which have been considered within this report for the development of the analysis related to the changes in the number of economic situations as well as the employee growth opportunities. Through the development of the comparisons related to various literary evidence as well as the statistical data, this report has been able to significantly identify the aspects related to the impact of Brexit as well as the covid-19 pandemic on the operations related to the human resource or the labor market in the United Kingdom. Through the analysis of sufficient information, this report has been able to further identify the range of the problems as well as the positive cities associated with the different activities which the organizations are required to carry out as a result of the impact within due to the international Brexit event. The development of information related to the Brexit event as well as the comparisons between the different evidence, has increased the amount of weightage for the research in terms of further investigations which can be carried out in relation to the exploration of the consequences attached to the management of human resources in the organization.

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