

What factors affect the labor market research paper sample

[Business](#), [Marketing](#)



Many factors affect the labor market. Forces of demand and supply of labor affect the labor market. If the demand is greater than supply, it means that the employees are able to influence the wage that is to be received. If the supply is greater than demand as is always the case, then employees are not able to influence the wages that are to be paid. Forces of demand and supply of labor greatly influence the wages that are to be paid to employees.

The government also influences the labor market. The government forms commissions to evaluate the wages that are to be paid to various categories of employees. When the government gives security funds to all the unemployed individuals, there is reduced motivation to join the labor force. People can accept jobs only if the funds paid by the government becomes less than salaries being offered by employers. The government may look at factors such as standards of living, inflation, and productivity of employees and the occupation of individuals to recommend the wages that are to be paid to certain employees. In this regard, the government may set maximum and minimum wages that are to be paid to employees.

Trade unions have an influence on the labor market. Trade unions pressurize the employers to pay workers reasonable salaries. Their suggestions may be based on changes in standards of living and the conditions of work. If the unions recommend high wages to employers, the employers might be willing to employ fewer people due to the high costs of employment.

Wages paid to employees influence the labor market. As wages increase, employees are willing to devote more time to work and reduce leisure hours for work. This is called income effect. However, behold a certain level of income, the opportunity costs of labor become high and people prefer more

hours of leisure with increased pay. Therefore, wages affect the labor market in a way.

Interviews can effectively evaluate the qualities of potential employees. In the first place, the future careers that these job seekers want to achieve is an important tool. Evaluating this helps to determine whether these employees will be motivated in the current job position or not. If the employee is likely to be motivated, then he/she is suitable for the job. The financial needs of the employees can be a tool to evaluate the suitability of the employees. The expectations will determine whether the employee will be comfortable with the planned remuneration of the vacant job position. The communication abilities during the interview can tell whether the individual is suitable for the job. Good communication techniques are important in ensuring that these individuals can work effectively with other workers.

High salary is a good idea for new workers. In the first place, it helps retain employees who are of great value to the company. It becomes difficult for these employees to seek other job opportunities. The organization therefore benefit from the services of the employee for a longer period. These employees also devote more of their time performing their duties at their area of employment since there is no time wasted in searching for other better paying jobs.

Another advantage is that these employees are motivated in their job opportunities. Due to the good compensation for their efforts, they reward the company by working harder. The productivity of these employees is higher due to the motivation and this is a benefit for the company.

Highly paid positions require certain personal characteristics. The individuals in the positions should be highly qualified such that people can be assured that the individual will perform well in the job position. The individual should be hardworking and committed. He/she should be an individual who arrives very early and leaves late from work. The individual should be in a position to work under harsh conditions. For example, the chairman of the Federal Reserve needs to work in a harsh environment whereby the politicians try to influence the decisions he makes. He should be however being in a position to do his work well regardless of these conditions.

References.

Irving, P., Hall, N., Steels, J., Great Britain., & ECOTEC Research and Consulting Limited. (2005). Factors affecting the labour market participation of older workers: Qualitative research. Leeds: Corporate Document Services for the Department for Work and Pensions.

Armstrong, M. (2002). Employee reward. London: Chartered Inst. of Personnel and Development.