

Hrm summary chapter



HRM chapter summary Chapter 2 (p. 35-45) The labour market: - Substantial increase in demand for labour reflects economic growth and population growth over the period. In spite of the recessions it continued to grow. - Another way of tracking growth in demand for labour, is looking at the total number of jobs. This figure can be high because of jobs held by people over the retirement age and those who have two or more part-time jobs. - What sort of skills are employers looking for? => long-term trends paint here a clear picture too. One of the biggest debates among labour market economists concern the nature of the skills that employers will be looking for in the future. * A debate that has very important implications for government education policy - Influenced by Manuel Castells of Berkeley University in California, it has become common for policymakers to believe that a 'new economy' is rapidly developing which will increasingly be dominated by companies which are 'knowledge intensive' in nature. => According to this 'upskilling thesis' lower-skilled jobs will be rarer and rarer in industrialised countries. Because it's cheaper to have it done in developing countries, people tend to outsource their productions. - Harry Braverman => his theories derive from a Marxian perspective as well as from observations of the activities of corporations in the 1960's and 1970's. This contrasting 'deskilling thesis' argues that businesses competing in capitalist economies will always look for ways of cutting their labour costs, and that they do this in part by continually reducing the level of skills required by the people they employ. > it follows that, far from leading to a demand for higher-level and knowledge, the advent of an economy based on information and communication technologies will over time reduce such demand. - The upskillers draw attention to the fact that the major growth areas in labour

demand are in the higher-skilled occupational categories. Demand for graduates is increasing, demand for lower-skilled people is less strong and is decreasing in some industries.

They also draw attention to the emergence of skills shortages in many industries as employers find it steadily harder to recruit people with the abilities and experience they need. - The down-skillers draw attention to the growth of call-centre-type operations which use technology to reduce the amount of knowledge and expertise required by customer services staff, and to the increasing use of bureaucratic systems which people have discretion to make decisions. they also point to the strong growth industries such as retailing and hotels which are characterised by employment of people who need only to have low-level skills and who are relatively lowly paid => they forecast a situation in which the workforce is heavily over-qualified and in which graduated are increasingly employed in jobs for which no degree is necessary. They also argue that many of the 'skills' that employers say are in short supply are not in fact 'skills' at all, but are merely 'attributes' or 'characteristics'. Leitch report (written by Lord Sandy Leitch) => comes down strongly on the side of the up-skilling side. His view is that there will continue to be substantial growth in the number of jobs in the UK. * States that 'demand for skills will grow inexorably' as technology advances and globalisation of the world economy continues. * However, the existing skills base is far from 'world class' and that the UK is not nearly sufficiently well placed if it is to seize the opportunities presented, life productivity levels and maintain its position as a leading international economy.

We can conclude by asserting with some confidence that the long-term trend towards higher-skilled, professional occupations and away from unskilled and lower-skilled jobs will continue for the foreseeable future. - Longer-term demographic trends also point to growing skills shortages and tightening labour markets. => this is because the total number of people of working age is projected to decline somewhat. This is a result of the structure of the UK's population. Between 1945 and 1964 there's a bulge representing the higher birth rates during that period (baby boomers). => this is also because of the increased propensity of women to work for longer periods of their lifetimes. - 20% of the working age population who are of working age are not working or seeking work at any one time. These principally comprise: * students in full-time education * people with long-term health problems * people who have taken early retirement people who are devoting their time to bringing up children or caring for other adults - The size of the working population will increase somewhat as a result of the raising female state pension age from 60 to 65, and thereafter as the state pension age is raised to 66 for men in 2016. -

A further factor to take into account is immigration. In recent years the number of overseas migrants coming to the UK to work has greatly exceeded the number of existing UK residents leaving to emigrate overseas. > if the current patterns of immigration and emigration continue in the future the UK's population will increase dramatically, meaning that many concerns about an inadequate supply of labour can cease. - Two major practical implications arise as a result of these demographic trends which are likely to become increasingly significant as far as the management of people is

concerned: * Organisations are going to find it increasingly difficult to fill more highly skilled and specialised roles, at least from traditional sources. We can be certain that we are therefore going to see much greater ethnic and cultural diversity in the make-up of our workforce. - The key reason for recruitment difficulties according to the survey respondents are: * A lack of specialist skills in the labour market * A tendency for qualified job applicants to ask for more money than can be afforded *

A lack of sufficient experience on the part of people applying for jobs From a human resource management point of view the likely outcome over the coming decades is one in which the art of recruiting and retaining people in a tight labour market returns to the top of the HR agenda. => it will be necessary for organisations to work hard at developing and retaining positive reputations as employers, to differentiate their offerings as employers from those of their competitors through employer branding exercise and to take a flexible approach to staffing their organisations. Managing a diverse team: Gaining an understanding of cultural differences in terms of workplace expectations will need to widen beyond the ranks of expatriate workers to encompass a far wider group of managers and employees. * Recruitment focusses now on the skills and experience, which are needed to do a particular job well, of the applicant. * Interpersonal behaviour in UK workplaces appears cold and unfriendly to people from other parts of the world. People like to maintain a ' personal space' around us. * Business cultures in UK workplaces are a great deal less hierarchical than is the case in most other countries.