

What are the implications of the difficult economic environment on recruitment, selection, training and development in the UK?

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2019 – The Year of Uncertainty!

According to the Chinese Zodiac 2019 is the year of the pig! The Pig occupies the last (12th) position in the Chinese Zodiac and is identified with prosperity.



In contrast to China the situation in Europe for 2019 could be identified more accurately as the year of uncertainty!

However, this is another type of uncertainty which is likely to cause many complications for the global economy with non-reversible consequences!

We would like to focus on the start of this new year with a different type of newsletter for our MBA Winner readership audience.

Hence, we focus on the economic implications that emerge from a volatile economic environment in the UK. However, as people start to become more and more the focus of attention, we are focusing on the case of *recruitment and selection, training and development*.

As organizations are severely affected on their basic operations and because of the mounting uncertainty, it is already evident that *Human Resource Management* (HRM) will come to play a much greater role in the near future. This is inevitably because the economic implications will be cascaded onto people and on their daily performing of operations.

Human Resource Management

Human Resource Management stands as the dedicated academic business discipline. The behaviour of people remains the key focus! The people are the ones that think, engage, dream, motivate, overcome challenges and tend to remain committed against all odds!

Despite the development of technology and the growing rate of automation it is also evident that the role of people becomes more and more important than ever before. However, the question is what is the best way to manage the workforce where things get so tricky?



There are four main disciplines of HRM that we should bear in mind. These are *recruitment, selection, training, development*. The following table summarises the key functions of each area.

1	Recruitment	Recruitment is identified as the activity with which an organization is able to attract suitable people for a vacancy.
2	Selection	Selection is the process with which the assessment of the individuals is made with the intention of eliminating and selecting the more appropriate person.
3	Training	Training comprises those activities responsible for enabling employees to become better at their tasks (training is work-related!)
4	Development	Development is about the realization of potential that can be hidden or disguised. In contrast to training development focuses on people rather than the immediate tasks that have to be performed.

The four functions need to work together. Each component comprises of one individual part within a wider chain of events. In order for HRM to remain resourceful needs to be coordinated as a single process.

Whereas *recruitment* is about attracting others to an employer, *selection* is about having the right filtering mechanisms for identifying skills and potential in people.

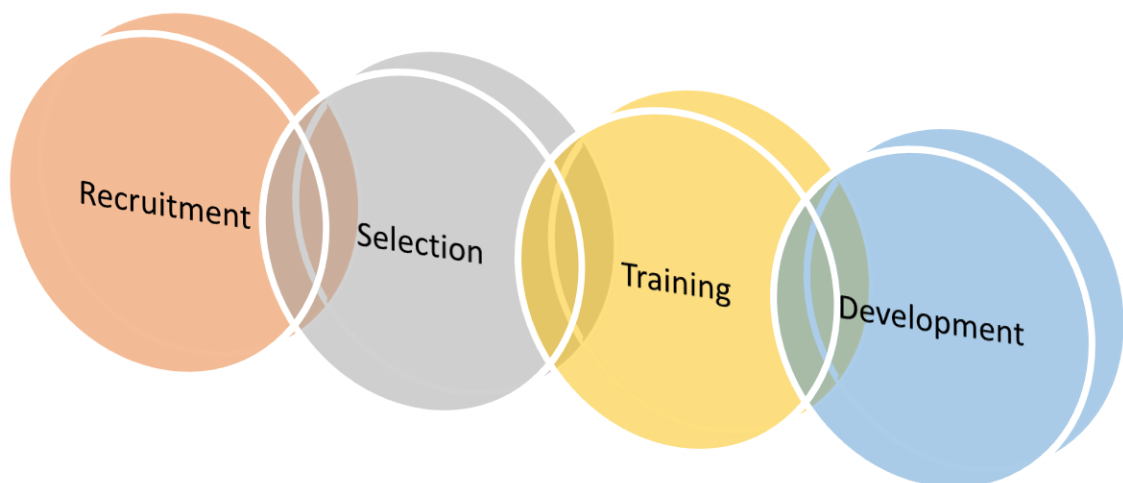
However, there cannot be adequate corporate growth *without* the proper deployment of *training and development* practices that can support members.

However, the design of training and development remains much more challenging from the actual implementation.

Intentions remain hard to materialise because outputs do not carry common denominators.

People have different interests and varied perceived benefits.

As we are approaching towards BREXIT it is evident that an organizational structure that is competent to put an order onto peoples' expectations remains paramount for becoming a successful organization.



The difficult economic environment

There are waves of uncertainty gaining force as we move towards the edge of a European crisis.



The mounting opposition of the Italian and French people become vivid examples of how policies of austerity have not borne fruits.

However, the waves of uncertainty are starting to be strongly felt within different markets and across different audiences. Suddenly the competitive advantage of the Chinese economy seems all more threatening.

Such development raises several questions that cannot go unnoticed.

For example, how is it possible that the mounting economic uncertainty is going to impact on the way recruitment, selection, training and development takes place in the UK's labour market?

Resourcefulness and Economization

One of the most important implications are of economic nature. Reducing an allocated budget remains a reality that is affecting investment opportunities. The senior management are already geared towards introducing new changes. A reduction of budget allocated for HRM is one of the first to be affected. This is because the management of any organization will seek to replace the work already carried out with a more cost-effective workforce. This is not done because the management want to get rid of people. It is done as a survival mechanism and for enabling the survival of the organization against its competitors.

However, decisions made at a senior level are carried out at a cost. If the economics of an organization becomes the sole focus then the management is risking the possibility of losing valuable people with valuable experience.

Such experience cannot be easily replaced and the management of change remains most critical for a successful transition. How does this successful transition look like though?

In the last few months we have helped business students to explore this issue within their assignments and dissertations. In the following section we provide some key points that have been highlighted from the academic work we have done.

Implications on Recruitment

UK organizations are facing severe implications with having to reduce their dependence on external recruitment firms. This means that they need to be more proactive in terms of developing their online job boards.

A lack of expertise for handling new applications generates new constraints for how people are filtered through the initial process.

The management of change and for constituting the recruitment process internally also means that staff need to be trained for how to use new technologies in order to attract people. Clearly a competition between employees that belong to different age groups is very likely to happen. This is going to generate new pressures for ethical business decision making.

In particular, to what extent are older employees likely to be disadvantaged in the process? How is the younger generation able to compete against the older workers?

Even though technologies enable employers to reach a wider population of candidates, at the same time, it generates new demands for identifying the limitations of the new technologies. This development is also fostered by the already existing tendency for conducting online searches on candidates and in light of their public information already situated in the web. Hence, the availability of employees looking for work is likely to increase in the near future as newspaper headlines reiterate of not achieving a satisfactory BREXIT negotiation outcome.

Implications on Selection

The challenging economic environment cannot be separated with how selection making decisions are carried out.

Whereas in the past the need to predict with accuracy the likely contribution of candidates remained a strong prerequisite BREXIT is generating greater uncertainty with possible new legislation which is going to restrict the free movement of people.

Such development will have direct implications on how people are considered 'suitable' for a position. Moreover, whereas in the past culture played a secondary role it is now becoming more important as ethnicity gains increasing attention between the different government and regulatory institutions.

For example, the possibility of foreign workers' coming into Britain in order to find work is likely to face new challenges with employers who are already relying on such workers for sustaining their business activities. Thus, employers are likely to face new challenges with seeking to generate a capacity for sustainability in the midst of uncertainty.

Managers need to become particularly considerate for how selection methods are used to assess qualities. For example, whereas in the past pre-selection and screening practices used to be carried out by external recruitment agencies this is now changing.

Instead, the internal management is seeking to undertake this activity in an effort to economise on costs. Hence, the capacity of management to determine whether employees can make a contribution remains a strict criterion in selection.

It is likely that employers will be more interested in the resilience of employee to withstand the adverse forces of uncertainty and by demonstrating patience and commitment.

Implications on Training

Training is defined as the methods with which employees are given new/different skills in order to become more productive at their jobs. Whereas in the past training focused on management-led initiatives the scope of training is now changing. Changes in regulation and public policy with BREXIT means that

there are new challenges and opportunities. Challenges comprise of new layers of legislation that can affect how organizations operate within their chosen market. However, opportunities comprise of diversifying strategies into new markets with exploiting new and upcoming gaps.

A diversification strategy is the more common strategy encountered by organizations. Its aim is to ensure that employees are geared with the right skills in order to find challenges and exploit opportunities.

The capacity to create an effective knowledge-sharing culture but also technical platform is no longer an option but a necessity. Organizations that do not have the capacity to develop information and knowledge sharing skills are likely to face fierce opposition by other firms.

Moreover, the volatility in the UK market means that 'imports' and 'exports' of goods and services is likely to face new tensions in the future. This is because as countries challenge the European Union framework on trading and competition it is likely to see greater evidence of protection-related behaviour where organizations are seeking to protect their own interests.

Having to work with less or restricted resources is likely to remain the greater challenge. However, the managers' challenge would be in identifying and responding to these restrictions without compromising on the quality of their services to their targeted audiences.

Implications on Development

Development is identified as the latest fashionable trend where employers are looking after their employees by realising their potential. However, the capacity to identify and nurture talent remains problematic. Constraints on budget are affecting every dimension of a business. However, the skilfulness of those individuals that want to be identified with the 'management role' comes onto a test!

The management of development opportunities needs to be understood within its interpretive repertoire.

Put differently, changes do not have a direct impact on employers. Instead, managers regulate how changes are impacting them and what kind of interpretive accounts they create and communicate to the different employee groups.

The study of development has gained prevalence in the literature because it is the field where the development of the 'self' is thought to lead to all other developments! Hence, creativity and commitment are through to be intertwined with an inspiration at work.

However, the issue that becomes interesting to study is how the focus of attentions shifts from the 'budget' onto the 'people'. Generating opportunities where people can really thrive cannot be limited to performing a job role. It requires this extra commitment where the individual is able to work towards meeting a feature set of goals. Such goals need to be self-driven.

Organizations can generate but also loose their competitive advantage in light of how they are able to use their pool of talents. However, a 'hard' management approach that fails to understand the emotional side of peoples' behaviours can fail to generate trust in others. This means that people might not be interested in investing themselves to the advancement of the business because they do not believe that there is going to be some type of direct benefit for them on a personal level.

Where does this 'uncertainty' leave you in terms of business assignments?

In this newsletter we addressed the importance of uncertainty for the UK economy and in light of the upcoming BREXIT.

In light of the academic assignments we have undertaken we are confident that this is a very important area that requires further research and investigation.

If you are an undergraduate or postgraduate student we would like to encourage you to consider the case of HRM in light of Brexit. There is a wealth of information to be explored and your project could generate solid returns for your personal development and also job prospects.

If you have idea in mind about the project that you would like to investigate then contact us at support@mbawinner.com indicating the ideas you have in mind and we will be able to assist you further.

We wish you a wonderful, prosperous and academically fulfilling 2019!