

# Employment Report

Marketing and Public Relations

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# Abstract

Employment relationships in marketing and public relations are integral to the success of a marketing/PR team as well as business operations as a whole and so, learning the characteristics of employment relationships gives organisational leaders an insight into what makes a cohesive employment environment and the varied roles that structure a successful team. This report will outline these various roles, the factors impacting upon employment relationships, the political landscape and its influences, as well as outlining the characteristics of the UK labour market and giving examples of two UK supermarkets and how they operate their employment system differently.

# Table of Contents

The UK Labour Market	4
The Political Landscape	5
The Impacts of Employment Relationships	6
Within The Marketing & Public Relations Departments	7
Case File - Asda	8
Case File - Booths	9
Conclusion	10
References	11

# The UK Labour Market

In order to understand the employment landscape of the UK for both present and future purposes, we must study, interpret and apply the latest UK labour statistics to real-world events and try and locate a trend to see what the future of employment is going to be in the UK.

As of 2015, 31.09 million people<sup>1</sup> were working in the UK in either full-time or part-time jobs. This total figure has steadily increased since 2005 when it stood at 28.6 million people<sup>2</sup> and in 2011 when the figure stood at 29.1 million<sup>3</sup>. Taking into consideration the 2008 global financial crisis, these figures show a resilient UK labour market as the number of UK employees has grown continuously for the last ten years yet it is uncertain whether the impact of Brexit could change this pattern of growth. Of the 31.09 million people working in the UK in 2015, 22.74 million of them were full-time workers and 8.36 million were part-time workers<sup>4</sup>. In 2005, the number of full-time workers was 21.3 million and the number of part-time workers was 7.2 million<sup>5</sup>.

The number of unemployed people in the UK as of 2015 stood at 1.82 million whereas in 2005, this figure stood at 1.39 million and in 2011, it had dramatically risen to 2.64 million<sup>6</sup>. Interpreting these figures in real-world events allows us to understand the major impact of the global financial crisis of 2008 and how the UK's unemployed workers were still struggling to recover from it, even in 2011. However, looking at the 2015 unemployment figure which is 820,000 people less than the 2011 figure, it seems there is a downward trend forming for the UK's unemployment, but yet again, the government, as well as economists and business owners, still cannot be sure of how Brexit will impact upon these unemployment figures as the UK may, again, see a dramatic increase in unemployment.

As of 2015, 78.3% of men and 68.8% of women<sup>7</sup> aged between 16 and 64 were in work, showing that there is a gender gap in employment still in the UK of 9.5%. Despite the figure for women being at its "highest since comparable records began"<sup>7</sup> as the 2015 UK Labour Statistics<sup>7</sup> stated, there have been ongoing changes to the state pension age for women "resulting in fewer women retiring between the ages of 60 and 65"<sup>7</sup>. This highlights the fact that the UK has indeed made commendable progress in attempting to narrow the gap between the amount of male and female workers, but it does still seem to be a significant issue for the UK labour market as there is a large untapped workforce, thus there may be negative consequences after the wake of Brexit. Overall, it seems the UK labour market is in major uncertainty at the moment due to the still virtually unknown impacts of Brexit and looking at the trends of the past, it seems Brexit could have a major negative impact on the UK employment figures, especially for young people who may also lose opportunities to work in European Union nations.

# The Political Landscape

In June 2016, the United Kingdom voted in a referendum to leave the European Union which, according to Economists and Market Analysts, will dramatically impact upon the UK economy nationwide and in local communities (Dhingra et al, 2016)<sup>8</sup>.

As the pound has dropped, suppliers and producers have to charge more for their produce which therefore impacts upon the businesses both large and small because they have to increase their prices, thus having to reduce workers due to the reduction in custom.

Large organisations are effected less in comparison to smaller organisations because they can afford to employ the best accountants and financiers to assist them. Small organisations are affected directly because of reduced cash flow, thus resulting in the owners inability to pay their employees.

Understanding the huge impact small and medium businesses have on the progression or regression of the UK economy is integral to understanding the structure of a large proportion of the UK's economy.

In 2016, small and medium businesses had a combined annual turnover of £1.8 trillion which accounts for 47% of all private sector business turnover in the UK, a huge portion therefore of the entire UK economy. Also knowing that small and medium businesses employ around 15.7 million people in the UK, which amounts to approximately 60% of the UK's private sector labour force reveals that small to medium businesses are significantly important to the overall success of the UK economy<sup>9</sup>.

Therefore, the UK government, in light of Brexit, must take into consideration policies that are going to support small to medium businesses that are in danger of struggling during the Brexit period.

Otherwise, the UK economy could see an even more detrimental impact from Brexit than they initially feared. To do this, the government will need to take into consideration policies that will support and give more certainty to the employees of all the small to medium businesses as they are what make these businesses contribute so significantly to the economy of the UK.

As well as this, Brexit will impact upon the UK companies that trade with the EU nations and due to the continued political uncertainty, employees working for these businesses will feel unsettled in their jobs, especially if tariffs are raised on UK exports to the EU once the UK leaves. In essence, the UK employment market is currently in a state of deep uncertainty and unsettlement due to the mainly unknown impacts of Brexit and until this political uncertainty has been settled, the UK labour markets will continue to see further pressure which could result in higher unemployment rates, thus impacting greatly on the UK economy.

# The Impacts of Employment Relationships

Employment Relationships represent the inner workings of business operations, thus these relationships impact heavily on the outcomes in the workplace. If employees do not feel accepted and valued by both the employer and their fellow employees, then the amount of effort an employee is willing to input into the daily business operations will subsequently reduce due to the employee not understanding their place in the business. A survey by International Survey Research (Rose, 2001)<sup>10</sup>, reported that the first three job priorities for UK workers were:

- Being treated with fairness and respect
- Job security
- Recognition for good performance

This survey clearly illustrates the importance of the acknowledgement of respect and performance between employees and employers in order to ensure the success of business operations, thus highlighting how positive employment relationships are integral to the prosperity of business performance. The diversity within the employment environment is also key to the success of employment relationships because with diversity comes differing points of view regarding business operations, thus leading to decisions that may not have come about without the input of diverse personalities.

Effective discipline within employment environments should not be a discrete activity, but should be expressed externally through voicing rules and expectations within the foundations of the organisations (Bach & Sisson, 2000)<sup>11</sup>. This can be achieved by establishing values, policies and principles during the founding of the organisation which all employees understand, respect and will work by. Another benefit of establishing values during the early stages of an organisation is that those externally expressed values will attract employees with similar values and principles, thus an organisation will build an employee community made up of people who share similar values. This can be an extremely important employment method for charities and organisations such as Greenpeace, who have employees that share a common goal, therefore creating a more unified workforce.

By ensuring their employees that both themselves personally and their careers will be developed, managers can establish a stronger and more resilient relationship between them and their employees. This is because employees will feel much more secure within their job if they understand that their career, as well as their own personal experiences, will be developed over the course of their time at the organisation. This method is significantly more affective in forming stronger employment relationships than an organisation choosing not to invest in their employees because those employees will feel isolated and undervalued, thus leading them to question their job's longevity, security and future opportunities within the organisation.

# Within The Marketing & Public Relations Departments

The marketing and public relations industry, in its very nature, is deeply intertwined with the real-world events occurring in politics, the economy and finance, thus these events are currently, and will in the near future, dramatically impact upon the marketing and public relations industry as a whole.

The marketing and public relations industry is heavily rooted in the views of the customers and so, in order to best equip oneself for a successful career in either marketing or public relations, one must know what is happening both domestically and internationally, both within their business' industry and also externally as well as in general.

Especially for public relations officers, they must understand the current views of the public in order to best inform their superiors of the most appropriate way to both conduct and position their business operations. This, in turn, will lead to a business being prepared for political, social, environmental and financial events that will impact upon the operations of the business, thus allowing the business to deal with the issue in a much more efficient and cohesive manner. Therefore, it becomes clear that the role of a public relations officer is now more important than ever before because businesses must understand the range of views of the public in order to best position themselves so public relations is a key sector within a business in order for it to function in today's market both domestically and internationally.

To conclude, it's therefore obvious that in today's marketing and public relations departments, its not only important for the employee-to-employer relationship to be cohesive and successful. Also, the employee-to-public relationship as well as the business-to-public relationship, something public relations officers are a key component of and marketing departments, are then able to express the business' particular position through marketing campaigns and strategies for continued growth. Finally, this results in a wide range of opportunities within the public relations and marketing departments over a vast amount of subject areas as these two departments have become interdependent upon each other and the business operations as a whole have become dependent on them both.

# Case File – Asda

Asda, once the second largest supermarket in the UK, has now been overtaken by Sainsbury's as Asda's market share has fallen to 16.4%. Despite this, Asda have said that they will not be intensifying the price war with other supermarkets after the uncertainty of Brexit<sup>12</sup>.

This will result in the loss of custom because their prices will not be competitive with other supermarkets such as Lidl and Aldi, which are quickly taking market share from the traditional supermarkets, thus resulting in many jobs being lost due to Asda reporting sales slumps for the past eight consecutive months<sup>12</sup>.

However, these impacts will not affect the executives as much because Asda conducts its operations under a tall hierarchical structure, thus the employees at the bottom of the hierarchy will be laid off first before any executives. Due to Asda having a tall structure, employees will not be able to voice their expressions to the executives who are able to make the changes that would impact upon the operations of Asda and the majority of the labour force. This perhaps highlights a major issue within the employment structure of large companies such as Asda because they cannot effectively reach and understand the views of their employees which perhaps displays a microcosm of the large corporations and their employment structure.

Asda offers many different job roles from executives to cleaners, showing that there is indeed a wide range of opportunities available. Understanding that Asda employs between 160,000 and 175,000 people in the UK across there 525 stores, it is clear that Asda is a significant employer in the UK<sup>13</sup>. Asda losing market share resulting in them having to let go of significant amounts of their employees will result in further disruptions to the UK labour market and will therefore cause even more uncertainty with regards to the UK's economy as a whole, especially after Brexit.



# Case File – Booths

Booths is a regional supermarket that operates in the north west of England employing over 2,870 people across 28 stores<sup>14</sup>.

The manner in which this supermarket operates compared to Asda is dramatically different. Although it is a large company in terms of revenue, the structure is much more familiar, in the sense that Booths operates in the North West region of England only and it employs much less people. As well as this, Booths is still a family business, thus priding itself on its founding values of keeping staff at the centre of its operations and on its website, Booths states that they “consider their staff to be their best asset”<sup>15</sup>.

This family-oriented structure is both rare and arguably better for employees due to the fact that it allows for employees to feel much more valued in their performance in comparison to the employees of Asda, who are just one of 160,000. The smaller, employee-focused structure of Booths makes employees, in turn, feel closer to the operations of the business and because it’s still operated under a family rather than a board of investors, employees may feel part of the family of Booths, thus narrowing the gap between the employees and the executives which, in turn, significantly improves the employment relationship environment within the business operations.

# Conclusion

To conclude this report, since the 2008 global financial crisis, the UK labour market has steadily grown, and improvements have been made in certain economic factors including the UK's unemployment figures falling, but its stability has recently been in question due to the global effect of Brexit. Marketing and PR relations is an important element in the world of business, and these can and will help businesses if their strategies are planned correctly. In this industry, there are many components from a marketing executive, who decides your campaign to a market researcher, who pinpoints the target audience. In conclusion, due to the widespread political and economical uncertainty, employment in the UK will continue to be in a state of unpredictability, however, this perhaps raises the idea that businesses should be investing more in public relations and marketing in order to best prepare for future events such as the eventuality of Brexit.

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