## AC1.2 Explain the impact of changing labour market conditions on resourcing decisions.

The resourcing strategies and decisions are informed by labor market in which the organization operates, and they are governed by supply and demand of human resources. The human resources demand is estimated by adding the current employment and the work they provide and the unfilled vacancies while the supply is measured by the current employment added to the number of unemployed people. The balance between the two influence resourcing decisions. A tight labor market is a market in which the demand for employment is relatively higher than the supply of human resources in the market. Hence, unemployment rate is low. Slack or loose market, conversely, is a market when the supply is relatively higher than the demand with lots of job-seekers and low number of vacancies (CIPD, 2022).

In the UK, the green jobs are growing four times faster than any other job with 2.2 % of all new jobs are classified green (Lawson, 2022). That implies that the labor market in the energy market is a tight market which increases the cost of employment. Due to the high demand in energy market, robust strategies need to be developed to retain current skills in the organization.

Employees in energy sector, like any sector, seek competitive salary, career opportunities, and work life balance. So, energy companies should focus on training and development activities while offering flexible work arrangements to promote skill shortage and retention. In terms of recruitment methods, they should focus on methods that attract Millennials and Gen Z ‘zoomers’ (Oil and Gas Job Search, 2022).