



# Economics lesson 5 – Answer sheet

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What is the labour market?

The supply of labour by households and the demand for labour by firms.

The role and operation of the labour market

The labour market is to enable workers who are willing and able to sell their labour to meet employers who are willing and able to offer them a job. For example, if employers experience a shortage in a job market, they will try and attract workers to apply by offering higher wages.

### Activity

Kai is a HR manager at a large pharmaceutical company, PharmacareUK. He is currently in the process of recruiting for two research pharmacologists. Kai needs to understand how he can attract the right talent to these roles. Part of his role looks at undertaking salary benchmarking against similar jobs in the market.

Factors that influence the demand and supply of labour:

- Wage rates
- Qualifications
- Geographical locations
- Skills
- Level of competition
- Productivity of labour
- Profitability of firms
- Size of working populations
- The state of the economy
- Barriers to entry
- Non-Monetary Benefits – e.g. holidays, working conditions

In groups of three, read through the different job descriptions in front of you. After reading through the job specifications, you need to work out:

- What the job is worth in terms of responsibilities and other benefits.
- Which responsibilities align with the other job descriptions and where to pitch the salary for the role.

There is no right or wrong answer here.

Students should be encouraged to develop key comprehension skills. The teacher should facilitate a conversation and understanding for the needs and requirements of different roles.

Students will need to go away from the lesson having an understanding of the following:

- The skills and qualifications required for certain job roles.
- Salary scales – what individuals need to have to meet certain salary bands.

