



# UNICOURSE

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Unit 1: Introduction to the course  
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Pearson BTEC Level 4 Higher Nationals in Business (RQF)

**Unit: 3**

# **Assignment 1&2: Information Pack**

Learning Outcomes 1 & 2

## **Human Resource Management**



## INTRODUCTION

The aim of this unit is to enable students to appreciate and apply principles of effective Human Resource Management (HRM). People are the lifeblood of any organisation and being able to attract, recruit and retain talented staff is at the core of all HRM activity. This unit will explore the tools and techniques used in HRM to maximise the employee contribution and how to use HR methods to gain competitive advantage. Students will explore the importance of training and development in building and extending the skills base of the organisation and ensuring it is relevant to the ever-changing business environment. Students will also consider the growing importance of becoming a flexible organisation with an equally flexible labour force and become familiar with techniques of job design and with different reward systems.

The unit investigates the importance of good employee relations and the ways in which employers engage with their staff and possibly with trade unions. Students will gain an understanding of the law governing HRM processes as well as the best practices which enable an employer to become an 'employer of choice' in their labour market.

This pack is designed to give you the information and guidance that you will need to complete your assignments for this unit.

## LO1

Explain the purpose and scope of Human Resource Management in terms of resourcing an organisation with talent and skills appropriate to fulfil business objectives

### The nature and scope of HRM:

Human resource management (HRM) is concerned with all aspects of how people are employed, managed and developed in organisations.

#### Definition of HRM

Firstly, as Boxall (2007: 13) explained 'Human resources include the knowledge, skills, networks and energies of people and, underpinning them, their physical and emotional health, intellectual capabilities, personalities and motivations'.

Some people criticize the notion of referring to people as resources. Osterby and Coster (1992: 31) argued that 'the term "human resources: reduces people to the same category of value as materials, money and technology – all resources, and resources are only valuable to the extent they can be exploited or leveraged into economic value'.

Human resource management (HRM) can be described as a strategic, integrated and coherent approach to the employment, development and well-being of the people working in organisations. HRM was defined pragmatically by Boxall and Purcell (2003: 1) as 'all those activities associated with the management of employment relationships in the firm'.

### Goals and Beliefs of HRM

- Support the organisation by developing and implementing human resource (HR) strategies which are integrated with the business strategy (strategic HRM).
- Contribute to the development of a high-performance culture.
- Ensure that the organisation has the talented, skilled and engaged people it needs.
- Create a positive employment relationship between management and employees, as well as a climate of mutual trust.
- Encourage the application of an ethical approach to people management.

### Theoretical Base of HRM

The original notion of HRM has a strong theoretical base, Guest (1987, 505) commented that: 'Human resource management appears to lean heavily on theories of commitment and motivation and other ideas derived from the field of organisational behaviour' The main theories underpinning the HRM concept are summarized below;

- Communication

## The HRM System

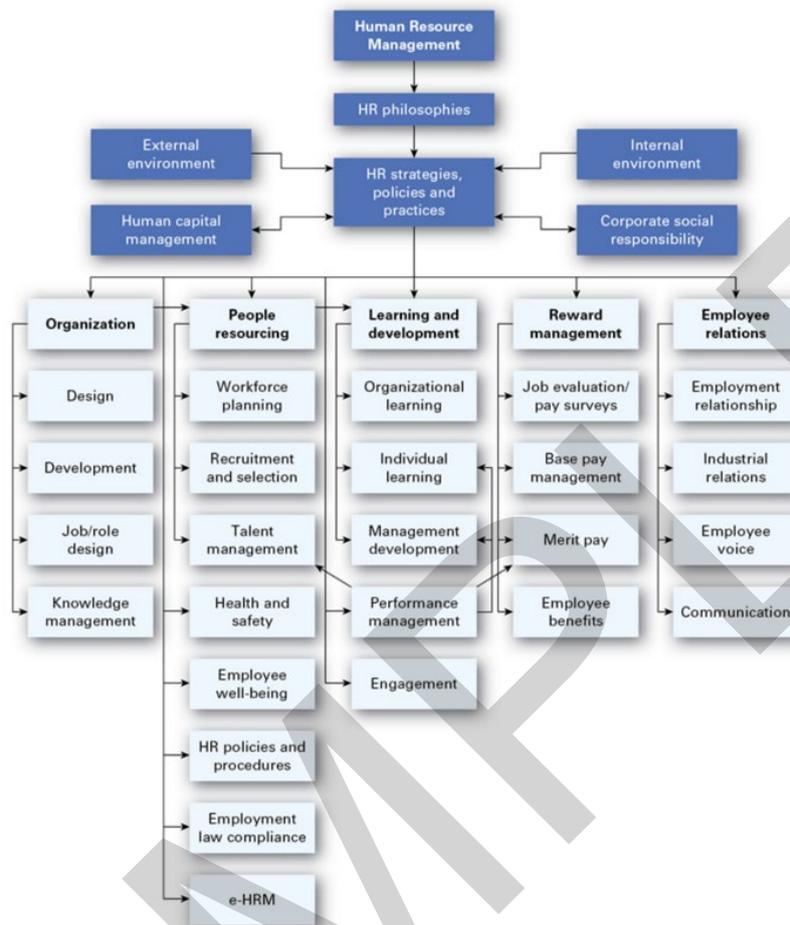


Figure 1 HRM Functional Structure Chart

## Strategic Fit

The concept of strategic fit stresses that when developing HR strategies. It is necessary to achieve congruence between them and the organisation's business strategies within the context of its external and internal environment, this notion is fundamental to SHRM, as was stressed by Wright and Snell (1998: 758) 'who wrote the primary role of strategic HRM should be to promote a fit with the demands of the competitive environment, in more detail, Shuler (1992: 18) stated that: 'Strategic human resource management is largely about integration and adaptation. Its concern is to ensure that; (1) human resources (HR) management is fully integrated with strategy and strategic needs of the firm (vertical fit); (2) HR policies cohere both across policy areas and across hierarchy (horizontal fit); and (3) HR practices are adjusted, accepted and used by line managers and employees as part of their everyday work'.

## The Best Practice Model

This model assumes that there is a set of best HRM practices that are universal in the sense that they are best in any situation, and that adopting them will lead to superior organisational performance.

A number of lists of 'best practices' have been produced, the most quoted being Pfeffer (1998).



Figure 2 6 Phases of Resource planning

## Components of Workforce Planning

- Forecasting and assessment
- Recruitment
- Contingent workforce
- Leadership development
- Career paths
- Performance management
- Retention planning
- Redeployment
- Potential retirements
- Backfills
- Internal placements
- Metrics
- Identifying job and competency needs

## Benefits of Workforce Planning

Workforce Planning has several benefits, and when building the business case for Workforce Planning, organisations should highlight the unique benefits that they see for their organisations. The State Government of Victoria (2006) describes the benefits of Workforce Planning as follows:

- It allows organisations to respond quickly and more strategically to change, as the organisation and managers can recognise emerging challenges in the market, workforce and business.
- It improves efficiency, effectiveness and productivity as employees possess the right skills and are a good fit for the job.
- It facilitates strategic staffing and planning for future workforce requirements as the organisation can identify staffing needs in a timely manner, monitor attrition, and ensure that replacements are available to fill key vacancies.
- It strengthens the organisation's capability to support the achievement of business outputs now and in the future.
- It encourages an understanding of the organisation's workforce profile; HR strategies and policies are therefore aligned with maximising the capacity of the existing workforce and shaping the desired workforce.
- It assists with the identification and management of people with the knowledge critical for effective and efficient business operations, and the organisation's management of knowledge and maintenance of corporate memory.
- It provides a mechanism for monitoring costs and directly linking expenditure of personnel against business outputs and outcomes.

## Best Practice for Resource Planning

Given that talent is crucial for the success of a business, it is imperative to plan and optimize the talent pipeline, as well as talent inventory, in order to prevent shortages or surpluses.

Since all businesses will experience a boom and bust cycle at some point, HR departments should be proactively planning and managing workforce levels. Being prepared for these inevitable cycles will not only help ensure the success of the business, but it will also help the reputation of the HR department.

Developing a formal strategy when it comes to workforce planning is important for ensuring its success. All members of the HR department should sit down and be involved in its planning, as well as maintain regular meetings for updates to the plans. If everyone knows and understands the plan clearly, then it can be executed to its peak potential in order to ensure maximum success.

Planning for employee development and retention can help ensure there is a pool of internal candidates available immediately to handle important business practices, should a sudden or unexpected staffing change occur.

If parts of a business are outsourced, there is often little direct control over workforce planning. Some companies may prefer to keep all functions internal for that reason.



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