

Pearson BTEC Level 4 Higher Nationals in Business (RQF)

**Unit: 3**

# **Assignment 3: Information Pack**

Learning Outcomes 3 & 4

## **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.

Sample

## GUIDANCE

This document is prepared to break the unit material down into bite size chunks. You will see the learning outcomes above treated in their own sections. Therein you will encounter the following structures;

### Purpose

Explains *why* you need to study the current section of material. Quite often learners are put off by material which does not initially seem to be relevant to a topic or profession. Once you understand the importance of new learning or theory you will embrace the concepts more readily.

### Theory

Conveys new material to you in a straightforward fashion. To support the treatments in this section you are strongly advised to follow the given hyperlinks, which may be useful documents or applications on the web.

### Example

The examples/worked examples are presented in a knowledge-building order. Make sure you follow them all through. If you are feeling confident then you might like to treat an example as a question, in which case cover it up and have a go yourself. Many of the examples given resemble assignment questions which will come your way, so follow them through diligently.

### Question

Questions should not be avoided if you are determined to learn. Please do take the time to tackle each of the given questions, in the order in which they are presented. The order is important, as further knowledge and confidence is built upon previous knowledge and confidence. As an Online Learner it is important that the answers to questions are immediately available to you. Contact your Unit Tutor if you need help.

### Challenge

You can really cement your new knowledge by undertaking the challenges. A challenge could be to download software and perform an exercise. An alternative challenge might involve a practical activity or other form of research.

### Video

Videos on the web can be very useful supplements to your distance learning efforts. Wherever an online video(s) will help you then it will be hyperlinked at the appropriate point.

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## LO3

# Analyse internal and external factors that affect Human Resource Management decision-making, including employment legislation

### Employee Relations

Employee relations replaces the term industrial relations and covers much more than just the collective relationships between employers and their workforce. Whereas, previously, the focus fell on the influence of trade unions and collective workforce rights, a long-awaited shift towards individual workplace rights without membership is finally gaining traction.

Employee relations includes:

- working conditions, pay and benefits – (traditional issues associated with trade unions and collective workplace rights);
- work-life balance, rewards and recognition - (more culture-led and leadership dependent).

The key thing is managing those relations well. Whether you're a business owner, line manager or HR consultant, our Culture Economy Report shows that fostering positive relations improves business performance.

#### Managing employee relations

Start with writing a transparent employee relations policy. They can include the company ethos, values and rules as well as guidance for how to address employee-related problems. Bear in mind that the way you deal with your business as a whole and with individual employees is likely to differ.

#### Individual relationships

There's good news here. With the fall in trade unions, individual relationships between employers and their employees is on the rise.

Engaging with your employees is vital if you want to make sure they stay happy and productive. It is recommended putting yourself in your people's shoes and considering their:

- motivation,
- job satisfaction,
- workflow and expectations,
- shared purpose and role,
- work effort

As an individual's needs vary greatly from employee to employee (gender, age, job and personality type etc.), work on developing trust and respect in your team. We've found that communication is key here, so try to provide an open, safe space or environment that encourages healthy and honest conversations. Face-to-face is typically the winner here.

Remember the last job you did that you loved? Did you enjoy it because you were made to feel important, because you were a valued part of a team or because you knew your work made a real difference to the success of a company?

By communicating with your employees, you will get a sense of what they want and how best to make them feel like you once did.

Some useful strategies for building or improving employee relations could include.

- **Involve your team members:** They should feel important and indispensable for the organization. An individual must be assigned responsibilities according to their interests and responsibilities. Don't impose work on them. Let them willingly accept challenges. They must enjoy whatever they do otherwise they would end up fighting with their superiors and fellow workers.
- **Encourage individuals to share their work with each other:** This way people tend to talk with each other more, discuss things among themselves and thus the comfort level increases. Let them work together and take decisions on their own. A team leader should intervene only in extreme cases of conflicts and severe misunderstandings.
- **Assign them targets and ask all your team members to contribute equally and achieve the target within the desired time frame.** Motivate them to work in groups. This way employees have no other choice than to trust their fellow workers and take each other's help as well. An employee must have the liberty to express his ideas and all of them should sit together to decide on something which would be beneficial to all.
- **One should try his level best that all the employees must have their lunch together at the same time.** Half an hour to forty-five minutes must be dedicated to lunch and one should not discuss work during lunch time. There are other topics as well. Discuss movies, sports, shopping or any other thing under the sun. There will be no harm if the employees go out together once in a while for get togethers, picnics or shopping. Ask them to bring their family members as well.
- **Encourage effective communication among the team members.** It has been observed that poor communication leads to confusions and misunderstandings. The communication has to be precise and relevant. One should not play with words and be very specific about his expectations from his fellow workers as well as the organization. If you are not very happy with your colleague's proposal, don't keep things to yourself. Voice your opinion and do express your displeasure. It will definitely prevent a conflict among employees later and improve the relations among them. Be straightforward. Don't pretend things just to please your boss. If you find anything unacceptable, discuss with your superior but in a polite way.
- **Written modes of communication must be promoted among the employees for better transparency.** Verbal communication is not as reliable as written communication. The agendas, minutes of the meeting, important issues must be circulated among all through emails. Make sure that all the related employees are in the loop. Don't communicate individually with any of the employees as the other one might feel neglected and left out.
- **Morning meeting is another effective way to improve the relation among the employees.** Let everyone come together on a common platform and discuss whatever issues they have. The

meetings must not be too formal. Allow the team members to bring their cups of coffee. Start your day with a positive mind. Greet everyone with a warm smile. Exchange greetings and compliments. If any of your team member is not in a pleasant mood, do take the initiative and ask what is wrong with him. Try your level best to provide him a solution.

- **Organize birthday parties, Christmas parties, New Year parties etc.** at the workplace. These small initiatives actually go a long way in strengthening the bond among the employees. Ask all of them to decorate the office, their workstations and make all the necessary arrangements themselves. You will actually be surprised to find out that everyone would be ready with some thing or the other. Employees would actually take the initiative and organize things on their own. Let them enjoy with each other and have fun.

Praise the individual if he has done something exceptionally well. Reward him suitably. The names of the top performers must be displayed on the notice boards for others to draw inspiration from them. Encourage everyone to perform well to live up to the expectations of the superiors as well as the management.

### Trade Unions and Workplace Representation

Although trade unions look after the interests of their members, they also recognise the advantages of working in partnership with employers. This is because a successful, profitable business is good for workers and therefore good for the union and its members.

An employer and a recognised trade union interact with the workplace in a number of ways, as set out below.

#### Trade unions: negotiating collective agreements

If you recognise a trade union in your workplace, you will probably have agreed with the union to bargain with it about the **terms and conditions of employment** of those workers who fall within a defined bargaining unit.

Sometimes, that **bargaining unit** will include all workers, but it is common for the unit to include just certain categories of worker, e.g. production line operatives or technicians.

The objective of such collective bargaining is to conclude a **collective agreement with the trade union**. Where an independent trade union is recognised, the employer is obliged to disclose information to the trade union to facilitate the bargaining process.

A collective agreement is between a recognised trade union (or group of unions) and an employer (or groups of employers). Most typically, they set out the **terms and conditions** - e.g. pay, benefits and working time - to be included in the employment contracts of the workers in the bargaining unit. Other collective agreements are purely procedural and regulate the working relationship between the union(s) and the employer(s).

A collective agreement isn't legally enforceable unless it:

- is in writing
- states that it's meant to be legally enforceable

In the UK, most collective agreements are not legally enforceable.

### **Trade unions: Informing and consulting**

Under certain circumstances, you must inform - and consult with - representatives of a recognised trade union about:

- collective redundancies - see redundancy: the options
- transfers of business ownership - see responsibilities to employees if you buy or sell a business
- occupational and personal pension schemes - see know your legal obligations on pensions
- health and safety - see consult your employees on health and safety

However, you could enter a voluntary agreement with a trade union to inform and consult the union about broader business and workplace issues on a regular, ongoing basis. The union may want to set up a joint consultative committee specifically for this purpose.

Employees and other workers have the right to be accompanied at a disciplinary or grievance hearing. They can choose to be accompanied by a co-worker or a union representative. Often, the union representative, will be a workplace representative who is also a co-worker.

### **Non and partly unionised workplaces**

You may have to inform and consult other workplace representatives - known as employee representatives - where you:

- Don't recognise any trade union in your workplace.
- Do recognise a union (or unions) in your workplace but not all your workers are represented by that union (or those unions). This may be because they do not belong to the bargaining unit for which the trade union is recognised.

### **Employee Relations - Importance and Ways of Improving Employee Relations**

Maintaining a strong employer and employee relationship can be the key to the ultimate success of an organisation, the results are advantageous. It is known that if a strong relationship is in place employees will be more productive, more efficient, create less conflict and will be more loyal. Taking this into consideration, is your company operating at its peak performance? Is this because you lack a strong relationship with your employees?

### **The Benefits of Strong Employment relations-**

Having strong employer and employee relations reaps a lot of benefits for your business. The three most advantageous are listed below.

#### **Productivity**

Strong employment relations create a pleasant atmosphere within the work environment; it increases the employee motivation and can also be increased through improved employee morale. Companies that have invested into employee relations programs have experienced increases in the productivity, and therefore the increased productivity leads to increases in profits for the business.



## **Employee Loyalty**

Creating the productive and pleasant work environment has a drastic effect on an employee's loyalty to the business, it encourages a loyal workforce. Having such a workforce improves employee retention, in doing so the cost of recruitment, hiring and training is cut drastically. For most businesses the high cost of employee turnover outweighs the cost of the employee relations program that they have in place. Another benefit is that when the employee turnover is low it ensures that the employer has a trained and skilled set of employees.

## **Conflict Reduction**

When a work environment is efficient and friendly the extent of conflict within the workplace is reduced. Less conflict results in the employees being able to concentrate on the tasks at hand and they are therefore more productive.

All the research and statistics lead to one conclusion, 'A happy workforce is a productive workforce'. Creating a sound and efficient work environment with good management and a strong employer-employee relation can be the vital key to any business's success or failure.

## **Achieving Strong Employment Relations**

So how exactly is a strong relationship developed? The first implicating factor is good management. You may ask, why? Through research and surveys, it was found that an employee who respects their employer is more likely to over-achieve in their designated duties, this creates a goal setting environment where the productivity levels are high. So how exactly does one perfect good management? Below is an outline of 5 factors that are beneficial in the practice of good management.

### **Motivating your employees**

Ask yourself these questions.

Why are the employees there? (Don't assume its money- most people aren't one-dimensional)

What keeps them loyal to your organization?

Now you can understand the current motivation of your employees and continue to motivate them further through encouragement and incentives. Encouragement can be achieved simply through applauding your workers every once in a while, both publicly and privately. It is known throughout all levels of management that happy employees make productive employees.

### **Set Goals**

Achieving strong employee relations is also providing your employees with the image of ambition and success. A saying that should be considered is 'Under-promise, Over-deliver'. This phrase is a great managerial mantra. Consider this; do you want to be the person who has wildly optimistic goals that they never meet, or do you want to be the person who sets measured goals and ends up exceeding them by leaps and bounds? Although this is focused on image it also is focused on reputation, these are important when seeking respect from your employees.

## Delegate

Delegation of work/tasks throughout any business is important. Through delegation you are taking an opportunity to teach and empower your employees. This also allows you and the employees to acknowledge and understand their strengths and weaknesses. These are a few points to consider when delegating tasks.

1. Assign tasks that challenge your employees
2. Assume responsibility for your employee's mistakes
3. Do not take credit for your employee's achievements
4. Accept your own personal mistakes

## Communicate Effectively

When creating a work environment with an effective communication network there is one key factor that is vital. It is to 'Keep your door open'. Regularly remind and reinforce that your door is always open to any inquiries or concerns, and that you as a manager or business owner are willing and ready to listen. Maintaining an open channel of communication will make you aware of problems quickly, which is beneficial for quick resolution.

## Embracing Equality

Most employers aren't into equality as they would like to believe they are. In some cases, favouritism can be subconscious. But by embracing equality for all employees will create a fair and equal workplace environment for all. If every employee feels equal and important, they are more likely to work harder and be more productive.

All the research and statistics lead to one conclusion, 'A happy workforce is a productive workforce'. Creating a sound and efficient work environment with good management and a strong employer- employee relation can be the vital key to any business's success or failure. Good luck.

### [Employee Relations Strategies Continued](#)

An effective employee relations strategy will impact employee engagement, thus resulting in better company performance. How do you go about developing effective employee relations? Follow the advice below:

#### **ADOPT A CONDUCIVE WORKPLACE CULTURE**

Employees want to feel good about what they do and where they do it. Decide with your team what values represent your company and then promote them transparently. Articulate them to every person in the organization; they will drive expected behaviours. It should go without saying that leadership must live the cultural platform.

#### **INVOLVE YOUR TEAM MEMBERS**

Employees should feel important to your company. Let them willingly accept new responsibilities and challenges. But, make sure they enjoy whatever they do. Encourage employees to share their work with each other. This way people tend to talk with each other more, discuss things among themselves and thus the comfort level increases. Let them work together and make some decisions on their own. A team leader should intervene only if necessary.